SENATE—*July 20, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 8:45 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 our Heavenly Father, the Senate will be led in prayer by the Reverend Richard C. Halverson.

PRAYER

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

Let us pray:

*Who can find a virtuous woman? For her price is far above rubies. The heart of her husband doth safely trust in her * * *. Her children arise up, and call her blessed; * * * a woman that feareth the Lord, she shall be praised.*—Proverbs 31:10, 11, 28, 30.

Gracious God, "Giver of every good and perfect gift," with gratitude we praise Thee for a remarkable lady, Mrs. Rose Kennedy, as she with her family celebrates her 100th birthday Sunday. We thank Thee for the strength of her Catholic faith and conviction—for her life of dedication and tough love which sustained her and strengthened family in adversity and tragedy. Thank Thee for her faithfulness, perseverance, resilience in the loss of three sons, Joseph by war, John and Robert by assassination. With family, a multitude of friends and admirers we rise up to call her blessed and express our appreciation for the inspiration of the life of one of the truly great women of the century. May Thy richest blessing abide upon her and her loved ones. In the name of Jesus her Lord whose Mother she cherished. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. The Chair understands that the leadership time has been reserved by previous order.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business.

THE 1990 MID YEAR REPORT

The mailing and filing date of the 1989 Mid Year Report required by the Federal Election Campaign Act, as amended, is Tuesday, July 31, 1990. All principal campaign committees supporting Senate candidates in an election year other than 1990 must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510-7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 9 p.m. on the filing date for the purpose of receiving these filings. In general, reports will be available 24 hours after receipt. For further information, please do not hesitate to contact the Office of Public Records on (202) 224-0322.

Mr. MITCHELL. 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. LEAHY. 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.

TRIBUTE TO WILLIAM PETERSON

Mr. DURENBERGER. Mr. President, I was saddened to note the passing of William Peterson, a reporter on the national staff of the Washington Post.

I had the pleasure of knowing Mr. Peterson. He ably covered health issues, and my 1982 election campaign in Minnesota.

Mr. Peterson was born in San Luis Obispo, CA, but called Osakis, MN, his hometown. He was a 1965 graduate of Hamline University in St. Paul. William Peterson was the Post's Chicago correspondent and, as such, covered a variety of stories in Minnesota. He is remembered by many friends and family in Osakis, Alexandria, and St. Paul. I extend condolences to them, his wife, Linda Peterson of Chicago, and his sons, Chad and Mark.

Mr. President, I ask unanimous consent that the following article, the obituary for William Peterson which appeared in the July 19 edition of the Washington Post, appear at this point in the RECORD.

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

[From the Washington Post, July 19, 1990]

POST NATIONAL REPORTER WILLIAM PETERSON DIES

(By J.Y. Smith)

William R. Peterson, 47, a reporter on the national staff of The Washington Post who had been the newspaper's Chicago correspondent since 1987, died of cancer yesterday at Georgetown University Hospital.

Mr. Peterson joined The Post in 1975. Whether he was writing about politics, which was his main subject, or poverty in the Third World or small towns in the Midwest or some subject that just caught his attention in passing, his chief interest was how things worked and how people lived—how the different parts of the world were related to the whole.

In announcing his death to the staff, Managing Editor Leonard Downie Jr. said, "Behind his uncommonly graceful writing style and engaging professional manner was a hard-digging reporter and sharp analytical mind, all of which we will miss. But, most of all, we will miss one of the nicest guys anyone had ever met in this business."

Characteristic of Mr. Peterson's work was his account, in the spring of 1980, of the end of George Bush's two-year quest for the Republican presidential nomination, when Bush conceded to Ronald Reagan:

"He was the comeback candidate. No one took more beatings. No one went to the mat more often. No one bounced back with more tenacity and grace. Even in the end, he didn't want to quit. He agonized over it for days. But finally, he accepted what the numbers told him—that he was finished. . . .

"Always there were those who doubted his motives. First he was accused of being a stalking horse among moderates for former president Gerald R. Ford. Then he was accused of being interested only in the vice presidency. Bush steadfastly denied interest in the vice presidency and repeated it yesterday in his press conference. But his name can be expected to be more frequently mentioned as a possible Reagan running mate."

Mr. Peterson's coverage of the 1986 Florida campaign between Gov. Bob Graham (D) and Sen. Paula Hawkins (R) for the U.S. Senate was an important examination of politics of the 1980s and perhaps of the 1990s. What emerged was a profile of the politics of image, in which the determining factors are the 30-second television spots, sound bites, media consultants and enormous sums of money, and in which constituents almost never speak to candidates, except through polls, and in which substantive issues often seem to be ignored.

In January 1988, Mr. Peterson reported from Osakis, Minn., a town 120 miles northwest of Minneapolis, where the prairie meets the lake country, and where he had grown up:

"Jesse Jackson came to my hometown yesterday. It was, Mayor C.J. Moore proclaimed, 'the biggest thing that had ever happened' in this snow-covered town of 1,326. No one knew what to expect. A presidential candidate had never visited Osakis

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

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(pronounced O-say-kiss) before, and the last time some residents saw a famous black man up close was in 1963 when the 'Inkspots' performed at the local high school.

"But this resort and farming town went wild over Jackson. The Community Center was filled to its capacity of 310 a full hour before Jackson arrived. . . . The Republicans jostled with Democrats when [Jackson] arrived in the 8-degree-below weather. . . . And insurance agent Mike Mathews placed his son Steve—wearing heavy leg braces—in the front row at the Community Center. He beamed when Jackson embraced the boy."

In 1978, Mr. Peterson traveled for two months in India, Pakistan, Indonesia, Guatemala and Tanzania to report on poverty in the Third World. He had never before been outside the United States, and this seemed to give a special freshness to his observations of the disadvantaged who make up "The Global Majority," the title of the articles he wrote.

Mr. Peterson was born on April 24, 1943, in San Luis Obispo, Calif. He graduated from Hamline University in St. Paul in 1965. He studied at American University, and in 1967 received a masters' degree in journalism from Northwestern University.

He then joined the Louisville Courier-Journal, where he covered politics. He also wrote a book, "Coaltown Revisited: An Appalachian Notebook" (1972).

At The Post, he began as a reporter on the Metro weekly staff and then covered Maryland. He joined the national reporting staff in June 1977.

Throughout his career, Mr. Peterson enjoyed writing topical pieces just because they were interesting, and his assignment in Chicago provided many opportunities for this kind of story.

So he reported on the introduction of riverboat gambling in Iowa, a radical departure dictated by the lagging economy in that normally strait-laced state; about a French restaurant and bowling alley in the farming community of Arcola, Ill., where some people go for the food and not the bowling, some people go for the bowling and not the food, and some people go for both.

Mr. Peterson was found to have lung cancer in the autumn of 1988. In March, just before undergoing surgery, he told a colleague that if he did not survive the procedure he wished it to be noted that his last story, a profile on Rep. Gus Savage, a Chicago Democrat, had appeared on Page 1 of that day's Post. In fact, his last story, about Chicago Mayor Richard M. Daley, appeared last month.

Mr. Peterson lived in Chicago and flew to Washington Monday to see friends and colleagues. He also had a home in Alexandria.

Survivors include his wife, Linda Peterson of Chicago; two sons, Chad Peterson of Washington and Mark Peterson of Chicago; his mother, Jeanette Susens of Osakis; three brothers, Kenneth, Michael and Timothy Peterson, all of St. Paul; and a sister, Helen Ann Wagner of Alexandria, Minn.

IN SYMPATHY FOR JESS STUMP, FATHER OF CONGRESSMAN BOB STUMP

Mr. DECONCINI. Mr. President, I would like to express my sincere sympathy to Congressman BOB STUMP on the death of his father, Jess, on July 18, 1990. Having lost my own father not many years ago, I can personally empathize with the sorrow one experiences on the loss of a loved parent. My wife Susie and I send our heartfelt condolences and our prayers to the Stump family.

Jess Stump was born in Nebraska in 1900, but moved to Arizona in 1908 when the family transferred its cotton farming operations to Phoenix. He was one of seven brothers and one sister.

Jess Stump, who attended Phoenix College, served on the Murphy School Board. He was elected to the 21st and 22d Arizona Legislatures, serving in the House of Representatives. During his tenure, Jess served as chairman of the House Agriculture and Irrigation Committee and on the Rules and Education Committees. In addition to being an active member of the Seventh Day Adventist Church, Jess was a member of the Lions, the Arizona Farm Bureau, and the Arizona Cotton Growers.

Jess Stump was married to Floy B. Field (1925-61) and Olive M Lewis (1961-89). He is survived by one brother, Judge Alfred Stump of Lodi, CA, two children, my colleague from Arizona, Congressman BOB STUMP, and Patricia Stump, six children and eight great-grandchildren.

In the early 1900's, Arizona was not yet a State and had not been discovered as an idyllic place to live by the rest of the country. At that point in Arizona's history, virtually everyone in Arizona was considered a neighbor. And the Stumps, the Hurleys, and the DeConcinis have been neighbors and friends for the better portion of this century.

My wife's family, the Hurleys, and my family have known the Stump family for many years. Susie's family had the longer relationship, both families having pursued their livelihoods in agriculture when Arizona was truly a frontier. The DeConcini family relationship extends back to the late forties when my father, Evo DeConcini, served as a justice on the Arizona Supreme Court and Jess Stump served as a member of the Arizona State Legislature. The Stump/DeConcini political relationship has continued to today with BOB STUMP and I serving as colleagues in the Arizona congressional delegation since 1976. More important, however, is that our family relationships have endured throughout the ensuing years.

The Hurleys and DeConcinis, who were enriched for having known Jess and his family, all mourn his passing. Jess Stump epitomized the best in the West—from his rugged individualism to his deep sense of caring for his family, his State, and his country. We shall all miss him. Once again, Susie and I express our sincerest sympathy to the entire Stump family in this hour of sorrow and loss.

CYPRUS GREEN LINE MUST FALL

Mr. PRESSLER. Mr. President, I rise today to speak on the tragic division of Cyprus, a country that has been illegally occupied for the past 16 years by Turkish troops.

The opening of the Berlin Wall and the shifting political situation in Eastern Europe have raised hopes for a freer, more democratic world. Nobody predicted the swiftness of these dramatic and significant changes. Yet the strong winds of freedom that toppled the Berlin Wall are but a faint breeze in parts of the Eastern Mediterranean island of Cyprus.

On Cyprus, the U.N.-controlled Green Line, a line of barbed wire, mines, and heavily armed Turkish troops has separated the Greek Cypriot community from the Turkish Cypriot community since 1974, when troops from Turkey invaded the island. Today, 35,000 Turkish troops remain in Cyprus patrolling the Green Line and ensuring the continued division of Cyprus. The Turkish Government blatantly ignores the rule of law by continuing the occupation, despite the international community's numerous calls for the troops' removal.

The Green Line runs through the center of Cyprus, but unlike the Berliners, the Cypriots are still prohibited from moving freely in their own country. Two hundred thousand Greek Cypriots are unable to cross the Green Line to return to their homes and businesses which were seized during the invasion. The Greek Cypriots wonder about the fate of 1,619 persons—including American citizens—who have been missing since the invasion. The Green Line is odious to the Turkish Cypriot community as well. It deprives them of economic exchange with their fellow Cypriots and with other nations—except Turkey, which subsidizes 60 percent of the occupied zone's economy. This is the tragedy of Cyprus.

There is hope. Like the East and West Germans, the Greek and Turkish Cypriots desire an end to the partition of their island; the status quo of division is unacceptable. This is especially true considering that the two communities have lived side by side for more than 400 years. Further, the United Nations recognizes only one Cyprus.

Unnatural boundaries and walls are intolerable and unacceptable. Foreign occupation troops have been withdrawn from Afghanistan, Angola, and Cambodia while Cyprus tragically stands alone as the only European country occupied by foreign troops. The presence of 35,000 heavily armed Turkish troops on Cyprus is a barrier to freedom.

Since August 1988, Cyprus President George Vassilious and Turkish Cypriot

leader Rauf Denktash have been negotiating under the auspices of the U.N. Secretary General, Mr. Javier Perez de Cuellar, in an effort to reunite the two sides. In July 1989, the Secretary General introduced a document containing concrete ideas as food for thought to help the two sides arrive at a framework agreement for a federal solution. The proposed constitution of a united Cyprus would provide for freedom of movement, freedom of settlement and freedom to own property within a framework agreed upon by the two sides.

Unfortunately, the Cyprus talks collapsed last March when the Secretary General was forced to declare an impasse because Mr. Denktash's insistence on using terminology that was contrary to the framework that all the parties had previously accepted. In contrast, President Vassiliou is anxious to resolve the conflict and is sincere in his belief to reach a just and lasting solution to the Cyprus problem.

For United States policy reasons, a solution to the Cyprus division is imperative. Although it is a small country about the size of Rhode Island, with a population equal to that of New Hampshire, Cyprus is strategically located in the Eastern Mediterranean—just 50 miles from the coast of Lebanon. Ending the partition would stabilize the entire region and end a major source of conflict between our NATO allies, Greece and Turkey.

To facilitate the goal of a unified Cyprus, the United States must continue to support U.N. Secretary General Perez de Cuellar in his efforts to reach a just and lasting solution to the Cyprus problem. With the beginning of this new decade, we must continue to find solutions and resolve difficult world problems. I urge the two communities to put the past aside and work in harmony for a brighter future for Cyprus. With encouragement from the United States, and the entire international community, the winds of change that toppled the Berlin Wall will sweep across Cyprus and heal the division there. The continuation of talks between President Vassiliou and Mr. Denktash would be a necessary and constructive step toward this goal.

RESOLUTION OF THE CYPRUS CONFLICT

Mr. PELL. Mr. President, it has been 16 years since the Turkish invasion of the island of Cyprus. As we have witnessed peace and cooperation triumph in all parts of the world, one cannot help but be struck by the glaring exception in the Eastern Mediterranean.

On July 20, 1974, the Republic of Cyprus was invaded by Turkey. Today, some 35,000 Turkish troops continue to occupy almost 40 percent of the territory of the republic. The occupation has been expanded by the transfer of some 82,000 settlers from mainland Turkey. United Nations' talks, once hailed as promising, have been shattered by the Turkish Cypriot leader's unacceptable demands.

Mr. President, as we remember today the 4,000 Greek Cypriots who lost their lives in the invasion and the 200,000 Greek Cypriots who became refugees in their own land, we must intensify our efforts to resolve the Cyprus question. I am deeply disappointed that the administration is either unwilling or unable to bring to bear the diplomatic, political and economic tools at our disposal to help resolve the Cyprus conflict. On March 23, I and four of my colleagues wrote to Secretary Baker asking that he personally take steps to elevate the Cyprus issue on the United States foreign policy agenda and that the administration begin utilizing our substantial leverage with the Turkish Government to bring about constructive negotiations on the issue of Cyprus. On April 2, I, along with 22 of my colleagues, wrote to President Bush urging that he make it clear to all parties that a Cyprus settlement is important to United States policy in the region. To date, there is little evidence that the administration is doing all it can to further a negotiated settlement.

In fact, there are disturbing indications that the administration may be wavering in its stated policy toward the illegal Turkish occupation of northern Cyprus. Both the tone and content of President Bush's June 22 report on the situation in Cyprus, required by law, and the apparent acquiescence of the administration to transferring responsibility for the security of Famagusta to Turkish Cypriot troops leave the unfortunate impression that the United States Government is conferring some level of legitimacy to the self-proclaimed, pseudo-state in northern Cyprus.

Mr. President, the international community has taken a strong stand against Turkey's armed occupation of Cyprus. The U.N. Security Council, the U.N. General Assembly, the European Parliament, and the International Parliamentary Union are all on record in support of a peaceful settlement that will preserve the unity and the territorial integrity of the Republic of Cyprus. Most recently, the European Council explicitly linked a resolution of the Cyprus question to the Council's relations with Turkey.

The executive and legislative branches of our Government must join together to send a strong, unambiguous message to Turkey that the Cyprus crisis must be resolved. President Bush has stated that the status quo is not an acceptable solution to the Cyprus problem. It's time he backed up those words with deeds. It's time to seek not only to limit aid to Turkey, but to give serious consideration to cutting aid to Turkey entirely, until Turkey commits itself to a peaceful solution on Cyprus.

THE 16TH ANNIVERSARY OF THE INVASION OF CYPRUS

Mr. SARBANES. Mr. President, it is with deep regret that we find it necessary to observe another anniversary of the brutal invasion of the Republic of Cyprus. On July 20, 1974, heavily armed Turkish troops stormed the island, causing hundreds of thousands to flee their homes and bringing an abrupt end to Cyprus' brief history as an independent, democratic and unified republic. Since that date, Turkish forces have maintained the country's division by enforcing the illegal Turkish occupation of nearly 40 percent of the island.

This story is rendered even more tragic by the fact that, to this day, the consequences of the invasion continue unabated. Some 200,000 Greek Cypriots who were forced to flee their homes in the north remain refugees in their own country, an entire generation having now nearly reached maturity with no memories of the towns and communities where generations of their ancestors were born. The beautiful coastal city of Famagusta remains off-limits to its former inhabitants, a ghost town under military control; 2,000 persons who disappeared during the invasion are still missing and unaccounted for, their relatives' prayers and pleas for any evidence or information as to their fate unanswered. Turkey still maintains a large occupation force on the island, heavily armed. Rather than having the possibility of devoting themselves to the challenge of building a democratic and prosperous society, the citizens of Cyprus are condemned to the task of coping with the grievous damage of the 1974 invasion.

The experience of the people of Cyprus has been particularly embittered by events of the past few months, as U.N.-sponsored efforts to achieve a just resolution to the Cyprus problem have collapsed due to intransigence on the part of Turkish Cypriot leader Rauf Denktash. Hopes that President Vassiliou's bold initiatives would bring new vitality to the negotiating process have been heavily dampened by Denktash's refusal to remain within the established conceptual framework of the talks. Important opportunities for progress have been squandered through the failure of Turkish Cypriots to reciprocate President Vassiliou's efforts to demonstrate flexibility and openness to new approaches.

Mr. President, I urge the Bush administration to make it clear beyond

any doubt that neither the status quo nor partition of the island can be considered an acceptable solution to the Cyprus problem, and I continue to urge that achievement of a negotiated settlement on Cyprus be made an even higher priority on our national agenda. As we recall the tragic events of 1974, our thoughts turn to the people of Cyprus, who must struggle on a daily basis to live with the invasion's bitter legacy. In an era of unprecedented change around the world, with successful examples of peacemaking evident in so many different regions, we must do everything in our power to bring new hope for peace and justice on the island of Cyprus.

WE MUST END THE DIVISION OF CYPRUS

Mr. DECONCINI. Mr. President, today is an unfortunate one for it marks the 16th anniversary of the invasion of Cyprus by Turkish troops, and nearly two decades of suffering and anguish for the original citizens of Cyprus. Today 35,000 Turkish troops and 82,000 Anatolian settlers illegally occupy almost 40 percent of Cyprus, preventing more than 80 percent of the ethnic Greek residents of the island from returning to their ancestral homes on the eastern side of the island. This cruel isolation and division have created nearly 200,000 Cypriot refugees in their own land, forcing them to leave behind land, homes, and personal property worth millions. In addition, the Turks have tried to completely rid their occupied areas of all items of Greek-Cypriot cultural and religious heritage, including the desecration of ancient Greek Orthodox Churches.

Currently, the United States provides Turkey with half a billion dollars annually in foreign assistance. Some of this aid may be being used by the troops occupying Cyprus contrary to the expressed direction of Congress. I strongly oppose this occupation that both the United States and the United Nations have called illegal and morally unjustifiable. Our aid, however, gives us great leverage with the Turkish leadership as we try to encourage a peaceful settlement to their military occupation of this island nation.

At the present time the talks between President Vassiliou of the Republic of Cyprus and Rauf Denktash, the Turkish-Cypriot leader, have stalled. We in the United States need to call upon President Vassiliou and Mr. Denktash to begin a new round of negotiations to bring about a peaceful resolution to this needless conflict between two U.S. allies. The Secretary General of the United Nations, Perez de Cuellar, has been actively using his good offices in attempting to resolve this issue. I applaud these efforts and urge President Bush to use his power and influence to revive these negotiations so that we will see that the basic rights of freedom, justice, and democracy are guaranteed to each and every Cypriot. It is my hope that this will be the last year that we will have to bring world attention to this sad division of territory in Cyprus.

VISIT BY KOREAN OFFICIALS

Mr. BOND. Mr. President, Monday, June 25 marked the 40th anniversary of the Korean war. Thus it was timely to have a group of distinguished Korean parliamentarians in Washington to meet with Members of Congress during that week.

The group included two former trade ministers, a senior foreign policy advisor to ruling party coleader Kim Young Sam and a lawmaker representing Korea's main opposition party which is led by Kim Dae Jung.

The Korean officials came to Washington to expand the communication channel between our parliaments and exchange views on a variety of economic and trade issues with key policy-makers in the House and Senate. In addition, they met with U.S. Trade Representative Carla Hills and other administration officials.

Mr. President, 40 years after the end of the Korean war, the United States-Korean relationship remains vital and strong. We in Congress have a keen interest in a secure, democratic, and economically vibrant Korea. This visit of the Korean parliamentarians along with past visits of similar delegations demonstrates that relations between our countries remain close. We should commend these political leaders for taking the time to come to the United States to open a channel of communication between our two legislative bodies, and we in the Congress should make similar efforts to ensure that the dialog remains open.

I ask unanimous consent that a list of the members of the delegation be inserted into the RECORD immediately following my remarks.

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

The Honorable Rah, Woong-Bae—Mr. Rah is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. In the past, Mr. Rah has served as his nation's Deputy Prime Minister, Finance Minister and Trade and Industry Minister. He has a Ph.D. in economics from the University of California at Berkeley and, before entering government, taught at Seoul National University.

The Honorable Han, Seung-Soo—Mr. Han is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. His previous experience includes his work as Trade and Industry Minister, Chairman of the Korea Trade Commission and professor of economics at Seoul National University. Mr. Han has a Ph.D. from the University of York in England.

The Honorable Hwang, Byung-Tai—Mr. Hwang is a member of the ruling Democratic Liberal Party and sits on the Central Executive Committee of the National Assembly. In the past, he has served as President of the Hankuk University and a senior official at the Economic Planning Board. Mr. Hwang received his Ph.D. in political science from the University of California at Berkeley.

The Honorable Yoo, Joon-Sang—Mr. Yoo is a member of the opposition Party for Peace and Democracy and is Chairman of the National Assembly's Economy and Science Committee. His past experience includes service as Chairman of his party's Discipline and Presidential Election Campaign Committees and Spokesman for the Democratic Human Rights Association. Mr. Yoo has a B.A. in Economics from Korea University.

The Honorable Suh, Sang-Mok—Mr. Suh is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Finance Committee. He is also his party's Director-General for Policy Coordination. His experience includes work as Vice President of the Korea Development Institute and Economist at the World Bank. Mr. Suh has a Ph.D. in economics from Stanford University.

The Honorable Cho, Kyung-Mok—Mr. Cho is a member of the ruling Democratic Liberal Party and sits on the National Assembly's Economy and Science Committee. His previous posts include Deputy Secretary General of his party and Vice Minister of Science and Technology. Mr. Cho did his graduate work at the School of Business Administration of Victoria University in New Zealand.

SAVINGS AND LOAN COMMISSION

Mr. BOSCHWITZ. Mr. President, over the weekend I am going to be considering the introduction of a bill that would establish a national commission which would be charged with considering causes and failures of the savings and loan system and to consider proposals to prevent future failures of this nature.

I understand there may be some other Senators who are offering a similar type of legislation and I will try to coordinate my activities with them. But this is certainly an important thing to do, to look back to see what caused these problems, and to try to establish some kind of a path so that in the future we will be able to gain from the experience so that we do not have such failure in the future either with banking systems or with other segments of the economy.

So, I simply wanted to say to my colleagues that I do have this in mind, and those who are interested in it should give me a call and I would enjoy their participation.

HOUSE REPUBLICANS AND THE NO-NEW-TAXES PLEDGE

Mr. KASTEN. Mr. President, 2 days ago, our House Republican colleagues sent a clear—and meaningful—message to the negotiators in the budget summit: New taxes would hurt the economy and, therefore, will be opposed by the Republican Party.

By a 2-to-1 margin, the House Republican Conference passed a resolution which states that the conference "opposes new taxes and all tax rate increases as a means of reducing the Federal budget deficit."

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD:

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

REPUBLICAN CONFERENCE RESOLUTION

Whereas new taxes or tax rate increases would have a detrimental impact on families, business, and the American economy as a whole; and

Whereas, Republicans have bargained in good faith on previous balanced deficit reduction attempts and were consistently denied by the Democrat-controlled Congress the promised spending reductions to accompany tax increases; and

Whereas, the Conference endorsed the President's call for deficit reduction through spending cuts, growth incentives and process reform; and

Whereas, Republicans in the House of Representatives have the numbers to sustain a Presidential veto of legislation imposing new taxes or raising existing tax rates; and

Whereas, Senate Majority Leader Mitchell has abandoned the summit goals and emerged as a consistent roadblock to real spending cuts or growth incentives, and championed tax increases at every turn;

Whereas, the Democrats in Congress have consistently refused to approach deficit reduction in any way other than by raising taxes; and therefore, be it

Resolved, That the Republican Conference opposes new taxes and all tax rate increases [1] as a means of reducing the federal budget deficit, and instructs its leaders to represent this position to the President and the public.

Mr. KASTEN. This resolution reaffirms the Republican Party's commitment to economic growth, opportunity and job creation. While the budget deficit is a problem, it is not a crisis that requires a major tax increase. The Congressional Budget Office estimates that the 1991 deficit—including the cost of the S&L bailout—will be 2.7 percent of GNP. As recently as 1983, the deficit was 6 percent of GNP—and our economy was growing.

I think President George Bush put it best when he said, "There's no quicker way to kill prosperity than to raise taxes." He was right. I think he still believes it. But he's being forced to accept new revenues because the Members on the other side of the aisle will not consider any restraints on the $1.2 trillion Federal budget.

In a recent opinion poll, 45 percent of the public agreed that the Democrats are too quick to raise taxes.

Mr. President, if we simply set more reasonable deficit goals, I think we can achieve a meaningful bipartisan deficit reduction plan in the range of $30 to $40 billion without tax revenue increases beyond what the President proposed in his budget. Let's put an end to this manufactured hysteria over a $100 billion sequester. We all know that a sequester of this size is not going to happen.

Let's adjust the Gramm-Rudman targets and limit the potential sequester to $50 billion. In this way, if the budget talks fall apart, we can guarantee real deficit reduction without a tax increase.

[1] Tax rate increases include not only income tax rates but all rates on all existing taxes under federal jurisdiction.

CIVIL RIGHTS ACT OF 1990

Mr. DOLE. Mr. President, this past Wednesday, for the first time during my nearly 30 years in Congress, I voted against a bill that wore the civil rights label.

QUOTA JUSTICE

Despite my record of support for civil rights legislation, a record about which I am very proud, Wednesday's vote was an easy one for me.

It was easy because when you take the time to look behind the label and at the actual text of the so-called Civil Rights Act, you'll see that this bill has very little to do with civil rights, or racial justice, or equal opportunity. You'll see that it has more to do with forcing employers to "hire by the numbers." With quota justice. And with distorting not restoring, the civil rights vision that has served this Nation well for more than 25 years.

The so-called Civil Rights Act of 1990 alters the careful balance of title VII by allowing sky's-the-limit jury awards—unlimited compensatory damages, unlimited punitive damages, and unlimited opportunities for the plaintiffs' bar to make a killing in the courtroom.

This approach doesn't promote conciliation and settlement, one of the core principles underlying title VII and the Civil Rights Act of 1964. This promotes needless, time-consuming and often very expensive litigation that will break the backs of many small businesses in this country.

That's not fair. And that's not what this Senator means by "civil rights and equal opportunity."

WALK THE EXTRA MILE

Prior to the vote on Wednesday, President Bush and his advisers walked the extra mile in an effort to negotiate a compromise with Senator KENNEDY and with the Washington civil rights lobby.

Faxes were exchanged. New legislative language was proposed—it seems almost on an hourly basis. And very lengthy meetings were held between the bill's proponents here in Congress and the President's top advisers, including Chief of Staff John Sununu, White House Counsel Boyden Gray, and Attorney General Dick Thornburgh.

So, even though no agreement was ever reached, President Bush can hold his head high. He gave it his best shot. And he did not back down and run for the hills simply because the bill's sponsors were crafty enough to bless their legislative child with a wonderful-sounding name.

STILL HOPEFUL FOR A COMPROMISE

Mr. President, the House Judiciary Committee is scheduled to take up the Civil Rights Act of 1990 early next week. And the full House will probably consider the bill sometime in late August or early September.

So there seems to be enough time for both the administration and the bill's proponents to get together and give a negotiated agreement one last shot.

But the bill's proponents here in Congress must realize that Pennsylvania Avenue is a two-way street. There has to be give on both sides. They must understand that a deal's a deal, and that what may be perceived as the rhetorical upper hand doesn't justify reneging on agreements that have been made in good faith.

I know that President Bush wants to sign a civil rights bill, and he wants to sign it this year.

And I, as Senate Republican leader, have always wanted to help put that bill on the President's desk.

There's still time. And I still remain hopeful that agreement can be reached on a balanced and responsible civil rights bill for the 1990's.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,952d day that Terry Anderson has been held in captivity in Beirut.

COMMEMORATING THE CENTENNIAL OF THE SHERMAN ANTITRUST ACT

Mr. METZENBAUM. Mr. President, I rise today to commemorate the 100th anniversary of the enactment of the Sherman Antitrust Act, signed into law on July 2, 1890. I take a special interest in this occasion, not merely because I share common roots with the great Senator SHERMAN of Ohio, but because I share his vision of the rules of fair play and free competition that should guide our country. Today we celebrate not only 100 years of anti-

trust law, but also a continuing belief in a free market economy and the wealth of opportunity that economic freedom brings.

I am glad to be joined today by Senators from both parties to mark this anniversary. Antitrust is not a partisan issue—it is not a Democratic idea or a Republican idea. John Sherman was a Republican. Teddy Roosevelt—the great trustbuster of his time—was a Republican. In fact, it would appear that the Republican Party has long stood for a strong antitrust policy—until recently.

Under Ronald Reagan, the Republican Party became associated with "anti-antitrust." In fact, we came close to abandoning the principles of competition during the 1980's. So-called free market economists preached their theory of hands-off regulation—and the Government responded with an "anything goes" attitude. The merger mania of the 1980's created huge mega-corporations like Phillip Morris-Kraft, Chevron-Gulf and Time-Warner—companies that rival the size of the oil and steel trusts of the late 1800's. It is ironic that on the 100th anniversary of the Sherman Act we are once again faced with economic concentration of unprecedented proportions.

In fact, antitrust enforcement has not been consistent over the last 100 years. At certain times, proponents of big business have argued that cooperation, not competition, would help the American economy. Thus the history of antitrust enforcement is more one of ebbs and flows rather than an unwavering commitment to vigorous competition.

For instance, very few cases were brought during the first 10 years of the Sherman Act, until in 1901, Teddy Roosevelt created the antitrust division within the Department of Justice. This precipitated a number of important investigations which firmly imbedded principles of competition into American law. In 1914, Congress enacted the second antitrust law, the Clayton Act. Under the Clayton Act, Congress sought to prevent mergers and interlocks between corporations where such arrangements would "substantially lessen competition or tend to create a monopoly." In that same year, Congress created the Federal Trade Commission and gave it broad authority to police "unfair methods of competition."

During both world wars, antitrust enforcement declined as the Government tried to rationalize supply and stabilize markets to help the war effort. Not until the 1940's did antitrust see a revival when a series of Supreme Court decisions established several important principles of antitrust law, among them the per se rule against price fixing. This revival was short-lived, however, and antitrust cases again fell of until the much-celebrated cases against IBM and AT&T begun by the Justice Department in the early 1970's. Then antitrust entered some of its darkest hours under the Reagan administration. Federal resources devoted to antitrust enforcement were cut in half during the 1980's.

One might ask why there is any controversy about enforcing the antitrust laws. These laws merely establish the rules for free competition and prevent companies from using any unfair advantage against their competitors. Listen to this warning about the dangers of monopoly spoken by John Sherman during Senate debate on his legislation:

> The sole object of such a combination is to make competition impossible. It can control the market, raise or lower prices, as will best promote its selfish interests, reduce prices in a particular locality and break down competition and advance prices at will where competition does not exist.* * * the law of selfishness, uncontrolled by competition, compels it to disregard the interest of the consumer.

These words are as true today as they were 100 years ago. More importantly, this statement confirms that the Sherman Act was the original Consumer Protection Act. The antitrust laws do not protect any particular business; they protect consumers from abuse by huge companies. Competition brings more goods and services from fewer resources at the lower cost. That is what American consumers expect and that is what the antitrust laws protect. This is hardly controversial as an economic principle.

Moreover, belief in a free market economy is vital to our democratic form of government. We believe that concentration of political power threatens our political freedom as much as concentration of economic power threatens our economic freedom. For Americans, freedom means both freedom of expression and freedom of opportunity. Thus, a belief in competition is as much a part of our political history as it is a part of our economic history.

No one doubts the basic principle that competition is the mainstay of America's economic and political strength. Countries of Eastern Europe are reaching out to embrace the American ideal of personal freedom and a market-based economy. And yet, here at home, we continue to hear complaints that America is falling behind other countries because we are not longer competitive in world markets. Critics argue that we are being beaten at our own game. They argue that America is falling behind because our antitrust laws are too strict. These critics seem to believe that we have not had enough of mergers and buyouts during the last 10 years.

I am frank to say that I am disturbed by these arguments. I believe it is ludicrous to blame competition for the failings of a few American industries—ones that were perhaps indifferent, or even hostile, to the forces of competition. One needs only look at the history of the U.S. automobile industry to see that it was the lack of competition that led to its demise. At one time, we had more than a dozen domestic automakers. By the 1970's, we had only three. And then they became lazy. They ignored American consumers and they lost sales. They found out too late that you have to earn customers by building a better car. And I'll just bet that the critics of out antitrust policy who bemoan America's competitive failures drive foreign cars.

So I say to those critics who blame the antitrust laws for America's decline—competition is the solution, not the problem. When we have failed over the past 100 years of antitrust enforcement, it was when we were too lenient, not when we were too tough. Cooperation, joint ventures, consortium, efficiency—these words sound nice, but they are buzzwords for those who don't believe in the antitrust laws. It's time for America to get back to doing what we do best—competing our way to the top. That is our heritage which is best expressed in the Sherman Act.

THE 100TH ANNIVERSARY OF THE SHERMAN ACT

Mr. THURMOND. Mr. President, I am pleased to rise today, with my other colleagues, to commemorate the 100th anniversary of the Sherman Antitrust Act, which was adopted on July 2, 1890. Although we are late in our celebration, the importance of this occasion is in no way diminished.

Mr. President, Justice Black, in his opinion in *Northern Pacific Railway Co.* v. *United States,* 356 U.S. 1, 4 (1958), best, and most succinctly, captured the spirit and purpose of the Sherman Act. In that opinion, and I would like to quote, he stated that:

> The Sherman Act was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions. * * * [T]he policy unequivocally laid down by the Act is competition.

Although the Northern Pacific opinion is more than 30 years old, it remains an eloquent statement of the purpose of an act which has become the cornerstone of American antitrust policy.

As all of my colleagues will recall, the Sherman Act came about because of increasing concern about the economic and monopolistic power of the business trusts and other business combinations. In fact, concern was so great that President Grover Cleveland addressed this issue in his third annual message to Congress in 1887, and in his final message in 1888. In the Presidential election of 1888, both parties included antitrust planks in their platforms, and when Benjamin Harrison, the Republican nominee, was elected President, he again urged Congress to enact some form of antitrust legislation. It is interesting to note that although 15 antitrust bills were introduced in the House in the 50th Congress, and 18 were introduced in the 51st Congress, it was the Senate that ultimately produced the legislation as we know it today.

However, it should be remembered that the Sherman Act was not the first antitrust legislation to be enacted. Between 1885 and 1890, 14 states and territories, including Arkansas, Connecticut, Georgia, Indiana, Kentucky, Maryland, Montana, North Carolina, North Dakota, South Dakota, Tennessee, Texas, Washington, and Wyoming, adopted constitutional prohibitions against monopolies. In addition, 13 States, including Iowa, Kansas, Kentucky, Maine, Michigan, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, South Dakota, Tennessee, and Texas, enacted statutory antitrust provisions.

Mr. President, we cannot pay tribute to this monumental legislation, without paying tribute to the individual behind its enactment. Senator John Sherman, a Republican from Ohio, played a major role in the shaping of this legislation in both the 50th and 51st Congresses. Described by some as the preeminent Republican Member of the 51st Congress, Senator Sherman had a distinguished career in public service. He served 6 years in the House of Representatives, and ultimately, 32 years in the Senate. During his public career, Senator Sherman also served as Secretary of the Treasury under President Rutherford B. Hayes, and as Secretary of State for President William McKinley.

In conclusion, Mr. President, I would note that one of the most compelling points about the Sherman Act is its endurance and flexibility. Although enacted over 100 years ago, it has rarely been amended and serves us as well today as it did then. Over the years, its broad principles have provided the courts with the appropriate framework in which to determine the competitiveness of practices engaged in 100 years ago, and in our more economically sophisticated markets of 1990. In fact, Senator Sherman himself remarked on the wisdom of keeping the act general:

I admit that it is difficult to define in legal language the precise line between lawful and unlawful combinations. This must be left for the courts to determine in each particular case. All that we, as lawmakers, can do is to declare general principles, and we can be assured that the courts will apply them so as to carry out the meaning of the law, as the courts of England and the United States have done for centuries.

Mr. President, several weeks ago the Department of Justice commemorated the 100th anniversary of the Sherman Act, at which time several noteworthy individuals, including the Attorney General of the United States, offered their reflections on the Sherman Act. They were kind enough to provide their remarks to me, and at this time I ask unanimous consent that these remarks be printed in the RECORD.

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

REMARKS BY DICK THORNBURGH, ATTORNEY GENERAL

Like so much other legislation, the Sherman Anti-Trust Act started as a trade-off.

In 1890, Congress wished to pass a very high tariff, but popular feeling was running even higher against the so-called "Trusts." A pamphleteer of the day argued that an American citizen was born to drink the milk of the milk trust, eat the beef of the beef trust, read by lamps lit by the oil trust, then die and be carried off by the coffin trust. Worse, political outcry against monopoly complained that "the tariff held the people down while the Trusts went through their pockets."

So, as a sop to such discontent, Senator John Sherman of Ohio—General William Tecumseh Sherman's brother—reported out of his finance committee a vague, peremptory, and some said "impenetrable" statute that covered everything in a few sentences, made law on July 2, 1890. The key sentence provided that every "contract, combination or conspiracy in restraint of trade, or commerce among the several states or foreign nations is hereby declared to be illegal."

The tariff passed handily, and the Sherman Anti-Trust Act harmlessly—without legal definition of the offenses it penalized, or any legal mechanism for enforcing its provisions. The next two Presidents—Cleveland and McKinley—scorned and ignored its anti-monopolistic intent. In fact, the key sentence was so construed that the first "conspiracy in restraint of trade" to be prosecuted was * * * the Knights of Labor!

The act was used in 1894 to break Eugene Debs' railroad strike.

It was Theodore Roosevelt—and even more so, William Howard Taft—who turned the act into a truly trust-busting instrument during the early years of this century. You will hear more about its subsequent history from others, but let me offer you here a slight twist on an old truism. The brevity of the Sherman Anti-Trust Act proves that unlike a little learning, a little legislating need not be a dangerous thing.

In fact, what counts—when the letter of the law is so sparse—it highlights the importance of the spirit of the law that is abroad. And about the present spirit of that law, I am more than ready to say a word or two.

You are well aware of the importance we place upon the prosecution of White-Collar Crime—especially the fraud, bribery, and corruption lately revealed in the Savings & Loan Rip-Offs. But we have an even longer-standing obligation to fight White-Collar Crime that undermines competition—to protect the greatest free marketplace in the world from the depredations of price-fixing, monopoly control, and other collusive and predatory acts.

Though there have been pauses—even lapses—in anti-trust prosecutions over one hundred years, the curve is surely upward, and on a steep climb today. Since 1974, violations of the Sherman Anti-trust Act—beyond any civil action for triple damages—can be prosecuted as a criminal felony. And we are hopeful that Congress will significantly raise the criminal penalties this year from $1 million to $10 million.

More importantly, our Anti-trust Division, under Assistant Attorney General Jim Rill, has greatly broadened the scope of its investigations, as well as the thrust of its prosecutions. Within our own borders, everybody from the airlines to the Ivy League have lately faced scrutiny—on what they are charging for tickets or tuition. But restraint of trade has been even more sharply scrutinized abroad. Japanese businessmen have been taken to court for Sherman Act violations. In a late but very positive reaction to such actions, the Japanese government has agreed to look to its own anti-trust laws. As part of the Structural Impediments Initiative, Japan has agreed to step up enforcement against restraint of trade and increase penalties for anti-trust violations.

In fact, that seems to sound a large warning for commerce the world over. Soviet president Gorbachev has discussed the desirability of adopting new antitrust laws—should the shaky Soviet economy ever produce something to collude over. Jim Rill's lawyers, along with our colleagues at the FTC, are already working with the new governments of Eastern Europe to develop antitrust laws for Czechoslovakia, Hungary, and Poland. Even Nelson Mandela—speaking out for many future freedoms—has offered his hand to South African businessmen, suggesting an expansion of economic freedom based on our American antitrust laws.

He might have been echoing the words of Justice Thurgood Marshall, who said, speaking for the Supreme Court: "Antitrust laws in general, and the Sherman Act in particular, are the Magna Carta of free enterprise. They are as important to the preservation of economic freedom and our free-enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms."

Nothing must impede the full force of free market competition—especially as that competition increases globally—and in that bold, free economic spirit, I am presenting to the Antitrust Division this bronze plaque to commemorate the brief directive that Congress gave the trust-busters back in the Gilded Age. It reads: "1890-1990. 100th Anniversary of the Passage of the Sherman Act. July 2, 1990. A Comprehensive Charter of Economic Liberty."

I trust Jim Rill's lawyers to stick by both the few words—and the ever-broadening spirit—of that law. And may this charter for economic liberty—like the widening jurisdiction of so many Americans—soon take in the whole world.

REMARKS BY JAMES F. RILL, ASSISTANT ATTORNEY GENERAL, ANTITRUST DIVISION

It is a privilege to serve the Department of Justice during the one-hundredth anni-

versary of the Sherman Act, and I am particularly honored to be here today to welcome Attorney General Thornburgh and our other distinguished speakers. On behalf of the Attorney General and the Department I also wish to extend a warm welcome to the former Assistant Attorneys General of the Antitrust Division who are with us today to help celebrate 100 years of antitrust enforcement.

In drafting the Sherman Act, Congress chose to provide fundamental competition principles rather than delineate every type of business conduct it found anticompetitive. It created an elastic statute—one that resembles a constitutional provision more than an ordinary statute. Its flexibility has allowed antitrust enforcement to benefit from new learning about the nature of business and economics. The statute has a rich and varied enforcement history—the highlights of which I will touch upon today.

Between 1890 and 1904, the Justice Department brought less than two Sherman Act cases a year. As General Thornburgh observed in his remarks, there was not a great deal of early enthusiasm for the Act at the Department of Justice. In those early days, resources were scarce at the Department, even by today's standard. Congress provided no specific appropriation for antitrust enforcement, and, consequently, there was no antitrust division within the Department. In fact, there were no lawyers assigned full-time to antitrust matters.

Despite scarce resources, in 1898 the Department successfully prosecuted the *Addyston Pipe and Steel Co.* case, charging six manufacturers of iron pipe with price-fixing and market allocation. Judge William Howard Taft's opinion for the Sixth Circuit established the basis of a per se rule of illegality for "naked restraints" of trade and the comparative ground work for the doctrine of ancillary restraints. The opinion in *Addyston* is recognized as a landmark in antitrust jurisprudence, and Judge Taft's accomplishment is hailed as particularly noteworthy given the time at which he was writing and the lack of Sherman Act precedent and antitrust jurisprudence.

The level of antitrust activity at the Department did not increase until 1904 when President Theodore Roosevelt and Attorney General Philander Knox persuaded Congress to appropriate the grand sum of $500,000 for antitrust enforcement over a five year period. This funding led to the creation of an antitrust division staffed by five lawyers.

By 1904 President Roosevelt's famed "big stick" had landed on J.P. Morgan's Northern Securities Company. Despite Roosevelt's reputation as our nation's foremost trustbuster, the Supreme Court's decision in the *Northern Securities* case actually set a troublesome precedent that could have greatly limited the utility of the Sherman Act. The holding of the Court amounts to the proposition that any elimination of substantial competition between two competitors constitutes a combination in restraint of trade without regard to its impact in the marketplace. Equally troubling was the dissent of Mr. Justice Holmes who contended that the Act prohibited only "external" restraints and did not apply to "an arrangement by which competition is ended through community of interest."

One ironic note—Justice Holmes was nominated to the bench by Roosevelt on the assumption that he would be an ardent trustbuster. His dissent in *Northern Securities* caused an antagonism between the two giants which never disappeared.

During the years 1910 through 1914, the Department brought an average of thirty-one cases per year—a remarkably high level of activity given the size of the Department as a whole at that time. Also during that period, the Supreme Court announced its decisions in *Standard Oil* and *American Tobacco*. Judge White's opinion in both cases not only corrected the overly literalistic reading of the Sherman Act in *Northern Securities*, but it also set the course for application of a rule of reason analysis to most forms of challenged conduct. The formal adoption of a rule of reason analysis resulted in a widespread public furor that may be hard to fathom in this era where the rule is well accepted: the popular press accused the Court of being soft on trusts; business complained bitterly about antitrust uncertainty; and Congress passed the Clayton Act and, as companion legislation, the FTC Act.

Ten years later, the Supreme Court's decision in *United States v. United States Steel Corp.* marked a big loss for the government, but a victory for the quality and integrity of future Sherman Act enforcement. The Department's complaint, filed in 1911, sought dissolution of U.S. Steel, which had been organized in 1901 to acquire and hold the stock of twelve independent operating companies. By 1911, however, the company's market share had actually decreased from 50 percent to about 41 percent, and the business of certain competitors had grown at a healthy pace. This trend continued through 1921 when the Supreme Court found that U.S. Steel had not engaged in predatory practices, had not attempted to oppress competitors, had encountered substantial competition, and had abandoned certain price-fixing agreements before the government's suit was filed. The Court concluded that U.S. Steel had neither the purpose nor the power to control prices, thus reducing the government's case to the proposition that size alone constituted a Sherman Act violation. The Court concluded: "the law does not make mere size an offense, or the existence of unexerted power an offense."

Following the *U.S. Steel* decision, the Department dismissed its appeals in several cases and shifted its focus to the prosecution of price-fixing cases. No significant monopoly cases were instituted until the *Alcoa* case was filed in 1937. Even the level of the Department's criminal antitrust enforcement had declined.

The downward trend was reversed abruptly when President Franklin Roosevelt turned to antitrust enforcement—and to Thurmond Arnold—to control big business. General Arnold became the new assistant attorney general in charge of the Antitrust Division in 1938 and served in the post until 1943, the longest term of any Antitrust Division chief. Upon his arrival, the division's legal staff increased from 59 to 144 and a small staff of economists was added. Procedures and policy changes were instituted that meant more enforcement, fewer settlements and more criminal prosecutions. General Arnold placed a premium on the detection of nationwide conspiracies. He encouraged his legal staff to think of antitrust enforcement in objective, systematic and economic terms. If a local complaint looked like a potential case, the staff was instructed to request nationwide investigations of the entire industry by the economics section and the FBI.

My comments on General Arnold should not overshadow the contributions of the other Assistant Attorneys General who have served the Department. The Division's leadership has been consistently excellent. Many of the former Assistants went on to distinguish themselves further in government service—Justice Robert Jackson, Justice Tom Clark and Wild Bill Donovan being the most notable examples.

The mood for enforcement at mid-century was further buoyed by two important Supreme Court decisions favorable to the government. *Alcoa* and the second *American Tobacco* case marked the rebirth of Section 2 of the Sherman Act. In *Alcoa*, Judge Learned Hand (the case was certified to the Second Circuit after the Supreme Court failed to assemble a quorum) made the important observation that "the successful competitor, having been urged to compete, must not be turned upon when he wins." Judge Hand maintained, however, that size is a determinant of monopolization when it is accompanied by the power to exclude competitors and the intent and purpose to do so.

Alcoa and *American Tobacco* signaled the start of a winning streak for the government that reached its peak during the years of the Warren Court. *Brown Shoe* (1952) and *Philadelphia Bank* (1963) ignited a firestorm of merger enforcement which culminated in Justice Stewart's dissenting observation in *Von's* that the only cognizable standard was that the government always wins.

During the modern era of Sherman Act enforcement the federal government has refined its approach to merger enforcement and invigorated its emphasis on criminal enforcement. The Department's prosecution of electrical contracting company price-fixing conspiracies during the 1960's gained national attention and helped our effort to deter *per se* illegal activity through vigorous prosecution. Cases like the electrical contracting cases were instrumental in persuading Congress to upgrade Sherman Act criminal violations from misdemeanor to felony crimes.

Recent years have been defined by the Department's continued emphasis on criminal enforcement, by the monumental AT&T case—which was filed on Tom Kauper's watch and since then has occupied the attention of no less than eight Antitrust Division chiefs, by our support of Congress' deregulation of the airline and railroad industries, and by the institution of Hart-Scott-Rodino premerger notification procedures and guidelines for merger analysis. Premerger notification and the Department's 1982 and 1984 Merger Guidelines virtually transformed the Department's approach to merger enforcement, affording us the framework for consistent and objective analysis based on current legal principles and economic theory.

Today, criminal and merger enforcement are the Department's top priorities, and we are placing renewed emphasis on our role as competition advocates. In recent months the Department has responded to requests of countries such as Canada, the Soviet Union, Hungary, Poland and Czechoslovakia for advice on competition policy. We have played a major role in the Administration's SII talks with Japan—with an emphasis on enhanced antitrust enforcement in that country. But our purpose today is more to take a retrospective, not so much a programmatic, look.

After one hundred years the Sherman Act has emerged with its essential character unchanged: it remains a great charter for the courts to develop the law of competition

within the framework of Congress' two overriding concerns: anticompetitive agreements and abusive behavior by firms that are dominant or are seeking to become so.

The generality of the charter has allowed courts and enforcement agencies to learn from experience and adapt the law to new needs and conditions. Indeed, it would be rash, if not irrational, to argue that the period of learning is over and the current doctrine is necessarily the last work. There is room, as well, for careful calibrated amendments, such as the Administration's recent joint production venture legislative proposal.

But the endurance and success of the Sherman Act should give us solid confidence in the soundness of its basic prescriptions. It should make us pause and reflect when major changes are proposed to exempt whole industries from the Sherman Act or to freeze the growth of the law by enacting current doctrine into statutory formulas. It should also make us proud—and this applies to practically everyone here—to have devoted some or all of our career in helping to assure that the great promise of the statute is fulfilled.

REMARKS BY JUDGE KIMBA M. WOOD, U.S. DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK

I was asked to say a few words about the significance of the Sherman Act and competition generally in our society from my perspective as a member of the Judiciary. To me, one of the most remarkable [things] about the Sherman Act is that while many in this country question whether our ways of doing business are outmoded, our antitrust rules are being emulated today in other countries. Many Western and Eastern European countries agree that our antitrust model (rooted in the Sherman Act) is the one to adopt. (As you know, many of your colleagues have gone abroad recently to help other governments create antitrust systems like ours.)

As I reflected on this, I wondered what was it that caused *this* country to take the lead in developing antitrust? Antitrust law is, after all, something we imported from *Britain*. It has roots dating back at least as early as 1602, when an English court voided a monopoly granted by Queen Elizabeth to Edward Darcy, groom of the Privy Chamber, to be the only maker and importer of playing cards in Great Britain. What was it that caused our American forbears to be so impassioned by antitrust issues that in the Presidential election of 1884 a party called the Anti-Monopoly party came in third, with 175,000 votes, beating out even the Prohibition Party? (While on the subject of linking the past to the present, I note that the Anti-Monopoly Party's birthplace was *Chicago*, and one of its planks was that we should pay off the nation debt.)

What was it that caused *this* country to adopt *national* antitrust legislation and [*stick* with it] for the past 100 years? Although it can be argued that the Sherman Act and our early antitrust policy is attributable in large part, to the self-interested anger of farm and labor groups at trusts, it also is attributable to more idealistic leanings, deeply ingrained in this country from its earliest days—a belief that in our egalitarian, democratic society freedom to contract must be restricted at times in order to permit all men (and, of course, later, all women) to be free to use their talents to better themselves economically, and to permit everyone to benefit from an efficiently operated market.

Both Britain and the U.S. recognized the tension between the freedom to contract—which was relied upon by courts to, for example, justify agreements among competitors to fix prices and allocate territories, and maximizing everyone else's economic welfare and opportunity. But in Britain, where family-owned firms dominated business, the tension among these divergent interests was resolved in the 1800's more in favor of freedom of contract, which had the effect of fostering a climate where the old guard could, and did, perpetuate itself. The British, consequently, have been until quite recently much more tolerant of consensual anticompetitive restrictions than are Americans. In the U.S., our desire to provide economic opportunity and benefits to all was instrumental in causing us to scrutinize restraints of trade more carefully, and—[to overgeneralize]—eventually, to permit them only where they promote desirable economic efficiencies.

This, of course, suggests a more orderly progression of the law than actually occurred. Even after passage of the Sherman Act, freedom of contract received more deference at some times than at others. This happened in part because the Sherman Act itself did little to guide judges in choosing among conflicting strands in the common law—judges *themselves* were left to sort out when freedom of contract should give way to the amorphous social and economic goals of maximizing opportunity and consumer welfare.

Little by little the courts developed what is today a remarkably sophisticated body of law that resolves these tensions admirably. For lack of time, I will pass over the low points, when judges tried to import into antitrust/legal rules designed for different purposes, and I will jump from an early high point of judicial perspicacity to today. In 1911, Chief Justice White's seminal *Standard Oil* and *American Tobacco* opinions decided that the Sherman Act's goal was maximization of consumer welfare and created a Rule of Reason that left room for changes in the law as our understanding of market operations advanced. These opinions gave the Sherman Act a sorely-needed content and structure that was essential as courts worked at reconciling the common law's conflicting goals. Although there were many judicial mis-steps between then and modern times, there are also many judges who increased our understanding of how to promote efficiency and opportunities. To take just one example, in 1977 Justice Powell in *Continental TV* v. *GTE Sylvania* performed a modern equipment of Justice White's 1911 shaping of the law—he turned his back on a confused body of law condemning vertical restraints, and refocussed the judicial lens on business efficiency, and the need to carefully assess whether restraints, as they operate in the real business world, further that efficiency.

With the benefit of hindsight, we can say that the genius of the Sherman Act is that it did not attempt to resolve, in 1890, the contradictory strands in the common law that reflected the tension between the freedom of businessmen to contract and the benefit everyone else derives when economic efficiency and opportunity are maximized. By simply outlawing restraints of trade, the Sherman Act laid a framework within which the Judiciary and the Department of Justice were able to develop a *flexible, dynamic* antitrust policy that could accommodate competing economic goals and incorporate, progressively, new economic thinking concerning what maximizes efficiency and opportunity.

If anyone wonders whether the Sherman Act is outmoded, or, rather, whether we are on the right course in antitrust policy and enforcement for this time in history, I think that two signs suggest that indeed, we are on the right course: the first, I mentioned at the outset—countries with a full range of options concerning how to modernize their economies are choosing our antitrust model. Second, our own country has experienced unprecedented growth in the past few years—and while even the hyperbole common at centennials would not lead me to attribute *all* of that growth to the *Sherman* Act, that growth is as good a sign as any that today's antitrust policy is serving the country well.

REMARKS OF RICHARD W. POGUE, PARTNER, JONES, DAY, REAVIS & POGUE

As I look out on the audience this afternoon and see all the outstanding prosecutors there, I become *very* nervous. And as I see this wonderful group of former Assistant Attorneys General who have gathered here, I am mentally revisited by the sins of the past on the part of myself or my clients.

It is a great honor to be asked to speak on this occasion—the celebration of the Centennial of the Sherman Act. I thank Assistant Attorney General Rill for his thoughtfulness in inviting me to participate with such a distinguished group of antitrusters. I am not sure that all my *clients* would applaud this celebration today, but for those of us in the private bar who have made a good living off the venerable statute, a hearty cry of congratulations seems to be in order.

I have been a practitioning lawyer (and primarily an antitrust lawyer) for more than one-third of the life of the Sherman Act—a shocking discovery which I stumbled upon in preparing these brief remarks—and thus I have witnessed and to a very, very minor extent participated in a considerable part of the development of the body of jurisprudence which we call antitrust. No one who has had that kind of experience can fail to be impressed with the durability and flexibility of this simple but elegant statute—legislation the principal substantive language of which has not been amended at any time during the past 100 years.

It would have been difficult in 1890 to predict that we would be celebrating this event today. What we know as the Sherman Act was the product of a legislative compromise. The political process that produced it was driven by a combination of forces: agrarian depression and outrage over the impact of a changing economy; a sense of hopelessness as industrial and financial organizations become larger and the popular sense was that the individual was losing the kinds of personal relationships which had frequently characterized business transactions in the past; the beginning of muckraking journalism; and a heavy element of relatively unfocused populism, filled with conspiracy theories, colorful rhetoric and a nostalgia for a different and simpler time.

Most of those forces have little relevance to antitrust enforcement today. But in 1990, perhaps more so than ever again, the impetus for antitrust legislation came from general popular unrest. It was democracy in action, for better or worse. As things turned out, it was very much for the better—be-

cause the Sherman Act legislated the basic principle of competition as the law of the land, and that economic principle has led America to prosperity and greatness. It is indeed astonishing that today even the Soviet bloc of nations and other countries in various parts of the world are beginning to recognize the fundamental soundness of the elemental doctrine of competition which was codified by the Sherman Act.

The Act as passed would probably not have survived without considerable help from the judiciary. It was, by its terms, absolutist; it gained its all-important flexibility by what today would probably be viewed as unacceptable judicial activism. In fact, until the *Standard Oil* decision of 1911 which "interpreted" the Act to prohibit only "unreasonable" restraints of trade, the statute was seldom used by either the government or private plaintiffs. Before Theodore Roosevelt became President in 1901, only one private case had been adjudicated on the merits, and in that case the successful plaintiff received $1,500, plus $750 in attorneys' fees—a ratio which, as a lawyer, I must regretably note, has deteriorated over time.

The public perception of the *Standard Oil* decision was quite negative at the time. Many believed that big business had just found a giant loophole; and so the Senate of the day requested its Interstate Commerce Committee to investigate what changes might be necessary in the antitrust area. The Committee investigated with a vengeance, and its hearings provided much grist for the 1912 Presidential campaign mill.

The results were Woodrow Wilson's election, the subsequent creation of the Federal Trade Commission as a regulator of business, and the end of the Sherman Act's exclusive franchise on American antitrust policy. Whether, in retrospect, those developments were wise is a debate for another day.

In any event, the Sherman Act remained, and over the years it has become increasingly more important. Constitutional jurisprudence has expanded the reach of the statute, while the elasticity of its legal standards has provided ample room for advocacy in any particular circumstance. In many ways, the Sherman Act illustrates perfectly the awkward balance between rhetoric and pragmatism which characterizes American antitrust.

I was asked to speak today as a member of the private bar. This is a special privilege, for I believe that it has been the private practitioner, at times as much as or even more than the government enforcer, who has shaped Sherman Act jurisprudence and competitive behavior over the years. This influence has been brought to bear in two principal ways—as advocate in antitrust litigation, and as counselor to business on how to comply with the law.

The "private attorney general" concept is both a blessing and a curse of antitrust. The opportunity to obtain treble damage awards, attorneys' fees, and injunctions through private litigation has provided remedies for those injured by anticompetitive conduct. But at times this same opportunity has also allowed some who were less than scrupulous to use the antitrust laws to extort and to inflict competitive harm. Different analysts would strike the balance in different ways, but there can be no doubt that private activity has been extremely influential in the development of antitrust, both in many seminal litigated cases in the field, and as a significant deterrent effect.

Further, the mere *threat* of treble damage actions has clearly had a significant effect on American business. Reasonable people may differ as to whether this effect has been, on balance, good or bad, but no one can deny the impact. Many would argue today that automatic trebling is far too blunt an instrument to be apropriate; it can deter competitive conduct as well as cartel behavior. But regardless of your views on this point, no one who has been a private practitioner will disagree that the possibility of treble damage attack has significantly affected the behavior of American business.

Treble damage litigation, big mergers or criminal cases are what the public sees under the Sherman Act and other antitrust laws, but *counseling* is what most antitrust practitioners really do. The most effective private attorneys general are not those who make their living bringing private actions, but the many thousands of lawyers who, day after day over the years have guided their clients through the nebulous scope of the Sherman Act and the other supplementary antitrust legislation.

Antitrust counseling is challenging work.

First, there are few hard and fast rules to learn; any discipline in which the guiding principle is the "rule of reason" leaves considerable room for judgment.

Second, all the antitrust knowledge in the world is useless if you do not understand the business arrangement and its business context. The facts are critical; knowing the case law is merely useful.

Third, you need to know how the relevant federal and state enforcement agencies work: What are their priorities? What is their bias? In this sense, antitrust is like a regulatory practice, where the agencies have considerable discretion and your job is to persuade them that public policy and your client's interests are congruent. Fortunately there are many volunteers, such as those in the 12,000 member Antitrust Law Section of the American Bar Association, who try to provide education in these areas—often in collaboration with the Antitrust Division.

Then of course the advice and its underlying reasoning have tc be communicated to the client in such a way that it can be understood, accepted, and implemented. This is difficult enough, given the ambiguity of the legal rules and the wide discretion given to the enforcement agencies, but it is further complicated by the responsiveness of antitrust to political trends. Antitrust is quite clearly subject to enforcement and attitude cycles; while the century-long trend lines are fairly constant, there have been some rather large spikes on the graph.

For example, in the 1950's and 1960's, it was the traditional American fear of size and concentration of power coming back after a World War in which all the rules had been suspended. The 1970's were an ambivalent decade for antitrust and politics: the enforcement program changed after *General Dynamics*, although we also saw shared monopoly investigations and a criminal resale price maintenance case. The 1980's were a re-expression of the American growth model, designed to regain world prominence; antitrust followed, with the emphasis on economic efficiency and virtual abandonment of the populist vocabulary that had always been a part of—and sometimes a problem for—antitrust.

But through it all, at least since the end of World War II, the Department of Justice has conducted its antitrust work with integrity. The private bar has felt that the *process* of the Antitrust Division has been fair, and that the Division has almost always been willing to *listen* and *consider* before acting. That is a wonderful reputation to have.

If I were presumptuous enough to offer some modest advice to the assembled enforcers, I would say that common sense and knowledge of the facts are more likely to produce sound enforcement decisions than is any ideological formula. Economic theory provides a critical analytical framework for antitrust, but economic doctrine does not by itself produce sensible enforcement decisions. No regression analysis can include all the relevant variables in an antitrust enforcement decision.

But if economics is not the complete answer, populist bias against size and efficiency is even worse. In our global economy, we must be competitive or we will fail. We have been, and in many respects still are, the strongest competitor in the world. We cannot retreat back to nostalgia about the family grocer and small merchants. Thus, we need as antitrust enforcers and decisionmakers people who believe in preserving competition, not just competitors; people who can apply common sense to a good understanding of the facts of a particular problem.

Today, on the Centennial of the Sherman Act, it is particularly gratifying to find people at the helm of both federal enforcement agencies who exemplify these characteristics.

On behalf of the literally tens of thousands of private lawyers who have participated in the antitrust experience during these first hundred years, I would like to express our appreciation for the Department's soundness and fairness, and for its recognition of the important role which we in the private bar have played, and will continue to play, in the development and enforcement of the Sherman Act.

As for the Sherman Act itself, let us hope that its second hundred years will be marked by as much vitality and significance as was its first Century.

Thank you.

REMARKS BY THOMAS E. KAUPER, HENRY M. BUTZEL PROFESSOR OF LAW, UNIVERSITY OF MICHIGAN LAW SCHOOL

I was asked to speak today on the significance of the Sherman Act and competition generally in American society—with a peculiar caveat, namely from my "special perspective as a professor of law." There is a clear implication that academics don't think like everyone else. That, I am afraid, is all too often true, as I shall undoubtedly demonstrate.

I was also struck by the pairing in my assigned subject of the Sherman Act with "competition generally," a pairing which suggest that the two somehow go hand in hand. Certainly we like to believe this is so. Yet there have been times in the history of the Sherman Act that the two have seemed to diverge, where unless one gives to competition a strange meaning the Act itself has been used to reach what seem to be anticompetitive results. The significance of competition may be one thing; the significance of the Sherman Act may be quite another. As I reflected on the impact of the Act, I was tempted to give the simple—and I believe scientifically correct—answer. It has spawned a bureaucracy, and put the children of antitrust lawyers through college. Beyond that, who knows? For in the end, we

can but speculate on how society would have differed in its absence.

The thought of standing here today and simply saying "who knows?" is not very appealing, particularly to an academic who is never supposed to make such professions of ignorance. So I thought that I might take you on a brief tour of the great moments of the Sherman Act and let you draw your own conclusions. I gave such a speech four years ago, although I then covered only the past twenty years. In searching for the significance of the Sherman Act in that speech, I noted two effects felt by every American consumer—telephones that don't always work and more televised college football games than anyone can possibly tolerate. Among the highlights I picked out in that speech were the Von's and Schwinn cases, the Herfindahl-Hirschman Index, and, as the crowning highlight of all, the Antitrust Division's Vertical Restraints Guidelines. As you may have gathered, it was a speech that poked fun.

As I reread that speech, I was struck by the way it trivialized the impact of the Sherman Act. It was intended to do so, for in such trivialization was much of its humor. But in recent years trivialization of the Act has become common sport, particularly in academic circles. It has been done not in humor, but as a means of suggesting either that the Act has served no social purpose or, in the worst case scenario, has been counterproductive, impairing the operations of American enterprises without any benefit to consumers, business enterprises, or anyone else for that matter. The Act, in these eyes, can do only harm. Its enforcement is a silly, trivial, and expensive exercise. Such critics' evaluations cannot simply be answered by a "who knows?" response.

What has been the significance of competition to society as a whole (a question which seems easier to deal with than the Sherman Act itself)? To antitrust lawyers, competition means rivalry among economic enterprises in a market. But competition is far more pervasive in American society than that. Individuals compete for jobs, for schools, for grades. Churches compete for parishioners. Bureaucracies compete for funds. Through competition we believe the best come to the top. In the market sense, resources are properly allocated. Throughout society competition preserves choice, and demands accountability. It is the result of economic liberty, a system of economic choices valued in its own right, but perhaps more important, because it is an integral part of the political and social liberty we cherish.

Do we know that competition works as advertised? Can we actually prove the virtues of competition, or is all of this simply an act of faith? After all, there have been both economic and social systems which do not rest on competition as the regulator and stimulus of achievement. Indeed, even in the United States the value of competition has been questioned. Competition results in both success and failure, and failure is often unacceptable. It presupposes an equality of opportunity which is often lacking. Competition, particularly at the individual level, suggests a kind of social Darwinism which many consider destructive and runs counter to a democratic notion of egalitarianism. The tension between individual liberty, on the one hand, and equality of individuals, on the other, has been a central feature of democracy from the beginning. This same tension has spilled over in antitrust decisions, particularly in the 1960s, when in words reminiscent of the civil rights cases of that same period the Sherman Act seemed to reflect a restraint on the consequences of unbridled competition in the name of equality. We have, in other words, occasionally decided that too much competition is a bad thing, and have made the decision to temper it. We cannot simply assume that competition always produces the outcomes society seeks.

During the Depression, competition itself was seen as a destructive process, a causative element in the Nation's economic difficulties. In more recent years, a growing body of critics suggests that greater cooperation among enterprises and the government would improve the position of American firms in the market place. The government, and not competition, would choose winners and losers. While suggestions that competition is inherently destructive or destabilizing have passed from the scene, the contention that competition alone will not lead to optimal technological development and efficiency has been more difficult to counter, particularly when other players in world markets don't abide by the same rules. As markets become truly international, competition as a market regulator becomes suspect. Some of the players may win by stacking the deck. But there are dangers to responding in kind, not the least of which is the erosion of the economic liberty upon which our political liberty in part depends.

Clearly our belief in the value of competition rests in part in theory, in part on the success of American economy and the material gains it has produced, and in part on faith. The empirical measure may best be seen in the events of the past year. Communism, and to a significant extent socialism, have failed. The Soviet Union and nations of Eastern Europe have turned in the direction of market economies, driven by the engine of competition. They are not all likely to be wrong. Competition is valued in part because it has provided greater prosperity and economic progress. But let us not forget that it also *tolerated*, and I use that word advisedly, as the price of *political* freedom. The Chinese learned, to their regret, that political freedom and economic liberty go hand in hand. The results of competition may be harsh. They often need tempering. But no one has yet devised a system which works better.

But let us take the virtues of competition and a capitalistic and free market as given. What has been the significance of the Sherman Act? Has it done what it was meant to do, or does it represent a promise unfulfilled? Has it done more good than harm? In the academic world, at least, there is strong disagreement on these questions. Views on the Act are mixed, to say the least.

To some, the Act may be seen as a futile gesture—indeed, an intentionally futile gesture—meant only to deflect the growing interest in Marxism, Socialism and other measures intended to curb the use of corporate power coming into vogue in the last three decades of the 19th Century. In these terms, the Act was a success at the moment of its enactment, and has caused some degree of harm with every subsequent action to enforce it. There is little historically to support this cynical view; clearly the Act was meant to have some continuing impact. But what was it to be?

Much of the disagreement over the impact of the Act—and the disagreement is considerable—arises out of uncertainty over what the Act's purpose actually is (or was). While the Congress of 1890 did not like the trusts, it was inarticulate about why. "Restraint of trade" is a remarkably loose term. Analyses of legislative history and the common law have not been terribly helpful. Debate has been more over what the Sherman Act's goals should be as a policy matter than on what Congress originally meant. At various times, and to various observers, the Sherman Act's purpose has been described as including consumer welfare, protection of small business, the control of corporate and social political power, redistribution of wealth, and simple fairness. Each of these goals has appeared in antitrust decisions under the Act, at different periods of time.

The difficulty in evaluating the Sherman Act rests in part, then, on our inability to state its purpose, or at least in the inconsistency of purpose underlying enforcement over a 100 year span. Shifts in enforcement and judicial philosophy (and, indeed, abandonment of the Act altogether in crisis), have meant that the Act has not over time fulfilled what some at any given moment expected of it. For example, the Sherman Act of the 1960s may in fact have aided small business (although this seems unlikely). As small business ceased to be a direct concern, the protection, if any, was lost. From a perspective of 1990, the Sherman Act seems to have done little to forestall the demise of small entrepreneurs.

Those who would impart to the Sherman Act lofty social and political ambitions, who perceive it as a bulwark against the oppression of economic and political liberty through the centralization of private economic power, may from the perspective of today to characterize it as a failure, a failure resulting from the inability or unwillingness of agencies and courts to carry out its mandate. Economic concentration has increased steadily. Corporate America seems larger, and sometimes beyond control. The individual seems lost in the marketplace. Conversely, to those who view the Act's purpose as protection of consumer welfare, the Act is at best a mixed blessing, all too often leading to enforcement actions that have been both inappropriate and costly, actions which have impaired efficiency and caused the loss of sales and jobs to foreign competitors.

The values and beliefs at issue go far beyond the boundaries of antitrust, encompassing broad issues of political and economic power which transcend the narrow issues with which antitrust must deal. Fear of economic concentration, faith in the ability of government to act responsibly and intelligently, and skepticism about the equation of private and public good, will lead some to seek a highly interventionist antitrust program which is, in turn, anathema to those whose major fear is the government and whose faith in free markets is unshaken. These values, however articulated, are born out of tradition, and the economic and political philosophies which we all hold. They are as much a matter of faith as demonstrable truth, however hard we may try to wrap antitrust in the trappings of science. Disagreements on these broad issues, which are central to the evaluation of the Sherman Act, the body of antitrust doctrine which it has spawned, and the performance of the institutions involved in its interpretation and enforcement, will not and cannot be resolved simply through the exercise of reason.

It would be a mistake, however, to conclude that the Sherman Act has been an exercise in futility, for it has in fact accomplished a great deal. It has deterred cartels,

preserved freedom of entry and set the stage for the control of market dominating mergers. It is very easy to lose these truly major accomplishments by arguing over the peripheries. Without the Act, there can be little doubt that cartels would be commonplace, and single firm monopoly would be more persistent. Perhaps cartels and monopoly would erode over time, even without the Sherman Act (although those of us burnt by the economists' notion of contestable markets during the airline deregulation battle remain very nervous over assertions of ease of entry). Perhaps the amount saved has not been worth the cost. How much in costs cartels have (or would have) imposed is unclear. The Sherman Act has imposed direct enforcement costs in terms of attorneys' fees, court time, litigation expenses and so on, and indirect costs in competitive conduct foregone from a fear of liability, and inefficiencies imposed by rules perceived to be misguided (although some such costs and inefficiencies may be viewed as resulting in social benefits by those who do believe the Act's sole purpose is the protection of consumer welfare). But efforts at cost-benefit analysis are necessarily doomed to failure; there is little agreement over what the costs of monopoly are even in purely economic terms (*i.e.*, monopoly profits or only deadweight loss), those costs cannot be measured in any event (particularly with respect to cartels which never occurred because of the deterrent effects of the Act), and much of what some describe as indirect costs of enforcement were the result of the conformity of the Act to what society perceived its purpose to be, costs which we were prepared to incur to achieve "benefits" not included in this equation.

The Act has deterred cartels and the development of monopoly power through enforcement actions, public and private. Perhaps it needs no further justification. But in my own view, the Act has had a significance far beyond the cartels and monopolies it has directly deterred. The Act, and the institutions it has spawned and supported, have been a steady force moving the economy in the direction of competitive outcomes. The Sherman Act is a symbol of commitment to a capitalistic market economy, and to the propriety of government action to check abuses of it. It has been the counterpoint to direct economic regulation and the tendency of government to create and nurture monopoly power. Without the Sherman Act and those involved in its enforcement, there may have been no significant check on this tendency. Deregulation and the introduction of competitive considerations into a variety of government policies may have saved the American consumer as much as all of the Sherman Act's direct enforcement combined. It is, after all, government which creates the most enduring market power. In totalling the benefits of the Sherman Act, this indirect effect must be given its due.

Finally, the symbolism of the Sherman Act—its commitment to a market economy, its assumption that competition is the best regulator of markets and its profession that government can control abuse—has had a dramatic impact outside the United States. The Sherman Act was not the first national antitrust legislation, but it has been the most influential. The world has moved in our direction. The examples are obvious—Germany, the EEC, and so on. No country has fully imitated the Act, and perhaps their antitrust systems are the better for it. The Act, after all, is hardly perfect.

But if we as a nation are best served when free market economies predominate throughout the world, in part because economic and political liberty go hand in hand, then we have also been well served by the Sherman Act, which perhaps more than anything else has been the symbol of our commitment to such an economy.

In June, 1989, I attended a small conference of American and Chinese scholars who were experts in something broadly called "economic law." It was in many ways an astonishing event. Among other things under discussion were drafts of Chinese bankruptcy, commercial, banking and, yes, antitrust legislation. The antitrust discussion sounded very familiar to one with a background in the Sherman Act. My observation during the euphoria of that conference that "I never thought I'd live to see the day when China had an antitrust law" turned out, I am afraid, to be tragically prophetic. Several hours after our Chinese colleagues boarded aircraft to begin their long journey home, government troops entered Tiananmen Square. The ideas we discussed died that night along with the gallant young Chinese who sought only a degree of freedom. But the point of our discussions was clear. Antitrust was necessary to preserve competition, according to our Chinese friends; otherwise plant managers, unwilling to bear the risks a free market imposes, would simply collaborate among themselves. But antitrust was seen as something more. It was a powerful symbol of commitment to a market economy, and to the principle that society must keep some check on accretions of private power.

I do not know how the benefit of such symbolism can be measured. But it is real, and an important part of the benefits of the Sherman Act.

Has the Act been worth the costs of enforcement and errors along the way? Surely it has, although its benefits cannot be quantified. What of the future? The impulse to cartels won't go away. Nor will the urge of government toward monoploy. Entry will not always be free, and cartels will not inevitably fail. The Act is still needed, and can accommodate new learning in the next century just as it has in the past if we are smart enough just to leave it alone.

REMARKS BY RICHARD SCHMALENSEE, MEMBER, COUNCIL OF ECONOMIC ADVISERS

It is an extraordinary honor and privilege to appear before you today with such distinguished speakers on this historic occasion. When Jim Rill invited me to speak today, he told me that my task was to represent an important antitrust constituency—economists. I am happy to do this for two reasons.

First, as any economist will be more than happy to tell you we are an underepresented—and in this town sometimes persecuted—minority. This is one of the very few Washington settings in which we could actually be described as an *important* constituency with a straight face.

Second, since we try to address issues from an economy-wide perspective at CEA, we sometimes think that the members of the American Economic Association are in fact our only constituents. And on our bad days, even they desert us.

I think I represent the views of most of my constituents correctly when I join the chorus and assert that this centennial does indeed call for a celebration. Some laws stay on the books for a long time because they are forgotten; the Sherman Act has endured because in some important senses, it has worked. The Act has had a long and productive life, one that has made our economy better than it would have been. And it has been a fruitful life; the Sherman Act has given birth to a broader antitrust policy that has many good years added ahead of it.

Some of you may expect me to support the assertion that antitrust deserves an economist's praise with numbers, but I cannot do this. This is in part because antitrust has had two very different sorts of effects on the U.S. economy. First, it has had direct effects: antitrust enforcement—and the fear of antitrust enforcement—have directly affected the economy's performance. Second, antitrust has had indirect effects: it has affected the formulation and evolution of public policies in other areas.

While I, personally, have little doubt that antitrust's direct effects have been positive, I cannot imagine how to quantify them. I have no doubt whatever that Section 1's prohibition against cartel behavior has made the U.S. economy more competitive, internationally as well as domestically. I also think that anti-merger policy has prevented a good deal of monopolization by merger—though in some periods it has also stopped more than a few efficiency-enhancing mergers. The economic effects of the other provisions of the antitrust laws, including every economist's favorite, the Robinson-Patman Act, are surely more problematic: some monopoly abuses may have been prevented, but so has some efficiency-enhancing conduct.

Thus, while the record is—inevitably—mixed, I agree with Tom Kauper that the Sherman Act's clear signal that the monopoly road to profit is closed—or at least intentionally rough—has surely increased competition and thus enhanced economic performance and consumer welfare.

The positive indirect effects of antitrust on the economy via other public policies may be more important; they are certainly even harder to measure. The antitrust laws are an expression of faith that competitive markets will generally serve the public interest well—faith that Adam Smith's seminal insight was correct. This faith is widely-shared these days—particularly in Chicago, Warsaw, and Prague—but it has not always been.

The presence of the antitrust laws has offered an alternative to public ownership and intrusive regulation that has remained viable through a century's dramatic political and economic changes. While the frequent calls for "more vigorous antitrust enforcement" in platforms of both parties have brought smiles to the lips of many cynics—including mine—it is interesting to think what else might have been prescribed if antitrust medicine were not available. And even in my short stay in Washington, I have more than once been able to use "the antitrust laws can handle that" as a winning argument against heavy-handed "fixes" to alleged competitive imperfections.

I don't want to overstate the case here: the Sherman Act surely did not create Americans' faith in competition, but I do think it has helped to sustain that faith through both tough times and many small temptations.

Let me now represent my constituents in a second way—by reflecting briefly first on what antitrust has done for economists and then on what economists have done for antitrust.

When I first took courses in industrial organization economics in the mid-1960s, I learned that a central goal of the field was to inform antitrust policy. This view began, I think, with the work of Chamberlin, Mason and others at Harvard in the 1930s;

it was certainly widely-held by the 1950s. In England, where industrial organization as a distinct field dates back to the earlier work of Alfred Marshall, competition policy was rarely if ever viewed as the object of the exercise. I think the historically greater and highly productive stress in the U.S. on general rules—empirical and, more recently, the theoretical—than on the details of particular industries flows in part from this difference in goals.

While this argument may be disputed by some of my constituents, there can be no dispute at all that antitrust has served U.S. industrial organization well as an exceptional data source. One of the great frustrations of this field is the difficulty of getting good information on firms' costs, policies, and objectives. Antitrust cases, particularly the big ones that produce large public records, have long been a rich source of well-documented examples of business behavior and market processes. Many of the classic works in industrial organization have been closely besed on particular antitrust cases. Thus, from an academic, if not a policy viewpoint, I would urge Jim Rill to bring Section 2 cases in two or three interesting industries.

I cannot quantify these two effects, but I would argue that they are not unrelated to the fact that U.S. has long dominated the world market in industrial organization.

Let me turn, finally—and with a good deal more humility—to what economists have done for antitrust. I must admit at the outset that we, as a profession, were not present at the creation. American economists in 1890 tended to be Darwinists; those few who cared about the Sherman Act viewed it as a potential negative force that might hinder the natural evolution of big business. From today's vantage point, it is interesting to note that this attitude of semi-benign neglect persisted for almost half of the Sherman Act's first century.

Some observers suggest that economists assumed the lead in the antitrust play in the 1980s, but I would dispute this—for two very different reasons. On the one hand, as long as lawyers decided cases presented by other lawyers, economists cannot be the stars—though we can occasionally turn in good supporting performances as consultants, expert witnesses, and commentators.

On the other hand, I think economists began to plan an important role in antitrust well before the 1980s. Economists have been present in the Antitrust Division since the late 1930s. The mention the cross-price elasticities of demand in the 1956 *Cellophane* decision used to be discussed in undergraduate economics classes with the sort of reverence normally reserved for passages from scripture. For better, or worse, the anticoncentration thrust of antitrust policy in the 1960s received considerable support from what was then the mainstream of industrial organization, as well as from populist sentiments. And, finally, the Antitrust Division's Economic Policy Office was founded in 1974, the year *General Dynamics* was decided.

Since the mid-1970s, I think the role of economists in the antitrust play has changed in two importants ways. First, their script has changed: the Chicago school's influence grew enormously, and antitrust policy heeded economists' growing calls for restraint and for greater concern with efficiency. Second, lawyers have begun reading from the same script as economists: the language of antitrust has changed, and there is more explicit use of economic terminology and economic reasoning. My constituents naturally think this is a good thing.

These developments illustrate a key strength of antitrust in general and of the Sherman Act in particular: its remarkable flexibility. Whatever Senator Sherman's intentions, he and his colleague drafted a "charter of economic freedom" that could not only survive the invasion of antitrust by economists, but could also change when economics changed. This achievement—and its positive effects on both the U.S. economy and U.S. economics—richly deserve today's tribute.

REMARKS BY GARY R. SPRATLING, CHIEF, SAN FRANCISCO OFFICE, ANTITRUST DIVISION

I. INTRODUCTION

When I first saw an advance copy of the program for today's ceremony, I immediately was struck by two thoughts:

First, I thought (and I'm sure most of you also thought): Someone has put together, for the most part, a great lineup of speakers for the occasion . . . but what is Spratling doing on the program with the heavy hitters?

Second, I thought: Since I am on the program, what in the world am I going to talk about, especially since I am batting at the bottom of the order?

There were a number of subjects I knew I could not plan to talk about, given who the other speakers were and the likelihood that they would cover certain areas. I knew I couldn't plan to talk about "government enforcement of the Sherman Act"—not with Attorney General Thornburgh and the country's chief antitrust enforcer, Assistant Attorney General Rill, leading off the program. I assumed that "judicial interpretation of the Act" was off limits, with Judge Wood on the program. I had the same thought with respect to "private antitrust enforcement," "development of antitrust theory," and "economic effects of the Sherman Act," with Dick Pogue, Professor Kauper, and Dr. Schmalensee as speakers.

Well, what was left? . . . Everybody's favorite subject: "Highlights from the legislative history of the Sherman Act." Now, I know that the prospect of hearing about that subject excites all of you about as much as speaking on the subject did me at first. But, before you all head for the doors to get an early start on the reception, you should know that the debates on the Sherman Act are very engaging and provocative. Although I have introduced the subject jokingly, I was amazed to discover how interesting and instructive the Sherman Act debates are; how accurately the debates foreshadowed the enforcement issues of the first 100 years, up to and including today; and how fervently everyone approached the debates.

There is no doubt that the senators and representatives who debated the Sherman Act felt real passion for or against it, and that the conduct targeted by the Act was regarded by its proponents as one of the most critical economic and legal problems facing the country.

Let me give you the flavor.

II. THE DEBATES

On March 21, 1890, Senator John Sherman, a Republican senator from Ohio, who two years earlier had narrowly lost his party's nomination for President of the United States, rose from his senate chair, and said in support of his proposed Bill:

"Mr. President:

"[A]ssociated enterprise and capital are not satisfied with partnerships and corporations competing with each other, and have invented a new form of combination, commonly called "trusts," that seeks to avoid competition. . . .

"The . . . object[s] of such a combination [are] to make competition impossible[;] . . . [to] raise or lower prices, as will best promote its selfish interests[;] . . . [and] to increase the profits of the parties composing it. . . . Such a combination . . . tends to advance the price to the consumer . . . [;] and in some cases should be denounced as a crime, and the individuals engaged in it should be punished as criminals. . . .

"If we will not endure a king as a political power, we should not endure a king over the production, transportation and sale of any of the necessaries of life."

But Democratic Senator James George, a former Chief Justice of the Mississippi Supreme Court, had grave doubts about the constitutionality and effectiveness of Senator Sherman's Bill. In a blistering attack on the bill, denouncing its scope and purpose, he concluded:

"Mr. President, I have shown that this bill is utterly unconstitutional, and, even if constitutional, utterly worthless. If we pass it we do not only a vain and useless thing; we do a wicked thing. We give to a suffering people as a remedy for a great wrong, that which will not only prove utterly inefficient, but will prove an aggravation of the evils.

". . . [The bill is] a sham, a snare, and a delusion. And that is just a sample of Senator George's lengthy, detailed, and vitriolic rebuke. What does one say in response to such a strident critique? Well, I suppose one of the late actress Gilda Radner's characters probably would have said: 'Oh, picky, picky, picky. . . . You know, it's always something.'"

But Senator Sherman, the preeminent advocate of the 51st Congress, and every bit the match of Senator George, responded:

"[The purpose of the bill] is to arm the Federal courts . . . in checking, curbing, and controlling the most dangerous combinations that now threaten the business, property, and trade of the people of the United States. And for one I do not intend to be turned from this course by fine-spun constitutional quibbles or by the plausible pretexts of associated or corporate wealth and power."

After the Judiciary Committee substantially revised the Bill and issued a report that allayed many concerns as to the Bill's constitutionality, the revised Sherman Act passed the Senate by a vote of 52 to 1. It went to the House, where the debates continued. On the one hand, Representative Heard from Ohio, in a passionate appeal, argued:

"[It is] our duty to the people who are being robbed, who . . . rely upon us for protection . . . [to] decide whether . . . by acquiescence in the continuation of the wrongs become parties to the wrongdoing . . . [or whether to] uproot and utterly destroy these evils. . . ."

On the other hand, Representative Bland from Missouri said: "The bill is not worth a copper. . . ."

III. ISSUES FORESHADOWED

A. A striking number of the issues confronted by, and debated in connection with, the Sherman Act foreshadowed current issues. For example, at one point in the debates, Senator Sherman summarized one argument against the Bill as follows:

"[Opponents of the bill] say, competition is open to all; if you do not like our prices, establish another combination or trust."

Recently I heard a not dissimilar argument from an economist making a presentation on behalf of parties whose merger was under review—admittedly a Clayton Act, not a Sherman Act question. But the argument—a barriers to entry argument—in today's vocabulary ran something like: "high supply elasticity of the competitive fringe should negate any inference of market power based on market share or the Herfindals alone."

And I'm sure some of you in the room even know—or think you know—what that means.

B. Another example of an issue that was debated in 1890, and is still very much with us, is what we today call "efficiency arguments." Senator Sherman observed during the debates:

"It is sometimes said of these combinations that they reduce prices to the consumer by better methods of production. . . ."

The same arguments are still made, of course, but with far more esoteric vocabulary and sophisticated language. In the context of a Clayton Act merger review, the 1890 argument might be articulated in today's language—some might even say today's "code"—as: "the reduction in costs to the merging firms, due to economies of scale, offsets any deadweight loss created by any possible resulting supracompetitive pricing."

The economists in the audience are thinking, "Sure, that sounds right." But, of course, nobody talked that way in 1890, not even economists.

In the analysis of a resale price maintenance program, the 1890 argument might be expressed in today's phraseology as: "the practice increases distributive efficiency by eliminating 'free rider' problems and ensuring the optimal amount of point-of-sale serices."

You know, this new jargon doesn't come cheap, and that the debaters did not predict. But then, how could the drafters possibly have foreseen how complex and sophisticated the arguments surrounding many issues would become; or how few individuals in the economic and legal disciplines would be qualified to formulate them; or how much money some of you would charge to make them.

C. Another issue clearly foreseen by the Sherman Act's drafters was that cartel-like behavior is a serious crime that would undermine the workings of a free market. In 1890, the proponents of the Sherman Act referred to cartel behavior as "conscienceless fraud" and "robbery." In 1990, Assistant Attorney General Rill, in very similar language, has referred to it as a "crime of deceit and fraud, no different in effect than outright theft."

In the area of criminal prosecutions, which has been the subject of very little change over the last 100 years, besides the increase in penalties, the vocabulary and language trend has been in the opposite direction—away from flowery and high-sounding, toward ordinary and mundane. Today, the charges in antitrust indictments typically end in the phrase, "All in violation of Title 15, United States Code, Section 1." In our first successful criminal antitrust prosecution, brought against the Federal Salt Company in 1903 in San Francisco, the indictment concluded, "All against the peace and dignity of the said United States, and contrary to the form of the statute in such case made and provided."

IV. SOME PREDICTIONS WRONG

A. A reading of the legislative history will convince anyone that the senators and representatives debating the Sherman Act were remarkably astute and foresightful. These were really smart guys. But "smart" doesn't mean "right all the time," and on some points the proponents and opponents were dead wrong in their predictions. For example, Senator Sherman, in arguing the importance of corporate penalties over individual penalties, declared:

"These corporations do not care about your criminal statutes aimed at their servants. They could give up at once one or two or three of their servants to bear this penalty for them. But when you strike at their powers, * * * when you deal with them directly, then they begin to feel the power of the Government."

However, the reality of criminal antitrust enforcement explodes that prediction. Those of us who prosecute criminal cases know that corporations readily offer—indeed, go to great lengths to get us to consider—payments of huge sums of money by the corporation in fines, restitution, and/or damages in exchange for keeping their executive from spending even one night in jail.

B. Similarly, the legislators of 1890 were wrong in their skepticism of the efficiency of private rights of action under the Sherman Act. The previously mentioned Senator George predicted:

"I do not hesitate to say that few, if any, of such [private antitrust] suits will ever be instituted, and not one will ever be successful."

Even Senator Sherman conceded that:

Very few [of these] actions will probably be brought.

Obviously, Senators Sherman and George did not count among their acquaintances the likes of Harold Kohn, Joe Alioto, Max Blecher, Steve Sussman, Harry Reasoner, Fred Furth, David Shapiro, and a good number of you. Nor did their predictions even contemplate the possibility that over 33,000 private antitrust suits would be instituted under the Act in its first 100 years.

C. Finally, on at least one issue Senator Sherman was half-right and half-wrong. He made the following statement in defense of his Bill's provision conferring a right of action by the federal government.

". . . [E]ven the United States is scarcely the equal of a powerful corporation in a suit where a single officer with insufficient pay is required to compete with the ablest lawyers encouraged with compensation far beyond the limits allowed to the highest government officer."

Well, while Sherman was sure right in saying that government officials are underpaid, he was just as wrong in predicting that government prosecutors would not be the "equal" of corporate defense attorneys. The Antitrust Division's long record of victories, and of convictions as a percentage of cases brought, repudiates that pessimistic prediction.

V. CONCLUSION: ONE OF THE MOST INFLUENTIAL PIECES OF LEGISLATION IN THE WORLD

In conclusion, those who debated the Sherman Act's passage foresaw many of the issues regarding its enforcement and gave us legislation of great vision and vitality. There remains no debate regarding the soundness of the Act's underlying premise that free and open competition must be preserved. The underlying concept has proven itself in the marketplace of ideas, and the Act drafted by a senator from Ohio 100 years ago has become one of the most influential pieces of legislation in the world. The Act has effectively maintained competition in the American economy during the first 100 years of its life, and its vital signs give every indication of continued good health for the next 100 years. Moreover, this magna carta of free enterprise has now spawned imitators around the world, becoming the model for modern and developing economies.

It seems appropriate to now turn the program back, for the purpose of its conclusion, to the person who will lead us into the second century of enforcement under the Sherman Act, the person who has been chosen by the President to consult with foreign countries contemplating privatization and a transition from state owned to free market economies. Thank you, and I give to you Assistant Attorney General Jim Rill.

Mr. INOUYE. Mr. President, I am pleased to join with my colleagues in commemorating the 100th anniversary of the Sherman Antitrust Act.

Prior to 1890, monopolists had a controlling force on the marketplace that drove small enterprises out of business and prevented other companies from even entering the market. Their power was so destructive that the demand for legislative relief was met with great unanimity.

Legislative relief occurred on July 2, 1890, with the enactment of the Sherman Antitrust Act. Associated with the name of Senator John Sherman of Ohio, its original authors were members of the Senate Judiciary Committee—George F. Edmunds of Vermont and George F. Hoar of Massachusetts.

The legislation was entitled: "An act to protect trade and commerce against unlawful restraints and monopolies." It marked the beginning of the attack on monopolies in the marketplace and the ending of unreasonable combinations and conspiracies. It was effective in restoring and maintaining a free and undirected market and in restricting collusion, price fixing, agreements not to compete, agreements to divide markets and group boycotts.

The Sherman Antitrust Act helped to foster the development of our present economic system—the notion of competition and freedom of trade directed by consumer demand.

Mr. President, I am pleased to join my colleagues in commemorating the 100th anniversary of the enactment of the Sherman Antitrust Act.

TOWARD PEACE IN CENTRAL AMERICA

Mr. KENNEDY. Mr. President, developments in Central America over the past several months, particularly in Nicaragua, have held out hope, for the first time in a decade, that a process for peace may replace years of violence and conflict. Peace initiatives and negotiations have secured this hope in Nicaragua, and hold out this prospect for El Salvador. But many obstacles remain.

Fundamental to the peace process is the ability of the governments in the region, with the support of the international community, to resolve the many refugee, humanitarian, and human rights issues that threaten peace and stability.

In order to assess progress on these issues, and to determine what further the United States should do to assist, the Subcommittee on Immigration and Refugee Affairs, which I chair, sent last month a staff mission to the area. In cooperation with my colleague, Senator SIMPSON, the ranking member on the subcommittee, we asked Jerry Tinker, the subcommittee's staff director, Michael Myers, counsel, Richard Day, minority chief counsel and staff director, and Gare Smith of my staff, to visit El Salvador, Nicaragua, Honduras, and Panama.

Some weeks ago they made their report to us and in internal memoranda to the subcommittee. But I would like to share with my colleagues, and for readers of the RECORD, a summary of the overview of their findings and observations.

Mr. President, the countries of Central America, especially Nicaragua and El Salvador, are at a critical juncture in the peace process. Central to this effort is resolving the many refugee, displaced persons and human rights problems in the region. Some progress has been achieved, but as our staff report suggests, much more remains to be done. This means rethinking our current programs of assistance, to assure that they will contribute to the removal of the obstacles to the peace process, and not maintain the existing status quo.

Mr. President, I ask that a summary of the subcommittee's staff report be printed at this point in the RECORD.

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

TOWARDS PEACE IN CENTRAL AMERICA: RESOLVING REFUGEE AND HUMANITARIAN PROBLEMS

(Summary—Staff Report prepared for the use of the Subcomittee on Immigration and Refugee Affairs, Committee on the Judiciary, U.S. Senate, July 1990)

After a decade of escalating war and conflict throughout Central America—with civil wars spilling violence and instability into neighboring countries along with tens of thousands of refugees—the countries of the region are finally seeking peace and negotiated settlements. The parties to the conflicts, both governments and insurgents, are exhausted from years of endless war, of deteriorating economies, mindless bloodshed and human rights violations on all sides. With the assistance of the United Nations and neighboring Central and Latin American countries, as well as the humanitarian intervention of many nations, the prospects for peaceful change in Central America have never been brighter than today. In the case of Nicaragua, this process is well underway; in El Salvador it is just beginning.

The over-riding goal of United States foreign policy must be to advance this process, and all our diplomatic efforts and foreign assistance programs should be designed in support of this objective. This means rethinking our current economic and military assistance policies, so that they will contribute to the removal of the obstacles to the peace process, rather than simply maintaining the status quo.

Particularly critical at this stage is helping to resolve the many refugee, displaced persons and human rights problems in the region. They remain one of the principal obstacles to peace and stability.

The focal point today is Nicaragua, where—after a shaky start—the peace process as proceeded apace, but still faces significant obstacles. But thanks to the role of the United Nations, the Organization of American States, and several outside countries, the demobilization and disarmament of the contras has now been completed, following the negotiated and internationally supervised election of Mrs. Violetta Chamorro and her government. Serious hurdles remain, however, in the effort of President Chamorro go gain political, economic and security control of the country, (as the recent strikes in Managua illustrate).

In El Salvador the conflict continues, but both sides seem ready to begin serious negotiations. However, the path to peace in El Salvador will likely be far more difficult and dangerous, and must overcome deep-seated fears and the scars of many years of insurgent terrorism and military death squads.

1. NICARAGUA

Repatriation of the resistance

Second only to the elections, the demobilization of the Nicaraguan Resistance (the "contras"), was the most critical step in the peace process. Once the leadership of the Nicaraguan Resistance was persuaded by United Nations and international guarantees to commit their lives and security to the demobilization process, it moved forward only slightly behind the negotiated schedule. But the continuing needs, and fears, of the contras are genuine, and they need to be addressed in the months ahead.

First, there is obviously a need for a continued role of the United Nations and the OAS for protection and assistance in the field. There will be additional need for funding for immediate relief as well as for longer-term resettlement and integration programs.

The current test of the peace process rests with the Government of Nicaragua and its still "Sandinista-controlled" security forces—whether they will abide by the strict terms, as well as the spirit, of the negotiated agreements for the protection and reintegration of the contras. The United States should support a continued United Nations observer role in the field, and the involvement and monitoring of the Church both have played critical roles to date in the demobilization process.

Humanitarian needs of the Miskito Indians

The repatriation of the Miskito refugees from Honduras is well underway. But with the growing economic crisis affecting the eastern provinces to which they are returning, will require an emergency assistance program to assist the Miskito Indian community. There are urgent food and medical needs which a USAID disaster assessment team should survey in the short-run while a longer-term aid program is specifically designed to address the special needs of the Indian community in eastern Nicaragua.

Refugee/displaced persons assistance

With tens of thousands of refugees returning to Nicaragua from Costa Rica and Honduras, and the demobilization of the contras—all on top of an already existing 40% unemployment rate—requires that employment generating programs be established. An example would be a USAID food-for-work program, using P.L. 480 food, targeted to voluntary agency programs—and specific employment generating projects.

Economic stabilization

Finally, the over-riding issue before Nicaragua today is the need to achieve economic stability—to end the years of rampant inflation and economic stagnation caused by the conflict, the U.S. embargo, and the gross mismanagement and corruption of the former Sandinista government. Urgent commodity support has been provided by the United States, and following a donors conference in Rome in June, additional economic assistance and credit support has been offered by a number of European nations and Japan. But these are economic "band aids" while longer-term programs of economic reform and restructuring take place.

The largest share of the current U.S. aid package is for basic commodity support. But in programming this assistance, we must not lose sight of programs targeted for the most needy in rural and urban areas, such as maternal/child health, basic public health programs, and small scale agricultural projects and income generating schemes.

2. EL SALVADOR

Removing the obstacles to peace

Although a new peace process has begun in El Salvador, with negotiations underway and future meetings scheduled—and there is a genuine desire for dialogue by both parties—still serious obstacles to peace remain. Unless as many of these obstacles are removed as possible, the peace process will be in danger.

The first is to the control of violence. For the government this means control of death squads, vigilantism, and the protection of basic human rights. This task is most graphically symbolized in the senseless killing of the Jesuit Priests and what that case says about human rights and the judicial process in El Salvador. For the FMLN this means accepting a defacto, if not negotiated, cease-fire in place and a cessation of further terrorist attacks on the population. The FMLN has a serious obligation to reduce violence and maintain a climate of peace so that good-faith negotiations can proceed.

Second, is meeting the basic human needs of refugees and displaced persons. Unless this festering problem is addressed, it could become a source of conflict. The government must finally deal with the residual population of displaced persons, many thousands of whom have lived in squalid camps for nearly a decade—since the civil war escalated in the early 1980's. Programs for their resettlement and integration should be accelerated as well as those which are directed to meeting the basic human needs of the general population. USAID funds should be re-directed to this end.

Also, both the government and the FMLN must cooperate to assist those refugees who have returned from Honduras, to reintegrate into their communities in peace and security. This means the government must permit free access and allow genuine humanitarian assistance to reach those per-

sons in conflicted areas, and for the FMLN to honor this commitment by not misusing this assistance.

Conditioning U.S. assistance

To promote the peace process—to help assure that all segments of the government have a strake in its success (particularly the Salvadoran military)—the U.S. should condition continued military assistance on good faith efforts by the government to advance the peace process, and redirect economic assistance to removing the obstacles to peace rather than simply maintaining the status quo. Our commodity support programs are akin to a respirator which has kept ailing El Salvador's economy alive while war has bled its people.

Conditioning of U.S. assistance should be positive in nature, not punitive—to provide incentives for all sides to pursue peace instead of conflict. And humanitarian assistance should remain the most important priority of our overall assistance package.

3. REGIONAL HUMANITARIAN ISSUES

Nicaraguan repatriation: The Honduran government has given the Resistance until November 1 to return, and most are likely to do so long before that deadline, despite concerns about their personal security and economic support in Nicaragua. However, failure to clarify these issues may cause some members of the Resistance, as well as refugees, to seek to remain in Honduras.

A major complaint of the Resistance has been the reduction in the levels of humanitarian assistance that occurred when responsibility for that assistance shifted from USAID to the U.N. High Commissioner for Refugees. USAID had been providing food and other assistance at levels appropriate for combat units. Now, however, UNHCR is providing food at levels slightly above the normal U.N. requirements for refugee assistance.

In addition, the abrupt transition from AID to UNHCR assistance presented some immediate administrative obstacles to the UN. And the task was further complicated by the fact that the early groups of Resistance members to return to Nicaragua took with them much of the physical infrastructure and health care network that had sustained the Resistance in Honduras for the past eight years.

While the current program is sufficient for a brief transition, if the return of Resistance members and refugees is delayed, then adjustments in camp accommodations and assistance will be necessary.

Coordination: Given the complexities and multiple components of the repatriation and reintegration picture, the international community must continue its regional coordination role. This includes not only the major issues, such as the demobilization of the Resistance and assurances for their security, but also such smaller programs as the re-integration of disabled veterans of the Nicaraguan Resistance, the return to Nicaragua of former prisoners of the Resistance who had been reluctant to go home, and more.

In this context, special attention must be given not just to the efforts of the United Nations and the Organization of American States, but the United States should also join with other governments in supporting the continuing efforts of the International Conference on Central American Refugees (CIREFCA). Governments in the region, through the CIREFCA process, have proposed a number of realistic projects for meeting humanitarian and developmental needs in the region, and these are worthy of U.S. support.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. The hour of 9 a.m. having arrived, under the order, morning business is closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The PRESIDENT pro tempore. Under the order, the hour of 9 a.m. having arrived, Mr. BRADLEY is recognized to offer an amendment on which there will be 1 hour of debate to be equally divided and controlled in the usual form, which means that Mr. BRADLEY will control half the time and the manager of the bill, Mr. LEAHY, if he opposes the amendment, will control half the time. If he agrees to the amendment, then the time in opposition to the amendment will be in the control of the minority leader or his designee.

The clerk will report the bill, S. 2830.

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 resumed consideration of the bill.

The PRESIDENT pro tempore. Has the Senator offered his amendment?

Mr. BRADLEY. The Senator is prepared to offer his amendment at this time.

AMENDMENT NO. 2314

(Purpose: To provide a substitute amendment for the sugar title)

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

The PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself, Mr. ROTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. REID, Mr. RUDMAN Mr. LAUTENBERG, Mr. PELL, Mr. BRYAN, and Mr. KERRY, proposes an amendment numbered 2314.

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

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

The amendment is as follows:

Beginning on page 310, strike line 1 and all that follows through page 312, line 11, and insert the following:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 16 cents per pound for raw cane sugar, except that the level may be increased under subsection (d).

"(c) SUGAR BEETS.—The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(d) INCREASE IN SUPPORT PRICE.—

"(1) IN GENERAL.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) REPORT.—If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) TERM.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of the fiscal year.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crop of sugar beets and sugarcane.".

Mr. LEAHY. Mr. President, will the distinguished Senator from New Jersey yield to me for 1 moment?

Mr. BRADLEY. By all means.

Mr. LEAHY. Mr. President, I ask unanimous consent that in my absence, the time allotted to me be under the control of Mr. CONRAD, the Senator from North Dakota.

The PRESIDENT pro tempore. The Senator managing the bill requests the time under his control be controlled by Mr. CONRAD.

Without objection, it is so ordered.

Mr. LEAHY. I thank the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the amendment I am offering today is exceptionally simple. It extends the current sugar program for 5 years; it decreases the loan rate by 2 cents, from 18 cents to 16 cents.

Mr. President, this amendment would bring modest reform to a program that is today, I believe, completely irresponsible. The sugar program hurts the American farmer, harms American industry, frustrates American foreign policy goals, undermines our attempt to eradicate drugs, sets

back our trade policy objectives, endangers our environment, and does this at a direct expense to American consumers, all 250 million of them.

Yet, the proponents of the program call it a no-cost program. I say the costs are too great and it is time for a change. First, Mr. President, let me describe how this ingeniously designed, no-cost program works.

Under current law the Commodity Credit Corporation provides nonrecourse low-interest loans to sugar growers or processors, with the sugar standing as collateral. But current law also mandates that this program be managed at no cost to the Federal Government, meaning the Secretary of Agriculture must ensure that there are no defaults on the CCC loans.

As such, he must ensure that the domestic price for sugar stays above the loan rate plus shipping, handling, and storage. Because the resulting so-called market stabilization price must cover the highest-cost producer and the greatest transportation costs from Hawaii to the Northeast, the Secretary is forced to maintain a domestic price of about 22 cents a pound or 4 cents above the loan rate.

This is a pretty tall order, Mr. President, when we consider that the world market price for sugar is much lower. To fill it, the Secretary has only one tool to make sure that domestic prices stay high, and that is import quotas.

In ensuring our sugar program will work, the Secretary has had no choice but to slash imports from some of the poorest countries in the world. Mr. President, I believe this is a wrong policy.

First, I argue the sugar program now hurts American farmers more than it helps. In 1985, in the 1985 farm bill, all major commodities took a 10-percent to 15-percent cut in total support. Some had support target prices, some loans—all took a reduction, with the exception of sugar, which stayed at 18 cents. Wheat and corn reduced, cotton and rice reduced, milk reduced, soybeans reduced, others reduced, but sugar did not take a reduction in 1985. That is total support.

If we look only at the loan rate, we see, beginning in 1981, the loan rate went up dramatically and has stayed. The loan rate for other crops dramatically dropped. What this amendment would propose is reducing the loan rate by 2 cents, which, as we see, is still considerably above the loan rate for other crops.

Had the loan rate for sugar been set at a reasonable level in 1982, or had it been reduced to a reasonable level when we last debated this issue, the cost of this program to the American farmer would not have been so obvious. But the fact of the matter is when Congress, the Government, set the price, we set it too high. As a result, sugar is a highly profitable crop.

In other words, in 1985 sugar was the only commodity not to get a cut in its subsidy and it became more profitable than other crops like wheat, corn, oats, cotton, and soybeans. The question is, How much more profitable? Well, depending on how we determine profitability, according to USDA, whether it is gross value, profit margins, whatever—and there are different ways to calculate profitability—they all maintain that sugar is more profitable. But rather than just looking at accounting numbers, let us look at the tangible evidence.

In 1982, sugarcane was harvested on 700,400 acres. In 1989, that figure was up to 800,300 acres.

For sugar beets, it was harvested on 1 million acres in 1982; 1.3 million acres in 1989. So both cane and beets increased the acreage for production. I doubt we would have seen such an expansion of acreage planted in cane and beets had growers been operating at a loss.

Mr. President, there is a sequence here. High loan rate, high market stabilization price, high rate of return leads to more acres being planted and harvested. And more in some places, significantly more acres harvested in Florida and Louisiana in cane, for example, which increased 28 percent between 1980 and 1989.

In the case of beets, acres harvested in Minnesota, Michigan, Idaho, and North Dakota increased by 38 percent as these four States went from accounting for 52 percent of all beet acres in 1980 to 66 percent of all beet acres in 1989. Not surprisingly, profit margins for cane and beets in these regions.

So, Mr. President, more acres are planted because of higher return, because of higher market stabilization price, because of higher loan rate.

The expansion of acreage, interestingly, has not been matched by a dramatic increase in the number of growers. The reason that is so, I suggest, is because in many ways the industry is a cartel. Not everyone can grow beets. If they could, a lot of people probably would switch. But, instead, you have to be a member of a beet processing cooperative, and membership is not that easy to obtain.

So, Mr. President, the shift in land to sugar is a dramatic increase, and the closed nature of the industry has had an ominous impact on the social fabric of rural America. For example, in the Wall Street Journal on June 26, they ran a front-page article on the tensions that have developed in the heartland of the sugar beet area in Minnesota. In the article, the Wall Street Journal reports that neighbors and families are no longer on speaking terms because beet growers are buying up land once used for other crops—wheat, corn and other things. I would like to quote from that article:

> • • • Across a broad swath of southern Minnesota and elsewhere, beeters, flush with sugar profits, are outbidding other farmers whenever land is rented or a farm is sold. They are driving up land prices and rents, and crowding less fortunate farmers off the land. "We've lost a whole generation of young farmers," asserts Owen Gustafson, a Maynard grain grower and a leader of Fair Farm Policy, a group protesting "inequities" of sugar subsidies.
>
> • • • Marvin Freiborg, a member of a large family of beet growers who himself worked with hogs, assailed the sugar program two months ago in a letter to the editor of the Clara City Herald. "I've kept quiet longer than I should have," he wrote. "I'm tired of watching the majority of beet growers outbid neighbors on land, expand their operations year after year, drive nice pickups, buy new equipment. . . ."
>
> "My mom was just disgusted with me," says Mr. Freiborg, who had to give up his land last fall when his landlord raised the rent. "But I told the truth about what's happening. I had an awful lot of people call me, thanking me. They're just too timid to speak out."

Another one:

> • • • Ronald Carpenter says that when he showed up at land-rent auction here at LaRae's Cafe, alone among 20 beeters, "They laughed at me. They knew I couldn't afford the cash rent. I bid just to run up the price."

Then you have the anger between farmers, between beet growers. It has grown so strong that Wallace's Farmer reported that just this month many soybean farmers are intentionally overusing the pesticide Pursuit because the pesticide poisons their land against beets for 3 years and that is one way they are able to prevent beet farmers from buying them out.

So, Mr. President, I do not think that we want an agriculture policy or an aspect of an agriculture policy that brings tension and battle between our farmers.

Let us go back to the basic formulation: The high loan rates, the high market stabilization prices, high rate of return, expansion of acreage. By doing this, we are ensuring that America is going to be self-sufficient in sugar long before the decade ends. In 1988, we produced 7.3 million tons; both beets and cane increased. But this increase in production comes at a time when American consumption of sugar is declining from 10.2 million tons in 1980 to 8.3 million tons in 1989.

Mr. President, these combined effects, these two trends, a sharp rise in domestic sugar production and a decline in consumption, can force the Secretary of Agriculture, in order to maintain the market stabilization price, to strangle imports. Net imports fell from 3.9 million tons in 1981 to 1 million tons in 1988; in other words, about a 75-percent decline. All indications are that a simple extension of the program at an 18-cent loan rate

will lead to a virtual elimination of all imports so that high loan rates convert to high market stabilization price, more acres, more sugar, and, ultimately, no imports.

Some people might applaud no imports, but when there are no imports, this no-cost program will begin to cost the American taxpayer directly either through loan forfeitures as domestic surpluses make it impossible to maintain the market stabilization price or through an imposition of costly production and marketing controls, as is envisioned in the House bill.

Mr. President, on the basis of agriculture policy, to say the least, the sugar program is dubious. But on foreign policy, the consequences are even more severe. Going from roughly 4 million tons of imports to 1 million tons of imports has been absolutely disastrous. Over the last decade, we have spent literally millions promoting democracy in Central America and fighting the burgeoning drug trade in the Andean region. We have twice sent soldiers to die in a fight for interests in Grenada and Panama, while taxpayers shell out considerable sums of money for military and foreign assistance to the region.

Our sugar program blithly undermines our national security by closing our market to one of the few ways these same countries have to earn money. In other words, instead of allowing them to export something they have a comparative advantage in, get foreign exchange, create jobs, and increase the standard of living in their own country, we prefer to let them stay in poverty, block their export of goods in which they have a comparative advantage into the United States, and instead send them foreign aid.

Mr. President, this is perverse, to say the least, but it is not hyperbole. The Sanford Commission report released last year clearly indicates that the only way to bring some sort of stability to Central America is to encourage true economic development. Yet, according to the Department of Commerce, in 1987, cutting the sugar quota effectively transferred $126 million from the poor in the Dominican Republic to American sugar farmers, $90 million from the Philippines, $30 million from Guatemala, $200 million each from Panama and El Salvador—in 1 year.

This siphoning of wealth from these poor countries has continued unabated since then. In February, the Ambassador of El Salvador wrote: "Sugar is the second most important commodity for El Salvador in terms of jobs and foreign exchange. The loss of the United States quota over the last several years has had a devastating impact on our economy." Mr. President, this is an economy, I might add, that we send some $90 million in military assistance alone each year to help combat an insurgency that is created by this very economic devastation.

Then there is the Caribbean Basin Initiative. It is to encourage U.S. investment and increase the standard of living in the Caribbean countries. We like the CBI so much that we even extended it in perpetuity recently. While the CBI was to bring economic growth and social stability to the countries in the region, the Overseas Council estimates our sugar programs offset the entire benefit of the CBI. In other words, give the Caribbean countries with one hand, the CBI, and take from the Caribbean countries with the other hand through the sugar quota. The people are still in poverty.

I ask unanimous consent that a study by Terry McCoy, of the Latin American Studies Institute, University of Florida, be printed in the RECORD.

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

[Excerpts]

[Commission for the Study of International Migration and Cooperative Economic Development]

U.S. POLICY AND THE CARIBBEAN BASIN SUGAR INDUSTRY IMPLICATIONS FOR MIGRATION, MAY 1990

(By Terry L. McCoy)

A proposal to subsidize those Caribbean sugar imports to be refined in the United States and reexported for one year was never implemented, even though it had been passed by Congress. Although these efforts have thus far failed, Basin countries did benefit from temporary reallocation of the Nicaraguan quota in 1983 and the Panamanian quota in 1988 as the result of well-known political disputes with these countries and from the general increases in foreign quotas, due to domestic shortfalls. In spite of these recent gains, Caribbean Basin sugar exports to the United States fell by 73 percent between 1981 and 1989, and with recent events it seems likely that both Nicaragua and Panama will be returned to active quota status.

CONSEQUENCES

There are several ways to measure the effects of the drastic drop in Caribbean Basin sugar exports to the United States. The first is lost income. Messina reports that in constant dollars the total value of 1988 sugar exports from Caribbean Basin countries was $97,118,000 compared to $543,947,000 in 1981. This represents an 82 percent direct loss in hard currency export earnings because of lower quotas. It does not account for the loss resulting from lower quotas. It does not account for the loss resulting from lower world prices occasioned by the increased sugar dumped on the world market. Furthermore, it can be demonstrated that the exporters would have been better off in income terms without a U.S. sugar program with its higher quota price. Although this scenario would have meant a lower price per pound, free access to the U.S. market would have higher volume and greater income.

The loss in sugar export earnings more than offset U.S. assistance programs to the region and gains made under the CBI. This net loss comes in the midst of crushing foreign debt and the worst economic crisis since the Great Depression.

Nontraditional, CBI-promoted exports to the United States have increased. However, they have not come close to replacing the income lost from declining sugar sales. Because of their relatively low value-added (20 percent vs. 90 percent for sugar), it would take, for instance, a $4.5 million increase in textile exports to offset a $1 million decrease in sugar exports. That has not happened, and the best that can be concluded about the CBI is that the beneficiaries would have been even worse off without it. Put positively; the evidence demonstrates that small increases in the sugar quota would provide larger gains than the entire CBI program.

The second major consequence is the effect of declining sugar imports on Basin employment. Although the data is sketchy, the picture is alarming in a region where unemployment has grown as a consequence of economic crisis. According to one study, 400,000 jobs in 22 Caribbean Basin nations were lost from 1982 to 1988 as the result of the decline in U.S. import quotas. This contrasts with a gain of only 136,000 new jobs in nontraditional export industries. These figures may underestimate the impact of the declining quotas, since some Basin governments have continued to operate their sugar industries at a loss to avoid the social and political costs of laying off workers. From 1981 to 1985, total sugar production in the region declined by only 17,500 tons while quotas were cut by 200,000 tons. Presumably, much of the surplus sugar was sold on the world market at a loss. Nations with heavy debts and nagging fiscal deficits cannot afford to subsidize their sugar industries indefinitely, and sooner or later declining exports translate into fewer jobs. Whether this then results in social unrest, political instability and increased emigration remains to be seen, but it holds the promise for such dire consequences.

Table 4 enumerates the U.S. quota picture for each of the 12 countries covered in this paper. Although the percentage losses from 1981 to 1989 are comparable, effects vary from one country to another according to the importance of sugar in the local economy, nature and performance of the industry and its import intensity and dependence on the U.S. market. Because of these differences, we shall examine the consequences in individual cases or groups of countries.

THE DOMINICAN REPUBLIC

The hardest hit in both relative and absolute terms has been the Dominican Republic, which is a major source of Basin migration to the United States. Excluding Cuba, the Dominican Republic is the leading sugar producer in the Caribbean Basin. Sugar is very important to the economy, and the industry is heavily export-intensive and dependent on the U.S. market (about 70 percent of traded sugar went to the United States). In 1986, sugar accounted for 17.1 percent of the GDP; it was the second largest employer, supporting one out of every ten Dominicans; and it provided about a quarter of all foreign exchange. Among those employed are large numbers of Haitian cane cutters, and it is they who have traditionally born the brunt of the burden occasioned by adjustment in the sugar industry. The government is heavily involved in the industry, owning some of it and regulating all; and there is a tendency for the state to absorb losses rather than provoke strong political reactions by taking land out of production, closing unprofitable mills or

firing workers. This has obvious economic consequences.

Dominican sugar production had increased steadily. In the 1960s, it benefitted from reallocation of the Cuban quota; in the 1970s, it responded to high world prices and, for a time, free access to the U.S. market. Although the Dominican Republic received the largest quota allocation in 1982, its total tonnage dropped by nearly 50 percent and continued to decline before receiving small increases in 1988 and 1989. As of 1988, the accumulated loss from this cutback was $500 million. This produced instability in the public sector, which depends on sugar profits and export taxes as major sources of revenue.

The Dominican government, with assistance from U.S. AID, has pursued crop diversification to lessen dependence on sugar, but much of the sugar acreage is not suitable for other crops. At this point, it is the country that has suffered most from recent U.S. sugar policy.

GUATEMALA

Guatemala has the second largest quota of the Basin nations. Following a major expansion in the early 1980s, sugar became its third most important crop and second largest employer, with around 35,000 seasonal and full time workers. It is a major earner of foreign exchange, which until recently had been generated almost entirely through sales to the U.S. As access to this market has decreased, Guatemala, which has not significantly cut production, has increasingly sold its sugar on the world market at much lower prices. Overall earnings from sugar exports declined from an annual average of $81 million in the period 1975—Guatemala producers have successfully lobbied the government for high internal prices, which have partially offset export losses while adding to the fiscal deficit. There is an incipient effort to convert sugar cane to ethanol.

EL SALVADOR, HONDURAS AND COSTA RICA

These three Central American countries are small producers by world standards, and sugar is less dominant there than elsewhere in the Basin, but it is still important. Ironically sugar production rose in the 1970s and early 1980s in an attempt to lessen dependence on traditional exports. In the mid-1980s, the three benefitted from the exclusive reassignment of the Nicaraguan quota (which does not show up in Table 4), and they continued to increase production. But after 1985, cuts in their quotas were greater than gains from the Nicaraguan quota. Earnings from U.S. exports rose from $53.6 million in 1982 to $83 million in 1984 and then fell to $55 million in 1986. They have continued to fall, and now the three must face the probability that Nicaragua and Panama will regain their quotas. All three are experimenting with ethanol production from sugar cane.

TABLE 4.—U.S. SUGAR IMPORTS FROM SELECTED CARIBBEAN BASIN COUNTRIES

[Taw value, short tons]

Country	Average imports, 1975–81	Raw sugar quotas				Percent change, 1975–81–1989
		1982–83	1987	1988	1989	
Barbados	37,500	19,600	7,500	8,205	8,205	−78
Belize	53,000	30,800	10,010	16,692	12,770	−76
Costa Rica	82,990	42,000	17,583	19,578	22,925	−71
Dominican Republic	815,335	492,800	160,160	176,710	204,290	−75
El Salvador	129,090	72,800	26,020	28,815	33,488	−74
Guatemala	216,995	134,400	43,680	48,185	55,717	−74
Haiti	6,380	16,500	7,500	8,000	8,000	+25
Honduras	42,765	28,000	15,917	17,877	21,118	−51
Jamaica	47,890	30,800	10,010	16,692	2,770	−73
Panama	130,975	81,200	26,500	.....	33,663	−74
St. Kits-Nevis	19,120	16,500	7,500	8,000	8,000	−58
Trinidad-Tobago	31,550	19,600	7,500	8,588	8,205	−74
Totals	1,613,590	985,000	339,770	357,342	429,151	−73

Sources: U.S. Department of Commerce, International Trade Administration, United States Sugar Policy: An Analysis (Washington, D.C.: Government Printing Office, 1988), p. 74; and William A. Messina, Jr., "U.S. Sugar Policy: A Welfare Analysis of Policy Options under Pending Caribbean Basin Expansion Act Legislation," M.S. Thesis, University of Florida, 1989, p. 18.

JAMAICA, BELIZE, BARBADOS, TRINIDAD & TOBAGO AND ST. KITTS-NEVIS

As former British colonies, these five countries are signatories of the Lome Convention's Sugar Protocol which allows them to export sugar under preferential terms to the European Community. This means that they have both U.S. and E.C. quotas, but their sugar industries are in varying degrees of disarray. In fact, their combined production dropped from 819,000 tons in 1975 to 585,000 in 1981. Since 1981, overall production has stabilized, although individual countries are occasionally unable to meet their U.S. or E.C. quotas out of domestic production so they buy on the world market in order to earn the quota price and not lose the foreign exchange. In spite of recent declines, sugar remains very important in all five countries. It is a leading, if not the leading, export commodity and source of foreign exchange. The industry employs 45,000 (16 percent of the labor force) in Jamaica; 20,000 (25 percent) in Belize; 10,000 in Barbados; 15,000 in Trinidad and Tobago; and 6,000 (35 percent) in St. Kitts-Nevis. This employment profile and the high rates of unemployment in these countries make it difficult to reduce the labor force in response to declining demand. This has meant government subsidies for the sugar industry.

While their U.S. quotas have decreased by around 75 percent since 1981, overall earnings from sugar exports have dropped by less because of access to the E.C. market, which is the more important of the two. Diversification out of sugar has been a policy objective for some time, given the declining performance of the industry, but it has received a boost in recent years. Winter fruits and vegetables as well as ethanol are currently receiving attention.

PANAMA

The sugar industry has been an important source of employment and foreign exchange for Panama, accounting for 10–15 percent of total employment and 20 percent of export earnings in peak years. The industry expanded during the 1970s and early 1980s prior to resumption of U.S. quotas. Because Panama depends heavily on the U.S. market, the reduction in its quotas has had serious consequences. Overall earnings from sugar exports fell from $51 million in 1981 to no more than $10 million in 1987. In 1988, the U.S. government suspended Panamanian sugar imports as part of its economic sanctions against the Noriega government. Now that Noriega has been removed, the United States must reclaim the Panamanian quota from those countries to which it was temporarily assigned, reducing their earnings, yet the quota is so diminished that it does not constitute much of a contribution to the reconstruction of Panama, a country facing massive unemployment and foreign exchange shortages.

HAITI

Haiti was at one time the world's leading sugar producer. Although Haiti is currently assigned a U.S quota, which is actually higher than average annual imports during the 1975–81 period, the sugar industry has deteriorated to the point that Haiti is today a net importer of sugar.

IV. CONCLUSION

Summary

This paper has made the following points regarding the Caribbean Basin sugar industry, U.S. sugar policy and the consequences for migration: (1) sugar is central to the countries of the Basin; (2) U.S. sugar policy has been an important factor shaping the development of the Basin sugar industry; but (3) U.S. sugar policy is largely dictated by domestic forces and considerations while exporting countries dependent on the U.S. market can only adjust to changes in policy; (4) the most recent changes, which were adopted beginning in 1982, have produced a sharp and, until recently, persistent drop in Caribbean Basin sugar exports to the United States; (5) this decline has had serious consequences for the Basin at a time of deep economic crisis. The loss from sugar earnings has more than offset development assistance, most notably under the Caribbean Basin Initiative, thereby undermining U.S. foreign policy goals; and (6) while the linkages are not precise and the data only suggestive, it seems reasonable to conclude that current U.S. sugar policy indirectly encourages Caribbean Basin migration to the United States by contributing to unemployment, reducing the rate of economic growth and diminishing foreign exchange earnings.

There are prospects for change in this situation since both the Caribbean Basin sugar industry and U.S. sugar policy are at significant crossroads.

Mr. BRADLEY. Mr. President, he states the loss of sugar export earnings has more than offset U.S. assistance to the Caribbean Basin and Central America and offset the gains by the CBI. This net loss comes in the midst of pressing foreign debt and the worst economic crisis since the Great Depression.

Mr. President, take Nicaragua, our congressional preoccupation for about a decade. Violeta Chamorro says they need to reconstruct the Nicaraguan economy, ravaged by years of war and mismanagement. Sugar is a major export for the country. While her deficit is constraining our aid, we add insult to injury by telling Mrs. Chamorro, no, we are sorry but we are only going to import some 20,000 tons of sugar from Nicaragua, a 70 percent cut in their 1982 quota.

So, Mr. President, our sugar program treats all our allies equally badly, whether they are African States, the Philippines, Central America, Australia. During the debate on sugar in 1985, some opponents of reform were clearly willing to accept this foreign policy cost by saying our foreign policy objectives cannot be bought at the expense of our farmers. I suppose we are going to hear that again. OK. So we should say, forget all the talk about democracy and freedom when it comes to sugar.

Mr. President, I say that if we fail to change the sugar program that undermines our foreign policy, it is a cost to the American taxpayer.

Mr. President, I see the distinguished Senator from Delaware on the floor at the moment, and I am prepared to yield to him if he would like to make his statement at this time.

The PRESIDENT pro tempore. How much time does the Senator from New Jersey yield to the Senator from Delaware [Mr. ROTH]?

Mr. BRADLEY. I yield 5 minutes to the Senator from Delaware.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. ROTH] is recognized for 5 minutes.

Mr. ROTH. I appreciate the courtesy of the Senator.

Mr. President, I rise today to join my colleague, Senator BRADLEY, in proposing this amendment to cut the loan rate for domestic sugar by 2 cents. I have said many times that this body must be willing to do all that is necessary to improve the competitive posture of America. Watching the exciting events transpire around the world, the democratization of Central and Eastern Europe, the unification of Germany, the rapid growth of the Pacific rim, we realize that we can no longer rest assured of world leadership. Even the most minor refinements to our system—like adjusting a spark plug another quarter turn in an engine—are necessary to keep our economy and competitiveness tuned and running well.

No longer can we afford false economies created by Congress to protect specific special interests. No longer can we afford to turn to the taxpayer time and again to finance grandiose subsidies. And no longer can we penalize our consumers through a form of domestic protectionism. Our objectives must be to let free market principles govern our economy. They built our nation. They made us No. 1. And I believe that with the right kinds of policies from this body, they will keep us there into the 21st century and beyond.

One minor adjustment—minor but with far-reaching implications—is the sugar subsidies that guarantee domestic sugar growers 18 cents a pound for raw sugar. As we know, this guarantee is to protect domestic growers from defaulting on loans issued by the Commodity Credit Corporation. To do this, the Secretary of Agriculture has to stabilize the domestic market price at 22 cents a pound which forces us into protectionism against exporting countries.

It is easy to see how this convoluted system artificially inflates the price of sugar for our consumers, while at the same time forcing our taxpayers to make up the difference, as will happen if the current program is extended. I guess it can be said that when you buy that lollipop for the grandchildren, or ice cream in summer, you are actually paying three times: At the counter, in your taxes, and to make up the difference in cost because the lower priced imported sugar is kept out of our market.

Unfortunately, however, our families are affected in more ways than one. Sure, the grocery bills are more costly—to guarantee high prices for domestic growers. But on top of this, our families are losing jobs. Sugar is a major food stuff—a major ingredient in food stuffs—and since our domestic prices are kept artificially high, confectioners, bakers, candy manufacturers—they are finding it easier to do business outside of our borders—to go into Canada and Mexico where they can get sugar at international prices at around 12 cents per pound—that is 10 cents lower than their cost in the United States. We have retailers finding it less expensive to import sugar containing foods than to buy American-made varieties. These measures are estimated by the Department of Commerce to cost the American consumer between $2 and $3 billion a year.

What a heavy price to be extracting at a time when we need to encourage our folks to get serious about the emerging global economic community and the need to be competitive. The criteria for legislation on this floor over the next few years must meet the test of the three E's: Effectiveness, efficiency, and expense.

Mr. President, the current farm bill, with its proposal to extend the 18 cents per pound loan rate for sugar meets none of these. It is inefficient, ineffective, and very expensive to the consumer. Consequently, I am happy to cosponser this amendment to reduce the loan rate to 16 cents. Clearly, a 2-cent reduction is not going to restore the proper and necessary balance needed to the sugar trade. It is not going to drastically reduce the artificially inflated costs our consumers pay. But it is a step in the right direction. At best, it will bring the domestic sugar growing industry back to reality. Currently, that industry is planting crops at record pace to fatten itself on generous Government handouts—all which will be at the expense of the taxpayer.

All indications are that a simple extension of the program will lead to the virtual elimination of imports before the decade is over. At that time, this so-called no cost program—and the program has never really been no cost—will begin to cost the American taxpayer directly, either through loan forfeiture as prices decline below the loan rate, or through the imposition of costly production marketing controls. The time calls for action now.

If we do not begin now to restore some semblance of reality, our endeavors to do so in the future will become increasingly more difficult.

I urge my colleagues to support this measure.

Mr. BRADLEY. Mr. President, how much time remains on the proponent's side?

The PRESIDENT pro tempore. The Senator from New Jersey has 5 minutes remaining.

Mr. BRADLEY. I will try to cover a lot of territory here.

Mr. President, I have argued that the sugar program hurts the American farmer and frustrates American foreign policy. I would also argue that it undermines our attempts to eradicate the drug trade.

Mr. President, 90 percent of the cocaine that reaches the United States comes from coca produced in two Andean countries, Peru and Bolivia. But as a detailed report by the Senate Permanent Subcommittee on Investigations points out, eradication efforts are failing in large measure because of the desperate economic conditions of these countries. The report specifically recommends:

Concrete efforts should be undertaken immediately to assure that U.S. antidrug and economic policies regarding the Andean region are fully coordinated and not operating at cross purposes. The U.S. approach to source country anti-narcotic efforts should

be comprehensive and sustained, focusing simultaneously on eradication, interdiction and drug-related economic development.

Mr. President, I ask unanimous consent that a February 14 op-ed by Senators NUNN and LIEBERMAN which summarizes the report be placed in the RECORD at this time.

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

[From the Washington Post, Feb. 14, 1990]

HOOKED ON COCA

(By Sam Nunn and Joseph I. Lieberman)

To date, our anti-drug efforts in South America have focused primarily on law enforcement such as the eradication and interdiction of coca and the capture of drug traffickers, efforts that are essential and should be intensified. But a more balanced approach—including a comprehensive economic plan for the Andean region—is required. Tomorrow's drug summit in Colombia, at which President Bush will meet with the leaders of that country and of Bolivia and Peru, provides an ideal opportunity for the administration to put forward such a plan.

Ninety percent of the cocaine that reaches the United States comes from coca grown in Bolivia and Peru and processed in Colombia. Despite the recent crackdown on the drug cartels in Colombia, none of these countries has been able to keep farmers from planting coca. This failure stems from two factors: the desperate economic conditions in that part of the world and the consequent political instability.

Peru's gross domestic product shrank 28 percent in the first quarter of this year, and its inflation rate has been running at more than 5,000 percent since January. Fifty percent of Bolivia's work force is either out of work, underemployed or at work producing coca. Colombia's economy has fared better, but the recent collapse of international coffee agreement threatens its export market.

It should therefore not be surprising that so many people in the Andean region are involved in coca production. In Bolivia one hectare of coca yields a profit of $1,000 per year, versus a $200 yearly profit from an equivalent amount of soya, the next most lucrative crop. Peruvians earn $2.7 billion from their legal exports, and up to $1 billion from cocaine. All three countries have become financially hooked on the foreign exchange from their drug trade.

The democracies of the Andean region also face Marxist guerrilla movements and other insurgencies, many of which are tied to cocaine production. Peru is reluctant to crack down on its 300,000 coca cultivators for fear of driving more of them into the camp of the brutal and powerful Sendero Luminaso (Shining Path) insurgency. Bolivia fears that foreign military intervention or an aggressive campaign of eradicating coca fields would further radicalize well-organized peasant unions and risk a rebellion among its 200,000 cultivators. Colombian society has been rocked by terrorism in the wake of the government crackdown on drug lords, with a number of political leaders questioning the widsom of aggressive law enforcement.

This year's U.S. budget contains some $14 billion for foreign aid, but of that only $261 million will go to the Andean nations. They deserve a larger share of the foreign-aid pie because of the direct relationship between their economic woes and our drug crisis.

But there are also significant steps we can take without directly increasing foreign aid. We should coordinate trade policies with our drug war. In Senate hearings, the Colombian ambassador to the United States expressed frustration at our policy of simultaneously urging an end to the lucrative drug business while permitting collapse of the international coffee agreement. Coffee accounts for a third of Colombia's legal exports, and its recent precipitous drop in price will cost that country up to $500 million this year. In the same hearings, drug policy director William Bennett and a State Department narcotics official testified that they had not even been consulted by State's Bureau of Economic and Business Affairs about the coffee negotiations.

We should also consider granting larger import quotas and lower tariffs for agricultural products to replace coca, such as citrus juice concentrate, coffee, sugar and flowers. And we should provide agricultural and technological assistance to Andean nations to promote development of such alternative crops and products. An economic plan for the Andean region should include increasing our import quotas for manufactured goods and reducing duties on goods from those countries for a 12-year period.

Easing the Andean nations' debt problems can also play a role in the international drug war. Their external debt now totals more than $42 billion. The leading industrialized nations could create a "debt for drug reduction" swap, as has been suggested by Sen. Joseph Biden (D-Del.)—agreeing to reschedule or forgive some portion of debt on the condition that an equivalent amount of money be spent in local currency on the drug fight.

European nations, which will be represented at the drug summit, should be receptive because they have been targeted by the drug lords as the next major market for cocaine. Wealthy Asian countries, including Japan, should also be encouraged to help salvage the economies of the Andean region.

We will not gain the sustained, effective cooperation of the Andean nations until more of their people have other ways earning a living. Until then they will remain as dependent on cocaine as the hundreds of thousands of American addicts who are consuming it.

Mr. BRADLEY. Mr. President, sugar was once a major crop to both Peru and Bolivia. During the seventies virtually all their sugar exports were destined for the United States, but the need to sustain the 18-cent loan rate for sugar changed all that. The combined sugar quota for Peru and Bolivia fell from 137,000 tons in 1982 to 49,000 tons in 1988. The amount of land in sugar production dropped from 30,000 hectares to 13,000 hectares or 2,000 hectares.

So, Mr. President, there is no question that if we want countries like Peru and Bolivia to move out of the production of coca, they have to be able to make money in another product. That other product is sugar. But as long as we block the export of that sugar to our markets, then they are put in a position where combating and eradicating drug production, production of coca, in their countries is exceedingly difficult.

There is another aspect to the coca production problem: Cultivation and processing in Peru and Bolivia are destroying the sensitive Amazon River basin. Rain forests are being hacked away at an alarming rate to make room for coca production. And millions of barrels of the toxic chemicals used for processing raw coca leaves in the field are polluting the virgin headwaters of the Amazon. Environmental engineers at Peru's Agrarian University estimates that some 8 million gallons of sulfuric acid, 15 million gallons of kerosene, 3,200 tons of carbida and 1.6 million tons each of the solvents acetone and toluene are dumped into the watershed of the Upper Huallagua Valley alone each year. Many species of fish, amphibians and other wildlife have already disappeared from the area's rivers and streams.

Mr. President, there is another major environmental impact of our sugar policy, but this one is much closer to home—in the Florida Everglades.

The high loan rate and high rate of return led to 20 percent increase in the acreage, 60,000 acres, devoted to cane in Florida during the 1980's. That increase has been a primary cause for the increase in phosporous and nitrate pollution of the Everglades. The nutrient rich water drained from the 700,000 acre Everglades Agricultural Area may mean that the national park will face the same fate that befell nearby Lake Okeechobee, one of the Nation's largest natural freshwater lakes and a principal water source for the Everglades. During the 1970's and 1980's, Lake Okeechobee was flooded by agricultural drainage water. This has nearly destroyed the lake's ability to sustain its rich and diverse acquatic ecosystem. The same thing is happening in the Everglades where the native saw-grass system and its associated wildlife is being displaced by pollution tolerant plant species. Already, tens of thousands of acres of lush marsh habitat have been irreversibly changed to cattails, decimating native populations of fish and wildlife.

The expansion of sugar production has also exacerbated the water shortage facing south Florida. During the last year's drought, while the Everglades went dry and wildlife died, and while urban residents faced water emergency conditions, sugar producers continued to receive their full complement of water. Agriculture already consumes 80 percent of southern Florida's water; our sugar program only increases this draining.

These environmental problems are intolerable. After years of futile attempts to use pursuasion to resolve the problem, the Federal Government has now filed suit to stop the pollution. Years of costly litigation will pass before these suits can be expected to

bring relief to one of our most treasured national parks. Environmental groups are aware of this, and fully support this amendment as a quicker way to begin to resolve the problem. Mr. President, I ask unanimous consent that the attached letter endorsing the amendment, signed by the representatives of the Sierra Club, the Wilderness Society, the National Wildlife Federation, the Natural Resources Defense Council and the Florida Audubon Society be inserted into the RECORD.

Mr. President, there is another aspect of our Florida cane industry that I must mention briefly, for I doubt most of my colleagues are aware of it. Whereas the cane industry in Hawaii is highly mechanized, in Florida, the thick muck in which the cane is grown means that much of it must be harvested by hand. This is back-breaking work; not surprisingly, it attracts few Florida residents.

The PRESIDENT pro tempore. All the time controlled by the Senator has expired.

Mr. BRADLEY. Mr. President, I ask unanimous consent for 2 more minutes.

The PRESIDENT pro tempore. Is there objection? The chair hears none. The Senator is recognized for 2 more minutes.

Mr. CONRAD. Reserving the right to object, Mr. President.

The PRESIDENT pro tempore. The Senator from North Dakota reserves the right to object.

Mr. CONRAD. I will not object, but perhaps we can just add 5 minutes on both sides. Would that be agreeable?

Mr. BRADLEY. I have no objection.

The PRESIDENT pro tempore. There are other orders that follow this one which would be penalized thereby. Is there objection to the Senator's request? The chair hears none. Without objection, the Senator is recognized for 2 minutes.

As a result, the Florida cane industry must import some 10,000 temporary workers from the Caribbean under the special H-2 program. A recent highly acclaimed documentary film by Stephanie Black called "H-2 Worker" depicts all too graphically the horrible conditions these men are forced to work under. A review of the move I said the 10,000 workers live in barracks resembling prison camps, and they labor for a little over a dollar an hour. Articles talk about police dogs attacking workers, and workers being shipped home and being black listed from the industry.

Now I am the last to say that their working conditions would be any better in Haiti, or Jamaica, or the Dominican Republic, but it is unconscionable that such treatment should still be permitted in this country.

The issue does not stop with imported workers. What about the American workers in the food processing industries, so conveniently forgotten by proponents of the sugar program? And what of the 5,000 cane refinery workers who have watched half of our refiners close over the past several years?

Mr. President, I recall how supporters of the sugar program argued in 1985 that any attempt to lower the loan rate for sugar would increase the trade deficit since sugar imports would rise.

Obviously, those pushing this line have never heard of the concept of value added. The simple fact of the matter is that sugar that is not allowed to enter this country because of the quotas is entering anyway, in the form of processed foods. And imports of processed foods harm our trade deficit far more than would imports of sugar, by the margin of the value added in the product.

Sugar is a key ingredient in virtually all processed foods, and especially in candy, baked goods, cereal, chocolate, cookies, and others. The 23,000 food manufacturers employ 1.6 million workers; the 24,400 retail bakeries and confectioners employ another 200,000. And, because these firms are forced to use relatively high-priced American sugar, they have seen imports there from foreign competition skyrocket—140 percent between 1980 and 1987 in the case of candy; 188 percent in the case of biscuits and cakes. Imports of sugar in sugar-containing products more generally leapt 153 percent between 1980 and 1989. This is undoubtedly one reason why candy manufacturers like J.S. Brach have sought foreign trade zone status; and it is undoubtedly one reason why the Bakery, Confectionery, and Tobacco Workers International Union wrote in support of this amendment. Mr. President, I ask unanimous consent to place their letter of support into the RECORD.

And finally, as if all the indirect costs of the sugar program were not enough, there is a huge direct cost as well. In effect, every single American, whether old or wealthy enough to pay taxes or not pays for this program everytime he sweetens his cereal or her morning coffee. And the true pity of it is that this tax is highly regressive, since people with lower incomes spend far more of their money on food. The Department of Commerce estimated that America paid over $3 billion in 1987 for the no cost program. More recently, USDA estimated that over the past 3 years, consumers have shelled out nearly over $6 billion to support sugar and sweetener prices that are higher than would otherwise be the case. According to USDA, this premium translates into a benefit of up to $50,000 for each of the 9,900 sugar beet farmers and a whopping $235,000 for the 1,900 sugarcane growers. In the most conservative estimate I've seen, the Federal Trade Commission puts the price tag at $806 million a year.

Supporters of the sugar program dispute these estimates, which are based largely on the disparity between U.S. domestic sugar prices and world prices. They don't question that U.S. raw sugar prices are higher than the price of raw sugar on the world market; rather, they believe that the world market price is not relevant, that it's a dump price. Now that's an interesting argument; my bet is that most American consumers would be delighted to take cheaper sugar, and cheaper food, even at the so-called dump price; if the Europeans want to subsidize our standard of living, let them.

But the argument's specious anyway. When he was still at USDA, Jack Roney of the Hawaiian Sugar Planters Association argued that the 28 percent share of world sugar production traded in international markets was equal to or greater than that of most major commodities. Of this 28 percent, only a small portion, 6.3 percent, is traded at preferential rates, including U.S. quota imports, EC purchases and Soviets procurements from Cuba. The remaining 21.7 percent traded in international markets stacks up well against other commodities. Only 21 percent of world wheat production is traded at world prices, versus 28 percent for soybeans and 15 percent for corn. Yet I've not heard anyone argue that these are dump prices, even though governments provide substantial subsidies to farmers of these products. Perhaps even more significant is that Congress, the U.S. Department of Agriculture and the Nation's rice producers have recognized world market prices as an effective reference point for marketing loan payments even though only 3.9 percent of rice production is traded on the world market.

Whatever the reference point, the American consumer is getting rooked. Ask him. Ask all the major consumer advocacy groups. Ask editorial writers in newspapers throughout the land. They'll tell you.

Mr. President, I have gone on at great lengths about the tremendous costs I see in the sugar program. But before I yield the floor, I want to stress that our amendment proposes only a 2-penny reduction in the loan rate, will not cure all the ills I have described.

It makes a modest adjustment on the returns of 12,000 sugar growers concentrated in eight States: Hawaii, Florida, and Louisiana for cane, and Minnesota, California, Idaho, North Dakota, and Michigan. This adjustment is fair and equitable with the cuts in support price payments that all other major commodities took in the 1985 bill. This will do little more than

stop the net expansion in acreage devoted to sugar, as secular declines in Hawaiian acreage and shifts to cash crops suddenly made relatively profitable in California are offset somewhat by technology-driven increases in sugar extraction from beets. Overall, this should help address the agricultural and environmental policy problems. And it may help imports stabilize at the current level of just under 2 million metric tons, which will help address the foreign policy, drug policy, competitiveness, and consumer issues.

If passed, the amendment should have other benefits as well. The Uruguay round of trade talks, perhaps the most ambitious attempt to liberalize world trade since the inception of the General Agreement on Tariffs and Trade 40 years ago, is now deadlocked largely because of European and American differences over agricultural trade policy. The Europeans, whose own agricultural policy is inexcusable, regularly point to our refusal to reform our sugar program as one reason they needn't accept the political cost of reforming the Common Agricultural Policy.

In effect, the adjustment I'm proposing to the sugar loan rate will put the Europeans on the defensive, especially about their own sugar program. As the administration has said, the 10 percent reduction in the loan rate is not unilateral disarmament, it is an ante. And if the Europeans match us, we have a chance of returning world sugar markets to something resembling normalcy. The dynamic benefits of this, especially for producers like the Andean nations, should not be underestimated.

Mr. President, simply sustaining the status quo would be inexcusable. My amendment will not by any means gut the sugar program. Nor will it weaken the bill; rather, it will add some substance to the environmental and consumer aspects of it. I hope my colleagues will join me in supporting this amendment.

Thank you, Mr. President.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD] now has control of the remaining time in opposition to the amendment.

Mr. CONRAD. Mr. President, I ask that the chair advise me at the end of 10 minutes so that I might limit my remarks so other of my colleagues would have time to speak.

The PRESIDENT pro tempore. The chair will so advise the Senator.

Mr. CONRAD. I thank the chair.

Mr. President, we have heard a lot of novel arguments advanced in this body on a whole range of issues, but never have I heard a more novel argument than the one that has been advanced by the opponents of the sugar program. The other day I received a letter in my office from the opponents of the sugar program who argue that if we would cut back the loan rate to our farmers by 2 cents a pound, all of a sudden we could do all the good things that need to be done in the world. We would be able to stamp out the drug trade. We would be able to save the rain forests in the Amazon. All of a sudden, we would be able to, in one blow, solve two of the major problems confronting our society.

Mr. President, I have heard a lot of creative arguments advanced during my time in Washington, but this one truly takes the cake. It is said in the legal profession that when you have the law on your side, you argue the law. When you have the facts on your side, you argue the facts. If you have neither, appeal to emotion. I suggest that that is what we have here. It is an appeal to emotion.

We all know that drugs and environment are the hot issues in our society. All the polls show that. But does anyone seriously believe that if we cut the loan rate to our farmers by 2 cents a pound, all of a sudden the drug cartel, worldwide, is going to abandon that multibillion-dollar market, that they are going to quit growing coca, that they sell for literally tens of billions of dollars on the street of our country?

It is time for a reality check. Recent testimony in the other body demonstrated that a Peruvian coca grower can earn $9,000 a year. That compares to $200 a year he could make growing any legal crop.

Mr. President and my colleagues, it is a fantasy and a fiction, to think that by somehow reducing our loan rate to our farmers by 2 cents a pound, that the Peruvian farmer is going to turn his back on $9,000 a year so he can get $200, especially given the fact that it would mean he would have to move his operation from the mountains of Peru, where the coca grows, back to the valleys where sugarcane will grow. Of course, with that move they would have to take a 98-percent pay cut.

Mr. President and my colleagues, it just does not add up. I do not believe it is a serious argument against a sugar program. Mr. President, there are serious arguments against a sugar program, and we have heard some of those today. We have heard a series of arguments advanced that deserve a response. First of all, I think we should make clear that the sugar program operates at no cost to the Federal Government.

Let me repeat that. The sugar program operates at no cost to the Federal Government. It does not cost the American taxpayer a dime.

Let us turn our attention to some of the arguments we have heard here advanced against the sugar program.

First of all, we heard that consumers are hurt. We have heard that farmers are hurt. We have heard about a tiny profit for food processors.

Mr. President, let me answer each one of those arguments in turn.

First, we do not have to imagine what would happen in this country absent a sugar program. This is not a theoretical question. I direct the attention of my colleagues to this chart that shows what has happened to U.S. sugar prices from 1947–88 expressed in real 1988 dollars. So we are comparing apples to apples.

These two areas that are highlighted in yellow in the mid-1970's and in the early 1980's were periods when we had no sugar program. Look what happened. We first see, that with the elimination of a sugar program, prices absolutely skyrocketed from under 25 cents a pound to over 65 cents a pound in just a matter of months. That pummeled consumers. That did tremendous damage to those who use sugar in products. Then prices plummeted from 65 cents down to less than 20 cents in real 1988 dollars. That devastated farm producers. It bankrupted producers and processors all across the country.

When my dear colleague, Senator BRADLEY of New Jersey, talks about the increase in acres planted, he is very selective in the years that he uses because his starting point is when prices had fallen so badly that, all across the country, refineries were going bankrupt and producers were getting out of the business of growing sugar in this country.

Mr. President, the fact is the sugar program has provided a stable supply of sugar to American consumers at reasonable prices.

Let me just turn to the next chart to demonstrate that I think is conclusive.

This chart shows the cost of retail sugar to consumers. The source of this chart is USDA.

When the opponents say the sugar program is hurting consumers, what are the facts? The facts are that in the United States the average cost for consumers at retail is 40 cents a pound; worldwide, the average is 41 cents a pound; and in the rest of the industrialized world, the average is 44 cents a pound.

Are our consumers disadvantaged? Mr. President, I think the evidence suggests something quite to the contrary.

The next argument that is advanced by the opponents is that other farmers are being hurt by the sugar program.

Let me just say this. I represent the most agricultural State in the Nation. Every single farm organization favors the sugar program—every single farm organization. I rely for farmers on the votes to return me to this Chamber. But I can tell you without equivocation, without fear of contradiction, the farmers of my State—the wheat farm-

ers, the soybean farmers, the barley farmers—support the sugar program. In fact, they would like to have one like it because it is one of the few programs that is working to secure the incomes for American agricultural producers.

When my dear friend talked about all the other commodities getting cut, but sugar being held harmless against reductions, he was very selective in the dates that he chose to use. He talked about 1985 to 1990. If you look at a broader perspective—1981 through 1990—you find something quite different. In fact, what one finds is that in comparing the average reduction in support, in real dollars, for our major commodities, sugar has had a 23.5-percent reduction from 1981 to 1990; the weighted average for the five major commodities—corn, wheat, cotton, rice, and sugar—21.8 percent. So sugar has had more of a reduction than our other commodities. If we take another 2-cent reduction, as cut of 11 percent——

The PRESIDENT pro tempore. The time allotted to the Senator by himself has expired.

Mr. CONRAD. Mr. President, I will allot an additional amount of time as is necessary to complete my presentation. I thank the Chair.

The PRESIDENT pro tempore. The Senator is recognized for such time.

Mr. CONRAD. If we take an additional 2-cent reduction, then sugar will have taken a reduction in support of 32 percent, far more than any of the other commodities.

Mr. President, let me turn to the other argument advanced by the Senator from New Jersey. Again, he talks about the expansion of acreage as evidence that sugar is somehow extraordinarily profitable.

The first thing I would want to point out to my colleagues is that gross returns for sugar must be much higher than gross returns for other commodities because the costs of producing sugar are far higher than the costs of other commodities.

Mr. President, let me just show this chart that shows the total economic cost per acre for major commodities. Wheat—my State is a major wheat producer—costs $126 an acre. On the other end of the spectrum are sugar beets. They cost $735 an acre to produce. These are not my numbers. These are USDA numbers.

When we talk about the need for a high gross return on sugar beets, it is because there is a very high cost to producing sugar beets. The only thing that is more expensive to produce is sugarcane at $849 an acre.

Mr. President, I think we should probably also refer one more time to the question of acreage. Again, my dear friend, the Senator from New Jersey was very selective in the years that he talked about. He started in 1982. That was when we had seen sugar prices rise and then plummet because there was no sugar stabilization program. Of course we have seen acreage expansion since then.

In summary, Mr. President, the sugar program is good for consumers. We have the lowest cost of sugar of any of the developed countries. We have a consumer price that is lower than the worldwide average. It is good for farmers. It is one of the few programs that is working for farmers. Mr. President, it operates at no cost to the American taxpayers.

Mr. President, at this time I would be willing to yield time to Senator Akaka.

How much time does the Senator from Hawaii need?

Mr. AKAKA. Ten minutes.

Mr. CONRAD. I yield to the Senator for 10 minutes.

The PRESIDENT pro tempore. Does the Senator yield 10 minutes? How much time does the Senator yield?

Mr. CONRAD. Ten minutes.

The PRESIDENT pro tempore. The Senator from Hawaii [Mr. AKAKA] is recognized for 10 minutes.

Mr. AKAKA. Mr. President, despite all the fast talk and loose rhetoric we have been hearing about sugar, the sugar program is a good deal. It has assured stable supplies of sugar at moderate prices. It is a good deal for American consumers. It is a good deal for the American taxpayers. It is good farm policy.

Since 1982, the first full year of operation for the current program, supermarket prices for sugar have averaged about 36 cents per pound. Moreover, only once in the past 8 years has the retail sugar price exceeded this 36 cent average by more than 1 percent. By contrast, in the years before the program came into effect, the supermarket price for a pound of sugar climbed as high as 56 cents. Clearly, consumers have fared well under this program.

The sugar program is also a good deal for sugar-exporting nations. The premium that these countries receive in the U.S. market over the prevailing world price for sugar accounts for $200 to $300 million per year in export revenues. USDA has determined that without the current program, the sugar revenues of Caribbean nations would drop by nearly 20 percent. In the absence of the sugar program, would the United States be able to make up these losses through increased foreign aid to the region? Given our current budget woes, I think not.

The sugar program makes good sense in relation to our broader farm policy objectives. The program indirectly benefits corn growers because the price of sugar helps determine the price of corn sweeteners. Each year, almost 600 million bushels of corn are converted to sweeteners. If the Federal Government failed to renew the sugar program, the corn market would face turmoil. Under such circumstances USDA estimates that forfeitures and deficiency payments for corn would cost the Federal Government $500 to $700 million annually. As you can see, the sugar program is good farm policy.

Finally, the sugar program is a good deal for consumers and the American taxpayer. Over the past 3 years the program, which by law must be operated at no cost to the Federal Government, has actually generated revenues of $336 million for the U.S. Treasury. The sugar program makes good budget sense.

I repeat, the sugar program is a good deal for consumers and a good deal for exporting nations. It is good farm policy, and it is a bonus for the U.S. taxpayer.

The only griping we seem to hear about the sugar program comes from the big, corporate sugar users, such as the soft drink industry. Yet it is the soft drink manufacturers that year after year rank as the most profitable of all U.S. industries, with the highest return on equity of any business sector. With all their fat profits, I have no sympathy for their complaints.

The United States has a prominent place among sweetener producing nations, and Hawaii has always played an important part in helping our country achieve this status. The United States is the world's sixth largest producer of sugar, and Hawaii is the second largest producing State.

The U.S. sugar and corn sweetener industries make a vital contribution to the national economy. According to a recent study, the nutritive sweetener sector generates annual revenues of $18.5 billion and supports the equivalent of 361,000 full-time jobs.

The importance of sugar to the economy, ecology, culture, and beauty of Hawaii is enormous. The sugar industry is the State's third largest, generates nearly $400 million in revenues, and is responsible for more than 20,000 jobs. Sugarcane covers 178,000 acres, almost three-quarters of Hawaii's cropland.

Sugarcane has been grown commercially in Hawaii for 155 years. As the industry expanded, it attracted skilled and unskilled labor from all around the world, helping to create the ethnic diversity and industrious human resources that is the backbone of Hawaiian culture. Though our output of cane has declined in recent years, the State still accounts for more than one-fourth of cane sugar production.

The notion that the U.S. sugar program is some kind of a "get rich quick scheme" for a few large producers is completely unfounded. This is not

true nationally, and is especially untrue in Hawaii.

Hawaii's loan rate is the lowest of all sugar-producing regions and, after adjustments by USDA, has generally been at least a half cent below the nominal 18 cent loan rate which has prevailed since 1981. Though Hawaii has made great progress in reducing its costs of production, many of our plantations are losing money and for the foreseeable future returns will remain breakeven, at best. Average returns from sugar to Hawaiian producers in 1988 were only 16 cents per pound, one-half cent below our average production cost.

This contrasts with some critics' claims that the program assures producers returns that exceed the market stabilization price. Clearly, no industry is enriching itself on the basis of support levels that fall short of the cost of production.

Hawaii has by far the highest sugar yields in the world, more than double its nearest rival, according to USDA data. This can be attributed to Hawaii's ideal climate, excellent soil, more than a hundred years of research on cane varieties and cultural practices, and enormous private investment in irrigation, machinery, and mill technology.

However, Hawaii's labor and transportation costs are also high. Field workers are well-trained, mostly heavy equipment operators, and the highest paid in the world. Including benefits, Hawaii's workers received $107.00 per day in 1988. Compare this to field workers in, say Guatemala, who earn about $5 per day or in Brazil or the Dominican Republic where they earn even less. Transportation costs are high not just because of the distance involved, but also because of the Jones Act shipping requirements which have necessitated that the industry invest in its own ships.

Despite these high costs, the Hawaiian sugar industry has an exemplary record when it comes to making the investment necessary to achieve improvements in productivity and increases in yields. In the last 10 years, man-hours per ton of sugar have declined 25 percent and the number of acres cultivated per employee increased from 11.7 to 14.7. Tons of sugar produced per acre rose 13.5 percent. On the other hand, the cost per ton of sugar increased 25 percent. This compares with an overall inflation rate of 81 percent for the period.

Unfortunately, we have reached the point where efficiencies are getting harder and harder to come by and the pace of productivity improvements will begin to slow. Higher costs in the future appear inevitable as wages and energy prices begin to rise. The cost of new equipment, an essential component in the Hawaii industry's modernization effort, is rising sharply.

As I have outlined, the sugar program is working well and is benefiting consumers and producers alike by providing a stable supply of sugar at reasonable prices. However, 6 straight years of an 18-cent loan rate have taken its toll on the domestic sugar industry. Since the current program was put in place, the number of cane sugar refineries declined from 22 to 12. The number of raw sugar mills dropped from 45 to 40. The number of sugar beet processing facilities declined from 56 to 41. Unless we continue the 18-cent loan rate, we will be in grave danger of losing a large share of domestic sugar-producing capacity, and that is exactly what would happen under this amendment.

The amendment before us would unilaterally reduce support levels in advance of the conclusion of the Uruguay round of the multilateral trade negotiations.

Mr. President, adopting this amendment would be bad farm policy and bad foreign policy.

Only sugar is being asked to unilaterally disarm itself in this way. No other farm commodity would be forced to accept the reductions in supports prior to the conclusion of the Uruguay round. Only sugar must walk this plank. What rational purpose would be served by weakening our bargaining position in advance of these negotiations? Such an approach could lead to international agreements which are more distorted than trade practices now in place. Would U.S. trading partners have any incentive to grant concessions on matters which the United States has conceded in advance? The answer to this question is a resounding "No!"

To my colleagues who believe that the administration supports a reduction in the sugar program, I have only one thing to say: the Bush administration has had so many different positions on sugar that they have lost all credibility on this issue.

In the beginning President Bush and Secretary Yeutter told us: "There will be no unilateral changes in the sugar program." Later we were told by Ambassador Hills and Secretary Yeutter: "The program must be cut 10 percent." Soon thereafter we were told: "The Bush administration supports the status quo and wants a 10-percent cut." Finally we are told that a 10-percent cut is not a unilateral reduction.

How absurd! You tell me how to cut the sugar program without making unilateral reductions, and I will show you how to pass a camel through the eye of a needle!

Mr. President, on behalf of thousands of employees for whom sugar has become a way of life, the small businesses, shopping centers, and service industries that support the industries and the sugar communities, I urge our colleagues to reject this amendment.

Mr. President, I yield to my colleague.

Mr. CONRAD. Mr. President, I ask the Senator from Minnesota how much time he desires.

How much time is remaining on our side, Mr. President?

The PRESIDENT pro tempore. The Senator from North Dakota has 12 minutes. The Senator from New Jersey has 3 minutes.

Mr. CONRAD. I yield 7 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ. I thank the Senator.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ] is recognized for 7 minutes.

Mr. BOSCHWITZ. I thank the President pro tempore.

Mr. President, this amendment should really be named as the European Community relief bill. That is really what it is. The European Community has created some of the problems that we have in world sugar, and the European Community would be the principal beneficiary of this amendment. The European Community dumped sugar onto the world market, and raising the world price will reduce the cost to the European Community of maintaining their program. I wish to outline briefly how this amendment would do that.

Sugar in the world is a small crop. It is a crop of approximately 107 million tons worldwide. Approximately 70 percent of the world sugar is consumed in the country in which it is grown. Another 30 percent falls onto the world market. Much of that 30 percent is traded under contract; for instance, the Russians buy at 30 cents a pound the Cuban output of sugar, which is 9 million tons. There are other such agreements with countries around the world. Very little, sometimes as little as 15 percent—on the high side about 20 percent—of the world's sugar production falls on the world market. That is, it is traded outside the country that it is produced, and it is traded on the free and open market.

The United States consumes about 13 million tons of sugar a year and in the event that would become available to the world market there is no question that the charts that the distinguished Senator from North Dakota has shown us this morning would not be big enough. If you bring that kind of volume of sugar onto the world market there will be an extraordinary reaction. The price of sugar would go through the roof. There is no question about that.

I dealt with commodities in most of my business life. When you increase the demand for a commodity by 2 or 3 or 4 percent you have 10 or 20 percent reaction in the price of that commodi-

ty. If you increase the demand for the world market of sugar by 30 or 40 or 50 percent as would occur if the American demand were to come onto the world market there is no question that the price of sugar worldwide would escalate and would go right off the charts that the Senator from North Dakota had.

What would be the result of that? The largest sugar producer, the European Community, that produces 14 million tons, would now find that its surplus could be sold at prices around the world without it having to subsidize those prices. We would be saving the European Community an enormous amount of money and the result would be we would be encouraging their bad habits in agriculture.

This is a European Community relief act and it should not be.

There is only one agricultural group that came to the Secretary of Agriculture under the Reagan administration when the Reagan administration adopted the position advocating a 10-year phaseout of all subsidies, of all trade barriers, quotas, incentives, and trade distorting practices. That group said we agree with you, we are willing to operate on a level trading field; if you do that we will support you. Only one group, and that was the sugar producing industry, both cane and beet, came to the Secretary of Agriculture and said we support the idea of removing all these trade restraints.

I am proud of the sugar industry for doing that. They recognized that, currently, a small amount of the world's production falls onto the international trading market. Suddenly for the American demand to come onto that market, the world market in sugar would rise and the cost of sugar to the American consumers and others would rise. Indeed the European Community would be bailed out.

So this amendment should really be called the European Community Relief Act, and it should not be that.

I would also say to my friend from New Jersey that I do not really understand the relationship of coca, which is grown in a very different climate than sugar. I do not think that increasing sugar production in those countries would necessarily by any means be a substitute for coca, even if the prices that the farmers could earn were comparable. The Senator from North Dakota points out that they are not.

I would say, however, to my friend from New Jersey, that there are some arguments among farmers and that some farmers feel that they are being hurt because of sugar beets. Sugar beet production has led to higher economic rewards per acre. Some sugar beet growers have gone around my State, as was written about in the article that he pointed out in the Wall Street Journal, and offered higher rents on some land than soybean farmers or wheat farmers have been able to afford. There I believe that he is correct.

However, it is without question in my mind that there would be such a disruption of the world market if we were to begin to unilaterally act on sugar that sugar prices worldwide would indeed go up. The result of that would be that the worst offenders in the world sugar markets would be relieved and our ability to deal with the European Community on bringing down all of their trade distorting practices would be more limited. And that is why I oppose the amendment.

The Senator from New Jersey and the Senator from Delaware.

The PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. I yield whatever time is remaining to the Senator from Hawaii.

The PRESIDENT pro tempore. The Senator from Hawaii [Mr. INOUYE] is recognized for 4 minutes and 40 seconds.

Mr. INOUYE. I thank the Chair very much.

Mr. President, I rise in opposition to the Bradley-Roth amendment.

I initially planned to speak of the importance of sugar production to the State of Hawaii. My colleagues know of its critical importance to me. A reduction of 2 cents in the support price will most surely cast a fatal blow on Hawaii's sugar production industry which has been in existence for more than 155 years. This industry directly employs more than 6,100 workers, and provides indirect employment for more than 20,000.

Mr. President, I would like to address an argument made by proponents of the Bradley-Roth amendment because I am deeply troubled by their assertions. They claim that a reduction in the U.S. sugar support level will benefit developing countries that export sugar to the United States. I inquired into the position of the Caribbean Basin countries and the Philippines. They oppose the amendment.

Mr. President, I have a letter from the CBI Sugar Group opposing the amendment. I ask unanimous consent that it be printed in the RECORD.

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

CBI SUGAR GROUP,
July 12, 1990.

Hon. DANIEL K. INOUYE,
U.S. Senate,
722 Hart Building,
Washington, DC.

DEAR SENATOR INOUYE: This letter is in response to your inquiry as to the effect of a two cent reduction in the sugar loan rate on the CBI sugar producing countries.

Without a guarantee that a price reduction would produce a substantial and immediate increase in quotas, the result would be a net loss in income for our countries.

Simple mathematics convince us that a two cent reduction in price would, in fact, result in lower foreign exchange earnings for our economies that need social and political stability.

I would also mention my remarks to the American Sugar Alliance symposium on June 25, 1990:

"The assumption made by many that the U.S. price is out of line with what a true world market would dictate oversimplifies the present world dumping market. The only credible study I have seen, done by Landel Mills, concludes that the world price in a free market would be somewhere between 15 and 22 cents, which is the same range as the U.S. price."

I hope this is responsive to your inquiry.

Sincerely,

JULIO HERRERA,
President.

Mr. INOUYE. If the Bradley-Roth amendment is so beneficial, why are the developing countries of the Caribbean Basin and the Philippines—the intended beneficiaries—opposed to it?

The Bradley-Roth amendment is not in their best interest. Simple logic demonstrates that a sharp reduction in the U.S. sugar support level, such as the one proposed today, would hurt developing countries, not help them.

Mr. President, let us look at the facts. The U.S. sugar import quota has risen for 4 consecutive years. This year it is at is highest level since 1984—just under 2.3 million short tons. At this volume, a 2-cent reduction in the U.S. price would mean a loss to our traditional foreign suppliers of $92 million in revenues. Of the 39 countries that hold U.S. quota shares, 37 are developing countries. The Dominican Republic would lose nearly $15 million; the Philippines would lose over $13 million; Guatemala would lose over $4 million. Is this beneficial? I think not. These countries could not afford to support the Bradley-Roth amendment.

Proponents of the amendment further argue that what the developing nations lose in the U.S. market, they will make up with higher prices by selling to the world dumping market. Mr. President, I should note that this contention presumes the shutdown of domestic sugar operations and the bankruptcy of American farmers.

Nonetheless, this argument is a fallacy. It reveals a lack of knowlege about the countries that export sugar to the United States. The majority of the 39 U.S. quota-holding countries export little or no sugar onto the world market; 24 of the 39 quota-holding countries export 10 percent or less of their production onto the world market; 16 of these export no sugar onto the world market. The conclusion is clear; these sugar exporting nations are dependent on the U.S. market, not the world market.

As the former chairman of the Senate Appropriations Foreign Operations Subcommittee, I am all too fa-

miliar with the dwindling Federal dollars allocated for foreign aid. U.S. import quotas not only provide developing countries with revenues, but also provide employment for their citizens. These import quotas are an important means of providing foreign aid without cost to the U.S. Treasury.

Mr. President, despite the fact that the Bradley-Roth amendment will reduce the revenues of countries exporting sugar to the U.S. market the supporters of this amendment are peddling an M&M Mars-financed attack purporting to prove that the proposed change will help solve the cocaine problem. This is really outrageous.

Do they not know that Peru, the major coca growing country, is, and has been, a major net importer of sugar even though they have a U.S. quota? Moreover Peru has been unable to fill its current quota in recent years. How reducing the price they receive for their sugar will encourage them to grow sugar instead of coca is beyond comprehension. Bolivia also does not produce enough sugar to fill its present United States quota.These are the big coca growing countries.

We ought to increase the prive support for sugar if we want to reduce their dependence on coca.

The Bradley-Roth amendment is not a sweet deal for developing countries. I urge my colleagues not to presume what is best for them. They have already told us that they need the U.S. market and the solid, stable 18-cent support price. And not the unpredictable world market where the price could range anywhere from 3 to 65 cents per pound that proponents of the amendment have deemed to be in their best interest.

This is not a sugar-coated statement. It is a bare fact. The developing countries will not win if the Bradley-Roth amendment passes. I know they will lose. They know they will lose—as will our domestic sugar producers.

Mr. President, because of the limitation of time, I would just want to briefly summarize what has been said today.

First, I regret very much, Mr. President, that my colleagues are not here to listen to the sage advice and wise words of my colleague from North Dakota, who is managing the opposition to this amendment. Senator CONRAD has clearly covered all of the charges made. I think his answers and his responses are not only responsible but on target. I hope my colleagues will take time to read the transcript of these proceedings.

I am also sorry that my colleagues are not here to listen to the remarks of my distinguished colleague from Hawaii, Mr. AKAKA, who I believe has clearly set forth the effect this amendment would have not internationally but on people—on the workers, on those who shop in the supermarkets. And I am sorry they were not here to listen to my friend from Minnesota, Mr. BOSCHWITZ, who set forth clearly this matter of the world market.

Mr. President, of all of the dozens of farm programs that we have on our books, this is the most successful. This program has assured our consumers that they will have a steady, flat price in the supermarket.

As Senator CONRAD pointed out, during that period when the sugar program was out, the Congress somehow had a moment of lapse of wisdom and did away with that. In 2 months, the price went up from 20 to 65 cents. And when that happened, everyone began dumping sugar into the United States. Then it plummeted down to about 3 cents for a few days. Then everyone withdrew, farms went bankrupt, and the price went up again. All within 6 months.

A second observation, Mr. President. Listening to my dear friend from New Jersey, one gets the impression that this is a giveaway program, that we are giving our farmers 18 cents a pound. This is a loan program, Mr. President, and they have always paid it back. It does not cost the taxpayers any money. In fact, the Government has made money. It is the only farm program that makes money. No other farm program makes money for the people of the United States. This one does.

Speaking of subsidies, Mr. President, as of yesterday, in the European Community, their sugar growers are being subsidized—not loaned, subsidized—30 cents a pound. And so when they do have surplus sugar, they can afford to send it into the world market and sell it for 4 cents a pound. No one can produce sugar for 4 cents a pound, so obviously it is being sold below cost. Do we expect our people to sell our sugar for 4 cents a pound?

And this argument that the sugar program is supporting the drug cartel in South America is just outrageous, Mr. President.

The PRESIDENT pro tempore. The Senator from New Jersey has 3 minutes remaining.

Mr. BRADLEY. Mr. President, I thank the Chair.

Mr. President, to deal with the consumer argument and the environmental argument, I ask unanimous consent to have printed in the RECORD a letter from the National Wildlife Federation, the National Resources Defense Council, the Wilderness Society, the Sierra Club, Public Voice for Food and Health Policy, and Public Citizen's Congress Watch, and others, all of whom support the amendment.

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

JULY 13, 1990.

Hon. BILL BRADLEY,
SH-731 Senate Office Building, Washington, DC.

DEAR SENATOR BRADLEY: We are writing to urge you to vote for an amendment to the sugar title of the 1990 farm bill that we understand will be offered by Senators Bradley and Roth later this month. A "yes" vote on the Bradley-Roth amendment would provide much-needed reform of U.S. sugar policy.

The sugar policies of the 1980s have been among the most inequitable of all the federal commodity programs. When it comes to balancing the public interest against financial benefits to sugar producers, the sugar program has consistently given consumers and the environment the short end of the stick.

According to the U.S. Departments of Agriculture and Commerce, during the 1980s the general public incurred between $1.9 and $3 billion annually in additional sweetener costs as a result of the sugar program. These billions of dollars in annual benefits to sugar producers are split between a mere 11,000 growers. This translates into a highly regressive annual transfer of between $170,000 and $270,000 per grower from the consuming public.

The sugar program has also stimulated expanded sugar cane production around the fragile Florida Everglades. The result has been a substantial increase in phosphorus discharges into the Everglades ecosystem and alterations in natural water flows in and out of the marshes. This pollution represents a major threat to water quality and wildlife habitat.

In addition, sugar producers have been unjustifiably favored over all other farm commodity groups. The sugar program was the only major commodity program to escape price support reduction reforms in the 1985 farm bill. Despite this imbalance, sugar legislation reported by the Senate Committee on Agriculture, Nutrition and Forestry for the 1990 farm bill would maintain existing price support levels.

To address the shortcomings of current law, the Bradley-Roth amendment, which the Administration supports, requires a 2 cent reduction in the price support level from the current 18 cents per pound to 16 cents per pound. This modest change is comparable to reductions experienced by other farm commodities in 1985 and would begin to move the sugar program in a more equitable direction.

Again, we urge you to support long-overdue reform of the sugar program by voting for the Bradley-Roth amendment. Extensive editorial support in newspapers throughout the country suggests that the general public will be looking to Congress to take positive action on this issue.

We look forward to working with you to ensure a rational, equitable sugar program. If we can be of any further assistance on this matter, please do not hesitate to contact us.

Sincerely,

Mark Cooper, Research Director, Consumer Federation of America; Harry W. Snyder, Director, West Coast Regional Office, Consumers Union; Charles Lee, Senior Vice President, Florida Audubon Society; David C. Campbell, Research Economist, National Wildlife Federation; Justin Ward, Senior Resource Specialist, Natural Resources Defense Council; Michael Waldman, Director, Public Citi-

zen's Congress Watch; Ellen Haas, Executive Director, Public Voice for Food and Health Policy; Theresa Woody, Southeast Associate Field Representative, Sierra Club; Brian F. Culhane, Assistant Director, National Parks Program, the Wilderness Society.

Mr. BRADLEY. I would also like to submit for the RECORD the following editorials in the Journal of Commerce, "The Sugar Tax"; the Burlington, NC Times-News, an editorial entitled "Sugar Quota Needs to be Attacked"; the Tampa Tribune, "Congress Should Cut Aid to Exploitive Sugar Barons"; the Detroit News, "The Sugar Scandal"; the Chicago Sun Times, "Sweetheart Deal Imperils Jobs Here"; the Los Angeles Times, "How Sweet It Isn't"; Jackson, MS, Daily News, "Crop Props; Sugar Supports Blatant Protectism"; and the (Phoenix) Arizona Republic, "Uncle Sugardaddys' Sour Deal."

I ask unanimous consent that those and other editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, July 18, 1990]

THE SUGAR TAX

If you could buy sugar with no restrictions, you'd pay about 12 cents a pound. American sugar users aren't so lucky. Bakers, distillers and other bulk buyers pay about 22 cents a pound, thanks to a government program that taxes consumers to keep sugar growers and corn farmers fat and happy. This week, Congress has a chance to cut that tax, if only it can summon up the courage.

"Tax," of course, is a loaded word. Supporters of the sugar program prefer to talk about the "loan rate," 18 cents a pound, at which the government agrees to take raw sugar off growers' hands. But to keep from losing its shirt in the sugar market, the government limits imports to support the domestic price. The difference between that price and the world market price, current about 10 cents a pound, is a tax on the consumers of products containing sugar.

The last time Congress approved a farm bill, back in 1985, sugar's supporters turned back a drive to cut the loan rate from 18 cents to 12 cents. This time around, both houses face far more modest proposals. Sen. Bill Bradley, D-N.J.; Rep. Willis Gradison, R-Ohio; and Rep. Thomas Downey, D-N.Y., all want to cut sugar supports to 16 cents. A vote in the Senate could come as early as this week.

The most potent backing for the sugar program comes not from sugar growers themselves, but from corn farmers and millers, including political heavyweight Archer-Daniels-Midland. High sugar prices have created a market for their product, high fructose corn syrup, which has replaced sugar in soft drinks and many other uses. HFCS probably would not be viable in a completely uncontrolled sugar market. But the U.S. Department of Agriculture estimates that HFCS costs only 13 to 14 cents a pound to produce. Keeping the price of sugar above that level simply ensures profits for corn millers. Lowering the sugar loan rate by 2 cents a pound, the department projects, will reduce the demand for U.S. corn by all of 0.07%. That won't have much effect on the price.

The United States has talked a good game when it comes to curbing subsidies to agriculture. Congress' vote on reducing the sugar tax will show how serious it is.

[From the Burlington (NC) Times-News, Dec. 10, 1989]

SUGAR QUOTA NEEDS TO BE ATTACKED

During the past two national election campaigns, the political action committees representating the sugar industry in the United States contributed $2.1 million to various federal lawmakers.

And what did they get for their money? Congress continues to renew the sugar quotas in order to help the family farmer. However, one must know more about the "family farmer" to be fully informed. One such family is the Fanjul brothers who have seven sugar companies. They have done so well they have financed three resort hotel takeovers and built four mansions in Palm Beach, Fla.

The sugar industry has been getting a sweet deal for a long time, and it is one which is sour to the American taxpayer and the American consumer. For instance, this business of congressionally imposed import quotas on sugar costs Americans 22 cents per pound for raw sugar. We pay three times what the rest of the world pays. Three times! It means that for every 10 pounds of granulated sugar we buy, we are paying an extra $2. Not only that, the sugar cost raises the price of most prepared foods and artificial sweeteners.

Between 1982 and 1984, these quotas added $7.5 billion to the price of those products. An example? There is an extra 10 cents on every gallon of ice cream because of the quotas. Currently, it is having a major effect on the price of Christmas candy you might purchase. Since the government began tightning sugar quotas, the amount of hard candy imported has increased 250 percent. Makers of hard candy and candy canes say if not for the sugar quotas, they could be exporting candy and underselling foreign companies.

Who benefits from all this? There are about 12,000 sugar growers in the United States, or only two percent of all American farms. That seems a bit out of proportion. The purpose of the sugar quotas is simple. It keeps the price of all imported sugar sky high so that domestic producers can raise their prices to the exorbitant level.

This setup is costly to workers in the prepared food industry. There have been thousands of jobs lost in recent years because foreign processed food companies take advantage of the price difference and sock it to U.S. firms on the world market. Our food processors can't compete because of the wide gap in sugar prices.

Is this being done to save jobs in the sugar industry? Hardly. The supported price has allowed the domestic producers to mechanize their operations, cut their labor and reduce costs. It is a good deal for a very few producers, and it is at the expense of almost every American consumer.

Sen. Bill Bradley plans to attack these quotas in the 1990 farm bill, and we hope a lot of others in Congress—and the White House—join him. These quotas should be eliminated, and the price of sugar should be set by the market, not by law.

[From the Tampa Tribune, Oct. 20, 1989]

CONGRESS SHOULD CUT AID TO EXPLOITIVE SUGAR BARONS

Sugar rots the teeth and if consumer to excess adds body fat. Equally unhealthy is Congress' sugar program.

An investigation by Tribune reporters Ray Locker and Booth Gunter found that the sugar policy:

Results in $3 billion in extra food costs for American consumers each year.

Subsidizes an industry that is polluting the Everglades. Runoff from sugar fields is pumped to Loxahatchee National Wildlife Refuge, part of the Everglades' drainage system. The nutrient-rich water changes the soil's character. Consequently, cattails, which have little value as wildlife habitat, replace saw grass native to the area. Since 1979, when water officials began dumping the runoff in Loxahatchee, cattails have smothered 6,000 acres of the refuge and invaded another 12,000. They spread at the incredible rate of five acres per day.

The industry, armed with powerful lawyers and pricey consultants, opposes attempts to make growers clean up their waste water.

Destabilizes sugar-growing Caribbean countries. Blocked from the American market by trade barriers, these nations' economies are crumbling. Consequences will be costly for the United States.

Nations such as the Dominican Republic and El Salvador will need more American aid. More islanders will turn to the drug trade, more countries will be unable to pay their debts to American banks, and more illegal immigrants will seek refuge here. Too, some nations desperate for income will launch destructive projects that aggravate the globe's environmental woes.

Congress' sugar program guarantees the industry a profit. The government lends sugar companies money based on a price of 18 cents per pound. If the U.S. price is lower than 18 cents, companies do not have to pay the money back. They simply default on the loan and hand the sugar over to the federal government. The federal government doesn't want that to occur (as it did in 1985, when the industry defaulted on a $77-million loan) so it established quotas that throttle imports.

The result is high sugar prices for Americans and bleak prospects for Caribbean nations.

Congress and the American sugar industry are not solely to blame for the mess. European countries heavily subsidize sugar companies and dump at least 3 million excess tons a year on the world market. That lowers prices and would—where it not for Washington's protections—wreak havoc on American growers.

But the government program completely exempts growers from market forces. For instance, the world market price for sugar is 14 cents per pound. Americans pay 23 cents. And, though health-conscious Americans buy less sugar, Florida growers are expanding production. In fact, since 1981, when the program was initiated, the sugar industry has increased production 39 percent. Something is badly out of joint.

Alec Wilkinson's new book, *Big Sugar: Seasons in the Canefields of Florida*, reinforces the industry's image as ruthlessly exploitative. He details the brutal conditions cane cutters suffer. Immigrants from the West Indies, most fields hands have no choice but to take the work. Says one: "We live in captivity, we must obey our master—

anything he say, we do. For we, it is rough. We are all of us under a sufferation."

Congress is scheduled to reauthorize the sugar program next year—high time for a change. Given the complexities of global markets, government support for agriculture is sometimes unavoidable. But the sugar industry's deal is obscenely sweet.

[From the Wall Street Journal, July 17, 1990]

ASIDES

SWEET RELIEF

The Senate takes up the farm bill this week, and one of the first votes will be an attempt to put the bloated sugar program on a diet. Senators Bill Bradley of New Jersey and Bill Roth of Delaware think it's absurd that U.S. consumers should pay twice the world price of sugar to support a few wealthy domestic growers. Quotas on imported sugar cost consumers $2.4 billion in higher food prices every year. They also undercut U.S. foreign policy by undermining many faltering Caribbean and Asian democracies that need currency earnings to repay foreign debts and import U.S. products. Senators Bradley and Roth propose a cut of about 10% in the sugar subsidy. A budget squeeze already recently forced cuts of about that size in subsidies for milk, wheat, cotton, rice and feed grains. But the sugar lobby is powerful, and it has discovered that large PAC contributions serve as a useful sweetener. The vote on the sugar program will show whether Congress has any interest in reforming America's Soviet-style agricultural policy.

[From the Detroit News, June 11, 1989]

THE SUGAR SCANDAL

Many American politicians of both parties have made bashing foreign countries for keeping American goods out of their markets into something of a blood sport. Now an international panel has come along to declare that the United States hardly has clean hands in these matters. Let he who is without sin cast the first stone, or perhaps in this case, sugar bowl.

On June 2, a committee of the General Agreement on Tariffs and Trade (GATT), the international body that monitors trade barriers around the world, found that our policy of deliberately limiting the importation of foreign sugar was a trade violation. The full GATT is likely to endorse this position when it meets in Geneva on June 21. The Bush administration is thought likely to go along with the GATT ruling and ask Congress to repeal the import quota, which effectively acts as a subsidy to American sugar farmers, many of whom are in Michigan.

That would be good news, since the sugar import quota is a scandal of longstanding that has damaged both consumers and American allies in sugar-growing Third World countries. At the same time, it has also helped enrich various corporate fat cats.

Here's how it works: Congress restricts imports of sugar to 1.25-million tons this year, less than 8 percent of the roughly 16.5-million tons Americans consume every year. That has the effect of nearly doubling sugar prices in this country. The world price of sugar right now is a little less than 12 cents a pound (it was only 6 to 7 cents a year or more ago). But the quota means Americans pay about 22 cents a pound for the sweet stuff.

That disparity is what creates a market for an artificial sweetner called High Fructose Corn Syrup (HFCS), which is made primarily by the Archer-Daniels-Midland food conglomerate. It can produce HFCS for about 15 to 16 cents a pound and sell it to industry consumers of sweetners, such as soft-drink companies, and make a killing.

The import quotas have also helped wipe out what was left of the economies of the Dominican Republic, Haiti and Jamaica, all of which have lost hundreds of millions of dollars in export earnings. And in the Philippines, our aid can't begin to make up for the economic devastation caused by the sugar quota.

The protectionist hotheads in Congress—including many members from Michigan—will have a difficult time branding Japan a trade criminal while simultaneously insisting on favored treatment for their own constituents. The sugar quota is bad policy both domestically and internationally. The quicker it goes by the boards, the better.

[From the Chicago Sun-Times, Sept. 28, 1989]

SWEETHEART DEAL IMPERILS JOBS HERE

Mention the industrial heartland, and most people will think of steel mills and refineries, not candy companies.

But there it is, out on the West Side, a candy company that is the sixth largest employer in Chicago and the 24th in the state. Brach's plant on Kinzie, the largest candy manufacturing plant in the world, employs nearly 3,500 people, many of them from the economically depressed West Side. The company fuels the local economy with millions in taxes and purchases from other companies.

To say that Brach's, which started here, is vital to Chicago's economic health is an understatement.

But it may not be there for long. Saddled with obsolete equipment and high labor costs, the company is wondering whether it would be better off moving elsewhere . . .

Opps, we can hear the voices telling us now: "Hold it right there. If this is another attempt by a company to extort millions from taxpayers by threatening to move elsewhere, forget it." But it's not.

What Brach's wants is freedom from the stranglehold of one of this country's most effective special interests—the sugar lobby. A sweet deal worked out in Congress protects the 12,000 U.S. sugar growers, found mainly in the South and West, by keeping out cheap foreign sugar. As a result, Brach's must pay 10 to 18 cents more a pound for its sugar.

But it's the consumers who really get to pay, having to cough up nearly twice as much for their sugar, at a cost of some $3 billion annually.

To get some relief, Brach's wants the federal government to designate the West Side plant a Foreign Trade Zone. The designation, which is supported by state and local officials, simply means that the company would be allowed to buy sugar at more favorable world prices. It doesn't cost taxpayers anything.

Brach's President Ron Habijanac said the designation ensures that the company would stay here and invest some $100 million in the plant in the next few years.

But if Brach's gets this break, shouldn't other candy companies? We suppose so, if they qualify like Brach's.

The idea of the zone is to assist economically depressed communities, and it's hard to find any community more in need than the West Side, where nearly a quarter of its jobs have disappeared in a decade.

The real, long-term answer, of course, is to end the sugar industry's outrageous favored treatment. But because that is equivalent to yearning for utopia, the next best thing is to demand that Chicago not have to support sugar cane growers by giving up 3,500 of its jobs.

[From the Los Angeles Times, Dec. 21, 1987]

HOW SWEET IT ISN'T

Sugar has moved to center stage in Congress in a confusion of maneuvers that threaten continued inflated prices for consumers and broad disruption of the already troubled world market.

The bad news began with the announcement of new reductions in the import quotas that already had been reduced by 75% over the last four years. This squeeze on the pathetically poor producers of the Third World was a result of the congressional mandate that domestic producers be protected. But when Congress realized that the Philippines and Caribbean nations would be the principal targets of the cutbacks, just when the United States was trying to help them stabilize their troubled societies, two congressional committees approved special added quotas for the Caribbean nations, restoring their quotas to the 1983-84 level for one year. But at a terrible price: The bonus sugar would then be re-exported at a reduced price to compete on the world market, exacerbating the huge surplus and thereby punishing other desperate Third World producers.

There is a better plan—just introduced in Congress by Sens. Bill Bradley (D-N.J.) and William V. Roth Jr. (R-Del.) and Reps. Thomas J. Downey (D-N.Y.) and Willis D. Gradison Jr. (R-Ohio)—that would strip away over a four-year period the costly protection that is currently given to American sugar producers. Under the provisions of the plan, the loan rate would be cut from its present level of 18 cents a pound to 12 cents, and import quotas would be increased until they reached the 1983-84 level. This would certainly end the anomaly of American sugar growers producing more and more even while U.S. consumption declines and a world surplus grows. This ever-growing economic absurdity, implemented at the expense of consumers, is the result of legislation that guarantees sugar producers a profit—the only farmers so benefited.

As the sugar producers have manipulated successifully their congressional support, sugar has dwindled from 62% of the American sweetener market in 1981 to 43% this year. Corn sweeteners have grown from 32% to 44% of the market, and low-calorie substitutes from 5% to 12%. But all of the losses in sugar sales have been made at the expense of foreign producers—never mind that they can produce sugar more cheaply and that they depend on sugar in many cases as the sole way to climb out of poverty.

Congressional efforts to give temporary relief to the Philippines and the Caribbean nations at least recognize part of the injustice of the existing program. But the kind of partial remedy now proposed does more harm than good. Real redress depends on providing increased access to the U.S. market for all foreign producers and relieving the American consumer of this unnecessary burden of artificially high prices.

[From the Jackson (MS) Daily News, Clarion Ledger, Jan. 2, 1988]

CROP PROPS: SUGAR SUPPORTS BLATANT PROTECTIONISM

Uncle Sam maintains price supports for a wide variety of crops across the country, including some in Mississippi, but the props placed under sugar production represent one of the most glaring examples of government for the few at the expense of the many.

As a result, Americans pay more than twice the world price for sugar when they buy such products as candy, cookies and soft drinks. The world price is about 8.5 cents per pound; the price to U.S. consumers is 18 cents a pound.

Such artificially inflated sugar prices are costing consumer up to $3 billion a year, or $100 for the average family of four, critics claim.

As Sen. Bill Bradley, D-N.J., observed, "It is ludicrous." It's also foolish, inequitable and outrageous.

The nation's 10,000-plus sugar growers, of course, strongly defend the higher price, saying it keeps them from being wiped out by unfair world competition. Owners of many another American enterprise hurt by foreign competition would like a fraction as much help.

There is clearly something wrong with an industry (agricultural or otherwise) that claims it must receive more than twice the world price to stay in business.

Perhaps the most startling thing about the situation is that sugar growers are not that numerous, relatively, not spread across the nation geographically. However, their system draws the support of a broad coalition of lawmakers with agricultural constituents—sugar-cane growers in Hawaii and Louisana and sugar beet farmers in the northern Midwest.

One might think the sugar producers would be quietly satisfied, but no—they claim they're struggling still.

Congress appears far from embarrassed by the sugar program. Nevertheless, Bradley and several other lawmakers have introduced bills designed to cut the price of domestic sugar and to increase sugar imports, imports now restricted by a rigid quota system used to shore up domestic prices. The proposals merit support.

Price supports, like crab grass and cockeburs, are tough to fight off, but if and when Congress begins scaling back agricultural subsidies, sugar growing may be the best place to start. But food buyers would be wise not to wait; they had best start reducing their consumption—which might be good for their health anyway.

[From the (Phoenix) Arizona Republic, Jan. 7, 1988]

UNCLE SUGARDADDY'S SOUR DEAL

To understand the unpleasant consequences of trade restraint—sure to get even worse if pending protectionist legislation ever becomes law—it is only necessary to examine the sweetheart deal between the federal government and the nation's sugar industry.

In an effort to protect a relatively small number of American farmers and refiners from foreign competition, Congress long has set quotas for sugar imports. This year's limit is 750,000 tons down an estonishing 25 percent from the previous year and the lowest quota since 1875—that is to say, in the past 113 years.

The extraordinary drop was necessary to keep U.S. sugar prices at an inflated level, which a foolish Congress supposes to be a national priority. The current price, about 21 cents a pound, is more than three times the world price. Since corn sweeteners and artificial substitutes have reduced demand substantially, cutting imports was the only way to maintain the high price required under a 1982 congressional mandate.

The chief, if not the only, beneficiaries are some 10,000 sugar growers and refiners, who are protected from the marketplace, and those U.S. congressmen who will be rewarded with political support. For nearly everyone else, the sugar quota can be counted as no more than a raw deal.

Not only will American consumers be forced to pay as much as $3 billion in higher prices for some soft drinks and candy—an estimated $100 a year for every family of four—but U.S. producers of sweetened products, put at a competitive disadvantage in international markets, must pay a high price as well.

If this weren't bad enough, the sugar quotas also hurt foreign sugar producers in Third World countries where the United States is trying to promote economic development as an alternative to the relentless spread of Marxism. These include such basket cases as Haiti, Brazil and the Philippines.

Recognizing the foreign policy drawbacks in its sugar-pricing scheme, Congress has belatedly authorized a temporary arrangement whereby the Philippines and Caribbean nations can sell more sugar to the United States, but for export purposes only. The refined sugar will be sold abroad via another subsidy device—one that will penalize still other developing countries.

Apart from eliminating sugar subsidies altogether, the best solution would be passage of pending legislation that would phase out sugar assistance over the next several years, giving producers and politicians time to learn how to stand on their own feet. But unless voters and consumers begin raising some cain themselves, victory over the sugar lobby seems remote.

[From the Indianapolis Star, June 30, 1989]

"UNCLE SUGAR DADDY"

The McMillan *Dictionary of Slang and Unconventional English* defines "sugar daddy" as "an oldish man spending lavishing on a young woman." Movies usually presented a sugar daddy as one who buys furs and jewels for a chorus girl. But the U.S. government has given new meaning to the term. Uncle Sam uses taxpayers' funds to protect favored businesses.

It works this way: Congress protects the country's sugar industry with import quotas to keep domestic sugar prices up to four times the world price.

The quotas restrict imports to 1.25 million tons this year, about 8 percent of the 16.5 millions tons Americans consume. The artifically induced high price, in turn, stimulates more domestic production, which has driven sugar imports down about 80 percent over the past seven years.

The government gives farmers a 22-cent per pound support price for growing sugar, about twice the world market price. The result is that U.S. consumers pay up to $3 billion a year more for sugar and other sweeteners than if Uncle Sam didn't interfere in the market. Further, more than 15,000 jobs have been lost as food processing shifted to nations where sugar is cheaper.

Domestic sugar producers claim that import quotas save U.S. jobs and guarantee Americans a secure supply at stable prices. Unmentioned is that over the past 13 months retail sugar prices have risen nearly 8 percent to about 35 cents a pound.

Free trade economists long have argued that the quotas break rules set by the General Agreement on Tariffs and Trade (GATT) of which the United States is a member. They turned out to be right.

On June 22 the 96-nation council of GATT said the sugar quotas violate world trade rules. Australia brought the complaint before the panel, successfully arguing that the quotas hurt it and other sugar producing nations.

As all GATT actions must be unanimously accepted by members, Washington could have blocked the panel's ruling, but the ruling was made soon after U.S. citation of Japan, India and Brazil as "priority" nations whose trade barriers subject them to possible U.S. trade sanctions. To avoid appearing hypocritical, Washington agreed to comply with GATT's decision.

"We have an obligation under GATT to administer the program consistent with international trade rules and we are confident we can do so," said Carla Hills, the U.S. trade representative.

No compliance details or timetable were given but there are several options.

Quotas could be changed to GATT-approved tariffs, which are less restrictive. Or reparations could be paid to Australia. Better yet, consideration could be given to ending the quotas and opening the U.S. market so that consumers may buy sugar products at the less costly true market prices.

That would require standing up to the powerful sugar industry and provoke battles in Congress where cane and beet sugar producers have strong representation, especially in the House and Senate agricultural committees.

But it is about time Uncle Sam stopped playing the rule of Uncle Sugar Daddy.

[From the Evansville, IN, Courier, May 4, 1990]

BITTER SWEETS

President Bush's decision to let Nicaragua sell its sugar in the United States is good news all around, not only for American candy manufacturers and sweet-toothed consumers but also for beleaguered Nicaraguan farmers climbing out of the Marxist quagmire.

Unfortunately, that's where the good news ends. U.S. sugar policy is a mess, costing billions of dollars a year. And it's in danger of getting worse.

Like too many U.S. trade policies, the import of sugar has been used as a foreign relations tool, a means of punishing or rewarding regimes according to political taste. In 1983, President Reagan began distributing Nicaragua's sugar import quota to other Latin American nations in an attempt to bring the Sandinistas to heel.

Now Bush has restored democratic Nicaragua's quota to pre-1983 levels, without reducing the beefed-up allotments of its neighbors. More sugar will thus flow into the United States, lowering prices. It's a good decision, but one made for the wrong reasons.

The problem lies in the quotas themselves. The government imposes quotas to keep cheap sugar from flooding U.S. markets, thereby protecting the country's 11,000 beet and cane growers whose product is more expensive. The U.S. sugar price is 24 cents a pound, the world price 15 cents.

While insulating U.S. growers from the inconvenience of competition, the quotas cost American consumers about $3 billion a year. Just as important, they cost American jobs, as the 3,500 workers at Chicago's E.J. Brach & Sons will tell you.

The candy manufacturer, struggling to stay in business on the city's blighted West Side, recently requested an exemption to purchase sugar at world prices. Its request denied, the company now says it may be forced to relocate abroad, where sugar is bought and sold according to the laws of supply and demand rather than the preference of a powerful sugar lobby.

This dangerous silliness continues. The other day, a House agricultural subcommittee voted to increase subsidies for domestic sugar growers, even though the average grower made $235,000 in subsidies over the last three years.

That could buy a lot of sugar in Nicaragua, or save a lot of jobs on Chicago's West Side.

[St. Petersburg Florida Times, May 5, 1990]

STOP THE SUBSIDIES FOR BIG SUGAR

Figure this out. The U.S. sugar program has been so generous to domestic growers that they have actually increased production by 41.3 percent at a time when national consumption has dropped 26 percent. Yet a House subcommittee, in its first offering on sugar for the 1990 Farm Bill, says the subsidy should be increased.

Can this make sense?

Rep. Jerry Huckaby, D-La, who chairs the subcommittee, has made a serious miscalculation if he thinks the public is ready for more of the same on sugar subsidies. Not only has his bill raised the ire of consumer groups for obvious reasons, but it has drawn scorn from the Bush administration for its trade implications and from many agricultural interests whose loyalties are being divided. While other farm support programs are likely to take budget cuts this year, the Sugar Program has no such worries. It is "off budget," which means the subsidy is charged directly to consumers—at an estimated rate of $3-billion a year.

As *Congressional Quarterly* reports: "No other U.S. crop program is more blatantly protectionist than sugar, and no other has such far-reaching implications for U.S. foreign and trade policies."

Because the sugar program relies on import quotas to keep U.S. prices artificially high, it hurts not only domestic consumers but foreign producers. The Caribbean nations whose economies depend on sugar production have been crippled by the restrictions. According to the CBI Embassy Group, 22 Caribbean Basin countries have lost 400,000 jobs since 1983. Instead of restoring open trade, though, Huckaby's bill simply tries to buy off Caribbean nations by giving them a 5 percent premium on the little sugar they are allowed to send to the United States. It's a blatant attempt to win their support for trade policies that are an affront to the international General Agreement on Tariffs and Trade treaty that is currently being renegotiated.

The limits Huckaby proposes for U.S. sugar production are similarly deceptive. Domestic growers are willing to limit their producton for one reason, and one reason only: They fear that if all imports are stopped, then the United States won't be able to use them as a tool to inflate domestic prices.

The most galling element of the Huckaby bill is its attempt to increase the subsidy to growers. Though domestic prices are now about 23 cents per pound, roughly 8 cents more than the world price, Huckaby is not satisfied. He would increase the government loan rate, which is now 19 cents and thoroughly unrelated to the actual cost of production, by a factor of inflation each year. In so doing, he assures the growers will earn far in excess of the world market price, and that they cannot possibly suffer a loss. (If the United States doesn't prop up the domestic price above the loan rate, growers can dump the sugar on the government and keep the loans.)

A more responsible revision to the sugar program has been proposed by Reps. Thomas Downey and Willis Gradison, who would lower sugar price supports by 5 percent a year and gradually increase sugar imports.

In the House agricultural subcommittee that is expected to begin analyzing Huckaby's bill next week, Florida is represented by Rep. Tom Lewis, whose district includes the state's sugar county. Lewis has been a consistent friend of the sugar growers, but he now is facing a different set of questions. In Flordia, any politician who votes to subsidize sugar is also voting to help an industry that is poisoning one of the state's most precious resources—the Everglades. In Florida, Big Sugar is, in more than one way, a bad deal.

[From the Provo, (UT) Herald, May 8, 1990]

SUGAR IMPORT QUOTAS NOT VERY SWEET AT ALL

Congresionally imposed import quotas on sugar are supposed to protect U.S. beet and cane growers, thereby preserving American jobs.

But at what price?

At a Chicago candy factory, the price may be the imminent loss of 3,500 jobs.

Uncle Sam's sugar program has proved to be a raw deal for workers and consumers alike. Over the last few years, an estimated 12,000 workers in the prepared food industry lost their jobs because of the high domestic cost of sugar. The price of sugar in this country is artifically pegged at 24 cents a pound, about 60 percent more than the price on the world market.

Because of the ripple effect of sugar prices on a wide range of prepared foods, from baked products to breakfast cereal, the total cost to American consumers of quotas and subsidies is estimated at several billion dollars a year. All this is to protect approximately 12,000 domestic sugar growers, or less than 2 percent of American farmers.

America's third-largest candy maker vividly illustrates the flip side of sugar price supports. The financially ailing company, E.J. Brach & Sons of Chicago, may be forced to move to Canada or Mexico if its application to buy sugar at world prices instead of inflated domestic prices is turned down. Cheaper sugar would save the company $20 million a year.

The request has been provisionally rejected by the Commerce Department. But the decision is subject to review by Commerce Secretary Robert Mosbacher. About 3,500 jobs would be lost if the company closed its 68-year-old factory on the economically depressed West Side of Chicago.

The quotas that help sugar farmers clearly hurt the candy company and other food processors. But the farmers wield a disproportionate influence on lawmakers on Capitol Hill.

Sugar quotas clearly distort the international market and transgress the rules of free trade. In addition to hurting consumers, the protectionist measures hurt the emerging democracies of the Caribbean, which rely on sugar as a major export. This is a prime reason the Agriculture Department is working toward eventual elimination of the quota system and why pressure is building in Congress to strip sugar quotas from the 1990 farm bill, which is now being drafted by a House Agriculture subcommittee.

It is time to end the sweetheart deal for domestic sugar growers. Allowing the sugar market to find its own level under free trade conditions would help the Chicago candy company and other domestic food processors compete with foreign companies. It would lower prices for consumers. And, probably most important and certainly not least, it would provide thousands of jobs for American workers.

[From the San Diego Union, Nov. 28, 1989]

BITTER SUGAR

The ever-perky Mary Poppins prescribed a spoonful of sugar to make the medicine go down. But congressionally imposed import quotas on sugar are enough to gag American consumers.

Last year, Americans paid 22 cents per pound for raw sugar, three times what the rest of the world paid. According to the U.S. Department of Commerce, sugar quotas cost consumers more than $3 billion a year. And who benefits from this federally protected price-gouging? Approximately 12,000 sugar growers, or less than 2 percent of American farms.

Congress currently imposes a steep tax on all imported sugar, which in turn enables domestic producers to jack up their prices. Yes, we've seen the swarmy Archer-Daniels-Midland commercial with a smooth voice insisting that American sugar remains one of the best bargains in their local grocery store. Don't you believe it.

Not only are consumers paying an extra two bucks for a 10-pound bag of granulated, but the price of most prepared foods and artificial sweeteners is inflated as well because of the wasteful sugar quotas. Between 1982 and 1984, the quotas added $7.5 billion to the price of such products. A case in point is the extra 10 cents that consumers pay for a gallon of ice cream to support domestic sugar producers.

Uncle Sam's sugar program has been a raw deal for the 12,000 workers in the prepared food industry who have lost their jobs because of the high cost of sugar. This is because foreign processed food companies take advantage of the price discrepancy and clobber U.S. firms in the world market. In fact, the Commerce Department estimates that it costs $76,000 to save just one job in the domestic sugar industry.

But such facts haven't disuaded the well-heeled sugar political action committees from doling out plenty of cash to pliant congressmen. During the last two national election campaigns, the sugar PAC's contributed $2.1 million to federal lawmakers. In return for such generosity, Congress routinely renews the sugar quotas under the guise of helping the family farmer. One such family, the Fanjul brothers, has seven sugar companies that have been so lucrative they have financed three resort hotel takeovers and four mansions in Palm Beach, Fla.

The U.S. sugar quotas, which clearly violate world trade rules, expire next year. Sen. Bill Bradley, D-N.J., plans to lead the fight

to strip these quotas from the 1990 farm bill. President Bush should lend a hand in dissolving this sweetheart deal for domestic sugar producers.

[From the Miami Herald, Dec. 18, 1989]

BALANCE SUGAR QUOTAS

Modern market economies still bear vestiges of the sort of protectionism that was rampant in the 19th Century. Though it is clothed in the technical language of trade quotas and complex subsidies, present-day protectionism is no less injurious to domestic consumers and to a country's trade partners than were its outmoded predecessors.

U.S. sugar quotas are an example of modern protectionism. The import quotas on sugar hurt American consumers by allowing domestic producers to sell their sugar at a guaranteed price that is substantially higher than the world-market price.

Moreover, the quotas also have wrought havoc in the economies of the Caribbean's sugar-producing countries by denying them much of a share of the large U.S. market. Since they cannot sell their sugar profitably elsewhere, countries such as the Dominican Republic and Jamaica have been devastated by restrictive U.S. quotas. The resultant reduction in sugar earnings is one of the chief causes for the rise in Caribbean unemployment and emigration.

While the United States rightly promotes policies such as the Caribbean Basin Initiative (CBI) to assist development in the region, its sugar quotas simultaneously demolish much of what the CBI purports to accomplish. That is why the Agriculture Department's recent decision to raise the U.S. sugar quota by 13.5 percent was sorely needed and deserves praise.

The latest quota of 2.49 million tons is still less than this decade's previous high of 3.09 million tons, but the increase will help Caribbean Basin producers enormously. For the depressed Dominican Republic alone, for example, the increase represents additional income of $22 million. Other important producers will benefit, among them the Philippines, Brazil, and Guatemala.

When the sugar program expires next year, Congress should fully weigh its effects on the sugar industry and its benefits to consumers and struggling Caribbean nations before crafting a new version of the bill. The best balance would mean export earnings to Caribbean producers, lower prices to U.S. consumers, and reasonable return to the American sugar industry.

[From the Akron Beacon Journal, Jan. 4, 1988]

A SUGAR-COATED MARKET

Talk about your sweet deals. For years, the nation's sugar growers have convinced their friends on Capitol Hill to keep foreign competition at a minimum, allowing them to charge their domestic customers far more than the world price for sugar.

It's quite a scam—all legal, of course, but a flagrant example of protectionism. And this year, the practice has plunged to new depths of venality. The quota on cheap foreign sugar has been cut to its lowest level in more than 100 years. That'll keep the domestic price at about 18 cents a pound, more than twice what foreign growers would charge.

The loser in all this is the consumer. The inflated price he pays amounts to roughly $3 billion a year, an excise tax, if nothing else. Incredibly, the winners are no more than about 10,000 sugar farmers, a mere 2 percent of all U.S. commercial farmers. As one consumer advocate told the Washington Monthly, "We could afford to pay every sweetener grower in the United States almost $250,000 in cash, and it would be cheaper than extracting the high prices for sugar than current law requires."

One's tempted to think twice, even three times, about that holiday candy. Concern grows when consideration is given to the effect on U.S. foreign policy. Corazon Aquino, the Philippine president, presides over a fragile democracy that Washington claims to support. But the American sugar policy benefits the communist opponents of the Aquino government. It hobbles the Philippine economy; 250,000 cane-cutters there are out of work; how many have turned in frustration to the insurgency?

U.S. sugar policy also undermines American interests in the Caribbean. Once again, words and deeds clash. President Reagan's Caribbean Basin Initiative was a well-conceived, free-market approach to trade and economic policy. But there's no free market in sugar. Caribbean growers have been pushed out of their most lucrative market, the United States. It's hard to imagine what more Washington could do to encourage radicalism there.

Sen. Bill Bradley, D-N.J., and Rep. Thomas Downey, D-N.Y. have offered a plan to reduce the U.S. sugar quota system over the next three years. The aim is to cut the price of domestic sugar through competition. It's long overdue. The sweetest deal would be one that serves the interests of American consumers and the country as a whole.

[From the Asheville (NC) Citizen, Apr. 25, 1989]

SUGAR SUBSIDIES ADD TO FAMILY FOOD BILLS

Federal farm programs abound with ironies, one of which is, no matter what the outcome of national farm policy, the country also gets stuck with a higher tab.

Consider sugar subsidies. When it comes to feeding at the federal trough, no one has a sweeter deal than the nation's few thousand sugarcane growers, most of them corporate enterprises that control thousands of acres each.

Were it not for the federal government, they would have gone out of the sugarcane business years ago and used those vast farms for something more productive. Instead of switching to other crops, they have persuaded Uncle Sam to give them a monopoly that allows them to charge billions of dollars more a year than their product is worth.

The world price of sugar hovers around 10 cents a pound. The federal government guarantees U.S. sugar producers 18 cents a pound and imposes import quotas to limit the supply so that market prices will stay above 18 cents.

The program is required to operate at "no net cost" to the government—but it operates at high cost to Americans in other ways. Because the price of sugar is held at a level well above what the rest of the world pays, U.S. customers spend $3 billion more a year for food than they would otherwise.

Foods containing sugar can be produced cheaper elsewhere, so food imports have grown, taking jobs away from American workers. The U.S. government sends foreign aid to Caribbean countries that once were self-sufficient. We feel obligated, because their economies were disrupted when we closed U.S. markets to their sugar.

No net cost? The program is costly to the extreme, and not just in terms of family food budgets and foreign aid dollars. It hurts our standing with our Caribbean neighbors and gives the lie to trade policies that we urge upon the rest of the world.

The mighty Untied States, proponent of free markets and fair trade, resorts to blatant protectionism to benefit a relative handful of sugarcane and sugar beet growers—and does so at the expense of the rest of the country. The program not only makes us hypocritical, it makes us look foolish.

Sugar producers have preserved their $3-billion-a-year subsidy through the clout of the farm lobby. Other farm groups (dairying, grains, cotton, soybeans, tobacco) tend to close ranks around any program that comes up for review, no matter how wasteful or misguided the particular program may be. They see an attack on one as an attack on all.

President Reagan tried to scale back sugar price supports and wean the industry from its subsidies. The farm lobby won.

President Bush seems more tolerant of the sugar program, but several members of Congress are sponsoring legislation anyway that would reduce price supports and slowly raise the quotas on imports. Despite heavy support from food companies, the measure has little prospect of passage.

Federal farm programs are something that most of the public seems to care little about—even when they hit us in the pocketbook.

[From the Fort Lauderdale Sun-Sentinel, May 24, 1989]

SUGAR INDUSTRY AID ENOUGH TO RAISE CANE

(By Jack Nease)

With Congress once again being asked to pass laws sweetening the bank accounts of South Florida sugar producers, it is time to review the basics of the business.

First, there is no such thing as a family sugar farm. Sugar cane growing is a millionaire's game. It takes thousands of acres, much expensive equipment and a big supply of cheap labor.

Likewise, there is no such thing as a "ma-and-pop" sugar mill. There are only seven mills in the state, and all except two are owned by large corporations. The exceptions are cooperatives owned by large growers.

The profits made by these big sugar operations are tightly guarded secrets.

FAMILY HAS FETISH ON SECRECY

Indeed, the people now reputed to be the biggest sugar producers in South Florida, the Fanjul family of the town of Palm Beach, makes a fetish of secrecy. The United States Sugar Corp. in Clewiston, the state's second largest sugar producer, is a private company now and doesn't make public reports either. But before going private, it reported annual profits as high as $38 million.

Other big players in the business include the Lykes family in Tampa, which made a fortune in shipping, banking and citrus, and the St. Joe Paper Co., a remnant of the old Alfred I. duPont estate.

Now why, you might ask, should Congress busy itself with devising programs to benefit this bunch?

The Florida sugar industry has a couple of answers. First, it says, without some sort of price-support program, there would be no sugar industry in this country. Low-priced

sugar from foreign countries, subsidized by foreign governments, would flood the country. Domestic producers would be forced out of business. Then sugar prices would rise. Consumers would pay more.

Additionally, Florida sugar producers argue, the industry produces jobs for South Florida. They come up with astronomical estimates of this impact but actual payrolls are tiny. The largest group of employees are part-time workers imported for the harvest season from Jamaica.

PROGRAM HAS 2-FISTED DELIVERY

Sugar prices are kept high by a two-fisted federal program. Punch one comes when sugar import quotas are kept low, producing a sugar scarcity in this country. Punch two comes when a "market stabilzation" price is set, and federal loans are made to sugar growers. That price, almost 22 cents a pound for milled sugar, is supposed to cover costs of production, repayment of loans and give growers a profit.

But how much profit? That's a big, big secret. Ask sugar producers about costs of production and they just laugh.

A group of urban congressmen has introduced legislation that would cut loan support prices by 6 cents a pound in the next four years.

What will happen next is an unsavory bit of vote trading among congressmen with agricultural supporters. Don't be surprised, for example, to see South Florida congressmen voting for tobacco price supports and tobacco-state congressmen voting for sugar.

The sugar program isn't supposed to cost taxpayers anything as operated now, but in 1985 it cost taxpayers $77 million.

The sugar program is an absurd example of government aid to the rich. It keeps prices high but never lowers themn.

If it is to be continued, taxpayers should make two modest requests: (1) Make public costs of production, so more realistic, lower price-support levels can be set, and (2) Give us back our $77 million.

Don't hold your breath.

[From the St. Louis Post-Dispatch, Jan. 3, 1988]

HOW SWEET IT ISN'T

The recent announcement by the Agriculture Department that 1988 sugar imports will be cut 25 percent compared to last year is devastating news for some countries the United States is trying to help in many other ways. This was not a mean-spirited move on the part of the administration, however, but was mandated by the Food Security Act of 1985.

That law requires that the sugar program not cost the government money—that is, no surplus stocks are bought and held. To maintain the price support without purchasing the commodity, the government must limit the amount of sugar that can be imported. While the government may not be out a dime, the law costs consumers plenty. Sugar price supports maintain a U.S. sugar price almost three times the world level. Grocery shoppers should consider all the products they buy that contain sugar and recognize the price they pay to shelter a single industry.

In additon to domestic economic concerns, the sugar import restrictions hurt some of our needy allies. For instance the 1983 Caribbean Basin Economic Recovery Act was supposed to give those countries greater access to U.S. markets. But what is a major Caribbean export? Yes, sugar. Likewise, successive reductions in the sugar quotas have cost the Philippines $150 million in each of the last four years. Evidently recognizing the hardship, Congress this year passed special import rules for the Caribbean and the Philippines.

What Congress should do next year is revise the sugar price-support legislation. The administration has said it will push for a more "rational" sugar program. Indeed. Sugar price supports and trade barriers both need to be lowered.

[From New York Newsday, June 4, 1989]

JAPAN'S AN UNFAIR TRADER? WE HAVE QUOTAS, TOO

Caught, with our hands in the cookie jar. Just as Washington is getting aggressive about trade, insisting Japan drop barriers against U.S. goods and Europe stop subsidizing farm exports, look what happens:

A panel that referees world trade has found that this country's own limits on sugar imports violate international trade rules. To conform with the General Agreement on Tariffs and Trade, Washington must scrap or overhaul its quotas on imported sugar.

GATT is right: Sugar quotas are bad business. They limit the amount of low-cost foreign sugar coming into the United States, keeping prices up here. It's welfare for U.S. sugar growers, at an estimated cost to consumers of perhaps half a billion dollars a year.

But the farm lobby has clout and the Reagan administration gave in when it demanded that sugar quotas, which lapsed in the '70s, be revived in 1982. So it will be hard to end them. But it's important to do that.

There is a lesson to be learned from this: It's hard for U.S. politicians to resist farmers' demands for trade protection, and it's just as hard for those from Japan and Europe, too.

Under Congress' 1988 trade law, the Bush administration has unilaterally cited Japan for limiting access to its markets and threatens to retaliate if Tokyo doesn't change its ways. That kind of bullying isn't allowed under GATT, but we're doing it anyway.

At the same time, this country is leaning hard on the European Economic Community to end its farm subsidies, as part of a sweeping revision of GATT rules now being negotiated.

We want Europe and Japan to accept our view of what trade rules should be—but we're not living by the trade rules that the industrial world accepted long ago.

We are, in short, in one prickly predicament. GATT's rules aren't enforceable, so Washington could ignore them. But to do that would seriously weaken U.S. credibility on trade. That's particularly dangerous because we, as much as any other country, will benefit from the current negotiations to modernize GATT.

Washington may wiggle out of this one yet, perhaps by modifying the sugar quotas without actually eliminating them. But if the Bush administration wants the rest of the world to play cleaner than clean when it comes to trade, it had better come to the table with clean hands itself.

[From the La Grange (GA) News, Mar. 15, 1989]

A $3 BILLION OVERCHARGE FOR SUGAR

(By John Chamberlain)

The United States is in trouble in the Caribbean. It could solve some of its direct problems with Jamaica, Guatemala and the Dominican Republic if it would only do something about sugar. The good will thus engendered would skip borders. What with steadily tightening quotas on Caribbean sugar, the U.S. has been carrying protectionism to a point that threatens revolutions to our south.

What to do about it? Beet sugar farmers in Colorado, and cane growers in Louisiana, whose domestic prices are supported, maintain powerful lobbies that want no change. But a New York Democrat, Rep. Thomas J. Downey, and an Ohio Republican, Rep. Willis D. Gradison, Jr., have just introduced a Sugar Supply Stabilization Act into Congress that would phase down a loan rate of 18 cents per pound of sugar until the rate reaches 12 cents. Meanwhile import quotas for sugar would correspondingly increase, to the cheers of the Caribbean countries.

How this would affect the American housewife who is intent on baking a birthday cake seems negligible. A good-sized cake calls for the addition of a pound (two cups) of white sugar retailing at 40 cents a pound to flour, milk and vanilla extract. Forty cents in an inflationary age isn't much.

It's when you multiply the cake bakers that the cost of sugar becomes politically troublesome. According to L. Francis Bouchey, the president of the Council for Inter-American Security, "the U.S. consumer . . . pays up to three times the world price for sugar," costing consumers an additional $3 billion a year. Bouchey calls this a "bloated level" for the benefit of 10,000 domestic sugar producers "who can't compete in the world market."

With an eye on Ortega in Nicaragua, Bouchey thinks it would be "utter folly for our government to increase economic aid to Latin America and the Caribbean, and then shut our market to one of the region's most important exports." U.S. aid to the Caribbean Basin countries, Bouchey says, "does not even match the revenue lost from our ever-shrinking sugar quotas." Sugar quota help to Guatemala, Jamaica and the Dominican Republic would create an opinion in Central America favorable to the Contras in Honduras, who are waiting for a turn in events before deciding to move against Ortega.

Bouchey is willing to let George Bush accept the Costa Rican invitation that the U.S. "become directly involved in negotiating the implementation of the Arias plan," which calls for a peaceful democratic settlement with the Nicaraguan Sandinistas. By participating in the Arias negotiations, Bush can "frame the issue and focus pressure on compliance." If Ortega uses the negotiations in bad faith, breaking his word for the third or fouth time, he will stand finally exposed. The reports are that Venezuela's new president, Carlos Andres Perez, would then stand alongside George Bush "in efforts to put the teeth back into the Arias accord."

There are eight presidential elections scheduled in Latin America this year. Most will presumably go democratic. But protectionist trade quotas don't help the democratic parties. Says Bouchey, "only an open trade system will allow for long-term economic growth in debtor nations, and thus ease the debt and poverty which provoke political upheavals damaging to the national security."

The next time you bite into a piece of birthday cake, think of this.

[From the Journal of Commerce, Jan. 5, 1988]

HOW SWEET IT ISN'T

Deep in the 8-inch stack of pages comprising the omnibus appropriations bill, one of the two budget measures signed reluctantly before Christmas by President Reagan, is a provision hailed by sugar refiners, Caribbean nations and the Philippines. It would permit refiners to import 400,000 tons of sugar above quotas from these countries for processing and re-export at government-subsidized world prices.

This means that U.S. consumers will be paying twice for the privilege of supporting Gulf state and Hawaiian cane growers and Midwestern beet sugar producers. Because of price controls and import quotas, which cut overseas sales in this country as domestic production rises, they pay roughly twice the world price for sugar. It is estimated that this alone is costing consumers $3 billion a year. Now, through taxes, they will support Caribbean and Philippine growers frozen out of the U.S. market and U.S. refiners unable to process to the crops of these growers.

Sponsors of the measure emphasize that there will be no new subsidy costs. The sugar credits merely will substitute in part for another federal program that finances the donation of surplus U.S. farm products to needy countries. This hardly changes the fact that U.S. consumers are paying twice for the privilege of adding to the number of U.S. sugar millionaires.

This coming-and-going insult to the U.S. consumer stems from passage of an omnibus farm bill in the Christmas rush to adjourn two years ago, much as the twin budget measures were passed this season. A few years ago, responding to requirements of the 1985 law, the administration trimmed sugar import quotas 25 percent, bringing to 75 percent the cuts over the past four years and reducing sugar imports to the lowest level in more than 100 years.

The effects of sugar import quotas have not been slow coming. Soft drink manufacturers increasingly are using sugar substitutes. Cookies makers are moving production offshore. And refiners have been driven out of business.

Sen. Bill Bradley, D-N.J., and Rep. Tom Downey, D-N.Y., have launched an effort to rein in this unconscionable giveaway. Their bill deserves the strongest support. Equally important, as the president remarked with regard to the budget just passed, there has to be a better way to run a government. If ever there was a matter deserving the line-item veto, sugar import limitation is one.

[From the Clearwater (FL) Sun, June 27, 1989]

U.S. IS GUILTY OF SUGAR PROTECTIONISM

No sooner had the United States accused Japan, Brazil and India of unfair trade practices than it got nailed for its own misdeeds. Australia successfully argued before a world trade panel that U.S. sugar quotas are hurting other sugar-producing countries. The embarrassing turnabout should cause Americans to take a hard look at the difference between what they preach and what they practice about trade.

Since it resurrected the sugar program in 1981, Congress has protected the country's sugar industry with import quotas. The artifical restrictions keep the domestic sugar price as much as two to four times higher than the world price. The high price stimulates more domestic production, which has driven sugar imports down 80 percent over seven years. After losing 75 percent of its quota, Australia filed a complaint with the General Agreement on Tariffs and Trade (GATT).

Sugar growers and their allies argue that the quotas guarantee Americans a secure supply at stable prices and protect 100,000 jobs. The protection is necessary, they say, because the European Community heavily subsidizes sugar production and dumps the surplus on the world market. What a deal. In return, American consumers pay up to $3 billion a year more for sugar products and other sweeteners. In addition, more than 15,000 jobs have been lost as food processing shifted to countries where sugar is cheaper. By protecting sugar, the United States endorses protectionism elsewhere, which hurts U.S. exports.

Sugar is a test. If the United States fails to discipline itself for sugar violations, world trade law and order will be severely undermined.

[From the New York Times, Dec. 12, 1989]

UNCLE SUGAR, UNCLE MILK

Christmas brings candy canes, chocolate bon-bons—and a woeful tangle of Federal meddling. Candy makers' grief over sugar import quotas peaks during this big selling time. Milk chocolate makers suffer added grief this year, over milk quotas. What's happening is regulation gone haywire.

Quotas protect sugar growers against foreign competition—and mean that American consumers pay an extra $3 billion a year for sugar and sugar products. With sugar's price jacked up artificially, the demand for substitutes has risen, and their prices too.

Candy canes—60 percent sugar and 40 percent corn sweetener—catch it both ways. According to Bob's Candy, a Georgia specialist in candy canes, U.S. producers pay roughly twice as much as foreign producers for the two ingredients. The inevitable result: America is importing more candy canes.

Milk chocolate producers have the same problem with sugar quotas—and now have a milk quota problem as well. Milk chocolate is half sugar, one-quarter cocoa and one-quarter nonfat dry milk. Annual imports of dry milk in this form are limited to 820 metric tons. That's barely a one-day supply for the American milk chocolate industry, which uses 300,000 tons a year.

The absurdity of Washington's tight curb on dry milk imports has been compounded this year. The Government is subsidizing milk exports—on top of last year's drought and earlier programs to cut dairy herds. Earlier this year it cost 80 cents to buy a pound of nonfat dry milk in this country. It now costs twice as much.

Two New Jersey companies, M&M Mars and Van Leer Chocolate, are pressing the Department of Agriculture to lift the milk quota briefly. Good luck. Bob's Candy and legions of other sugar users have railed against sugar quotas for years. In Washington, when it comes to protecting farmers versus protecting consumers, the consumer loses.

[From the New York Times, May 23, 1989]

AMERICA'S TRADE CURBS ARE UNFAIR, TOO

On the eve of Washington's crackdown on so-called "unfair" trade restrictions by other countries, an international panel has ruled that one of America's most outrageous restrictions is unfair, too: the quota on sugar imports. The timing is coincidental, but the message is clear. Unfair trade, like fair trade, works both ways.

Under a deadline set by last year's trade legislation, the Administration will soon declare that one or more countries discriminate against certain U.S. products and services and demand negotiations to remove objectionable restrictions. If Washington isn't satisfied with the results, the law threatens punitive tariffs on imports from the targeted countries.

Congressional defenders of this unilateral high-handedness claim it's justified because America is more open to imports than other countries. By threatening to restrict U.S. imports, the law would pressure other countries to lower their barriers. There is nothing wrong with badgering other governments. The risk is that they will balk at America's presuming to be the sole judge of what's fair and unfair, and that the process will lead to trade warfare and more, not fewer, restrictions.

The strategy has already had one salutary result. To avoid being targeted, South Korea has agreed to a wide range of measures that should make it easier for foreigners to sell and invest there. But the European Community, taking a harder line, protests that unilateral action by the United States would violate the General Agreement on Tariffs and Trade, the agreement that covers most of the world's merchandise trade.

The General Agreement provides a framework for negotiations to reduce trade barriers—like the Uruguay Round now under way—and a forum for settling bilateral disputes. Indeed, acting on an earlier protest by Australia, a panel of trade officials has ruled that America's sugar quotas violate the General Agreement. So America finds itself, in effect, convicted of an unfair practice at the very moment it plans to accuse others.

If not actually embarrassed, Washington should be sufficiently chastened to admit its own faults, not just find fault with everyone else.

[From the New York Times, Dec. 21, 1987]

UNCLE SUGAR'S SUGAR DEAL

America will import no more sugar in 1988 than it did in 1875. The way things are going, it may soon import none at all. That's splendid for a few thousand protected farmers—but a raw deal for everyone else. Hopes of relief have faded what with Congress adjourning, but the Administration and consumers need to keep up the pressure for a reduced support price.

U.S. sugar law, in force since 1982, sets the American price, currently 21.8 cents a pound, more than triple the world market price. At retail, sugar goes for about 36 cents a pound in Washington, D.C., is higher in Europe and still higher in Japan. In Latin America and other third world countries, it is substantially less.

To avoid Federal outlays for surplus sugar, Congress ordained that the price be enforced by curtailing imports. If American production rises, imports must fall and the consumers pays. The Administration, having no real choice but to obey the law, has just whacked the 1988 quota by 25 percent, to approximately 750,000 tons—down 75 percent since 1982. It could drop to zero by 1990.

The American quota means trouble for the economies of the Caribbean, Brazil, the Philippines and Australia, among others. It also distorts agriculture and food processing at home. The high sugar price has increased the popularity of corn sweeteners and has

driven some American food companies over the border to Canada, where they can make their cake mixes, cookies and candy with cheaper raw material.

Why should all of America pay three times the world sugar price for the sake of a few farmers? In large measure because the sugar lobby, rated as one of Washington's most effective, has a solid phalanx of support from the four big sugar-cane states—Texas, Florida, Louisiana and Hawaii—plus a dozen others that grow sugar beets, and lately the corn belt too.

The lobbyists point to a major factor driving down the world price: government subsidies that have generated oversupply in Europe. Washington hesitates to sacrifice American farmers to keep subsidized European farmers afloat.

To deflect some of the impact on countries Washington wants to help, and to help American refiners, Congress has voted to permit importation of an extra 800,000 tons next year from the Philippines and the Caribbean, provided that the refined product is re-exported. The sugar will come in at the American price and be re-exported at the lower world price, with the Government making up the difference by giving refiners other surplus commodities. American consumers get no benefit; countries that aren't in on the deal resent it.

While the Reagan Administration would prefer a free market, foreign subsidies prevent it. But the Administration believes, with reason, that a 12-cent support price would benefit consumers and America's trading partners without too much grief for American farmers. Congress continues to turn a deaf ear.

On a broader plane, the Administration is also pursuing the issue with the Europeans in the new round of global trade negotiations. Meanwhile, Uncle Sugar's unnecessarily high support price gouges consumers and hurts foreign friends.

[From the Jacksonville (NC) News, Oct. 14, 1988]

SWEETS FOR CONSUMERS

The Europeans have announced plans for an international inquiry on U.S. sugar-import quotas. Good. Since Congress has refused to eliminate this consumer-gouging program, perhaps it can be buried another way.

Thanks to Congress, U.S. sugar prices are generally two or three times the world price, raising the rate of every food product using sugar. At the same time, the program undermines the shaky economies of friendly sugar-producing nations such as the Philippines.

By one estimate, the Philippines has lost $150 million a year because of the restricted U.S. market.

The European Economic Community has announced that it plans to ask the General Agreement on Tariffs and Trade, the Geneva-based international trade body, to investigate the U.S. program. The move is interesting because the Europeans do not come to the table with clean hands; their sugar industry, too, is highly subsidized. The public airing of this issue should be fascinating.

In current talks to revise international trade law, the Reagan administration has called for a 10-year phase-out of wasteful farm subsidies. The continuing scandal of the U.S. sugar program provides yet another powerful argument in favor of that goal.

[From the Schenectady (NY) Gazette, Aug. 22, 1989]

DROP SUGAR QUOTAS

Americans pay at least two times more for sugar than they should, thanks to quotas that limit low-cost imports to 8 percent of the U.S. market. The quotas amount to a sweet deal for a handful of U.S. sugar producers, but a raw one for other industries, millions of consumers and foreign trade partners. It's time Congress let them die.

Unfortunately, the influential sugar and corn-sweetener lobby has different ideas. It's launched a slick advertising campaign in an effort to convince viewers that American sugar is relatively cheap. In fact, it is about 16 cents per pound higher than the world price. And over the course of a year, that amounts to roughly $2.25 billion in higher prices for U.S. consumers and industrial sugar users.

The sugar industry has argued all along that the quotas preserve domestic jobs. True enough; they save maybe 75,000. But according to the Commerce Department, that works out to roughly $76,000 per job, which hardly seems worth it. The sugar industry also doesn't like to brag about the fact that higher sugar prices have cost jobs in the American soft-drink and candy industries.

The council which governs the General Agreement on Tariffs and Trade recently declared that the quotas violate world trade rules, and recommended that Congress not renew them when they expire next year. President Bush reportedly agrees with this position, as do some lawmakers.

The big obstacle is the sugar industry lobby: over the past two elections, its political action committees have donated more than $2 million to preserve favorable treatment. And because the quotas system doesn't cost taxpayers directly—the way price supports do—Congress may be reluctant to scrap it.

The quotas are bad news, though, and not simply because they defy economic sense. They also weaken the United States' effort to dismantle world trade barriers.

[From the Kansas City Star, Jan. 15, 1988]

SWEET QUICKSAND

Once again, Congress has slipped into the legislative quicksand of sugar imports.

To protect U.S. growers, imports must fall as domestic production increases. But the government recently estimated that in 1988, imports will drop to their lowest levels in more than a century. This will increase the strain on our friends in the Philippines and the Caribbean, where the development of stable democracy depends largely on economic growth.

Instead of phasing out the quotas, Congress will sink deeper. A provision in the recent catch-all spending bill permits more imports from Caribbean and Philippine growers, but here's the catch: To keep our domestic industry happy, the sugar must be refined in the United States and may not be sold here.

The refiners will pay the high U.S. import price of 21 cents a pound but will sell the refined product overseas for the world price of 10 cents a pound. Who picks up the difference? The taxpayer.

Thus, under this measure, for the first time our government will be subsidizing foreign agricultural production.

In one sense, this "solution" is welcome. It is so scandalous that even Congress may soon come to the realization that the sugar program must be reformed.

[From the Atlanta Journal, Nov. 28, 1989]

UNCLE SUGAR IS SWEETER

Uncle Sam has never been very kind to the other sugar-producing countries of the world, although he has been Uncle Sugar to U.S. sugar producers. By limiting imports from other countries, we have deprived some needy ones of a fair share of our market in order to benefit a few politically powerful businessmen in the United States. And of course it has worked to the detriment of U.S. consumers who must pay artifically high prices in the marketplace.

We do this with other products, especially agricultural ones. But it has been particularly illogical in the case of sugar because the quotas hurt countries that we otherwise seek to help. For example, one of the main reasons President Reagan's Caribbean Basin Initiative has failed to do more to uplift countries that we wanted to inoculate against communism and Castroism is that sugar is the principal export of most of the countries in question. We won't let them sell much of it to us—even though CBI was supposed to rely on "trade," rather than direct aid, as its principal tool in assisting their economic development.

Now Agriculture Secretary Clayton Yeutter has announced a 13.5 percent increase in the amount of raw sugar that can be imported from 39 countries in 1990. Opponents of liberalization of our sugar import policy have long claimed that if we increase our dependence on foreign sugar, we might someday be at the mercy of a foreign cartel. The fact that 39 countries have sugar quotas and are involved in exporting to the United States in itself shows how unlikely it is that such a cartel could be formed. Even if they tried, we could certainly break it up by making particularly favorable deals with those CBI countries.

Besides, Secretary Yeutter claims that the U.S. crop is going to be down anyway next year, and no domestic producers are really going to be hurt if imports are increased. At least that gives him the political opening for something we should have done much earlier.

As for the amount, a 13.5 increase isn't much. Being happy over it is a bit like being pleased when a man agrees to cut down his wife-beating from five times a week to only four. But it is a beginning, and some progress is better than none.

[From the Washington Post, Aug. 9, 1988]

THE GREAT SUGAR BOWL

An ironic side effect of the drought is that is has briefly civilized U.S. sugar policy. Sugar beet production in the Red River valley of North Dakota and Minnesota has been sharply curtailed. The government has responded by raising import quotas on sugar from abroad; those quotas had previously been the lowest since 1875. That will help such weak producing countries as the Philippines and the Caribbean islands. These are countries toward which U.S. policy is normally contradictory. The goal of foreign policy is to help them; the effect of sugar policy is the reverse.

Sugar in the United States, as in much of the rest of the world, is a protected industry. The U.S. price of about 23 cents a pound—the price at which the government promises to buy any sugar that domestic producers cannot sell—is roughly double the world price. To enforce it without incurring costs, the government imposes import quotas. First, U.S. beet and cane producers sell all they can grow; only then can foreign

producers sell, and only enough to meet the rest of demand.

The effect of this system and competition from corn sweeteners has been to drive the foreign quotas down in recent years; soon they could disappear entirely. Until the drought, only about 758,000 tons of foreign sugar were going to be allowed in the country this year. That has now been raised about 40 percent to just over 1,050,000 tons, up a little over last year but still low by historical standards—down 40 percent from 1986, for example.

The sugar people justify the quota system on the grounds that other countries protect their markets, too. Without such protection, they say, the United States would be ceding its lucrative market not merely to the lower-priced Third World producers who are the acknowledged pawns in all this but to the heavily subsidized Europeans. The Europeans are portrayed by U.S. producers as the true villains in the plot, in that their governments pay them to grow surplus sugar that is then dumped in the world market, depressing prices there for everyone.

The U.S. producers' case would be a lot stronger if they did not so palpably enjoy the comforts of the present system. They and their fellow travelers, the corn-sweetener people, are given a kind of national monopoly at the expense not merely of foreign producers but of U.S. consumers. This is a program whose cost doesn't show up in the budget, but at the grocery store—and on all those occasions when the United States preaches free trade abroad. From inside the great sugar bowl, such preaching always sounds a little hollow.

There is no joy in seeing U.S. producers wiped out by drought. There is no joy in seeing them propped up by the government either. The next administration and Congress should show some leadership and begin to phase the sugar program out.

[From the Washington Post, Mar. 12, 1988]

THE SUGAR DISASTER

American sugar import quotas have turned into a disaster for the small agricultural countries of the Caribbean. As the quotas shrink, they are cutting off one of these countries' principal sources of earnings. Congress, justly afflicted by a bad conscience, enacted in December legislation that would at least temporarily mitigate the effects of the quota reductions. The Reagan administration says that the legislation is fatally flawed technically, and refuses to carry it out.

Beyond the legal quibble, the administration—here the reformer—detests the sugar quotas, wants to get rid of them and resists anything that will make them seem less damaging. The American sugar program is thoroughly rotten, and there's a certain attraction to just saying no. But the cost of that stern and virtuous denial would fall exclusively on the Caribbean sugar-producing countries and the Philippines.

Congress, in a conspicuously squalid act of pure protectionism, has fixed the price of sugar in this country at roughly 22 cents a pound. The world price is currently about 8 cents. Since the supporters of this commitment recognize that it is economically indefensible, they have decreed that it must be maintained without cost to the government. They accomplish that by the quota system, which cuts imports to whatever level necessary to maintain the mandated price. The consumer pays the bill. Because American production of sugar and other sweeteners has been rising, the quotas have been cut drastically. They fell from a peak of 6 million tons in 1977 to 1 million last year and, after another big U.S. crop, to 750,000 tons this year.

Congress is, to its credit, uneasy about this ferocious squeeze on Caribbean sugar earnings and last year came up with a rather tricky one-year remedy. An additional 400,000 tons would be allowed into the country at U.S. prices, to be refined and re-exported at the lower world price—with the deal subsidized with surplus stocks of other commodities that the government holds. It would bring $100 million to the sugar farmers and exporters of the Caribbean countries and the Philippines.

Ideally, the solution is to abolish U.S. sugar quotas and, at the same time, get the Caribbean countries out of sugar production. Sugar is in vast oversupply worldwide, and producing it is a formula for perpetual poverty. The Reaganite reformers are right in principle. But, unfortunately, the sugar economy can't be transformed overnight. For the present year they would be wiser, as well as more generous, to reread the law and see whether there isn't a way to get that $100 million to the Caribbean and the Philippines.

[From Business Week, May 8, 1989]

U.S. CONSUMERS, AND THE CARIBBEAN ARE GETTING A SOUR DEAL ON SUGAR

(By Paul Magnusson)

Customs officials were puzzled. The sugar they were testing for purity was clearly marked as Canadian, and it entered the U.S. under Canada's quota. Yet tests showed that it was cane sugar from a balmier clime—as in Australia, mate.

The Byzantine rules governing the sugar trade inspire such shenanigans. Several of the 38 nations that export sugar can profit handsomely by resorting to a bit of legal arbitrage: They can sell their sugar to the U.S. at inflated prices, then buy cheaper sugar on the world market for their own use (chart).

American consumers and manufacturers pay an estimated $930 million a year to preserve the antiquated quota system. Although there are only 12,000 sugar cane and sugar beet growers in the nation, they are a powerful bunch when teamed up with corn growers, who know that high sugar prices boost sales of corn sweeteners.

The Bush Administration could help end the sugar madness. But a timid White House has been scared off supporting a bill called the Caribbean Basin Initiative II, which is now being drafted by a House Ways & Means subcommittee. The original CBI was conceived in 1983 as a regional free-trade zone that would provide an economic tonic for impoverished Caribbean nations and their shaky governments. But powerful U.S. lobbies eviscerated it by exempting textiles, shoes, petroleum, leather goods, canned tuna, sugar, and watches from its liberal provisions. Since 1983, U.S. imports from the Caribbean have actually fallen by a third, to $6.8 billion last year.

Sugar exporters ultimately got the worst deal of all. A bizarre provision of the 1985 farm bill required that the federal government guarantee U.S. producers at least 18¢ a pound for sugar—without any net cost to the Treasury. The CBI eliminated tariffs on Caribbean Basin sugar, but quotas were ratcheted down to keep the U.S. raw sugar price at an artifically high 22¢ per pound. As a result, the government didn't have to pay off the farmers.

But rising competition from artificial sweeteners and corn syrups required ever lower quotas to keep the U.S. price stable. Foreign producers have seen their U.S. sugar quotas shrink by 63% since 1982. That means 400,000 jobs lost in the 22 Caribbean Basin countries since 1983, claims Jose Orive, who chairs the CBI Embassy Group, a coalition of Caribbean nations. "We are busting our tails to try to diversify and find alternatives to sugar, but how are you going to do that on the little islands like St. Kitts and Nevis?" he asks. Exports of manufactured goods are up, but they are dwarfed by the loss of earnings on sugar, the region's second-most-important commodity export after coffee.

The outlook was brighter for the Caribbean last year. The Reagan Administration and a few in Congress wanted to eliminate sugar quotas entirely. Sam Gibbons (D-Fla.), chairman of the House Ways & Means trade subcommittee, sought at least to restore the CBI's sugar quota to the 1983 level. But he was stymied by the U.S. sugar lobby, which wants stable pricing above all else.

Now, Gibbons is trying to freeze the overall CBI sugar quota at its current level while redistributing to CBI countries any unused quota allotments from other nations. "The current program just makes no sense," says Gibbons. "Someone has to start straightening it out." But the Bush Administration demurs, contending that Gibbons' modest sugar proposal would violate international trade rules that prohibit such juggling of quotas among nations.

The ultimate solution may lie elsewhere—in next year's farm bill or in the current round of trade talks in Geneva. The U.S. is seeking an agreement to phase out European farm subsidies, including those for sugar. But it's long overdue for Congress to admit that writing trade policy for the convenience of 12,000 U.S. sugar farmers is a bad idea. It's not often that the government has a chance to help struggling island countries—and save consumers $1 billion in the bargain.

[From the Greenwood (MS) Commonwealth, Sept. 18, 1989]

COSTLY SUGAR QUOTAS ABOUT TO EXPIRE

In discussing sugar quotas now imposed in the U.S. market, a recent editorial in The Wall Street Journal alleges that the quotas "fleece the average American family of four to the tune of $100 a year."

The editorial comments apparently were prompted by the approaching expiration—early next year—of the sugar restrictions. Renewal seems unlikely since the General Agreement on Tariffs and Trade (GATT) has ruled the quotas violate world trade rules.

The Wall Street Journal observes that "the quotas restrict low-cost imports to only 8 percent of the sugar consumed by Americans. The 1,400 U.S. sugar beet and sugar cane growers also get a support price of 24 cents a pound, twice the world price."

It is believed that President Bush will go along with the GATT because to do otherwise would lay the United States open to charges of hypocrisy in its criticism of foreign trade barriers.

It will be interesting to see whether Washington bigwigs are more influenced by the affected industry or by millions of consumers.

[From the Los Angeles Times, Sept. 25, 1989]

STOP THE SUGAR QUOTAS

The extension and enlargement of the sugar import quota will at least cool the inflation in the price of sweeteners in the United States, but it is only window dressing. The real need continues to be restoration of a free market and abolition of the sugar program. Congress will have an opportunity to do just that when the new five-year farm bill is written next year.

The action on the U.S. quotas means some immediate help for several nations whose economic well-being is of particular importance to the United States. The four largest quotas go to the Dominican Republic, Philippines, Brazil and Australia. Four Central American nations with major dependence on sugar exports also are quota recipients. They are Guatemala, El Salvador, Costa Rica and Honduras. Nicaragua should also be restored to that list.

The consumption of sweeteners is continuing to increase in the United States, but slowly. Deliveries of sugar this year will be up 1%, high fructose corn syrup up 3%. U.S. beet and cane production in the current crop year is estimated at 7.13 million tons. The sugar import quota has been increased from 1.1 million tons to 2 million tons, still far behind the 1977 import peak of 6.1 million tons.

The squeeze on imports in recent years has provided protection to American sugar growers at an enormous cost. The cost has been borne by foreign producers, most of them impoverished nations dependent on their commodity exports, in terms of lost markets.

And it has been borne by American consumers, who have been forced to pay what amounts to $3 billion a year in inflated prices, according to one consumer advocacy group, the Public Voice for Food and Health Policy. The protectionism has also distorted the sweetener market, encouraging a dramatic shift from sugar to the now-dominant corn-based sweeteners.

At a time when the United States is encouraging all nations to abandon farm subsidies and other programs that distort world trade in food commodities, the U.S. sugar program is a conspicuous embarrassment. New price increases, the highest in a decade, that led to the quota increases have compounded the burden on American consumers. Termination of the sugar program is the only appropriate way to protect consumers while assuring fairness to nations dependent on their sugar exports. The challenge to American sugar growers is to compete, not hide behind quotas.

[From the Kingsport (TN) Times-News, Nov. 13, 1989]

U.S. SUGAR QUOTAS MAKE SWEET TOOTH NOT SO SWEET

Anyone who thinks import quotas are good for America because they protect American jobs should take a look at the bittersweet truth of sugar quotas.

American consumers are paying more for sugar than any other western nation—three times what they should be paying—to "protect" the U.S. sugar industry.

The "industry" consists of 12,000 sugar growers, less than 2 percent of American farmers.

No one would wish those 12,000 growers out of business. But consumers don't realize what it's costing to keep the growers happy and turning a profit.

The elevated price of sugar forces consumers to pay more for anything that contains it—10 cents added to the cost of a gallon of ice cream, for instance.

The U.S. sugar program has added $7.5 billion to the price of other products, everything from peanut butter to microwave dinners.

The impact of those higher prices has cost the American economy 12,000 jobs, just about the number of jobs it seeks to protect at the expense of all consumers.

Those jobs were lost to foreign producers not handicapped by higher American sugar prices.

At the sacrifice of American jobs and high food prices, sugar growers are filling their pockets.

The current sugar program is so wasteful that if the government discontinued it, it could give each sugar grower in America $250,000 a year in cash, and still save money.

Sugar growers know they're on the gravy train and they want to keep it that way.

And so they paid out more than $2 million in political action committee donations in the past two national election campaigns.

Meanwhile, the growers get richer. One owner of seven sugar companies has financed three resort hotel takeovers and four mansions in Palm Beach, according to the Miami Herald. That's not exactly your typical struggling farm family.

Ironicaly, the sugar quota protection has even hurt the sugar industry itself.

U.S. sugar now is too expensive to export and the high cost has hurt refineries, forcing 10 to close and 6 companies to leave the industry since the reinstatement of quotas in 1981. Sugar use has fallen 17 percent in the United States.

Nor are our trading partners pleased that the sugar quotas violate the General Agreement on Tariffs and Trade, a comprehensive trading pact between the United States and other nations.

U.S. quotas have also severely cut export revenues for several debtor countries who export sugar. Since these debtor countries also receive U.S. economic aid, this is a double waste of taxpayers' money: One hand of the government is giving money in aid while the other hand is taking away their sugar revenues.

It's time to put an end to this protection that helps so few, and hurts so many.

[From the Chicago Tribune, Dec. 24, 1987]

SUGAR QUOTAS LEAVE SOUR TASTE

In a single move earlier this month, the Reagan adminstration added to the uncertainty of Cory Aquino's future in the Philippines, encouraged illegal drug traffic in Central America and the Caribbean and raised the price of the average American family's grocery bill.

How, you might ask, could the White House manage to inflict so much political and foreign policy damage with one shot? The answser lies in the United States' sugar program, perhaps the epitome of everything that is wrong with special-interest politics in this country and a prime example of the enormous costs of protectionism.

What the administration did—and it took the step reluctantly—was slash sugar imports for next year by 25 percent to their lowest level in more than a century. The Philippines, Dominican Republic, Brazil and other sugar-exporting countries will be allowed to sell slightly more than 750,000 tons to the U.S., the smallest amount since 1875.

Just as Japan shields its venerated rice farmers, the U.S. government has been protecting American sugar beet farmers and sugar cane growers form foreign competition for decades. The latest legislation, passed in 1985 over the strenuous objections of the White House, forbids sugar surpluses and requires imports to be restricted in order to keep domestic prices from falling below a support level of 18 cents a pound. The result is that sugar sells here for 22 cents a pound nearly triple the world price.

The winners of this economic folly are about 12,000 well-to-do American farmers, or 2 percent of the total. The losers are many. Foremost, American consumers have to pay higher prices for their sweets—essentially an excise tax estimated at about $3 billion a year.

Then there's the damage done to some of America's trading partners. In the last four years, the sugar program has cost the Philippines about $150 million a year in foreign exchange, and that country's sugar regions are where the Communists are most active in opposing President Aquino. State Department officials say sugar cane farmers in tropical areas often turn to growing marijuana or the coca plant, the base for cocaine, when faced with a shrinking market.

The Reagan administration has tried unsuccessfully to make the sugar program more market-oriented and rational. It favors cutting price supports by a third and paying sugar producers about $1 billion over five years to cushion the blow. In 1985, a similar plan to reduce the sugar program was defeated by a coalition of sugar growers and the Midwestern corn refiners, who make sweeteners used as lower-cost alternatives to sugar.

The sugar program centers on an extravagant quota that squeezes out foreign goods, drives up the majority and forces the State Department to dole out foreign aid to make up for wrongheaded U.S. policy. The program should be completely overhauled or, better yet, scrapped. It's hypocritical to bash the Japanese for their failure to open their markets when Washington closes America's to foreign sugar producers to keep a few beet farmers happy.

[From the Indianapolis News, Dec. 29, 1989]

THE SUGAR-COATED TRUTH

A couple of weeks ago in this space we noted how the sugar lobby has presented some sugar-coated advertising on what American consumers really pay to purchase sugar.

What the slick television advertisements, which boast that American consumers pay a smaller portion of their incomes on sugar than people in most other nations, fail to mention is that consumers are paying about $3 billion a year more in direct and indirect costs than they need to because of government sugar-import quotas.

Those restrictions, which severely limit foreign sugar imports, are tantamount to a government subsidy for sugar.

This not only translates directly into higher prices for sugar at the supermarket, but into higher prices for all products that use any kind of sweetner at all—natural or artificial.

Since firms that use sugar or corn sweetener in their candy and beverage products have to pay about twice as much for the raw product as foreign competitors, they are at a disadvantage in the international marketplace. Any protection of jobs in the domestic sugar-growing industry has more than

been offset by job losses in the domestic candymaking industry.

What's more, the import restrictions have been a financial blow to friendly countries in the Caribbean and South America whose economies have been tied to sugar cane farming. If sugar isn't profitable, why not switch to drugs, which are?

But that's only part of the sugar story.

In a series of articles on the death of the Florida Everglades, Knight-Ridder reporter Dave Von Drehle writes that "King Sugar" is the largest single polluter of the dwindling Everglades.

Water diversion to the sugar plantations and agricultural runoff of tons of phosphorus and nitrogen are destroying the last vestiges of this "river of grass" running through central and southern Florida. The Everglades, which may be a key to Florida's natural water supply—not to mention being the home of numerous plant and animal species on the verge of extinction—is on the brink of destruction. Some naturalists say the Everglades area is already biologically dead.

"Florida's sugar cane industry, the nation's biggest, is a bruiser at every level—county, state and federal," Von Drehle writes. "The Florida sugar cane league is one of the state's most powerful forces. In Washington, sugar lobbyists are widely agreed to be among the most effective in the United States, alongside the folks from the National Rifle Association."

In addition to import restriction subsidies that benefit sugar growers, the state of Florida leases land to them at nominal prices. Although the cane growers benefit enormously from south Florida's expensive water control system, they pay only $300,000 in taxes toward the system's $168 million annual budget. Their water is free of charge.

Von Drehle notes that all of this economic benefit and subsidy in Florida are going to only a handful of people who control four huge sugar companies. Two of those four companies—U.S. Sugar Co. and a company owned by the Fanjul family—collect nearly a quarter of all the sugar cane revenues in the United States.

This bonanza is enough to make a dairy farmer blush.

[From the Wall Street Journal, Aug. 15, 1989]

UNCLE'S SUGAR

If you watch any of the Sunday public affairs shows such as "Meet the Press," you've no doubt seen a commercial in which a soothing announcer says, "When Americans reach for sugar, they get a pretty good deal." The spiel goes on to compare what U.S. consumers pay for sugar with what is charged in consumer-hostile Japan. What it doesn't say is that the ad's sponsor is a major booster of sugar-import quotas that fleece the average American family of four to the tune of $100 a year.

The sponsor is Archer-Daniels-Midland, a leading producer of high-fructose corn sweeteners that are used in products such as soft drinks. Corn sweeteners are competitive only at the quota-inflated price of sugar, and that explains why ADM has been pumping ad dollars into those Sunday morning shows that are watched by Beltway elites. Sugar quotas expire next year, and this June the council governing the General Agreement on Tariffs and Trade ruled that the quotas violate world trade rules. The quotas restrict low-cost imports to only 8% of the sugar consumed by Americans. The 11,400 U.S. sugar-beet and sugar-cane growers also get a sugar support price of 24 cents a pound—twice the world price.

President Bush is likely to go along with the GATT ruling and seek an end to the quotas. To do otherwise would lay the U.S. open to charges of hypocrisy in its criticism of foreign trade barriers.

But the sugar growers and their corporate allies such as ADM aren't giving up easily. Sugar-grower PACs doled out well over $2 million to Congress in the last two elections, and Members know the PACs will raise Cain if they even touch the quotas.

Sugar growers are also stockpiling new statistics that purport to show that the sugar and corn-sweetener industries directly create at least 75,411 full-time jobs nationwide. It's true that an end to quotas would mean some dislocation of workers, but not nearly as much as the quotas themselves create.

The Commerce Department recently estimated that it costs $76,000 to save just one job in the sugar industry, and even that won't preserve it forever. The inflated price of U.S. sugar has allowed producers to mechanize their operations and sharply reduce their labor needs. Louisiana has cut its sugar workforce from 15,000 to 4,000 in just 10 years.

High-priced sugar also destroys jobs in the soft drink and candy manufacturing industries. Democratic Representative Jim Moody says sugar quotas are "devastating" candy makers in his Wisconsin district because foreign manufacturers can buy sugar for much less than America's inflated price. The chocolate and confectionary industries alone employ more than 60,000 people nationwide.

Democratic Senator Bill Bradley plans to lead the fight to strip sugar quotas out of the 1990 farm bill. President Bush should lend his wholehearted support, especially since the sugar growers will no doubt be sweetening the pot of campaign cash they give to Members of Congress.

ADM is already doing its bit to keep the quotas alive. It has unveiled a new commercial in its normal Sunday morning time slot. This one shows a man climbing a staircase representing the amount of time consumers in other countries must work to buy a pound of sugar. The last few steps represent economic basketcases such as Argentina and Poland. Funny, we thought one of the reasons those countries were in so much trouble was their indiscriminate use of subsidies.

Mr. BRADLEY. Mr. President, the simple fact of the matter is that sugar that is not allowed to enter the country because of quotas is entering anyway in the form of processed foods. The imports of processed foods harm our trade deficit far more than would imports of sugar by the margin of the value added to the product. You can import sugar at 15 cents, or you import a candy bar at 95 cents.

Mr. President, I would argue as well that we have to simply face up to the fact that the dumped price, so-called dumped price, is an interesting argument, but it is not exactly right.

If you take Jack Roney, of the Hawaiian Sugar Planters Association, when he was at USDA he argued that a 28-percent share of world sugar production traded at international markets. As the Senator from Minnesota said, if you remove from that about 16.3 percent traded in preferential rates, including United States quota impacts, EC purchases and procurements from Cuba, that leaves about 21 percent traded in the international market.

That stacks up very well against other commodities. Twenty-eight percent of world wheat production is traded at world prices, 28 percent of soybeans, 15 percent for corn. Yet I have not heard anyone argue that these are dumped prices, even though Government provides substantial subsidies to farmers.

Finally, Mr. President, I would argue this amendment is the best incentive and best pressure we can bring on the European Community to reduce their support.

● Mr. MOYNIHAN. Mr. President, I am most enthusiastic to join my distinguished colleagues, Senators BRADLEY and ROTH, as a cosponsor of this amendment to reduce the sugar support price. This has been and remains one of the most misguided and elementarily dumb programs ever enacted.

Since this program began in 1985, we have impoverished Caribbean producers, bankrupted American sugar refiners, made millionaires out of several thousand U.S. growers of sugarcane, and established a new class of wealthy sugar beet growers.

Indeed, we watched sugar imports from our Caribbean neighbors collapse, from 5 million tons to under 1 million tons. U.S. sugar refiners collapsed apace. Food processors of all types were impacted.

At the same time, U.S. users of sugar could no longer afford it. One is now hard-pressed to find sugar in Coca-Cola. Be it classic, regular, or nouvelle. All one finds now is corn sweetener or high fructose syrup or such.

It is long past time that the U.S. sugar program was terminated. It has cost the United States billions of dollars, enriched a few, and broke faith with our Caribbean friends.

Although I would urge we do more to return U.S. sugar prices to world market levels, I believe the 2-cent reduction in the price support level is an appropriate first step. I urge my colleagues to support it.

I yield the floor.●

The PRESIDENT pro tempore. All time is expired.

Under the previous order, the Bradley amendment No. 2314 will be laid aside until 9 a.m. on Tuesday next, July 24.

The Senator from Minnesota [Mr. BOSCHWITZ] is recognized to offer an amendment in which there will be 80 minutes of debate equally divided in the usual form, which means the offeror of the amendment will have 40 minutes, the manager of the bill, if he

opposes the amendment, will have 40 minutes under his control.

If the manager of the bill supports the amendment, then the time in opposition to the amendment will be controlled by the minority leader or his designee.

The Senator from Minnesota [Mr. BOSCHWITZ] is recognized.

AMENDMENT NO. 2315

(Purpose: To modify the acreage reduction requirements for wheat and feed grains that are triggered by carryover stocks)

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

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ] proposes an amendment numbered 2315.

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

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

The amendment is as follows:

On page 87, line 15, strike "40 percent" and insert "50 percent".

On page 87, line 23, strike "40 percent" and insert "50 percent".

On page 136, line 17, strike "25 percent" and insert "30 percent".

On page 136, line 23, strike "12.5 percent" and insert "10 percent".

On page 137, line 1, strike "25 percent" and insert "30 percent".

On page 137, line 6, strike "12.5 percent" and insert "10 percent".

Mr. BOSCHWITZ. Let me describe the amendment. The reading of the amendment would be almost impossible to understand because of the technical nature of it. But it has to do with the set-aside program.

Under the bill we are considering, S. 2830, the set-aside program or the acreage reduction programs, or ARP's, as they are sometimes called, are that in the event that carryover stocks in wheat are less than 40 percent, then the Secretary of Agriculture would have the authority, the discretion, to have a set-aside of 0 to 12.5 percent of the wheat base. In the event that stocks-to use, or carryover stocks, as I call them, are greater than 40 percent, then the Secretary of Agriculture must have a 12.5 percent ARP, or set-aside and can have a set-aside as high as 20 percent. So this amendment deals with the set-asides. My amendment would reduce the set-asides.

In the case of corn, the Secretary of Agriculture would have the authority to have a set-aside of 0 to 12.5 percent if the carryover is less than 25 percent and, in case the carryover exceeds 25 percent, then he must invoke 12.5 percent set-aside and may invoke a set-aside as high as 20 percent.

There is some logic to that approach, in the sense that in the event stocks are high, farmers would be allowed to plant less land.

What my amendment does is set the set-aside levels somewhat lower and would set the carryover levels that trigger set-asides higher.

In the case of wheat, the carryovers would have to be 50 percent before the Secretary would have the authority to have a set-aside in excess of 12.5 percent and that in the event the carryovers exceeded 50 percent, only then could he have a set-aside as large as 12.5 percent.

In the case of corn, instead of having a 25-percent carryover, we have a 30-percent carryover. It is hard to explain all of that, Mr. President. So let me explain it in more general terms.

We have two basic theories among those of us who are on the Agriculture Committee. Some would seek to raise prices by setting aside lands, while others of us would say that productive land should be farmed, that an important element of agriculture is the infrastructure of agriculture. The people who move the product, who sell the chemicals for the product, who operate the grain elevators, all the folks of rural America that are involved in agriculture off the farm outnumber those involved in agriculture on the farm. Those who are involved in agriculture off the farm, who work at the elevators, who run the trucks, who run the barges, who are the representatives—be they the lawyers or the insurance agents, who sell the chemicals, have as large a share of the gross national product as do the farmers in their production. Those people, also, need to be served. They are served poorly by set-asides.

If we take land out of production and do not allow planting of that land, then we are going to produce less. If we produce less, rural America suffers. If we produce more, in some way the farmers suffer because of lower prices. But, Mr. President, we are the only country that sets aside. We are the only country that has acreage reduction programs. As we reduce acres, others increase acres and take the market that we should have.

It is my contention that if we produce, we will sell that product and we will prevent other nations from expanding their production. One of the most compelling examples of that is in the area of soybeans. Because of the 1985 farm bill, the farm program requires you to plant the program crop on the base. For instance, the corn base must have corn planted on it. If you do not use your base you lose your base. The base is closely related to the value of the land. If you go to sell an acre of land, Mr. President, and you have a corn base on that land, then that acre of land is worth more. So you must plant corn on the base in order to retain the corn base. That results in considerable inflexibility.

If the world market is calling, not for corn but rather for soybeans, as it has in recent years, you simply do not have the option. Even though that land might be interchangeable with respect to planting, you simply do not have the option to plant the crop other than the base crop.

Another amendment I will be offering will allow flexibility so that farmers will be able to interchange crops among bases. But what this amendment does is limit to some degree the set-aside. This amendment says that carryover stocks have to be higher than they are in this bill before the set-asides can be raised.

I want to use as an example, Mr. President, the European experience. This chart shows the experience of the European Community from 1977 to 1988. It shows in 1977 the European Community was the largest net importer of grains in the world. Because of their internal pricing policies, that all changed and now they have become a very large exporter of wheat and feedgrains—mostly wheat. Their exports, as a matter of fact, put them in second place in the world with respect to grains even though they have a very small piece of real estate where the European Community operates—much, much smaller than the United States. By holding prices very high for domestic production and then by subsidizing the exports, they have become very, very large exporters.

Let me show on another chart what has happened cumulatively. This chart shows the cumulative exports of the European Community, and this is the cumulative displacement of other countries' grain exports—read into that American grain exports—the cumulative displacement by the change in the EC, the European Community, net trade position.

In other words, over these 11 years, they have displaced 300 million metric tons of shipments, most of which probably have come from the United States.

This chart shows the cumulative amount of U.S. grain production that has been foregone by acreage reduction programs, by ARP's, the subject of this amendment.

You can see that we have foregone a great deal of production in this country, almost 250 million tons, over this same period of time and the Europeans simply have picked it up and now they do that business. Two hundred fifty or 300 million tons, Mr. President, over a period of 10 or 12 years, approximately 25 million tons a year. That is an enormous amount of business. Think of the number of trucks, think of the number of barges and elevators included in handling, think of the activity in rural America that has been foregone because of acreage reduction programs.

I submit, Mr. President, that if other countries of the world had acreage reduction programs, then it would be one thing. Then we could say that we are all participating in an effort to control supply and have an impact on prices and that, not only ourselves, but the Europeans, the Australians, the Canadians, the Brazilians, the Argentines, that all these countries as principal producers of the world are making an effort to control production of supply and demand and bring it into balance. That would be one thing. I do not think it will work. These kind of cartel arrangements have never worked, be they in oil or any other commodity. We are trying to go solo, we are acting alone, and we are doing so at a penalty to ourselves. We are giving away the market to others.

I also have a chart about soybeans. In soybeans, the same thing has happened. Because of the inflexibility of our farm programs, we have reduced soybean production in this country by 13 million acres. Around the world in Argentina, Brazil, and Paraguay there have been increases in planting by what amount? By 13 million acres. So that as we penalize our own producers, as we set-aside acres in this country, as we reduce production by one means or another, production simply goes elsewhere and our economy is penalized.

So this amendment, while doing away entirely with acreage reduction programs, nevertheless is a move in that direction. It gives the Secretary of Agriculture greater leverage than does this bill.

There are some who would say that these acreage reduction programs raise prices. I am not among them. Some would say that, indeed, we should have very large acreage reductions in the United States. There was a bill introduced by my colleague from Iowa and by Congressman GEPHARDT in 1985 that would have resulted in 40 or 50 percent of the farmland of the United States set-aside. It would have been terribly destructive to rural America; it would have reduced economic activity in rural America very substantially.

This amendment would give the Secretary greater discretion so that he would not have to impose such large set-asides when the carryover stocks are at relatively modest levels. For instance, when I say that I raise the carryover stocks in wheat from 40 to 50 percent of annual use, in the last 30 years only seven times have stocks been less than 40 percent.

We keep a large wheat reserve; indeed, we keep most of the world's wheat reserve so that when there is starvation and when there is loss of life around the world, we are normally called upon first to help because we, indeed, not only have the facilities to hold the reserves, but we, as a moral matter, feel that we should keep a reserve.

But only seven times in the last 30 years has the carryover stock been as low as 40 percent, which means that in 23 of the last 30 years, the Secretary of Agriculture would have been compelled under this legislation to have a set-aside of at least 12.5 percent. This amendment would raise, in the case of wheat, the carryover stock to 50 percent before he would be compelled to have a set-aside of 12.5 percent.

In the last 30 years, in 14 of them, the carryover stock has been less than 50 percent. So even under my amendment, at least half the time, from past experience, the Secretary of Agriculture would have to have this level of set-aside. We are doing the same thing in corn, raising the carryover stock from 25 to 30 percent.

That is the purpose of this amendment, and that is the nature of this amendment.

This chart, Mr. President, in conclusion, shows soybeans. Back in 1970, the tonnage of soybeans traded in international trade was 20 million tons. Over the years, it has gone up so now it is above 60 million tons. This was our percentage share of that trade. Our percentage trade back in the early seventies was 80 percent of the world trade. It has now gone down to 35 or 36 percent of world trade.

Where has the world trade gone? It has simply gone to other countries who have planted an equivalent number of acres that have been lost in the United States.

Why are soybeans so important, Mr. President? Soybeans have been called the miracle crop of agriculture. It has been the major crop that has grown the fastest, that has grown the fastest in overall trade, and it is so important that we regain our market share because it will mean more activity in rural America, it will mean greater wealth in all of America because at the base of our economy is agriculture. That is the purpose and sense of this amendment.

I yield the floor and reserve the remainder of my time.

The PRESIDENT pro tempore. Who yields time? Time is running against both sides, if there is no Senator yielding time. Does the Senator from Vermont oppose the amendment?

Mr. LEAHY. The Senator from Vermont does. I ask first, Mr. President, if the Chair can advise me how much time is available to the Senator from Vermont.

The PRESIDENT pro tempore. The Senator from Vermont, who controls time in opposition to the amendment, controls 39 minutes and 40 seconds.

Mr. LEAHY. I thank the Chair. For the interest of our colleagues, I advise the Senate that unless there are others who come here to speak, I do not intend to use the full nearly 40 minutes and will probably, assuming that the Senator from Minnesota at some point is willing to yield back any remaining time, I will perhaps do the same.

So if somebody is running a stopwatch on when the rollcall might occur, it might occur 20 to 30 minutes earlier than some have thought.

Mr. President, just for the interest of my colleagues, I should note that in the Agriculture Committee we actually put together a working group to lay out the way these programs are to operate. We had numerous meetings of nearly a couple of weeks, evenings——

The PRESIDENT pro tempore. The galleries will be in order. The Chair apologizes to the Senator from Vermont for the interruption. The Senator from Vermont.

Mr. LEAHY. I thank the Chair.

As the Chair knows better than any Member in this body, it is, of course, the duty of the Chair to maintain order, and it is not interference with any Senator who might be speaking when the Chair exercises that duty.

We met, this particular group, for a couple weeks. We worked evenings and weekends on how to put together a green stocks policy. It is not an easy thing to do because you have different parts of the country with differing views, and you have Senators, some of the most knowledgeable Members of this body, who themselves disagree as to how this should be done. We want to talk about how the Department of Agriculture would sell Government-owned grains, the levels of acreage control we are going to appropriate over the next 5 years.

Again I should emphasize, Mr. President, that we have Senators, among the most knowledgeable Members of this body in this field, both Republicans and Democrats, who agree in some areas and disagree in others. The Senate bill reflects a compromise. We could not get something where everybody agreed on every single point. It just does not work that way. Some wanted to go further and some did not want to go as far as we did.

My good friend from Minnesota is aware and knows of those debates and arguments, and I think that he knows which Members would go further and which Members would not go as far. But at some point you have to hit one position. We cannot have 20 different positions.

The Senate expects us to come forward from the committee and at least give a recommendation as a committee on what the policy should be. Then, of course, the Senate, all 100 Members, are free to work their will. They can vote it up. They can vote it down. They can vote for or against amendments, but at least the committee gives them a recommendation.

In this case we gave them the middle ground. Incidentally, it turned out that the middle ground was exactly what the administration proposed. This is one of those areas where I agree with the administration and because of that I would oppose the amendment of Senator BOSCHWITZ.

I might say that I found myself in agreement with the Senator from Minnesota on a great number of matters in the bill. I disagree on this one.

Now, there are some other reasons to oppose the amendment. Let me speak of some of the things that came up among the Senators who talked about this policy.

I will try to summarize as well as I can the arguments of various Senators against this amendment. They would tell us that in the early and mid-eighties American agriculture was forced to go through a roller coaster approach to the control of their stocks. Up down, up down. We had little or no acreage control one year, followed by a requirement to idle 1 acre and 4 the next. It was kind of a start-and-stop policy without much consistency for farmers. That happened not once but twice between 1980 and 1987. That is why we included the stock triggers that are in this bill. To get off that roller coaster.

I support the bill, and I support the compromise that we came out with in the bill. Because of that, I would oppose the amendment.

I understand the argument of the Senator from Minnesota on competitiveness and other areas, but I think it is necessary, if we are going to keep our stocks under control today, that we do this. Otherwise, I think we could find ourselves getting back on that roller coaster. One aspect of it is the sudden, and in many people's minds, arbitrary idling of significant acreage.

Mr. President, I reserve the remainder of my time.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. I thank the distinguished chairman for his remarks.

I agree that the bill was a compromise and as I noted in my remarks, that some on our committee would have preferred very large set-asides, ARP's as they are called. I would not.

This is a market-oriented amendment. This is an amendment which will drive this farm bill to greater market orientation than the compromise we worked out in committee. While the compromise we worked out has many very fine features, of course, we come to the floor of the Senate to debate that compromise and to try improve it.

If I may, Mr. President, I would like to speak just for a moment about the whole business of set-asides. When a farmer has 100 acres and is required to set-aside, not plant, let us say, 10, 12½, or even 20 percent of his acres. He must on 80 of the 100 acres produce the volume and income that he needs to support his farming activity and his family.

Quite clearly, it is more difficult to produce enough income on 80 acres than it is on 100 acres, and some of his overhead will continue on the acres that are set-aside. It raises the production costs if you do not plant those acres. It means that the 80 acres have to carry the entire farm. It means that on the 80 acres you have to make enough money to pay the taxes on the 20, and those taxes certainly continue. On the 80 acres you have to make enough money that you can also make the mortgage payments which continue on the other 20 acres.

What does that do? It means that the farming practices on the 80 acres are not as environmentally sound as they would be if they could be spread over the entire farm; that the farmers are driven to much more intensive agricultural production; that the farmers are driven to use much more intensively the chemicals that are so often used in agriculture. So the amendment I am offering and the movement away from set asides, the movement away from acreage reduction programs, has an important environmental element to it as well.

We want to make American agriculture produce, and we want to make it produce not only for the benefit of the farmer but for the benefit of the consumer and for the benefit of the infrastructure of agriculture, those people living in rural America who work with the process and move the products of the farm.

We want to serve them as well.

It is important to note, Mr. President, that this amendment has no cost. Both the OMB, Office of Management and Budget, and the CBO, Congressional Budget Office, have stated that this amendment is a no cost amendment. So this amendment has the benefit of not only being sound agricultural policy, sound environmental policy, but it also adds no cost to the Federal Government.

Mr. President, I believe there may be one or two other Senators who wish to speak on this amendment. While I determine that, I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. Will the Senator yield 5 minutes?

Mr. BOSCHWITZ. With pleasure.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. LUGAR] is recognized for 5 minutes.

Mr. LUGAR. Mr. President, I rise to commend the distinguished Senator from Minnesota for his work on the Agriculture Committee and especially for his very thoughtful analysis and research with regard to this issue. He has offered, I believe, statesmanlike positions on many issues before us.

This is a complex and intricate issue that is difficult for every one of us to comprehend, even when we work with it on the committee, and try to follow daily how the set-asides occur and what the trigger points are.

Let me just say that at the beginning of the debate in the committee I asked that the committee not consider increasing set-asides; that is, increasing the amount of land to be taken out of production. The committee in due course came to a point of view, as the Senator from Minnesota has characterized it, as well as the distinguished chairman of the committee, in which the policy suggested by the U.S. Department of Agriculture and the so-called green book of recommendations was followed by the committee.

It is a middle point between some Members who would set aside a great deal more land, attempt to go into much more of a production control strategy, as opposed to those who are more market oriented, as the Senator from Minnesota clearly is and as I am in terms of our general prejudices on these issues.

Let me just make two points.

First of all, the Senator from Minnesota has mentioned that this amendment has no cost implication, and he has carefully crafted it to make certain that is so.

Second, the thought that we had been on a roller coaster with regard to stocks is true but that was true prior to the Conservation Reserve Program, the CRP Program, in which about 34 million acres in America now have been set aside in conservation reserve. That has had the effect of making these oscillations much less pronounced.

Let me just add, as I have listened to the distinguished Senator from Minnesota, he points out in most years his amendment would not have an effect because the stocks have been so large, and therefore the stocks would not be small enough to trigger off more planting, more acreage available.

In fact, the Senator, as I heard his argumentation, was suggesting that for about 5 years out of the last 40 his amendment would have had an effect, and for the other 35 it would not have.

Mr. President, having said all of that, the Senator's amendment clearly is in the right direction. It is a modest and incremental change in the amount of acreage that might be planted. The Senator's general point is surely correct that if the United States of America and its agriculture are to be more competitive, we have to make available the best land, the best resources, and the lowest cost production if we are to be competitive against the South

American countries that have come into play, or European countries that have been very severe competitors for a long time.

Therefore, Mr. President, I commend the distinguished Senator from Minnesota for thinking through this problem with us and for setting the stage clearly for what I believe will be a trend in American agriculture in which farmers will have more right to plant, to use their land as they choose to do the most efficient thing, to do the most cost-effective thing, and to do the most competitive thing for America. I believe the Senator's amendment is constructive for the overall strength of agriculture in America. Once again, I thank him for his ingenuity and his research.

The PRESIDING OFFICER (Mr. KERREY). Who yields time?

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I would advise all Senators that we are coming close to the end of this amendment. As the distinguished chairman has pointed out, we will probably vote before all of the time is used up.

Let me say another word about set-asides and that it is an interesting thing that, first, the Government says plant fence row to fence row, and then at a later date they say set-aside some land.

Most recently we have brought a good deal of land out of production; that is, we have established something called the Conservation Reserve Program. In the Conservation Reserve Program there are now 34 million acres. These are acres that will now be used for conservation purposes, for conservation uses, as they say, rather than crops. When you consider that we plant approximately 330 million acres in this country, that is somewhat in excess of 10 percent of the land that we normally crop.

So there is already in this bill a set-aside on fragile lands. I have no objection. I have no argument with the CRP. Indeed, I voted to expand the conservation reserve program. I introduced in committee the thought and requirement that, of the 6 to 7 million additional acres that are yet to go into the conservation reserve, at least 1 million of them should deal with wetlands so that additional wetlands will be put into the conservation reserve.

But as we talk about acreage reduction programs, it is important to note that we have built into the process the Conservation Reserve Program which sets aside land in a somewhat permanent manner that pays the farmer for a 10-year period to set-aside that land, and, indeed, in some instances a 15-year period. And that means that trees and other things are grown there, and that land will probably remain out of production.

So that too must be taken into consideration. In addition to the acreage set-aside program, the ARP's the acreage reduction programs, that are imposed by the Secretary of Agriculture on wheat, corn and on other feed grains, on cotton and rice; you also have to consider that there is already the conservation reserve program in effect now.

A total of 10 percent of all arable lands in the United States has been put into a reserve, into a kind of semi-permanent reserve paid for by the taxpayers of the United States. That too must be considered in the overall picture.

I would like to add as a cosponsor of this amendment my colleague from Iowa, Senator GRASSLEY. I ask unanimous consent that he be added as a cosponsor of this amendment.

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

Mr. BOSCHWITZ. I reserve the remainder of my time.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I rise with respect to the distinguished Senator from Minnesota to oppose this amendment for three simple reasons.

The first is that both the chairman and the ranking member of the committee gave to those of us who were working to develop the piece of legislation a number of charges as we try to craft a compromise. One, was stay within the budget. Two, was make sure that it is going to conform approximately to current policy. In other words, follow the guidelines the administration has given us, try to produce something that will satisfy a sufficient number of Republicans and Democrats, that it can be bipartisan. And to say the least, this was not easy to do.

To say the least, this was not easy to do, and not easy, as well, to hold it together here on the floor. So I suggest, reason No. 1 is that the current provision in the language is to the green book proposal. There are identical proposals sought by the administration.

There were some, as the distinguished Senator from Minnesota knows, and the ranking member knows, that wanted to be more aggressive on ARP's, and we were, and we held them off with the argument that we had to have no change in the ARP's going in a more restrictive fashion than this current bill does. So we tried, in the process of compromising, to accept the administration's proposal in the green book.

Second, I urge my colleagues to consider that one of the things that we are trying to do with the farm bill is provide stability. I know it is not perfect. I hear the philosophical arguments that the distinguished Senator from Indiana proposes and, in general, I find myself in agreement with him. However, if the stability of price is the object of the farm bill, as I think it is, not just as a consequence of our desire to provide some minimal protection level for producers, not for the object of trying to guarantee profit, but for the object of saying, keep your eye on cash, your eye on your resource base and on the marketplace, if that is the object for the producer and for the consumer, to keep some steady and relatively dependable supply of food at a relatively low cost, as well, and to maintain a competitive position in the world marketplace, stability becomes very important to do that.

Right now, as I am sure the distinguished Senator from Minnesota knows, I am a little more aware of it, because it impacts Nebraska a bit more than I assume it does Minnesota. We are seeing wheat stocks going up now, 33 percent of total use level. Prices are down approximately 70 percent. The consequence of that is increased Government costs.

What we are trying to do in this, as I said in the beginning, is to balance the taxpayer desire to keep the costs down, because the producers need to have some floor in there, and the consumer desire for stability.

I feel rather strongly that to lose even this stock use ratio would be a mistake from that standpoint; even though I can understand it from a philosophical standpoint and yield on some of the arguments, I find myself, in practice, being concerned about the change.

Finally, I point out that under the export enhancement program provided by the administration, the competitiveness issue, to provide the administration with 566 million dollars' worth of appropriate authority, and with 60 days left we have used 225, it seems to me that we have given the administration a tool to maintain that competitive position in a situation where we have stock use ratio that might be lower than what we would like. We have been given that particular tool, and we ought to be taking more advantage of it.

As a consequence of those three things, I urge my colleagues to see this not just as an amendment that could change the policy away from what the administration is going to do, but to change the policy; and, in fact, it will cost the American taxpayers more, not less, and as a result I urge my colleagues to oppose this amendment.

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

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

Mr. BYRD. Mr. President, does my distinguished friend, the manager of the bill, have 5 minutes which he could yield to me on another matter?

Mr. LEAHY. I yield whatever time that I have that the Senator from West Virginia needs.

Mr. BYRD. Mr. President, the manager is kind and courteous, as always. I ask unanimous consent that I may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered. The distinguished senior Senator from West Virginia is recognized.

ROSE FITZGERALD KENNEDY'S 100TH BIRTHDAY

Mr. BYRD. Mr. President, there is a very special event that will occur this coming Sunday. The Washington Post refers to it with the headline, "At 100, the perennial Rose Fitzgerald Kennedy." So this Sunday, Mrs. Joseph P. Kennedy, Sr., better known to millions of Americans and others around the world as "Rose," will be 100 years old.

That, in my judgment, is a truly remarkable occasion on which to celebrate.

The psalmist says, as we read in the Scriptures:

"The days of our years are threescore years and ten, and if by reason of strength they be fourscore years, yet is their strength, labour and sorrow; for it is soon cut off, and we fly away."

Here is a great lady who has lived 30 years beyond the promise of the psalmist. A celebration was recently held by the family, and on that occasion, Senator EDWARD KENNEDY, one of our most distinguished colleagues, described his mother in this way: "In the chaos of our household she was the quiet epicenter of the storm, the anchor of our family, the safe harbor to which we always came; or, as mother said, 'the shadow in all our pictures,' because she was taking them."

What a grand and appropriate encomium expressed by her illustrious U.S. Senator son. Last Sunday a public birthday celebration was held with news commentator Robert MacNeil, emceeing the festivities. This weekend, Senator KENNEDY and Rose Kennedy's immediate family—including as many as 28 grandchildren and 22 great-grandchildren will assemble at Hyannis for a private, more intimate observance.

Few women in this century have witnessed and been a participant in so many significant facets of our country's history as has Rose Fitzgerald Kennedy.

As the wife of Joseph P. Kennedy, Sr., Rose was married to a man who was one of the most adroit American financiers and bankers of our time, and who served in a number of important Government roles, including that of being the American Ambassador to England.

But more importantly, Rose Kennedy will be remembered in history as being the mother of three of the most prominent political figures in the second half of the 20th century. I note in the Washington Post article written by Sarah Booth Conroy that Mrs. Kennedy once said that she would prefer to be the mother of a President than to be President of the United States.

This great woman was the mother of a President of our country and the mother of two U.S. Senators—one of whom also became the Attorney General of the United States, and the other who today graces 1 of the 100 seats in this Chamber, and who is a Senator who perhaps has had more legislation attached to his name than has any other Senator in our time.

I have served with TED KENNEDY here now for almost 3 decades, and I believe that he would have been an outstanding Senator at any time in the entire 200 years of this Senate's history.

Much tragedy has been visited upon this family. Rose Kennedy lost a son in World War II, and she lost two sons, one of whom was President, by assassination.

It is truly a great family, and I commend President Bush for proclaiming this Sunday as Rose Fitzgerald Kennedy Family Appreciation Day, certainly an appropriate means of expressing to Mrs. Kennedy and to Senator KENNEDY and to all of their distinguished family the national affection and esteem in which they are held.

I know that I speak for all of our colleagues in wishing Rose Kennedy our most sincere good wishes, and in tendering our congratulations on the occasion of her 100th birthday, and to our colleague, Senator TED KENNEDY, and the entire Kennedy family, our continued regards and appreciation for the vital contributions that they have made and that they are making to our national life.

To this great lady, I say in wishing her a happy birthday:

Count your garden by the flowers,
Never by the leaves that fall,
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars, not shadows,
Count your life by smiles, not tears,
And on this beautiful July birthday,
Count your age by friends, not years.

The PRESIDNG OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, every so often, it is necessary in the pell-mell and hurly-burly of the Senate to pause for a moment and think of those things that make this a great country, and to hear the kind of speeches on the floor that remind us of our heritage and our history.

I believe very sincerely that has just happened on the floor, and I commend the senior Senator from West Virginia, the President pro tempore of the U.S. Senate, Senator BYRD, for doing that.

He has spoken of one of the most remarkable women in American history. I always noted that her birthday is the same day as that of my much beloved and now departed father. They were born 10 years apart to the day, and we know a number of times there was an exchange of birthday greetings. And I recall the many times we spoke of the great history of the Kennedy family.

But I also applaud especially, though, the words of Senator BYRD, putting it within the historical context. Too often we find in this country we lose our sense of perspective, our sense of history. I worry that perhaps not enough history is taught in the grade schools, high schools, and colleges of our country, or in the pages of our newspaper or on our television screens.

But I know my mother reads the CONGRESSIONAL RECORD daily, and one of the things she frequently points out are history lessons. History lessons such as Senator BYRD, and the distinguished Republican leader, Senator DOLE, and others, have given from time to time. And I recommend that these lessons be read by the people of this country. We are a great, good, and noble country with a history that would make any country in recorded history proud.

Every so often we face the problems of this Nation. When we see the things that worry us, as we do now, we should look at this history and remember what went before us: Remember the resiliency of this country, the men and women who made it great, the people in this body, the hundreds and hundreds of people over the 200 years, not only in the two great political parties represented here, but the political parties of the forebearers of these, the men and women of those who have really been the giants of this country and helped hold us together in very difficult times.

After the rancorous hurly-burly political debate and the sometimes necessary partisanship or factionism, regionalism that has come up, they have come together so many times to save this Nation, to do the things that are right.

I have always said during my 16 years here that the U.S. Senate should be the conscience of the Nation. We face many problems today. Once again, it is necessary for that conscience to coalesce here. We have the kind of sense of history that so many

of us feel, so many of us have expressed before, that the conscience of the Nation will come through and we will be a better Nation for it.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. President, I might ask my good friend from Minnesota how much additional time he intends to take, because we are prepared to yield back time on this side.

Mr. BOSCHWITZ. Mr. President, I say to the distinguished chairman, not much more time. I believe Senator GRASSLEY wants to be heard.

Before the distinguished President pro tempore leaves the Chamber, I would like to say that was one of the most beautiful speeches I have heard here in the Chamber, and I was wondering the name of the poem and poet he was quoting in his remarks.

Mr. BYRD. I am sorry; I cannot produce the name of the poet. The title of the poem is "The Multiplication Table of Happiness."

I thank the distinguished Senator for his kind comments.

Mr. BOSCHWITZ. Mr. President, does the Senator from Iowa wish to speak at this time?

Mr. GRASSLEY. No.

Mr. BOSCHWITZ. Mr. President, let me respond to the distinguished Senator from Nebraska about some of the statements that he made, and also talk just a little more about the amendment once again.

The distinguished Senator from Nebraska said that we had not used all of the report enhancement program funds, so-called EEP funds, and that much is yet left that can be expended prior to the end of the fiscal year. We have not because of low stocks. We have not had the wheat to sell, really, to utilize all those funds. I hope it is not necessary to utilize those funds, because when your stocks are low and you have not spent the money to enhance exports; that is, you have not subsidized exports, that is really the situation that we want to find ourselves in.

We hope that the world market will take up the stocks that we have without the exports needing to be enhanced. The price of wheat, while it has come down just recently about 30 cents, has been very high during the year of 1990, and the result is that export enhancement also is not as expensive as when the price is high.

That was part of our argument with respect to the sugar amendment that was discussed earlier this morning, that in the event that we break down the sugar program in this country, world prices certainly would rise as American demand hits the world market, which is a rather small market, and the result would be that the export enhancement that the Europeans would have to do to get rid of their sugar would be reduced. The subsidies that they would have to pay would be reduced. That is why I called the sugar amendment offered by the senior Senator from Delaware and the senior Senator from New Jersey, a European Community relief bill which would not serve the purposes of world trade nor would it serve the purposes of the American agricultural community.

I say to the distinguished Senator from Nebraska, in talking about Europe, I pointed out that over an 11-year period they had grown from being a net importer of grain, a large net importer of grain, about 20 million tons, to becoming a large net exporter of grain and that this has changed the whole nature of the world market, particularly in wheat, and that the Europeans, who have been very aggressive in the sale of wheat and in the subsidizing of wheat, have held up their internal prices so high that they have massive surpluses.

I would also say to the distinguished Senator from Nebraska that this chart represents the cumulative displacement of other countries' grain exports by a change in the EC net trade position. Over this 11- to 12-year period, they have displaced about 275 million tons of wheat exports from other countries. And this, I bring to the attention of my friend from Nebraska, is the cumulative amount of U.S. grain production foregone by acreage reduction programs. We have foregone production and really have in the process given the market to the Europeans. Through acreage reduction, we have reduced production in this country, and the EC simply stepped in to take up that production.

As I also pointed out in my earlier remarks, the same has happened in soybeans. Due to the inflexibility of our farm programs and the requirement of our farm programs, to plant the program crop, soybean planting in this country has gone down by 13 million acres. Soybean planting in Argentina, Paraguay, and Brazil have gone up by the exact same amount. So our share of world markets have gone down. That is why I oppose acreage reduction programs. That is why I am offering this amendment.

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

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

The yeas and nays were ordered.

Mr. BOSCHWITZ. Mr. President, I am now prepared to yield back the remainder of my time, if the distinguished chairman is willing to do the same.

Mr. LEAHY. Mr. President, did the distinguished Senator from Iowa wish to speak? I believe he was going to speak on the time of the Senator from Minnesota.

Just for my colleagues' information, I know of no other colleagues that wish to speak. As soon as the Senator from Iowa has finished, I will, if nobody else is seeking recognition, yield back all time.

Mr. BOSCHWITZ. Mr. President, I yield the Senator from Iowa 5 minutes.

The PRESIDING OFFICER (Mr. BURDICK). The Senator has 4 minutes remaining.

Mr. BOSCHWITZ. I yield it all to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am a cosponsor of this legislation. I think this is one of the key issues that we are going to debate on this bill. The reason I think it is one of the key issues is because it deals with a discretion that we ought to give to the Secretary of Agriculture. I think it also strengthens the Secretary of Agriculture's hand in dealing with other agencies, particularly OMB, in the whole debate over the budget impact of the farm program. And I think any way we can strengthen the hand of the Secretary of Agriculture in that regard should be done.

But my main purpose for supporting this legislation is the fact that, as compared to the 1985 farm bill debate when there was a wide degree of difference and lack of consensus on what kind of a farm bill we ought to have in the farm communities of the United States, we have a consensus in 1990, and that is that we ought to continue the general format of the 1985 farm bill which is the product of the committee. If I describe to my farmers what we are doing in the 1990 farm bill debate, I describe it as fine tuning. I know that the committee did what they thought was fine tuning when they set the standards in the bill that we have before us, which the amendment of Senator BOSCHWITZ tries to change, and I suppose even his change is within the area of fine tuning.

But I think that there is justification for the Boschwitz amendment when people try to base the 1990 farm legislation too much on what the situation was in 1985. Things have changed since then. We have the Conservation Reserve Program where we have idled 34 million acres for a 10-year period of time. Those acres represent a permanent ARP of between 10 and 15 percent on wheat and between 5 and 10 percent on corn. In 1985, the share of a stagnant world market was declining and agriculture exports were only $26 billion in fiscal year 1986. Today export markets are expanding and agriculture exports are $43 billion.

So besides having a permanent ARP as a result of the Conservation Reserve Program we have expanding world markets.

So Senator BOSCHWITZ should be commended for coming forth with this amendment that will simplify our farm programs.

This proposal will give the Secretary additional flexibility to reduce setasides when world demand requires additional production.

Long-term market signals, drought in other parts of the world, new grain agreements or new nonfood uses may substantially increase crop needs from one season to the next. It will be important for the Secretary to have the freedom to utilize as many resources as possible when he feels it is necessary.

I am concerned that higher setasides will send signals to our foreign competitors that we will not have the ability to sell to our new markets. I do believe that ARP's serve a conserving purpose, but I think proper rotations will make up for any losses through decreased ARP's.

The administration has viewed ARP's as a way to manage stocks and to reduce outlays. If world demand, especially in Third World countries and Eastern Europe increases, United States producers must be able to plant the crop needed to fulfill those needs or lose these markets to our competitors.

The ARP levels in S. 2830 are clearly excessive and need to be changed. Unless this is done, the United States will be less capable of competing for export sales which provide economic benefits to the farmers and the infrastructure of the U.S. agriculture.

I am through and yield the floor. If I have time left I will yield it back.

I yield the floor.

Mr. BOSCHWITZ. Mr. President, I thank the Senator from Iowa. He is, I believe, one of the few, perhaps the only practicing farmer in our body. So I am particularly complimented that he also sees things in agriculture my way. I yield the remainder of my time.

Mr. LEAHY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to amendment of the Senator from Minnesota. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from New York [Mr. MOYNIHAN], and the Senator from Georgia [Mr. NUNN] are necessarily absent.

I further announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

I also announce that the Senator from Michigan [Mr. RIEGLE] is absent because of illness in family.

Mr. DOLE. I announce that the Senator from Montana [Mr. BURNS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Oklahoma [Mr. NICKLES], the Senator from Wyoming [Mr. SIMPSON], the Senator from Idaho [Mr. SYMMS], the Senator from Wyoming [Mr. WALLOP], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] would vote "yea."

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

The result was announced—yeas 37, nays 50, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—37

Armstrong	Durenberger	Mack
Biden	Garn	McCain
Bond	Gramm	McClure
Boschwitz	Grassley	McConnell
Chafee	Hatch	Murkowski
Coats	Hatfield	Packwood
Cochran	Helms	Roth
Cohen	Humphrey	Specter
D'Amato	Jeffords	Stevens
Danforth	Kassebaum	Thurmond
Dixon	Kasten	Warner
Dole	Lott	
Domenici	Lugar	

NAYS—50

Adams	Ford	Lieberman
Akaka	Fowler	Metzenbaum
Bentsen	Glenn	Mitchell
Bingaman	Gore	Pell
Boren	Gorton	Pressler
Bradley	Graham	Pryor
Breaux	Harkin	Reid
Bryan	Heflin	Robb
Bumpers	Hollings	Rockefeller
Burdick	Inouye	Rudman
Byrd	Kennedy	Sanford
Conrad	Kerrey	Sarbanes
Cranston	Kerry	Sasser
Daschle	Kohl	Shelby
DeConcini	Lautenberg	Simon
Dodd	Leahy	Wirth
Exon	Levin	

NOT VOTING—13

Baucus	Moynihan	Symms
Burns	Nickles	Wallop
Heinz	Nunn	Wilson
Johnston	Riegle	
Mikulski	Simpson	

So the amendment (No. 2315) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I ask unanimous consent that Senator DASCHLE be recognized to bring up an amendment on storage costs; that there be 40 minutes equally divided on the amendment in the usual fashion, with no second-degree amendments.

I have cleared the request with both sides of the aisle.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

The Chair hears none, and it is so ordered.

Mr. LEAHY. Mr. President, for the interest of Senators, that means no longer than 40 minutes from now, we will be having another rollcall vote. If Members yield back the time, it will be less time than that.

Mr. LUGAR. If the Senator will yield, the distinguished chairman, I would like to indicate that I will put in a quorum call for a moment or two. I think we are close to some arrangement with the Senator from South Dakota, and it may be possible to work out that language. If that is not possible, we will commence debate rapidly.

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. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that notwithstanding the pending unanimous-consent order, I be recognized for no more than 4 minutes for the purpose of bringing up a number of amendments that have been cleared.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2316

(Purpose: To provide for the establishment of a National Urban and Community Forestry Advisory Council)

Mr. LEAHY. 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 Vermont [Mr. LEAHY], for Mr. SARBANES, proposes an amendment numbered 2316.

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:

On page 1079, between lines 4 and 5, insert the following new section:

SEC. 1943. NATIONAL URBAN AND COMMUNITY FORESTRY ADVISORY COUNCIL

(a) ESTABLISHMENT.—The Secretary shall establish a National Urban and Community Forestry Advisory Council for the purpose of—

(1) developing a national urban and community forestry action plan;

(2) evaluating the implementation of such plan; and

(3) developing recommended criteria for, and submitting recommendations with respect to, the Urban Forestry Energy Conservation Program under section 1942.

(b) Membership.—

(1) IN GENERAL.—The Council shall be composed of 15 members appointed by the

Secretary, including at least two representatives of each of the following—

(A) national nonprofit forestry and conservation citizen organizations;

(B) the forest products, nursery, or related industries;

(C) urban forestry professionals such as landscape, or design consultants, planners, horticulturalists, consulting foresters and arboriculturalists;

(D) academic institutions with an expertise in urban and community forestry activities;

(E) State or local forestry agencies or equivalent State or local agencies;

(F) Federal agencies involved in urban forestry such as the Forest Service; and

(G) the general public, one of whom shall be a resident of a community with a population of less than 50,000 as of the most recent census and both of whom shall have expertise and have been active in urban and community forestry.

(2) VACANCY.—A vacancy on the council shall be filled in the manner in which the original appointment was made.

(3) CHAIRPERSON.—The Secretary shall select one individual from among the members appointed to the Council, who is not an officer or employee of the United States nor any State, county, city, or town government, who shall serve as the chairperson of the Council.

(4) TERMS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), members of the Council shall be appointed for terms of 3 years, and no member shall serve more than two consecutive terms.

(B) STAGGERED TERMS.—Of the members first appointed under paragraph (1)—

(i) five, including the chairperson, shall be appointed for a term of 3 years;

(ii) five shall be appointed for a term of 2 years; and

(iii) five shall be appointed for a term of 1 year;

as designated by the Secretary at the time of appointment.

(C) EXPIRATION OF TERM.—Any member appointed to fill a vacancy occurring before the expiration of the term of the predecessor of such member shall be appointed only for the remainder of such term. A member may serve after the expiration of the term of such member until the successor of such member has taken office.

(5) COMPENSATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), members of the Council shall serve without pay, but may be reimbursed for reasonable costs incurred while in the actual performance of duties of the Council.

(B) EMPLOYEES OF THE FEDERAL GOVERNMENT.—Members of the Council who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Council.

(C) SUPPORT.—The Secretary shall provide financial and administrative support for the Council.

(c) NATIONAL PLAN.—Not later than 1 year after the date of enactment of this Act, and at least once every 10 years thereafter, the Council shall prepare a National Urban and Community Forestry Action Plan. The Plan shall include—

(1) an assessment of the status of urban forest resources in the United States at the time of the submission of the Plan;

(2) the results of a review of urban and community forestry programs and activities carried out in the United States, including education and technical assistance activities conducted by the Forest Service, Extension Service, and other Federal agencies, the State forestry organizations, private industry, private nonprofit organizations, community and civic organizations and other interested entities;

(3) recommendations for improving the status of the urban and community forest resources of the United States, including education and technical assistance and modifications required in existing programs and policies of relevant Federal agencies;

(4) the results of a review of urban and community forestry research including—

(A) all ongoing research associated with urban and community forests, arboricultural practices, and the economic, social, and psychological benefits of trees and forest cover in urban and community areas that are being conducted by the Forest Service, other Federal agencies, and associated land grant colleges and universities;

(B) recommendations for new and expanded research efforts directed toward urban and community forestry concerns; and

(C) a summary of research priorities and an estimate of the funds needed to implement such research, on an annual basis, for the next 10 years;

(5) a statement of the criteria to be used for evaluating proposed projects under the Urban Forestry Energy Conservation Program under section 1942, with special emphasis given to projects that would demonstrate the benefits of improved forest management (including the maintenance and establishment of forest cover and trees) in urban areas and communities; and

(6) an estimate of the resources needed to implement the Plan for the succeeding 10 fiscal years.

(d) AMENDING OF PLAN.—The Plan may be amended by a majority of the members of the Council. Such amendments shall be incorporated into the annual review by the Council of the Plan.

(e) The Council shall submit the Plan to the Secretary and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on its completion. Not later than December 31 of the first year after the submission of the Plan, and annually thereafter, the Council shall submit a review of the Plan to the Secretary. Such review shall consist of—

(1) the assessment of the Council of the prior year accomplishments in research, education, technical assistance, and related activities in urban and community forestry;

(2) the recommendations of the Council for research, education, technical assistance, and related activities in the succeeding year; and

(3) the recommendations of the Council for the urban and community forestry challenge cost share projects to be funded during the succeeding year.

The review to be submitted to the Secretary under this subsection shall be incorporated into the annual report of the Forest Service to the Congress under the Forest and Rangeland Renewable Resources Planning Act of 1974.

(f) DETAIL OF PERSONNEL.—On request of the Council, the Secretary is authorized to detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to the Council to assist the Council in carrying out its duties under this section.

(g) DEFINITIONS.—As used in this section:

(1) COUNCIL.—The term "Council" means the National Urban and Community Forestry Advisory Council established under subsection (a).

(2) PLAN.—The term "plan" means the National Urban and community Forestry Action Plan developed under subsection (c).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(4) URBAN AND COMMUNITY AREA.—The term "urban and community area" includes cities, their suburbs, and towns.".

On page 1079, line 7, strike out "1943" and insert in lieu thereof "1944".

On page 1079, line 16, strike out "1944" and insert in lieu thereof "1945".

On page 1080, line 20, strike out "1945" and insert in lieu thereof "1946".

Mr. SARBANES. Mr. President, the amendment which I am introducing today cleared by both the majority and minority managers, takes a significant step in enhancing the Urban Forestry Program contained in the committee's bill. I want to commend the chairman and the ranking minority member, as well as the chairman of the Subcommittee on Conservation and Forestry, Senator FOWLER, for their leadership in establishing an urban forestry program.

My amendment would require the Secretary of Agriculture to create a national urban and community forestry advisory council. The council would be responsible for developing a national urban and community forestry action plan, evaluating implementation of that plan, and developing recommended criteria for the Urban Forestry Energy Conservation Program under section 1942 of the committee bill. It was a key element of the urban forestry bill, S. 1399, I introduced last year. This legislation, in slightly modified form, has already passed the House of Representatives.

The council would consist of 15 members with representation from the national nonprofit forestry and conservation citizen organizations; the forest products, nursery, or related industries; urban forestry professionals; academics; State or local forestry agencies; Federal agencies; and, finally, the general public. It is a broad-based group organized to provide the Department of Agriculture with the best possible advice and guidance on this program to combat global warming and to improve the environment of our cities, towns, and communities.

I am pleased that the committee has so forthrightly addressed the urban forestry issue in this bill. The addition of the council will ensure that the program is given guidance and direction by those who are most experienced in forestry, and I would urge the managers to accept this amendment.

Mr. LEAHY. Mr. President, this has been cleared on both sides. I have nothing further to say.

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

ing to the amendment of the Senator from Maryland.

The amendment (No. 2316) 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.

AMENDMENT NO. 2317

(Purpose: To implement a comprehensive national management program for undesirable plant species on Federal lands and to establish a national coordination program for noxious weed management)

Mr. LEAHY. 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 Vermont [Mr. LEAHY], for Mr. CONRAD, proposes an amendment numbered 2317.

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:

On page 557, between lines 10 and 11, insert the following new subtitle:

Subtitle F—Noxious Weed Management

SEC. 1271. SHORT TITLE.

This subtitle may be cited as the "Noxious Weed Management Act of 1990".

SEC. 1272. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) noxious weeds and undesirable plants are—

(A) contaminating Federal, State, and private lands by taking over and encroaching on desirable plant species;

(B) degrading air, land, and water resources by increasing soil erosion and decreasing native ground cover;

(C) spreading on Federal, State, and private lands;

(D) causing wildlife habitats to be degraded to the detriment of wildlife populations;

(E) causing human health hazards through the spread of pollen, insects, and disease;

(F) costing farmers and ranchers millions of dollars in lost crops and range land; and

(G) displacing the native vegetation in the area that such weeds are present and thus having a considerable impact on domestic animals and wildlife foraging in such areas;

(2) unless noxious weeds and undesirable plants are prevented, controlled, or contained, they will—

(A) increase expotentially, causing further contamination and deterioration of wildlife habitat, recreational resources, and aesthetic values;

(B) increase soil, water, and contamination hazards;

(C) have a detrimental effect on human health; and

(D) further eliminate native species of vegetation;

(3) even though there are numerous laws addressing the stewardship and management of Federal lands, those laws do not directly or effectively deal with the management of noxious weeds and undesirable plants on Federal lands;

(4) the total eradication of noxious weeds is impossible, therefore resources should be used to develop measures that will decrease the number of noxious weeds and undesirable plants to an acceptable level;

(5) concerns about reducing ground water contamination and environmental impact argue in favor or a more ecologically sound approach to resolving noxious weed problems;

(6) in order to control and manage noxious weeds and undesirable plants, the focus must be on an integrated management plan; and

(7) comprehensive, national noxious weed management will—

(A) protect the environment by preventing the degradation of air, land, and water resources, and reduce soil erosion through the prevention of the introduction and containing the spread of noxious weeks and undesirable plants on Federal lands;

(B) improve the protection of recreation uses and aesthetic values on Federal lands by reducing the risk of the transfer of noxious weeds and undesirable plants from one area to another;

(C) improve the habitat for wildlife and domestic animals on Federal lands by reducing the spread of undesirable plants that are detrimental to desirable vegetation;

(D) protect threatened and endangered species listed as such under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) by reducing the infestation of noxious weeds and undesirable plants in protected ecosystems;

(E) provide for the management, development, and enhancement of Federal lands by protecting those lands from the continuing spread of noxious weeds and undesirable plants; and

(F) promote coordination, control, and educational efforts at the regional, State, and local level.

(b) PURPOSE.—It is the purpose of this Act to—

(1) establish and implement a national comprehensive management program to prevent and control undesirable plant species on Federal lands and maintain practices that achieve the control of noxious weeds on such lands; and

(2) establish and implement a national noxious weed management coordination program.

SEC. 1273. DEFINITIONS.

As used in this subtitle:

(1) COOPERATIVE AGREEMENT.—The term "cooperative agreement" means a written agreement between a Federal and a State agency.

(2) EXOTIC PLANT.—The term "exotic plant" means a plant species that—

(A) is not indigenous to the United States nor native to the plant community in which it is found; and

(B) may possess one or more of the following—

(i) it aggressively invades or is detrimental to native plant communities or crops;

(ii) it is poisonous to livestock;

(iii) it is of little economic value;

(iv) it colonizes disturbed habitats;

(v) it is a carrier of determinal inserts, diseases, or parasites;

(vi) its presence is detrimental to sound management of native or agricultural ecosystems; and

(vii) it threatens fish, wildlife, or endangered species.

(3) FEDERAL AGENCY.—The term "Federal agency" means a department, agency, or bureau of the Federal Government that is responsible for administering or managing Federal lands under its jurisdiction.

(4) FEDERAL LANDS.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government, except those lands on which the activities authorized under this subtitle are precluded by Federal law.

(5) INTEGRATED MANAGEMENT SYSTEM.—The term "integrated management system" means a system for the planning and implementation of a program using an interdisciplinary approach to select methods for preventing, controlling, or containing undesirable plants through the use of all judicious and environmentally safe methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices, such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitats.

(6) INTERDISCIPLINARY APPROACH.—The term "interdisciplinary approach" means an approach to making decisions regarding the prevention, containment, or control of noxious weeds and undesirable plants that—

(A) includes the participation of personnel from Federal or State administrative agencies with experience in areas including weed science, range science, wildlife biology, land management, ecology, and forestry; and

(B) includes the consideration of—

(i) the most efficient and effective methods of preventing, containing, or controlling undesirable plants to achieve optimum management with the least possible environmental damage;

(ii) scientific evidence and current technology;

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the programs established under this subtitle.

(7) NOXIOUS PLANT.—The term "noxious plant" has the same meaning given the term "noxious weed" under section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) and includes all noxious plant species listed on the Federal or State noxious weed list.

(8) STATE AGENCY.—The term "State agency" means the State Department of Agriculture, or any political subdivision thereof, or other appropriate State agency or political subdivision thereof as designated by the chief executive officer.

(9) UNDESIRABLE PLANT SPECIES.—The term "undesirable plant species" means plant species that is classified as undesirable, noxious, exotic, injurious, or poisonous, pursuant to State or Federal law. A designation of undesirable plants under this section shall be limited by the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and shall not include plants indigenous to an area where control measures are to be taken under this section.

CHAPTER 1—NATIONAL UNDESIRABLE PLANT MANAGEMENT PROGRAM

SEC. 1274. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LAND.

Each Federal agency shall—

(1) designate a specific office, and an individual who is adequately trained in the management of undesirable plant species, to develop and coordinate a program for the

management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(2) establish a program to manage undesirable plant species on a continuing basis;

(3) enter into and implement cooperative agreements with State and local agencies, when appropriate, regarding the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(4) establish integrated management systems using an interdisciplinary approach to prevent, control, or contain undesirable plant species targeted under cooperative agreements entered into under paragraph (3); and

(5) complete an environmental assessment or environmental impact statement that may be required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and implement the plant prevention, control, or containment activities under this section not later than 1 year after the date on which the agency ascertains that the preparation of such assessment or statement is necessary.

SEC. 1275. COOPERATIVE AGREEMENTS WITH STATE AGENCIES.

(a) IN GENERAL.—A Federal agency shall, where appropriate, enter into cooperative agreements under section 1274(3), when requested by State and local agencies, to coordinate the management of undesirable plant species on Federal lands under the jurisdiction of that Federal agency.

(b) CONTENTS.—A cooperative agreement entered into under subsection (a) shall—

(1) prioritize and target undesirable plant species to be prevented, controlled, or contained within a specific geographic area;

(2) describe an integrated management system to be used to prevent, control, or contain the targeted undesirable plant species; and

(3) detail the means of implementing such an intergrated management systems, define the duties of the Federal and State agency in implementing such systems, and establish a time frame for the initiation and completion of the tasks specified in such integrated management systems.

CHAPTER 2—NATIONAL NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM

SEC. 1276. NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM.

(a) NATIONAL NOXIOUS WEED MANAGEMENT COUNCIL.—

(1) ESTABLISHMENT.—The Secretary of Agriculture and the Secretary of the Interior shall jointly establish a National Noxious Weed Management Council that shall take such actions as may be necessary to coordinate the national control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

(2) REGIONAL COMMISSIONS.—

(A) AUTHORITY.—The National Noxious Weed Management Council is authorized to establish such regional commissions as may be necessary to assist the Council in carrying out this subtitle.

(B) COMPOSITION.—A regional commission established under subparagraph (A) shall be composed of—

(i) two regional representatives of the Department of Agriculture;

(ii) two regional representatives of the Department of the Interior;

(iii) one regional representative of the Army Corps of Engineers; and

(iv) not more than seven representatives of State and local governments involved in weed management activities, including representatives for agriculture, wildlife management, and health.

(C) DUTIES.—A regional commission established under subparagraph (A) shall—

(i) identify regional priorities with respect to noxious weed management;

(ii) make recommendations to the National Noxious Weed Management Council concerning noxious weed management;

(iii) coordinate noxious weed management using an interdisciplinary approach, regional research, training, technical assistance, and requests for funding;

(iv) assist in the development of regional technical guides for noxious weed management; and

(v) prepare and submit, on not less than an annual basis, to the National Noxious Weed Management Council a report on regional control, research, and education concerning noxious weed management.

(3) COORDINATION.—The National Noxious Weed Management Council shall coordinate the regional commissions established under paragraph (2) and facilitate the transfer of information among such regional commissions.

(4) SUPPORT SERVICES.—The Secretary of Agriculture and the Secretary of the Interior may provide to each regional commission established under paragraph (2) such administrative and technical support services as necessary for the effective functioning of such regional activities.

(b) ADMINISTRATIVE PROVISIONS RELATING TO REGIONAL COMMISSIONS.—

(1) COMPENSATION.—The members of a regional commission established under subsection (a)(2) shall receive no additional pay, allowances or benefits by reason of such members service to the regional commission.

(2) CHAIRMAN.—The members of a regional commission shall select a chairman from among the members of the regional commission.

(3) AREA.—Each regional commission shall meet in the geographical area of the regional commission at the call of the chairman of such commission or at the request of a majority of the members of such commission.

SEC. 1277. NOXIOUS WEED MANAGEMENT COST SHARING.

(a) GRANTS.—The National Noxious Weed Management Council, in consultation with the regional commissions established under subsection 1276(a)(2), may provide grants to State and local agencies to enable such agencies to manage noxious weeds and to provide cost sharing incentives to local private landowners for the management of noxious weeds.

(b) ELIGIBILITY.—To be eligible to receive assistance from the National Noxious Weed Management Council for the management of noxious weeds, a State or local agency shall—

(1) maintain staff that is adequately trained in the management of noxious weeds;

(2) develop and coordinate a program of noxious weed management in consultation with the regional commissions established under section 1276(a)(2); and

(3) ensure that a majority of the landowners in the area will participate in a noxious weed management program.

SEC. 1278. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this subtitle.

On page 557, line 11, strike out "Subtitle F" and insert in lieu thereof "Subtitle G".

On page 557, line 12, strike out "1271" and insert in lieu thereof "1281".

On page 558, line 7, strike out "1272" and insert in lieu thereof "1282".

On page 560, line 1, strike out "1273" and insert in lieu thereof "1283".

On page 562, line 7, strike out "1274" and insert in lieu thereof "1284".

On page 569, line 12, strike out "1275" and insert in lieu thereof "1285".

On page 570, line 4, strike out "1276" and insert in lieu thereof "1286".

On page 574, line 21, strike out "1277" and insert in lieu thereof "1287".

NOXIOUS WEEDS

● Mr. BAUCUS. Mr. President, I rise today to give my strong support for the amendment offered by the Senator from North Dakota.

He, Senator DASCHLE and I have been working for several months to put together an amendment which will address the very serious problem of noxious weeds management.

This problem has become epidemic in proportion.

In Montana alone, over 8.4 million acres of land are infested with noxious weeds. Over half of these acres are infested with spotted knapweed.

Scientists predict that 70 million acres nationwide will be lost to this weed if control measures are not taken.

Part of the problem has been that there is no comprehensive, coordinated approach to noxious weed management between Federal agencies, and State and local governments.

The amendment we are offering today will establish that coordination.

It will set up a comprehensive national management program to control the spread of noxious weeds.

Under the program, each Federal agency will be required to designate a specific office and person to develop and coordinate a noxious weeds program. This office will be given authority to establish cooperative agreements between the Federal agency and State and local agencies to coordinate the management of noxious weeds.

In addition, the amendment will authorize the establishment of regional commissions to identify regional priorities and coordinate noxious weeds management within the regions. Grants will be made available to State and local agencies to provide cost sharing incentives to local landowners as needed for the management of noxious weeds.

The amendment is strongly supported by Montana's Weed Control Association, Montana State University, the Weed Science Society of America, the Intermountain Noxious Weed Ad Hoc Committee, the Wildlife Management Institute, the Wildlife Federation, the Department of Interior and the USDA.

I urge my colleagues to vote for it.●

Mr. LEAHY. This also has been cleared on both sides.

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

The amendment (No. 2317) 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.

AMENDMENT NO. 2318

Mr. LEAHY. 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 Vermont [Mr. LEAHY], for Mr. BURNS, proposes an amendment numbered 2318.

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:

In S. 2830, on page 676, line 12, insert the following new section:

"SEC. 1427. ALTERNATIVE USES FOR AGRICULTURAL PRODUCTS.

(a) The Secretary of Agriculture is encouraged to conduct a study on new uses for traditional and alternative agricultural products and, within 6 months, and annually thereafter, after the date of enactment of this Act, submit to the Congress a report on such study.

(b) The annual studies shall include—

(1) a review of existing alternative uses for traditional and alternative crop both here and abroad; and

(2) a strategy for research in new uses for traditional and alternative agricultural products within the national land grant college system.

Mr. LEAHY. This has also been cleared on both sides.

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

The amendment (No. 2318) 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.

AMENDMENT NO. 2319

Mr. LEAHY. 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 Vermont [Mr. LEAHY] for Mr. BURNS, proposes an amendment numbered 2319.

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:

In S. 2830, on page 671, line 7, insert the following:

(c) The Secretary of Agriculture is encouraged to conduct a study on the impact of rangeland carrying capacity during drought and, within 1 year after the date of enactment of this Act, submit to the Congress a report on such study.

(d) The study shall include—

(1) a review of exising rangeland drought research here and abroad; and

(2) a strategy for the establishment of a national rangeland drought research program, involving international, Federal, State and local agencies.

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

The amendment (No. 2319) 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.

AMENDMENT NO. 2320

Mr. LEAHY. 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 Vermont [Mr. LEAHY], for Mr. MCCONNELL, proposes an amendment numbered 2320.

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:

At the appropriate point in the bill, add the following:

Section 5.17(a) of the Farm Credit Act of 1971 is amended by deleting paragraph (13).

Section 5.19(a) of the Farm Credit Act of 1971 is amended by adding after the third sentence the following:

"Examinations of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.".

Mr. MCCONNELL. Mr. President, this amendment seeks to improve the Farm Credit Administration's approval process of farm credit system bank compensation plans. Currently, FCA must approve the salary scale and compensation package of senior bank officers for each of the 12 farm credit banks.

My amendment revises the statute and gives the authority to the board directors of each district bank. Additionally, the Farm Credit Administration will be required to annually review the salary and compensation packages. Granting authority to bank boards will not reduce the ability of the FCA as a regulator to effect change through the exercise of existing statutory powers.

The statutory requirement has been difficult to administer and shifting authority from FCA will enhance the bank's ability to act quickly, responsibly, and effectively in managing these independent financial institutions. The FCA has requested this change because it provides better use of their limited resources. The amendment has been agreed to by both managers of the bill; therefore, I urge the adoption of the amendment.

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

The amendment (No. 2320) 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.

AMENDMENT NO. 2321

(Purpose: To increase the amount authorized to be appropriated for national competitive research initiative grants)

Mr. LEAHY. 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 Vermont [Mr. LEAHY], for Mr. GLENN, proposes an amendment numbered 2321.

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:

On page 737, line 21 and 22, strike out "for each of the fiscal years 1994 and 1995" and insert in lieu thereof "for fiscal year 1994, and $500,000,000 for fiscal year 1995".

Mr. GLENN. Mr. President, today in this country, we have an opportunity to invest in the future. We can choose to spend money with a reasonable rate of return. At the same time, our investment will find ways to keep specialized workers employed, clean up our environment and find new ways to utilize our commodities. Our investment counselor says we can do all this while maintaining our international competitive edge by an $500 million/year investment for the next 5 years.

Mr. President, I am talking about investing in our agricultural research community. By supporting the Com-

petitive Research Grants Office of USDA, we can support the individual investigators working alone or in small groups all over the United States. These are the scientists who pursue questions with answers that can revolutionize an entire industry.

Mr. President, the National Research Council's Board on Agriculture has recommended increasing the Competitive Research Grants Office budget to $500 million starting in fiscal year 1991. This report outlines 6 areas of research that need to receive priority one of which is the development of new products and uses for our traditional commodity crops. As you know, I have long supported research that allows us to find new ways to use the crops we produce in abundance. By funding the National Research Initiative at the recommended level we can increase our commitment in research dollars to this most important area of product utilization.

The Agriculture Committee has done a remarkable job of working out a compromise funding scheme that phases in this appropriation. I would like to amend this title to reflect the final goal of $500 million. Therefore, I am offering an amendment that changes the authorization for 1995 from $400 to $500 million.

I would ask that my colleagues support me in making a clear statement of intent to invest in the future of agricultural research and therefore in the future of America.

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

The amendment (No. 2321) 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. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senator from Minnesota [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. Mr. President, I will proceed and talk about some amendments that I am offering, and when the differences are worked out with the Senator from South Dakota on his amendment, so that they are ready to proceed, I will yield the floor at that point so they may proceed with it.

I understand that is the order of events that is about to occur and should occur.

The PRESIDING OFFICER. Without objection, it is so ordered. The pending unanimous-consent request will be placed aside, and the Senator is recognized.

Mr. BOSCHWITZ. Mr. President, I am going to offer, if not today, on Monday or Tuesday, or at such time as it is convenient with the chairman and ranking member of the committee, some amendments on loan rates.

Under the 1985 farm bill, which my farmers almost uniformly say has been a great success story, loan rates are established at 75 to 85 percent of the market price in the preceding 5 years, taking out the high year and the low year.

So you take out the high year and the low year of the preceding 5 years, you average the other 3 years of market prices, and the Secretary has the authority to establish the loan rate at 75 to 85 percent of the average of those 3 years.

The Secretary has always chosen to go at 75 percent in order to have the loan rate at the most competitive level possible. Under this bill, the same rules apply, except that the loan rates cannot be lower than the 1990 level.

I will offer an amendment that reinstates the 1985 farm bill rule without having the 1990 floor. I believe that one of the great successes of the 1985 farm bill is that our loan rates have become competitive.

So I will offer that amendment at some later time and will probably talk about it at some length later on today so that Senators and their staff will be informed of what I intend to do. I also will have some variations on that theme. In the event that amendment loses, I will offer other amendments somewhat similar to that.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota is recognized to offer an amendment on which debate will be divided equally, 20 minutes per side.

AMENDMENT NO. 2322

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislation clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2322.

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

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

The amendment is as follows:

STORAGE PAYMENTS.—

(1) On page 349 of S. 2830 (as amended by amendment No. 2303), 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 requirements, and impact of user fees as determined 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.".

Mr. DASCHLE. Mr. President, first of all, let me thank the distinguished Senator from Minnesota for his courtesy. I appreciate the willingness to allow this amendment to be offered. I must say the managers of the bill went a long way in addressing the concern that this amendment addresses today in the amendment that passed yesterday.

My motivation in offering this amendment goes to the comments I made yesterday, that is, that we can find ways, minimal as they may be, to help offset some of the problems associated with the bill in its entirety in terms of farm income for the average family farmer.

One of the problems that existed in past farm bills has been storage. There is a disparity that exists between grain elevators and farmers with regard to the storage payments. The disparity is related directly to the payment itself. The disparity is also related to the fact that elevators can be provided with handling fees and other reimbursements for expenses that farmers are not entitled to.

This amendment recognizes that some of that disparity will always be there, that there may be a need for elevators to obtain a higher compensation rate, especially as it relates to some of the regulatory requirements and the availability of storage itself.

My amendment simply improves upon what was done yesterday by striking the reference in the legislation passed yesterday which gives discretion to the Secretary to come up with a lot of other reasons this disparity ought to continue. It locks in place a number of specific exemptions to the requirement for equivalency, but that is all it does. The storage amendment says that there shall be equivalency with regard to payments made to farmers as well as to elevators with the following exceptions: Efficiency,

location, regulatory compliance costs, bonding requirements, and the impact of user fees as determined by the Secretary.

I emphasize as well that this amendment is budget neutral. We have no intention of adding to the budget. We simply take whatever pie is available and make sure that, except for the things stated specifically in the amendment, there shall be equivalency.

With that, Mr. President, I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Who is controlling time?

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

The PRESIDING OFFICER. The Senator from Minnesota is recognized with the time charged to the Senator from South Dakota.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that I be listed as a cosponsor of the amendment of the Senator from South Dakota.

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

Mr. BOSCHWITZ. Mr. President, I compliment the Senator from South Dakota and quite agree with what he is trying to achieve, that is, equivalence between the storage that is paid the farmer and paid the elevator in the town, taking into account that when there are different duties and when there are different obligations, those obligations and duties, be they on the part of the farmer and his storage facility or be they on the part of the commercial storage facility, that those can be taken into consideration with respect to compensation as well.

I compliment the Senator from South Dakota for bringing this amendment before us. I have spoken to my own farmers at scores and scores of meetings about the same subject, and I am pleased that the Senator has brought this matter to a head here on the floor.

Mr. DASCHLE. I appreciate the Senator's cosponsorship. I also ask unanimous consent that Senators KERREY and CONRAD be listed as cosponsors.

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

Who yields time?

Mr. DASCHLE. I yield whatever time the chairman requires.

The PRESIDING OFFICER. The Senator from Vermont is recognized on time charged to the Senator from South Dakota.

Mr. LEAHY. Mr. President, I say on our side this matter is cleared. I see no need for a rollcall vote. It is acceptable on this side. I reserve to the Senator from South Dakota the remainder of his time.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 5 minutes.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from South Dakota for his amendment. He has, without doubt, improved upon the language of the bill. I appreciate his acknowledgement that the staff, in a bipartisan way, had gone some distance with regard to storage rates in the legislation.

The Senator has been thoughtful, as always, about how farmer income could be enhanced in difficult times in his State and throughout the country. He has made very constructive suggestions. It is a very constructive amendment.

On our side we are prepared to accept that amendment, and I join with the distinguished chairman, if that is his will, in recommending that we have a voice vote as opposed to a rollcall vote in view of what I suspect is overwhelming support for the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield whatever time the Senator from Iowa would request.

The PRESIDING OFFICER. The Senator from Iowa, Mr. GRASSLEY, is recognized under the time charged to the Senator from Indiana.

Mr. GRASSLEY. First of all, I ask unanimous consent to be added as a cosponsor.

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

Mr. GRASSLEY. Mr. President, I compliment the Senator from South Dakota for his sponsorship of this amendment.

This amendment will eliminate, or hopefully eliminate, a very sore point that has been an issue with farmers ever since we had the farmer-held grain reserve and onfarm storage has been an emphasis of our Federal Government.

I know there are a lot of people here in this body who have been involved with the writing of this legislation who feel that a differential is very justified. I cannot see any justification for that differential. More importantly, farmers that deal every day with their local elevator out there that gets a higher rate of storage, in most instances at least, do not understand the differential. They deal with the manager. They know that manager as well as they know any other business person in their community. The farmers out there do not understand the difference.

They understand the operation of that elevator. A lot of those people serve on the boards of those elevators. And even from that group of people, I have found a feeling that the farmer comes out on the short end of the stick when he gets paid less than the commercial elevator does.

So not only to enhance farmer income, but I see this more as a matter of equity and fairness. I hope that the language of the legislation now, which does not expressly provide parity because of some language that is left in the bill, will in actuality bring this parity. I think that is the intention of the Senator from South Dakota.

I yield the floor.

Mr. DASCHLE. Mr. President, I will be very brief. Let me just thank the ranking member for his comments and also for the tremendous cooperation we have received from many on his staff that were helpful in coming to the agreement that we did.

I thank the Senator from Iowa for his cosponsorship and his comments. I think this does improve the bill and what we are all trying to do.

With that I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back by the proponents.

Mr. LUGAR. Mr. President, I yield back all of my time.

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

The amendment (No. 2322) was agreed to.

Mr. DASCHLE. 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.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, with the disposition of the Daschle amendment, I am advised by the managers that there will be no further amendments today which would require a rollcall vote. It was anticipated, of course, a short while ago that that amendment would require a rollcall vote but it has now been accepted. Accordingly, there will be no further rollcall votes today.

At the moment staffs on both sides are attempting to put together a schedule of amendments for Monday and I hope shortly to be able to announce that schedule. That is not quite ready yet and no announcement is therefore possible.

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

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. 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. 2323

(Purpose: To provide for increased emphasis on nutritional programs in the food aid grant programs)

Mr. PRYOR. Mr. President, I send an amendment to the desk on behalf of Mr. KERREY, the Senator from Nebraska. This amendment has been cleared by the Republican side and the Democratic side. It relates to nutritional programs, asking for an additional emphasis upon the nutritional programs. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for Mr. KERREY, proposes an amendment numberd 2323.

Mr. PRYOR. 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:

In S. 2830, on page 361, line 16, before ".", insert the following provision: ", including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk."

On page 417, line 15, after "security" insert ", including nutrition,".

On page 418, line 10, after "security" insert ", including nutrition,".

Mr. PRYOR. Mr. President, once again, the amendment is self-explanatory. It has been cleared on both sides of the aisle.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we accept and commend the amendment. It is an important addition to our understanding of what we can do with regard to world famine.

Our understanding is that in the other body, Congressman BEREUTER of Nebraska has gained passage of this amendment in the House Foreign Affairs Committee and it is appropriate we should consider it and his colleague, Senator KERREY, should offer it. We support the amendment.

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

The amendment (No. 2323) was agreed to.

Mr. PRYOR. Mr. President, 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. PRYOR. 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. LUGAR. 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. 2324

Mr. LUGAR. Mr. President, I send an 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 Indiana [Mr. LUGAR] proposes an amendment numbered 2324.

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

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

The amendment is as follows:

At the appropriate place at the end of title XVII, add the following new section:

SEC. 17 . MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1), is amended, by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsection (c) and notwithstanding any other povision of law,";

(2) adding at the end thereof the following new subsection:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the U.S. Trade Representative of such import prohibition or regulation;

"(2) the U.S. Trade Representative shall determine, and submit in writing to the Secretary of Agriculture, that the application of the grade, size, quality, and maturity provisions of the relevant marketing order, or comparable restrictions, to imports are not inconsistent with U.S. international obligations under any trade agreement, including the General Agreement on Tariffs and Trade; and

"(3) if the U.S. Trade Representative does not submit a determination under paragraph (2) within 30 days of the notification under paragraph (1), the Secretary may proceed with the proposed prohibition or regulation.".

Mr. LUGAR. Mr. President, this amendment has been cleared on both sides, but I wish to explain it briefly. The purpose of the amendment is to clarify current practices on establishing marketing orders to ensure consistency with international trade obligations.

Presently, as Senators know, marketing orders were created by law in 1937 and they can be used by the Secretary of Agriculture to develop programs to stabilize and improve the marketing of products. The purpose of my amendment is to make certain that these marketing orders do not come into conflict with our trade negotiations.

We have offered language that we believe is acceptable to those Senators who have had great experience with and support marketing orders and those Senators who are very much in favor of our pursuing trade negotiations.

The PRESIDING OFFICER. Is there further debate.

The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, this amendment has been cleared on this side of the aisle. There is no objection.

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

The amendment (No. 2324) was agreed to.

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

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Monday, July 23, the following amendments be offered and debated; that any votes ordered to occur relative to these amendments be stacked to occur at a time to be determined by the majority leader after consultation with the Republican leader; that no other amendments be in order to the listed amendments except where noted; and that the agreements be in the usual form regarding the control of time on any of the listed amendments with specific time limitations: a Daschle amendment relating to new products research, 3 hours equally divided; a Conrad amendment relating to repay barley advance deficiency payments, 1 hour equally divided; a Reid amendment relating to consumer product safety testing, to which second-degree amendments would be in order; a Cohen amendment relating to flexible basing; a Grassley amendment relating to rural safety education; a Grassley amendment relating to sustainable agriculture, with a possible relevant second-degree amendment by Senator LEAHY. I further ask unanimous consent that at 1 p.m. on Monday, when the Senate resumes consideration of S. 2830, Senator GRASSLEY be recognized to offer his listed amendment relating to rural safety education.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Reserving the right to object, I had been handed a sheet on this unanimous-consent request which the distinguished majority leader has substantially read and which sheet contained a reference to stacking the votes to Tuesday, July 24, at a time to be determined by the majority leader after consultation with the Republican leader. So I would inquire as to whether that is the intent of the distinguished majority leader?

Mr. MITCHELL. Mr. President, as the distinguished Senator from Pennsylvania will note, if he has the sheet that I have, there are a number of changes and interlinings and crossouts, as is common with these agreements. He is correct that the words "on Tuesday, July 24," were deleted. I wanted the opportunity to consult with the Republican leader before making a determination on precisely when the votes would be stacked to occur. I invite the Senator's advice in that regard as well.

Mr. SPECTER. Mr. President, I have stayed to participate in this unanimous-consent request because of this Senator's concern as to what is to be the schedule of the Senate. I understand the majority leader's responsibility to move a very important and congested calendar, and when the majority leader had circulated the letter in early July saying that we would be expected to vote on Mondays, among other times, this Senator canceled a plan which had been scheduled for a long period of time because I did not want to be in the position of missing a vote and would not ask for any special consideration by the distinguished majority leader.

Earlier today, I had consulted with Mr. Howard Greene about the schedule on Monday, as it was my hope to travel with the President in Philadelphia on Tuesday, and I had not made a decision on that because I wanted to see what the Senate's business was to be on Tuesday. I did not intend to ask for any special deference, to have any window so that I might go. Although I have not missed a vote during the whole of this session or the last session, I would want to consider that, missing perhaps a vote or two, to join the President on what I think may be an important event in my State on the drug issue.

But I did not want to find myself in the position where, being available on Monday to vote, I then found votes stacked on Tuesday, which would prejudice my own position, having canceled my plans and been available on Monday.

Having said that, without taking up too much of the Senate's time, since we are not going to vote anymore, as no pressing business is pending, I think it not inappropriate to add again, considering the very complex demands that the majority leader has, and after the majority leader made a statement recently asking for Senators' responses, I took the majority leader up on his invitation, went in and sat with him and told him of this Senator's concern on a number of items.

One item that this Senator is concerned about is the slow pace of the Senate when amendments are not offered. As for example, last night; as for example today. The majority leader asked unanimous consent that we would be expected to vote until 3 o'clock on Friday afternoon.

With a schedule of voting where we have quorum calls through 6 o'clock, 7 o'clock; votes scheduled for 7:45, apparently to accommodate schedules, or on Wednesday on the civil rights bill, we did not vote until 9 o'clock. There was a question in this Senator's mind as to why.

All of which raises the general question which I think is worthy of our consideration as to how the Senate is going to function. We have very important business to perform. I do not like to see anybody say that the Senate is not ready, willing, and able to go ahead and do the Senate's work.

Often a Senator comes to the majority leader and asks for special consideration—I heard about one recently. I heard the story. The sequence was, well, you did that for 99 other Senators. You missed 99 days of work. So I have made it a practice simply not to ask the majority leader to accommodate my schedule.

But at the same time, when this Senator cancels longstanding plans because I knew I could wait until 1 o'clock on Friday and change events. To change another 50 or 60 people's schedule simply will not do. I want to be available to help the majority leader and the distinguished Republican leader carry out our work.

But the question comes into my mind, I think understandably, when on Friday afternoon—and I heard the majority leader last night at 7:30 talk about the August 3 conclusion date. He wanted to observe it but he could not observe it if the Senate cannot work on Thursday night, and the Senate did not work on Friday. My basic request is that whatever the rules are, it is the prerogative of the majority leader, the prerogative to work and be responsible, and us for him. It is his prerogative to set the rules. I think the rest of us ought to cooperate with whatever rules he sets.

But that is why I am concerned about the possibility that these votes might be stacked on Tuesday. If there are votes on Tuesday, in sequence, I am prepared to take my chances, not go to Philadelphia, even though it is an important event on a drug issue with the President. It is also a Republican fundraiser, let me add that; not for me, a Republican fundraiser for the Republican State Committee.

But I have asked the President to meet with the drug task force there. I would like to be there. So I am prepared to make that evaluation as to what happens on Tuesday. But I do not want to be prejudiced by the absence of votes on Monday.

So having said all of that, my request to the majority leader, again, is to see if it might be possible to fashion rules so that when we are on the farm bill we either take up amendments or go to third reading.

Third reading might not be a bad idea this afternoon. It certainly would facilitate the conduct of the Senate's business in the future. I know that is not about to happen. There has to be notice to Senators. If we are to work on Mondays, I would like to see us notified and have the majority leader in the position, in conjunction with the Republican leader, to move ahead.

Outside of that, Mr. President, I have no objection.

Mr. DOLE. No objection.

Mr. SPECTER. Mr. President, I do object to the unanimous-consent request in the present form where it is open ended as to whether all of these votes might occur on Tuesday at noon.

The PRESIDING OFFICER (Mr. KOHL). Objection is heard.

Mr. MITCHELL. Mr. President, I thank my colleague. I did have a good constructive meeting with the distinguished Senator from Pennsylvania in which he made a number of suggestions on proceeding within the Senate, most of which I have attempted to implement but without success.

Of course, I do not have the unilateral authority to impose my preferences upon the Senate. It requires cooperation. Any individual Senator can prevent an action from occurring, as the Senator from Pennsylvania has just done with respect to this agreement. I think his points made today are well taken. I will take them into account.

I would simply note that as the Senator from Pennsylvania alluded to I am daily, and it appears increasingly, deluged with requests by Senators not to have votes at certain times on certain days, all for very valid reasons, including a visit by the President to one's home State or home community, and a number of others.

We have had difficulty getting Senators willing to come and offer amendments. As the Senator from Pennsylvania well knows, where I could attempt to move to third reading, I will let the distinguished Republican leader speak for himself, but I think he could and no doubt would prevent me from doing so to protect the interests of Republican Senators who wish to offer amendments but are not at this moment prepared to do so.

Mr. SPECTER. If the distinguished majority leader will yield, I had suggested at a meeting that I had with the distinguished majority leader that some of these be taken up in caucuses on each side to see if we could not find some consensus.

I understand that the distinguished Republican leader cannot proceed to third reading, nor can the distinguished majority leader because notice has not been given. But I think there is a lot of frustration among all Sena-

tors. I do not know whether it is the majority or minority of us who do not ask for special consideration on a trip by President Bush to Pennsylvania on Tuesday. I simply seek to find out what will be the consequence of this unanimous-consent arrangement.

If the impact could be heavier at a specific time, which I think would be unfair, having been available to vote on Monday, and as the distinguished majority leader may surmise, I say I do not wish to in any way impede the majority leader getting a unanimous-consent request.

When the majority leader comments that any Senator can stop the operation at any time, it is true that can be done on a unanimous-consent request, but not on the customary conduct of the business of the Senate. The majority leader schedules the business. He has 54 Senators who will stand behind him on what he seeks to do.

So I would really ask that this dialog today be followed by an effort to try to get a consensus on moving forward on the appointed hours, and that there not be a 3-hour window or 2-hour window on a Wednesday night until 9 p.m. to have votes and have the Senate conclude its business at 10 o'clock.

I am not in any way assessing any blame. I am trying to look to the future. If we can vote at 5 o'clock or 6 o'clock, if we are going to work on into the evening, I am prepared to do that. But we are here on Friday afternoon. I made plans to be here on Friday and Monday afternoons after I got the majority leader's letter. But I think that there are 96 other Senators besides the 4 here who share these views—95; we have a Presiding Officer—and are prepared to do this if we simply knew what was going to happen.

Mr. DOLE. Will the majority leader yield?

I think it is one thing if you live in Pennsylvania but quite another if you live out on the West Coast or 4 or 5 hours from here. You cannot make it up and back in an hour by plane.

There are Members that have problems from time to time. Maybe the Senator from Pennsylvania has never had one. On this Monday, I had one. As minority leader, I do not ask for many favors around here. I will be back at 5:30, and prepared to vote at that time.

In fact, if necessary, I could vote ahead of that time. But again, it is a longstanding standing commitment that I have made.

So maybe I am at fault instead of the majority leader for this request. So I apologize to both the Senator from Pennsylvania and the Senator from Maine, the majority leader.

I am not certain the unanimous consent is needed. In any event, it seems to me, let us go from one amendment to the next. We do not have to vote. We can lay it aside and take up another amendment.

I would say that if it would be helpful to the Senator from Pennsylvania and the majority leader, I believe I can be on the floor by 5:30, 5:45 on Monday afternoon. I say there would probably be votes Tuesday morning in any event. If I can help, I am happy to.

Mr. MITCHELL. I thank the Senator.

Mr. SPECTER. Mr. President, I understand the situation with Senators who do not live as close to Washington as this Senator does, and if there is anything that the distinguished Republican leader needs by way of scheduling, I would not consider posing any objection under any circumstance. I understand that Senators from the greater distances have to travel. But what this Senator seeks is just whatever the rules are going to be, I do not care what they are, as long as we know what they are.

Mr. MITCHELL. If I may interject on that point. There is a universal desire for certainty with respect to the schedule. Unfortunately, given the rules of the Senate, which make the schedule inherently uncertain, it is not possible to determine in advance precisely how long each measure will take or when votes will occur. I do not know how many amendments will be offered to a particular bill when the bill is brought up, or how long the debate will be on each amendment. And the ability of any Senator to speak without limitations makes it impossible to establish total certainty with respect to the scheduling.

When there is added to that the differing and very demanding schedules of 100 Senators, it is very difficult to organize business in a way that meets the convenience of everybody.

I can say, as I have said, that the Senate will be in business and operating on Friday, but if no Senator will come and offer an amendment and if I can be prevented, as I am prevented at any time from moving to third reading, then I simply do not have the capacity or the authority to accomplish that which the Senator from Pennsylvania would like, and which I assure him, in all sincerity, I want more than he.

So I have done the best I could to organize the operation in a way that would provide the maximum degree of certainty possible, given the rules of the Senate and the circumstances under which we operate. Indeed, one of the reasons I wanted to get in a unanimous-consent request—even though as the distinguished Republican leader has just noted, it is not technically necessary—was to indicate, to the extent we can do so, what will be coming up on Monday, and having gained the commitment of these Senators whose names I read off, that they will be here to further assure their presence to offer these amendments.

I recognize the concerns of the Senator from Pennsylvania and the particular situation in which he finds himself at this time. I will be pleased to consult with him and the distinguished Republican leader further before making a final decision on these amendments. Inevitably, as the distinguished Republican leader knows better than I, because he served as majority leader longer than I have served as majority leader, it comes down to attempting to accommodate the interests of a large number of Senators, most of which are in conflict, and we do the best we can to accommodate the largest number in the fairest possible way.

Mr. SPECTER. Well, Mr. President, one final comment. I will withdraw any objection and let the roulette wheel stop wherever it chooses.

I say, in conclusion, that it appears to me on the state of the record, that we are not going to be voting on Mondays, and we are not going to be doing much on Fridays. And it may mean there is going to have to be more done within the respective party caucuses to say where the Senators want to stand.

I understand what the majority leader has said. Nothing that I have said relates to the questions about offering amendments or how long any Senator is going to speak. I do not want to interfere with the schedule of my colleagues from the Midwest, the West, or any place. But I do think that it is a subject on our scheduling that is going to require more attention beyond the leadership, more cooperation from the rest of us, to set the kind of standard we want. If there are enough of us who do not want to vote on Fridays or Mondays, so be it. Then we do not want to be accused of working 3 days a week, 3 days a month. We have a large agenda to accomplish, and we are all responsible for it, not just the leadership.

So I withdraw my formal objection, having noted a fair number of objections in the past.

The PRESIDING OFFICER. Does the majority leader renew his request?

Mr. MITCHELL. I do.

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

MORNING BUSINESS

Mr. MITCHELL. 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 HOUSE

At 12:28 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 bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes, with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. WALGREN, Mr. SLATTERY, Mr. LENT, and Mr. RITTER as managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 2088) to amend the Energy Policy and Conservation Act to extend the authority for titles I and II, and for other purposes, with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. SHARP, Mr. MARKEY, Mr. BRUCE, Mr. TAUZIN, Mr. LENT, Mr. MOORHEAD, and Mr. DANNEMEYER as managers of the conference on the part of the House.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5268. An act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 5268. An act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, July 20, 1990, he had presented to the President of the United States 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."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HEFLIN, from the Select Committee on Ethics, without amendment:

S. Res. 311. An original resolution concerning the Select Committee on Ethics investigation of Senator David F. Durenberger (Rept. No. 101-382).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 2632. A bill to amend the Public Health Service Act to reauthorize the National Center for Health Statistics, and for other purposes (Rept. No. 101-383)

By Mr. NUNN, from the Committee on Armed Services, without amendment:

S. 2884. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes (Rept. No. 101-384).

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. COATS (for himself and Mr. LUGAR):

S. 2882. A bill to modify the boundaries of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 2883. A bill directing the President to transfer funds for emergency aid to the Philippines; to the Committee on Appropriations.

By Mr. NUNN, from the Committee on Armed Services:

S. 2884. An original bill to authorize appropriations for fiscal year 1991 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; placed on the calendar.

By Mr. KASTEN:

S. 2885. A bill to amend the Federal Deposit Insurance Act to require States in which the failure of State chartered savings associations has involved a disproportionately large share of the thrift resolution costs to pay a State thrift deposit insurance premium as a condition of future Federal deposit insurance; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GLENN (for himself, Mr. GORE, Mr. AKAKA, and Mr. LIEBERMAN):

S. 2886. A bill to amend the Stewart B. McKinney Homeless Assistance Act to clarify requirements regarding the use of unutilized, underutilized, surplus, and excess Federal buildings and real property to assist the homeless, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HEFLIN, from the Select Committee on Ethics:

S. Res. 311. An original resolution concerning the Select Committee on Ethics investigation of Senator David F. Durenberger; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COATS (for himself and Mr. LUGAR):

S. 2882. A bill to modify the boundaries of the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Energy and Natural Resources.

INDIANA DUNES NATIONAL LAKESHORE ACCESS AND ENHANCEMENT ACT

Mr. COATS. Mr. President, today, I am pleased to introduce a bill, sponsored by Senator LUGAR and myself, to enhance and expand the Indiana Dunes National Lakeshore.

Just about 100 years ago, President Theodore Roosevelt convened a conference on conservation at the White House. It brought together one of the most distinguished collections of national leaders ever gathered, including most of Congress, the Supreme Court and the Governors of 34 States. The President opened the proceedings with a disturbing declaration: "It seems to me time for the country to take account of its natural resources, and inquire how long they are likely to last."

That question is still with us. We asked it as a nation only a few months ago. Earth Day focused our attention on the resources of a nation whose frontier was conquered long ago. When we destroy our natural wealth, there is no moving onward and westward to better things. Conservation is a problem dumped into this generation's lap. It is we who will suffer or triumph.

It is true that too often in the past America's "shining city on a hill" has been obscured by smog, and littered with stagnant pools. Our shrinking open space has been crowded by pollution and noise and blight. We've often violated the basic human needs of men and women to live in places that are healthy and pleasing to the senses—the promise of "America the Beautiful."

All this has constituted a theft from our future. It is a myopia of the mind's eye in which greed or carelessness rob our children of beauty and resources.

But it is also something more. It is a violation of our best principles. In Christianity and Judaism, nature is God's creation, to be respected and heeded. Man is not the master. He is the steward. And nature is His trust. To violate that trust is, in some way, to betray a God who saw the work of His hands and pronounced it "very good."

Federal, State, and local governments have unprecedented responsibilities—but also unequaled opportunity. Never before have we had such power to control our environment. Never before have we had such power to destroy it. To paraphrase John Kennedy,

this will be the best generation, or one of the last.

I have seen in Congress the emerging outline of a bipartisan consensus on the environment. Alliances you would never have expected have brought us tough, needed efforts at conservation.

And one of the most vital roles in this new environmental agenda is played by our national parks and scenic wilderness. During my time in Congress, I have supported the protection of 15 million new acres of wilderness, and the classification of over 2,500 miles of wild and scenic rivers.

But even in the extraordinary variety of our parks and wilderness areas, Indiana Dunes is unique. I have visited the Dunes a number of times. Each occasion is a revelation of beauty and contrast. Running each from the industrial center of the Nation, the Dunes National Lakeshore weaves its way around the shores of Lake Michigan. It is an island of natural beauty in a sea of industrial sprawl. Its wooded dunes and marshy thickets stand undisturbed within 100 miles of over 10 million men and women. This is truly what is meant by "parks for the people."

This unique role also presents unique challenges. It requires constant effort to protect the Dunes from encroachment. Its location, just 45 miles from Chicago, means pressures and difficulties faced by no other park in the county.

But, in another way, the Dunes is a vision of the future for many of those other parks. The type of boundary pressures in this area will eventually push against park boundaries everywhere—as population and development increase. How the Dunes deals with these pressures will be seen as an example, a model of conservation in an urban landscape.

Clearly, Indiana Dunes must be protected. But the specifics of this charge involve some difficult issues. I have personally talked with environmental groups, such as the Save the Dunes Council, with leaseback holders, with residents of the Salt Creek and Little Calumet corridors, and with other property owners. I have done my best to listen to every side with sympathy and understanding. These conflicting voices have led some people to claim that this is a no-win situation, that the minefield can't be crossed.

But Senator LUGAR and I believe the Dunes are too important—both to Indiana and the Nation—for inertia and timidity. We are committed to seeing the Dunes expanded and protected. And we have drafted a bill that listens with sympathy and acts with resolution.

First, and I believe most importantly, this bill includes authorization for the National Park Service to acquire Crescent Dune, the last remaining lakeshore property on the eastern edge of the park. This piece of land is an important and natural addition to the lakeshore. And expanding the Dunes is one of the best ways we can preserve it.

Second, there are two additional, important nature areas that were considered for acquisition in legislation which passed the House a few months ago. Senator LUGAR and I have decided, in our bill, that the pressures of development in these areas are too urgent to wait for future action. We have included immediate authorization for acquisition for wetland areas in Beverly shores and a small section of virgin prairie containing rare plants and wildlife known as Hobart Prairie Grove. Both of these areas are environmentally sensitive and important.

Third, it is important to note that the four northern Lake County areas which were passed in the House bill are also included in this legislation—including Inland Manor and Woodlake Dune Savannah. Inland Manor comprises about 90 homes, and Woodlake Dune Savannah is a wooded, natural area which is vulnerable to development. These are important additions to the park.

Fourth, we have tried to give fair resolution to the debate over the Salt Creek and Little Calumet River corridors. This legislation includes a proposal which will protect this important natural resource while allowing most homeowners to keep their property. Under the bill, the first step would be for the National Park Service to conduct an inventory of important natural resources in the two river corridors. This inventory would also include a list of current and projected threats to these resources. At the conclusion of this evaluation, the Park Service will issue recommendations for the best ways to protect these resources, emphasizing efforts that can be made by State and local governments. The Park Service will continue to work in an advisory capacity to local governments, and will periodically report to Congress to ensure their recommendations are implemented.

I believe this proposal will allow the important natural resources at the river corridors to remain under local protection and jurisdiction. However, I am determined to ensure that local governments will protect these resources, and this is why the proposal contains congressional oversight.

Finally, I would like to discuss proposed additions in Porter County. Senator LUGAR and I have worked closely with both property owners and the environmental community regarding proposed lakeshore additions in this area. We believe the proposal we are introducing today provides necessary protection for the environment, including valuable wetlands and lakefront property, while protecting the rights of property owners, especially when it is necessary to include homes.

First, a small parcel of land in Porter Beach has been included as passed by the House. This addition is necessary to construct facilities to allow access for the handicapped to the park.

Concerning the U.S. 20 completion, I have personally met with the residents of Furnessville, and I understand their opposition to inclusion. For this reason, Senator LUGAR and I decided that the Senate bill should not include Furnessville. It is our hope and belief that Furnessville residents will work with the Park Service and environmental organizations to prevent commercial development of the Furnessville area.

Regarding the parcel known as the State Route 49 corridor addition, Senator LUGAR and I have agreed that homeowners should continue to be allowed to live along this section unless an attempt is made to use property currently in residential use for commercial purposes.

The last area included in the House bill from Porter County is the campground addition. I am pleased that, beginning next year, a 200-site campground will be developed within the boundaries of the lakeshore. I would like to note that the boundaries of the proposed addition included in the House bill have been slightly altered, to exclude homes and property currently used for residential purposes. Instead, the Senate boundaries will include a small area intended for use as a beach shuttle station and adjacent parking lot.

All these rather technical proposals are addressed to complicated issues and debates. They will not please everyone. But they are directed toward a simple goal—developing a position that Indiana can champion and defend. A position that is sensitive to local concerns. But a position that strengthens a fragile and irreplaceable natural resource.

I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD.

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

S. 2882

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 "Indiana Dunes National Lakeshore Access and Enhancement Act".

SEC. 2. DEFINITION.

For the purposes of this Act, the term "the Act" means the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966 (6 U.S.C. 460u et seq.).

SEC. 3. BOUNDARIES.

(a) IN GENERAL.—The first section of the Act (16 U.S.C. 460u) is amended by striking "October 1986, and numbered 626-80, 033-B" and inserting "July 1990, and numbered _____".

(b) CRESCENT DUNE.—Section 12 of the Act (16 U.S.C. 460u-12) is repealed.

SEC. 4. SALT CREEK AND LITTLE CALUMET RIVER PROTECTION PLAN.

The Act is amended by adding at the end thereof the following new section.

"SEC. 25. (a) Not later than 2 years after the date of enactment of this section, the Secretary shall, in cooperation with affected landowners, conservation organizations, local and State governments, and Federal agencies having jurisdiction over the scenic, natural, cultural, and recreational resources within the area, complete a study of—

"(1) the Little Calumet Corridor between U.S. Highway 20 and County Road 450 East, Pine Township; and

"(2) the Salt Creek Corridor between Interstate 94 and County Road 700 North, Liberty Township.

"(b) Participation in the study required by subsection (a) by landowners, conservation organizations, local and State governments, and Federal agencies shall include ample opportunity for review and comment, including opportunity to—

"(1) comment on the scope of the study;

"(2) furnish information and opinion at any time during the study and planning process;

"(3) testify at a public meeting; and

"(4) comment on a written draft of the study and recommendations.

"(c) The study required by subsection (a) shall include—

"(1) an inventory of the corridor's scenic, natural, cultural and recreational values;

"(2) an analysis of existing threats and likely future threats to those resource values and of existing local State and Federal efforts to counter those threats;

"(3) an evaluation of public access opportunities for the purposes of fishing, canoeing, hiking, and other appropriate recreational activities;

"(4) alternative private, State, and local means for enhancing the protection of resource values and for ensuring public access for recreational purposes; and

"(5) recommendations for actions that could be taken by landowners, conservation organizations, local and State governments, and Federal agencies to enhance protection of the corridors' resource values and ensure appropriate public access, consistent with landowner rights.

"(d)(1) The Secretary shall transmit copies of the study prepared pursuant to subsection (a) to the landowners, conservation organizations, local and State governments and Federal agencies or organizations that were recommended to have a role in the implementation of a conservation strategy for the river corridors.

"(2) With the transmittal of the study under paragraph (1), the Secretary shall request the participants to describe, not later than 6 months after receipt of the study, the extent to which they intend to adopt and implement the recommendations made in the study.

"(e) Not later than 12 months after the date of completion of the study required by subsection (a), the Secretary shall submit a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives that—

"(1) summarizes the response received from study participants concerning their intent to adopt and implement the recommendations made in the study; and

"(2) recommends further actions that should be taken to ensure full protection of, and adequate public access to, the significant resources of the Calumet River Corridor and Salt Creek Corridors.

"(f) Following submission of the Secretary's report to Congress, the Secretary shall continue to actively monitor actions taken by landowners, conservation organizations, local and State governments, and Federal agencies to implement the Secretary's recommendations, and make periodic reports to Congress on the extent to which the study recommendations are being implemented and the resource values of the corridors are being protected.

"(g) Following completion of the study required by subsection (a), the Secretary shall, upon request, provide technical and coordination assistance to landowners, conservation organizations, local and State governments and Federal agencies that wish to implement the study recommendations.".

SEC. 5. REPORT ON ROAD RIGHTS-OF-WAY.

The Act, as amended by section 4, is amended by adding at the end thereof the following new section:

"SEC. 26. (a)(1) Not later than 180 days after the date of enactment of this section, the Secretary shall prepare and submit to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report that—

"(A) identifies road rights-of-way within the boundaries of the lakeshore that are proposed to be relinquished by local governments;

"(B) describes actions that have been taken to effect the relinquishment of the rights-of-way; and

"(C) describes any impediments there may be to each relinquishment.

"(2) The Secretary shall notify Federal, State, and local transportation authorities of the road rights-of-way identified in the report described in paragraph (1).

"(b) The Secretary may reimburse a local government for reasonable administrative costs associated with relinquishing a road right-of-way within the boundaries of the lakeshore.".

SEC. 6. DEEP RIVER CORRIDOR STUDY.

The Act, as amended by section 5, is amended by adding at the end thereof the following new subsection:

"SEC. 27. (a) Not later than 2 years after the date of enactment of this section, the Secretary shall complete and submit to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate a study of the Deep River Corridor.

"(b) The area to be studied pursuant to subsection (a) shall include—

"(1) the segment from the abandoned Chesapeake and Ohio Railroad right-of-way south of the existing Deep River County Park to the confluence of Deep River with the Little Calumet River;

"(2) the portion of the Little Calumet River between Lake Michigan and Martin Luther King Drive in Gary, Indiana; and

"(3) the Lake George Segment of the Deep River Corridor.

"(c) The study required by subsection (a) shall include—

"(1) an inventory of the area's natural, cultural, and recreational values and features;

"(2) recommendations for the provision of the public access for the purposes of fishing, canoeing, hiking, and other public activities; and

"(3) recommendation of the lands, waters, and interests therein that should be acquired to provide for the protection of the resources in the corridor, including recommendations regarding the State, local, or Federal agencies or jurisdictions that should acquire and administer those lands, waters, and interests therein.".

SEC. 7. IMPROVED PROPERTY; RETENTION OF RIGHTS.

(a) ADDITIONAL AREAS.—The table in section 4 of the Act (16 U.S.C. 460u-3) is amended to read as follows:

"Property within boundaries of map	Construction began before
Dated July 1990.....	July 1, 1990
Dated October 1986, No. 626-80, 033-B.	February 1, 1986
Dated December 1980, No. 626-91014.	January 1, 1981
Dated September 1976, No. 626-91007.	February 1, 1973
Dated September 1966, No. LNPNE-1008-ID.	January 4, 1965".

(b) RETENTION OF RIGHTS.—Section 5(a) of the Act (16 U.S.C. 460u-5(a)) is amended—

(1) in paragraph (2)(B), by striking "subparagraph (A)" and inserting "subparagraph (A)(ii)"; and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) In the case of improved property included within the boundaries of the lakeshore after July 1, 1990, that was not included within the boundaries before that date, an individual who is an owner of record of such property as of that date may retain a right of use and occupancy of such improved property for noncommercial residential purposes for a term ending at either of the following:

"(i) A fixed term not to extend beyond September 30, 2010, or such lesser fixed term as the owner may elect at the time of acquisition.

"(ii) A term ending at the death of the owner or the owner's spouse.

The owner or owners shall elect the term to be reserved.

"(B) Subparagraph (A)(ii) shall apply only to improved property owned by an individual who—

"(i) was an owner of record of the property as of July 1, 1990;

"(ii) had attained the age of majority as of that date; and

"(iii) made a bona fide written offer not later than July 1, 1995, to sell the property to the Secretary.".

(c) EXTENSION OF LEASES.—Section 5 of the Act (16 U.S.C. 460u-5) is amended by adding at the end thereof the following new subsection:

"(d)(1) With respect to an improved property acquired prior to the date of enactment of this subsection upon which a valid existing right of use and occupancy has been reserved for a term not more than 29 years, the Secretary may renegotiate the term of the retained right to a term for a period of not more than 29 years from the commence-

ment date of the existing right, not to extend beyond September 30, 2010.

"(2) In order to obtain a lease extension under this subsection, the holder of a reserved right shall make application to the Secretary and elect an extended lease term not later than one year after the date of enactment of this subsection.

"(3)(A) A lease extension under this subsection—

"(i) shall be conditioned on payment of an annual rental at the commencement of each calendar year of the lease term and shall commence in the calendar year during which the original right of use and occupancy would have terminated; and

"(ii) shall be subject to such terms and conditions as the Secretary deems appropriate to ensure the use of the property is consistent with the purposes of this Act.

"(B) The holder of the lease whose term is extended may elect to terminate the lease prior to the expiration of the extended term.

"(C) Upon the Secretary's determination that the property, or any portion thereof, has ceased to be in accordance with the applicable terms and conditions of a lease, the Secretary may terminate the lease.

"(D) If the Secretary terminates a lease under this subsection, the Secretary shall refund to the lessee an amount equivalent to the remaining portion of the prepaid rental.

"(4) By acceptance of a lease extension under this subsection, the holder of a lease waives any benefits to which the holder may be entitled under the Uniform Relocation and Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

"(5) The amount of the annual lease payment required under this subsection shall be equivalent to the amount discounted from the purchase price paid by the Secretary under the terms of the original sale adjusted annually by a general index adopted by the Secretary reflecting overall value trends within the Indiana Dunes National Lakeshore between the time of the original sale and the time of the commencement of the annual lease payment of the renegotiated retained right offered by this subsection.".

(d) CLERICAL AMENDMENT.—Section 5(a)(1) of the Act (16 U.S.C. 460u-5(a)(1)) is amended by striking the period after "626-91014" the first place it appears and inserting a comma.

SEC. 8. COOPERATIVE AGREEMENT.

The Act, as amended by section 6, is amended by adding at the end thereof the following new section:

"SEC. 28. In furtherance of the purposes of this Act, the Secretary may enter into a cooperative agreement with the city of Gary, Indiana, pursuant to which the Secretary may provide technical assistance in interpretation, planning, and resource management for programs and developments in the city of Gary's Marquette Park and Lake Street Beach.".

SEC. 9. UNIT I-M.

The Act, as amended by section 8, is amended by adding at the end thereof the following new section:

"SEC. 29. (a)(1) UNIT I-M.—Before acquiring lands or interests in land in Unit I-M (as designated on the map referred to in the first section of this Act), the Secretary shall consult with the Commissioner of the Indiana Department of Transportation to determine what lands or interests in lands are required by the State of Indiana for improvements to State Road 49 and the reconstruction and relocation of the interchange with State Road 49 and U.S. 20 so that the acquisition by the Secretary of lands or interests in land in Unit I-M shall not interfere with planned improvements to the interchange and State Road 49 in the area.

"(2) The Secretary may acquire lands or interests in land that are as of July 1, 1990, and that thereafter remain in use as improved residential properties within Unit I-M only with the consent of the owner.".

"(b) UNIT VII-D.—Before acquiring any lands or interest in land in Unit VII-D (as designated on the map referred to in the first section of this Act) the Secretary shall consult with the Commissioner of the Indiana Department of Transportation to determine what land or interests in land are required by the State of Indiana for improvements to Old Hobart Road and reconstruction and relocation of the intersection of Old Hobart Road and State Road 51 so that the acquisition by the Secretary of lands or interests in lands in Unit VII-D will not interfere with planned improvements to the interchange and Old Hobart Road in the area.".

SEC. 10. GREENBELT.

Section 18 of the Act (16 U.S.C. 460u-18) is amended—

(1) by inserting "(a)" after "SEC. 18."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) If Northern Indiana Public Service Company (referred to as 'NIPSCO') is agreeable, the Secretary shall enter into a memorandum of agreement with NIPSCO that shall provide for the following with respect to the area referred to as Unit II-A on the map described in the first section of this Act (referred to as the "Greenbelt"):

"(A) NIPSCO shall provide the National Park Service with access for resource management and interpretation through the Greenbelt and across the dike for purposes of a public hiking trail.

"(B) The National Park Service shall have rights of access for resource management, and interpretation of the Greenbelt area.

"(C) NIPSCO shall preserve the Greenbelt in its natural state. If NIPSCO utilizes the Greenbelt temporarily for a project involving pollution mitigation or construction on its adjacent facilities, it shall restore the project area to its natural state.

"(D) If NIPSCO proposes a different use for the Greenbelt NIPSCO shall notify the National Park Service, the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and make no change in the use of the property until 3 years after the date notice is given.

"(2) If a memorandum of agreement is entered into pursuant to paragraph (1), so long as the memorandum of agreement is in effect and is being performed the Secretary may not acquire lands or interests in land in the Greenbelt belonging to NIPSCO.".

SEC. 11. VISITOR CENTER.

In order to commemorate the vision, dedication, and work of Dorothy Buell in saving the Indiana Dunes, the National Park Service visitor center at the Indiana Dunes National Lakeshore is designated as the "Dorothy Buell Memorial Visitor Center".

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

Section 9 of the Act (16 U.S.C. 460u-9) is amended—

(1) by inserting "(a)" after "SEC. 9.";

(2) in the first sentence of subsection (a), as designated by paragraph (1), by striking "20,000,000" and inserting "27,500,000"; and

(3) by adding at the end thereof the following new subsection:

"(b) Subject to the limitations provided in subsection (a) for development, there are authorized to be appropriated such sums as are necessary to carry out this Act.".

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 2883. A bill directing the President to transfer funds for emergency aid to the Philippines; to the Committee on Appropriations.

EMERGENCY AID TO THE PHILIPPINES

● Mr. AKAKA. Mr. President, I rise today to introduce legislation providing dire emergency assistance to the Philippine people in the aftermath of Monday's devastating earthquake on Luzon Island. My bill would provide $20 million in dire emergency supplemental appropriations. $10 million would be for immediate relief to the victims of the earthquake. The remaining $10 million is added to the Philippine Assistance Program to help the stricken towns of Baguio and Cabanatuan regain their economic feet once relief efforts are complete.

The death toll from Monday's earthquake has risen to nearly 500 confirmed dead. The final figure undoubtedly will be much higher in light of the hundreds of people who are seriously injured or missing. Large areas of the hardest hit regions lie in ruin.

Many of the residents are without electricity, drinking water or food. Emergency supplies and equipment have run out. The United States responded to this tragedy quickly by releasing $25,000 in emergency funds to the Philippine Red Cross and dispatching rescue support equipment and supplies.

But given the extent of the devastation, the Philippine people are in dire need of additional assistance. Other nations such as Great Britain, The Netherlands, and Japan have already offered generous amounts of emergency aid.

It is my conviction that the United States should respond in kind. Mr. President, I know there are some who may hesitate at extending assistance to the Philippine people at a time when our Government is under severe budgetary constraint.

But there are reasons why the United States should go farther in providing relief to the Philippines in this time of emergency. The Philippines is America's most longstanding ally in Asia and we should help our friends when they are in trouble.

In the past several years the freely elected government of Corazon Aquino has struggled valiantly to revive democratic political institutions and to build a healthy market economy.

An event like Monday's earthquake is a heavy body-blow that could undermine the stability of the democratically elected government at a time when

it is very vulnerable to economic and insurgent pressures. We must act quickly by providing emergency monetary assistance.

This is an hour of great need in the Philippines. In short, Mr. President, both humanitarian and foreign policy interests dictate that the United States provide meaningful amounts of earthquake assistance to the Philippine Government.

The amount of aid proposed by my legislation is extremely modest in proportion to our overall Federal budget, but it would go a long way in providing urgently needed relief to the Philippine people.

Finally, I would like to appeal to all Americans to contribute generously to the many private relief efforts that are underway. I ask unanimous consent that a list of relief agencies printed in the July 18, 1990, Washington Post be printed in the RECORD.

There being no objection, the list of relief agencies was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 18, 1990]

WHERE TO SEND HELP

The following agencies are accepting cash donations for Philippine earthquake victims:

American Friends Service Committee, Philippines Earthquake Assistance, 501 Cherry St., Philadelphia, Pa. 19102. Call (215) 241-7141.

American Jewish Joint Distribution Committee, 711 Third Ave., 10th Floor, New York, N.Y. 10017. Call (212) 687-6200.

American Red Cross, Philippines Earthquake Disaster, P.O. Box 37243, Washington, D.C. 20013. Call (800) 842-2200.

Grassroots International, P.O. Box 312, Cambridge, Mass. 02139. Call (617) 497-9180.

International Medical Services for Health, 103 Loudon St. SW, Leesburg, VA. 22075. Call (703) 771-0011.

Operation USA, 7615½ Melrose Ave., Los Angeles, Calif. 90046. Call (213) 658-8876.

World Concern, P.O. Box 33000, Seattle, Wash. 98133. Call (206) 546-7201.

World Relief, P.O. Box WRC, Wheaton, Ill. 60187. Call (312) 665-0235.

World Vision, 919 W. Huntington Dr., Monrovia, Calif. 91016. Call (800) 423-4200.

Church World Service, Philippines Earthquake Response, P.O. Box 968, Ekhart, Ind. 46515. Call (219) 264-3102.

U.S. Committee for UNICEF, 333 E. 38th St., New York, N.Y. 10016. Call (212) 686-5522.

Catholic Relief Services, P.O. Box 17220, Baltimore, Md. 10304. Call (301) 625-2220.●

By Mr. KASTEN:

S. 2885. A bill to amend the Federal Deposit Insurance Act to require States in which the failure of State chartered savings associations has involved a disproportionately large share of the thrift resolution costs to pay a State thrift deposit insurance premium as a condition of future Federal deposit insurance; to the Committee on Banking, Housing, and Urban Affairs.

STATE THRIFT DEPOSIT INSURANCE PREMIUM ACT

● Mr. KASTEN. Mr. President, the multibillion dollar S&L bailout bill represents a massive wealth transfer from States with well-managed S&L's like Wisconsin States to high-flying and often fraudulent S&L speculators like Texas and California.

For example, one study found that every Wisconsinite will pay $592 for the cost of the S&L cleanup—and every Texan will receive $4,775. The study found that those who have caused 5 percent of the problem will pay for 47 percent of the solution, while those who have caused 72 percent of the problem will pay for only 6 percent of the solution.

This is patently unfair. Wisconsin should pay their fair share for the cost of the cleanup because we all benefit from Federal deposit insurance. But this outrageous mess is not Wisconsin's fault because our S&L's are well managed and conservatively run.

To be sure, the "moral hazard" of blanket deposit insurance coverage is the chief cause of this mess. The current system of deposit insurance provides no incentive for depositors to concern themselves with the soundness of risk-taking thrifts.

Wealthy speculators simply strung together bundles of $100,000 accounts—and chased the high interest rates offered by Texas and California thrifts. When these thrifts went bankrupt, the taxpayers picked up the tab—and the great income transfer from Wisconsin to Texas was underway.

A major contributing factor to the excessive costs of the bailout was the irresponsible State regulation of State-chartered thrifts in Texas and California. These thrifts were given the ability to participate in more risky activities, while paying the same deposit insurance premium as everyone else.

I am introducing legislation that has been sponsored by Representative HOWARD WOLPE in the House to bring some fairness to the taxpayers of Wisconsin and other Midwest States. This legislation would require States—like Texas and California—that have been responsible for the cost of bailout to pay a deposit insurance premium if their State-chartered thrifts continue to be covered by Federal deposit insurance.

This legislation sends a clear message to Texas legislators, regulators, and citizens who allowed their thrifts to engage in risky—and often fraudulent—activity. These extra premiums would help defray the cost of the bailout—and reduce the burden on taxpayers in Wisconsin.

I ask unanimous consent that the following documents and the text of the bill be entered in the RECORD:

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

S. 2885

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 "State Thrift Deposit Insurance Premium Act of 1990".

SEC. 2. DETERMINATION OF STATE PREMIUMS FOR FEDERAL DEPOSIT INSURANCE.

Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended by adding at the end the following new paragraph:

"(11) DETERMINATION OF STATE PREMIUMS FOR FEDERAL DEPOSIT INSURANCE.—

"(A) CUMULATIVE DETERMINATIONS OF STATE RESOLUTION COSTS.—

"(i) IN GENERAL.—Except as provided in clause (ii), not later than 90 days after the end of each calendar year beginning with calendar year 1990, the Corporation shall determine the aggregate of the amounts expended during the period beginning on January 1, 1988, and ending at the end of such calendar year, in providing assistance for case resolutions and other assistance with respect to all institutions that were State chartered savings associations on or after January 1, 1988, and—

"(I) were then insured by the Federal Savings and Loan Insurance Corporation; or

"(II) are members of the Savings Association Insurance Fund,

"(ii) CALENDAR YEAR 1990.—The Corporation shall make the determination described in clause (i) with respect to amounts expended during calendar year 1990, on the later of the date which is 90 days after the end of such fiscal year, or the date of the enactment of this paragraph.

"(B) CUMULATIVE APPORTIONMENTS OF STATE RESOLUTION COSTS AMONG THE STATES.—After making the determination required by subparagraph (A) for any period, the Corporation shall apportion among the States the amount so determined, according to the amounts expended during such period in providing assistance for case resolutions and other assistance with respect to all institutions described in subparagraph (A) located in each respective State.

"(C) PREMIUMS REQUIRED FROM HIGH RISK STATES.—Each high risk State shall pay the Savings Association Insurance Fund an amount equal to—

"(i) the product of—

"(I) the current State percentage share of State resolution costs, minus 2 times the State percentage share of 1980 State deposits; and

"(II) 25 percent of the aggregate amount currently determined by the Corporation under subparagraph (A); minus

"(ii) the aggregate of the amounts previously paid by the State under this subparagraph, minus the aggregate of the rebates (if any) paid to the State under subparagraph (H).

"(D) HIGH RISK STATES.—A State is a high risk State for purposes of this paragraph if—

"(i) the current State percentage share of State resolution costs; exceeds

"(ii) 2 times the State percentage share of 1980 State deposits.

"(E) CURRENT STATE PERCENTAGE SHARE OF STATE RESOLUTION COSTS.—For purposes of this paragraph, the term 'current State per-

centage share of State resolution costs' means—

"(i) the amount currently apportioned to the State under subparagraph (B); divided by

"(ii) the amount currently determined under subparagraph (A).

"(F) STATE PERCENTAGE SHARE OF 1980 STATE DEPOSITS.—For purposes of this paragraph, the term 'State percentage share of 1980 State deposits' means—

"(i) the amount of deposits in 1980 in institutions described in subparagraph (A) located in the State; divided by

"(ii) the total deposits in 1980 in all institutions described in subparagraph (A).

"(G) PREMIUM PAYMENT TERMS.—

"(i) IN GENERAL.—Except as provided in clause (ii), the premium currently required of any State under subparagraph (C) shall be due at the end of the 6-month period beginning on the date the Corporation makes its current apportionment to the State under subparagraph (B).

"(ii) MULTIYEAR AGREEMENTS.—If the premium currently required of any State under subparagraph (C) exceeds $1,000,000,000, such State may enter into an agreement with the Secretary of the Treasury to pay such amount, with interest accruing in accordance with section 3717(a) of title 31, United States Code, over the 4-year period beginning on the date on which such premium would otherwise be due under clause (i), and such State shall be treated as meeting the requirements of this paragraph so long as such State is in compliance with the terms of such agreement.

"(H) PREMIUM REBATES.—If, with respect to a State, the result of the calculation described in subparagraph (C)(ii) exceeds the result of the calculation described in subparagraph (C)(i), the Secretary of the Treasury shall rebate such excess amount to the State, with interest accruing in accordance with section 3717(a) of title 31, United States Code.

"(I) TERMINATION of insurance if State fails to pay required premiums.—

"(i) IN GENERAL.—If any State fails to pay the premium required of such State under subparagraph (C), the Corporation shall terminate deposit insurance for State chartered financial institutions located in such State at the end of the 6-month period beginning on the date the premium was due under subparagraph (C).

"(ii) TRANSITION.—Notwithstanding clause (i), after termination of the insured status of any financial institution under this paragraph, the insured deposits of each depositor in such institution on the date of such termination, minus all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of 2 years and the financial institution shall continue to pay assessments to the Corporation as if the institution were an insured financial institution during such period.

"(J) NOTICE TO DEPOSITORS.—The Corporation shall require the financial institutions chartered by any State which fails to pay the premium required of such State under subparagraph (C) to notify the depositors in such institutions that—

"(i) the deposits made in such institution before the end of the 6-month period described in subparagraph (I)(i) will continue to be federally insured during the 2-year period beginning at the end of such 6-month period; and

"(ii) the deposits made in such institution after the end of such 6-month period will not be federally insured.

"(K) RESTORATION OF INSURANCE.—If the Corporation terminates deposit insurance for State chartered financial institutions in any State, such insurance may be restored by the Corporation only if such State has paid all of the premiums required of the State under this paragraph, with interest accruing in accordance with section 3717(a) of title 31, United States Code.".

TABLE I.—THE BLAME AND THE BURDEN 1988–90 RESOLUTION COSTS FOR STATE-CHARTERED THRIFTS

[In millions of dollars]

State/region	The Blame		The Burden	
	Dollars [1]	Percent of United States	Percent of United States [2]	Dollars [3]
New England:				
Connecticut	0	0.0	2.1	456
Maine	0	0.0	0.4	92
Massachusetts	0	0.0	3.2	683
New Hampshire	0	0.0	0.5	117
Rhode Island	0	0.0	0.4	94
Vermont	0	0.0	0.2	44
Total	0	0.0	6.9	1,486
Mid-Atlantic:				
Delaware	0	0.0	0.3	69
Maryland	0	0.0	2.3	492
New Jersey	12	0.0	4.6	1,004
New York	0	0.0	8.9	1,927
Pennsylvania	674	2.3	4.8	1,046
Total	686	2.4	21.0	4,538
Midwest:				
Illinois	257	0.9	5.3	1,144
Indiana	50	0.2	2.0	426
Iowa	137	0.5	1.0	207
Michigan	53	0.2	3.8	823
Minnesota	0	0.0	1.8	380
Ohio	101	0.3	4.2	900
Wisconsin	37	0.1	1.8	386
Total	635	2.2	19.7	4,267
South:				
Alabama	3	0.0	1.2	262
Arkansas	49	0.2	0.7	143
D.C.	0	0.0	0.3	73
Florida	185	0.6	5.1	1,112
Georgia	0	0.0	2.3	496
Kentucky	0	0.0	1.1	234
Louisiana	0	0.0	1.2	270
Mississippi	0	0.0	0.6	134
North Carolina	34	0.1	2.2	477
Oklahoma	46	0.2	1.0	217
South Carolina	0	0.0	1.0	224
Tennessee	35	0.1	1.6	353
Texas	20,891	72.4	6.1	1,315
Virginia	122	0.4	2.6	555
West Virginia	0	0.0	0.5	107
Total	21,364	74.0	27.6	5,970
West:				
Alaska	0	0.0	0.3	57
Arizona	0	0.0	1.2	267
California	5,576	19.3	13.0	2,810
Colorado	343	1.2	1.3	275
Hawaii	0	0.0	0.4	95
Idaho	0	0.0	0.3	61
Kansas	87	0.3	0.9	204
Missouri	0	0.0	1.9 ±	411
Montana	0	0.0	0.2	51
Nebraska	0	0.0	0.5	118
Nevada	0	0.0	0.5	102
New Mexico	0	0.0	0.4	94
North Dakota	0	0.0	0.2	43
Oregon	157	0.5	1.0	214
South Dakota	0	0.0	0.2	44
Utah	0	0.0	0.5	99
Washington	24	0.1	1.9	411
Wyoming	0	0.0	0.2	34
Total	6,186	21.4	24.9	5,390
Northeast	686	2.4	27.8	6,025
Midwest	635	2.2	19.7	4,267
Northeast and Midwest	1,321	4.6	47.5	10,291
South	21,364	74.0	27.6	5,970
West	6,186	21.4	24.9	5,390
South and West	27,551	95.4	52.5	11,361
U.S. total	28,872	100.0	100.0	21,654

[1] Estimated present value costs by State of Federal actions to resolve State-chartered thrifts from 1988 through June 15, 1990.

[2] State shares of 1989 Federal tax burden as determined by the Tax Foundation.

[3] Assumes taxpayer will pay 75 percent of costs resulting from bail-out ($28,872 million × 75 percent = $21,654 million). State share of "burden" determined by multiplying State share of U.S. tax burden by $21,654 million.

Sources: Northeast-Midwest Congressional Coalition staff calculations using Federal Home Loan Bank Board, Resolution Trust Corporation, and Tax Foundation Data.

TABLE II.—SHIFTING THE BURDEN—SAIF CAPITALIZATION COSTS BY STATE WITH AND WITHOUT LEGISLATION

[In millions of dollars]

State/Region	SAIF under FIRREA [1]	Savings with legislation [2]	SAIF under legislation [2]
New England:			
Connecticut	337	−60	277
Maine	68	−12	56
Massachusetts	505	−89	415
New Hampshire	86	−15	71
Rhode Island	69	−12	57
Vermont	33	−6	27
Total	1,098	−195	904
Mid-Atlantic:			
Delaware	51	−9	42
Maryland	364	−64	299
New Jersey	741	−131	610
New York	1,424	−252	1,172
Pennsylvania	773	−137	636
Total	3,353	−593	2,759
Midwest:			
Illinois	845	−150	695
Indiana	315	−56	259
Iowa	153	−27	126
Michigan	608	−108	500
Minnesota	281	−50	231
Ohio	665	−118	547
Wisconsin	385	−51	235
Total	3,153	−560	2,593
South:			
Alabama	193	−34	159
Arkansas	106	−19	87
D.C.	54	−10	44
Florida	821	−146	676
Georgia	367	−65	302
Kentucky	173	−31	142
Louisiana	199	−35	164
Mississippi	99	−18	82
North Carolina	353	−62	290
Oklahoma	161	−28	132
South Carolina	166	−29	136
Tennessee	261	−46	214
Texas	971	[3] +2,663	3,634
Virginia	410	−73	337
West Virginia	79	−14	65
Total	4,412	+2,053	6,465
West:			
Alaska	42	−7	34
Arizona	197	−35	162
California	2,077	−368	1,709
Colorado	204	−36	167
Hawaii	70	−12	58
Idaho	45	−8	37
Kansas	151	−27	124
Missouri	304	−54	250
Montana	38	−7	31
Nebraska	87	−15	72
Nevada	75	−13	62
New Mexico	69	−12	57
North Dakota	32	−6	26
Oregon	158	−28	130
South Dakota	32	−6	27
Utah	73	−13	60
Washington	304	−54	250
Wyoming	25	−5	21
Total	3,983	−706	3,277
Northeast	4,452	−788	3,665
Midwest	3,153	−560	2,593
Northeast and Midwest	7,605	+1,348	6,258
South	4,412	+2,053	6,465
West	3,983	−706	3,277
South and West	8,395	+1,348	9,742
U.S. total	[4] 16,000	0	16,000

[1] Determined by multiplying each State's 1989 share of the U.S. tax burden as determined by the Tax Foundation by $16,000 million.

[2] Assumes that "high risk" States choose to pay the State thrift deposit insurance premium so their State-chartered thrifts remain eligible for Federal deposit insurance.

[3] The State's thrift deposit insurance premium during this period would be $2,835 million. However, this premium would displace $172 million the State would have already paid, leaving a net impact of $2,663 million.

[4] Minimum amount the U.S. Treasury is obligated to spend to recapitalize SAIF. This number may be higher if thrift industry contributions do not reach $2 billion a year.●

By Mr. GLENN (for himself, Mr. GORE, Mr. AKAKA, and Mr. LIEBERMAN):

S. 2886. A bill to amend the Stewart B. McKinney Homeless Assistance Act to clarify the requirements regarding the use of unutilized, underutilized, surplus, and excess Federal buildings and real property to assist the homeless, and for other purposes; to the Committee on Governmental Affairs.

STEWART B. MCKINNEY HOMELESS ASSISTANCE AMENDMENTS

● Mr. GLENN. Mr. President, I rise today to introduce legislation which will reauthorize two programs under the Stewart B. McKinney Homeless Assistance Act and make changes in a third. This legislation is a critical part of Congress' effort to ensure the continued functioning of the Omnibus Act, a collection of programs that has proven to be very successful over the past 3 years.

But before I describe this legislation in a little more detail, I want to comment briefly upon the problem of homelessness and why I think the McKinney Act has come to be so important.

Mr. President, over the past 3 years, the homeless problem has become a festering sore on the social conscience of America. There is no escaping the hard facts—millions remain homeless or chronically vulnerable to the condition. Millions more teeter perilously on the edge of personal disaster leading directly to homelessness. Increasingly, the homeless are families, single mothers with children, rural Americans, many of whose relatives or friends are the only thing between them and the street. Studies and surveys all over the country are documenting a catastrophe of untold proportions—the birth of a permanent underclass, comprised of mothers and their children, sliding down the same hole of poverty into homelessness, from one generation to the next.

Yet, with all this proof now surfacing, all the alarm bells ringing, I have noted a growing disinterest in and even disdain for the homeless. I am not sure where or why this began. But I do know that we must resist it. We are a Nation of compassionate people—not blindly obedient to the tugs of voiceless guilt, but activist and spontaneous in response to human suffering. So we help, not only when we are asked, but also, and more often, when it just seems like the right thing to do. That is a hallmark of American society and one of its greatest contributions to the world at large.

And that is why we must take up anew the challenge to end homelessness in our country. The McKinney Act has proven no instant solution, nor should we believe that remedies will come easily and quickly. But neither should we accept, as some people have said, that things have gotten much better. I insist that we have simply decided to believe things have gotten better. How much easier it is to deny the problem, to pretend that the people who most need our help don't want it. That is not the situation on the streets and in the loneliest corners of America, Mr. President. We should know it and we must never forget it.

The ethic that pushed us to act once is pushing again. That is why I am speaking today. Three years ago the Congress passed and the President signed into law the Stewart B. McKinney Homeless Assistance Act. That measure, born in the hope that we finally had begun to define the homeless problem, has proven an excellent approach to a very difficult situation. Many, many lives have been touched by McKinney Act programs. Many more stand to benefit by the actions this body takes in reauthorizing those programs which are expiring this year.

Today I am introducing the Governmental Affairs contribution to that effort—the Stewart B. McKinney Homeless Assistance Amendments of 1990. This bill will reauthorize two McKinney programs—the Interagency Council on the Homeless and the FEMA [Federal Emergency Management Agency] Emergency Food and Shelter Program—and will make very important changes to a third, the title V Surplus Property Program. I would like briefly to describe each of the sections of this legislation.

The first section of the bill reauthorizes for 3 years the Interagency Council on the Homeless at a level of $1.2 million the first year and $1.3 million for each of the next two. Although it got off to a rather shaky start, the Council, according to reports from most quarters, has been steadily improving its performance. Its mission—to coordinate and provide information about McKinney Act programs—is critical in the overall success of the Act. Our Government Affairs hearing on the Council on July 19 bore out the need to reauthorize it.

The second section reauthorizes the FEMA Emergency Food and Shelter Program at $150 million for the next 3 fiscal years. This funding level is contained in the House version of this reauthorization and is supported by the entire National Board of Directors of the program. The Emergency Food and Shelter Program has been one of the most effective programs in the Act. Last year it distributed $126 million in aid, on a formula basis, to thousands of jurisdictions around the country. Funds allocated are used for anything from food and shelter repairs, to rent assistance and help in paying utilities. Witnesses at our hearing on July 19 also strongly supported this program.

Finally, the bill I am introducing will make important changes in the title V Surplus and Personal Property Program. Title V of the McKinney Act is supposed to ensure that suitable unutilized, underutilized, excess, and surplus government property is, whenever possible, made available for use as facilities to assist the homeless. Unfortunately, a good deal of confusion in that process, combined with bureaucratic slowness, has prevented many properties from being turned over. This legislation seeks to improve the process by adding some new deadlines for action, requiring better publicity on available properties, and clearly setting out the steps by which a property is applied for and acquired. The section makes no changes in the personal property part of title V, which has proven very successful in distributing millions of dollars of boots, blankets, vehicles, and so forth. Again, testimony received at our hearing on July 19 indicated a clear consensus on the need to amend this program.

Let's make no mistake about it, Mr. President. There are people who will go hungry tonight in America; people who will not have a place to stay. Most of them, perhaps well over 200,000 of whom are children, did not ask to be in such a predicament. We have a responsibility to speak and act in their behalf; to give back to them the only thing they may truly possess—our trust and solemn word to help. Certainly we can do that much. Certainly that is the least we can do.●

ADDITIONAL COSPONSORS

S. 160

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 656

At the request of Mr. GRASSLEY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 656, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 1140

At the request of Mr. MITCHELL, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1140, a bill to provide that Federal facilities meet Federal and State environmental laws and requirements and to clarify that such facilities must

comply with such environmental laws and requirements.

S. 2034

At the request of Mr. BINGAMAN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 2034, a bill to authorize the creation of a National Education Report Card to be published annually to measure educational achievement of both students and schools and to establish a National Council on Educational Goals.

S. 2158

At the request of Mr. PRYOR, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2158, a bill to direct the Secretary of Health and Human Services to promulgate regulations to require that an individual telephoning the Social Security Administration has the option of accessing a Social Security Administration representative in a field office in the geographical area of such individual, and for other purposes.

S. 2307

At the request of Mr. RIEGLE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 2307, a bill to require the Secretary of Health and Human Services to provide intensive outreach and other services and protections to homeless individuals.

S. 2602

At the request of Mr. METZENBAUM, the name of the Senator from Vermont [Mr. JEFFORDS] 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. 2813

At the request of Mr. GRAHAM, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 2813, a bill to authorize the minting of commemorative coins to support the training of American athletes participating in the 1992 Olympic games.

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the names of the Senator from California [Mr. CRANSTON] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors 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 335

At the request of Mr. JOHNSTON, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of Senate Joint Resolution 335, a joint resolution designating July 1, 1990, as "Imported Oil Dependence Day."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 351, a joint resolution to designate the month of May 1991, as "National Trauma Awareness Month."

SENATE RESOLUTION 311—ORIGINAL RESOLUTION REPORTED RELATIVE TO THE SELECT COMMITTEE ON ETHICS INVESTIGATION OF SENATOR DAVID F. DURENBERGER

Mr. HEFLIN, from the Select Committee on Ethics, reported the following original resolution; which was placed on the calendar:

S. RES. 311

Resolved, That the conduct of Senator Durenberger in connection with his arrangement with Piranha Press, his failure to report receipt of travel expenses in connection with his Piranha Press and Boston area appearances, his structuring of real estate transactions and receipt of Senate reimbursements in connection with his stays in his Minneapolis condominium, his pattern of prohibited communications respecting the condominium, his repeated acceptance of prohibited gifts of limousine service for personal purposes, and the conversion of a campaign contribution to his personal use, has been reprehensible and has brought the Senate into dishonor and disrepute;

That Senator Durenberger knowingly and willingly engaged in conduct which was in violation of statutes, rules and Senate standards and acceptable norms of ethical conduct;

That Senator Durenberger's conduct was clearly and unequivocally unethical, and;

That, therefore, pursuant to article 1, section 5, clause 2 of the United States Constitution and Senate Resolution 338 of the 88th Congress, as amended, Senator David Durenberger be, and hereby is:

(1) denounced by the United States Senate;

(2) referred to the Republican Party Conference for attention; and

(3) directed to reimburse $29,050 plus interest to the Senate; and to pay to charities with which he has no affiliation $93,730, less State and Federal taxes previously paid on the amount, in excess honoraria improperly retained during 1985 and 1986, such payments to be made at the regular intervals over the balance of his United States Senate term.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

BRADLEY (AND OTHERS) AMENDMENT NO. 2314

Mr. BRADLEY (for himself, Mr. ROTH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. REID, Mr. RUDMAN, Mr. LAUTENBERG, Mr. PELL, Mr. BRYAN, and Mr. KERRY) 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:

Beginning on page 310, strike line 1 and all that follows through page 312, line 11, and insert the following:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 16 cents per pound for raw cane sugar, except that the level may be increased under subsection (d).

"(c) SUGAR BEETS.—The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines is fair and reasonable in relation to the loan level for sugarcane.

"(d) INCREASE IN SUPPORT PRICE.—

"(1) IN GENERAL.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) REPORT.—If the Secretary makes a determination not to increase the support price under subparagraph (A), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) TERM.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of the fiscal year.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of sugar beets and sugarcane.".

BOSCHWITZ AMENDMENT NO. 2315

Mr. BOSCHWITZ proposed an amendment to the bill S. 2830, supra, as follows:

On page 87, line 15, strike "40 percent" and insert "50 percent".

On page 87, line 23, strike "40 percent" and insert "50 percent".

On page 136, line 17, strike "25 percent" and insert "30 percent".

On page 136, line 23, strike "12.5 percent" and insert "10 percent".

On page 137, line 1, strike "25 percent" and insert "30 percent".

On page 137, line 6, strike "12.5 percent" and insert "10 percent".

CONRAD (AND OTHERS) AMENDMENT NO. 2317

Mr. LEAHY (for Mr. CONRAD, for himself, Mr. BAUCUS, and Mr. DASCHLE) proposed an amendment to the bill S. 2830, supra, as follows:

On page 557, between lines 10 and 11, insert the following new subtitle:

Subtitle F—Noxious Weed Management

SEC. 1271. SHORT TITLE.

This subtitle may be cited as the "Noxious Weed Management Act of 1990".

SEC. 1272. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) noxious weeds and undesirable plants are—

(A) contaminating Federal, State, and private lands by taking over and encroaching on desirable plant species;

(B) degrading air, land, and water resources by increasing soil erosion and decreasing native ground cover;

(C) spreading on Federal, State, and private lands;

(D) causing wildlife habitats to be degraded to the detriment of wildlife populations;

(E) causing human health hazards through the spread of pollen, insects, and disease;

(F) costing farmers and ranchers miilions of dollars in lost crops and range land; and

(G) displacing the native vegetation in the area that such weeds are present and thus having a considerable impact on domestic animals and wildlife foraging in such areas;

(2) unless noxious weeds and undesirable plants are prevented, controlled, or contained, they will—

(A) increase expotentially, causing further contamination and deterioration of wildlife habitat, recreational resources, and aesthetic values;

(B) increase soil, water, and contamination hazards;

(C) have a detrimental effect on human health; and

(D) further eliminate native species of vegetation;

(3) even though there are numerous laws addressing the stewardship and management of Federal lands, those laws do not directly or effectively deal with the management of noxious weeds and undesirable plants on Federal lands;

(4) the total eradication of noxious weeds is impossible, therefore resources should be used to develop measures that will decrease the number of noxious weeds and undesirable plants to an acceptable level;

(5) concerns about reducing ground water contamination and environmental impact argue in favor or a more ecologically sound approach to resolving noxious weed problems;

(6) in order to control and manage noxious weeds and undesirable plants, the focus must be on an integrated management plan; and

(7) comprehensive, national noxious weed management will—

(A) protect the environment by preventing the degradation of air, land, and water resources, and reduce soil erosion through the prevention of the introduction and containing the spread of noxious weeds and undesirable plants on Federal lands;

(B) improve the protection of recreation uses and aesthetic values on Federal lands by reducing the risk of the transfer of noxious weeds and undesirable plants from one area to another;

(C) improve the habitat for wildlife and domestic animals on Federal lands by reducing the spread of undesirable plants that are detrimental to desirable vegetation;

(D) protect threatened and endangered species listed as such under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) by reducing the infestation of noxious weeds and undesirable plants in protected ecosystems;

(E) provide for the management, development, and enhancement of Federal lands by protecting those lands from the continuing spread of noxious weeds and undesirable plants; and

(F) promote coordination, control, and educational efforts at the regional, State, and local level.

(b) PURPOSE.—It is the purpose of this Act to—

(1) establish and implement a national comprehensive management program to prevent and control undesirable plant species on Federal lands and maintain practices that achieve the control of noxious weeds on such lands; and

(2) establish and implement a national noxious weed management coordination program.

SEC. 1273. DEFINITIONS.

As used in this subtitle:

(1) COOPERATIVE AGREEMENT.—The term "cooperative agreement" means a written agreement between a Federal and a State agency.

(2) EXOTIC PLANT.—The term "exotic plant" means a plant species that—

(A) is not indigenous to the United States nor native to the plant community in which it is found; and

(B) may possess one or more of the following—

(i) it aggressively invades or is detrimental to native plant communities or crops;

(ii) it is poisonous to livestock;

(iii) it is of little economic value;

(iv) it colonizes disturbed habitats;

(v) it is a carrier of determinal inserts, diseases, or parasites;

(vi) its presence is detrimental to sound management of native or agricultural ecosystems; and

(vii) it threatens fish, wildlife, or endangered species.

(3) FEDERAL AGENCY.—The term "Federal agency" means a department, agency, or bureau of the Federal Government that is responsible for administering or managing Federal lands under its jurisdiction.

(4) FEDERAL LANDS.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government, except those lands on which the activities authorized under this subtitle are precluded by Federal law.

(5) INTEGRATED MANAGEMENT SYSTEM.—The term "integrated management system" means a system for the planning and implementation of a program using an interdisciplinary approach to select methods for preventing, controlling, or containing undesirable plants through the use of all judicious and environmentally safe methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices, such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitats.

(6) INTERDISCIPLINARY APPROACH.—The term "interdisciplinary approach" means an approach to making decisions regarding the prevention, containment, or control of noxious weeds and undesirable plants that—

(A) includes the participation of personnel from Federal or State administrative agencies with experience in areas including weed science, range science, wildlife biology, land management, ecology, and forestry; and

(B) includes the consideration of—

(i) the most efficient and effective methods of preventing, containing, or controlling undesirable plants to achieve optimum management with the least possible environmental damage;

(ii) scientific evidence and current technology;

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the programs established under this subtitle.

(7) NOXIOUS PLANT.—The term "noxious plant" has the same meaning given the term "noxious weed" under section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) and includes all noxious plant species listed on the Federal or State noxious weed list.

(8) STATE AGENCY.—The term "State agency" means the State Department of Agriculture, or any political subdivision thereof, or other appropriate State agency or political subdivision thereof as designated by the chief executive officer.

(9) UNDESIRABLE PLANT SPECIES.—The term "undesirable plant species" means plant species that are classified as undesirable, noxious, exotic, injurious, or poisonous, pursuant to State or Federal law. A designation of undesirable plants under this section shall be limited by the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and shall not include plants indigenous to an area where control measures are to be taken under this section.

CHAPTER 1—NATIONAL UNDESIRABLE PLANT MANAGEMENT PROGRAM

SEC. 1274. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LAND.

Each Federal agency shall—

(1) designate a specific office, and an individual who is adequately trained in the management of undesirable plant species, to develop and coordinate a program for the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(2) establish a program to manage undesirable plant species on a continuing basis;

(3) enter into and implement cooperative agreements with State and local agencies, when appropriate, regarding the management of undesirable plant species on Federal lands that are under the jurisdiction of that agency;

(4) establish integrated management systems using an interdisciplinary approach to prevent, control, or contain undesirable plant species targeted under cooperative agreements entered into under paragraph (3); and

(5) complete an environmental assessment or environmental impact statement that

may be required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and implement the plant prevention, control, or containment activities under this section not later than 1 year after the date on which the agency ascertains that the preparation of such assessment or statement is necessary.

SEC. 1275. COOPERATIVE AGREEMENTS WITH STATE AGENCIES.

(a) IN GENERAL.—A Federal agency shall, where appropriate, enter into cooperative agreements under section 1274(3), when requested by State and local agencies, to coordinate the management of undesirable plant species on Federal lands under the jurisdiction of that Federal agency.

(b) CONTENTS.—A cooperative agreement entered into under subsection (a) shall—

(1) prioritize and target undesirable plant species to be prevented, controlled, or contained within a specific geographic area;

(2) describe an integrated management system to be used to prevent, control, or contain the targeted undesirable plant species; and

(3) detail the means of implementing such an intergrated management system, define the duties of the Federal and State agency in implementing such systems, and establish a time frame for the initiation and completion of the tasks specified in such integrated management systems.

CHAPTER 2—NATIONAL NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM

SEC. 1276. NOXIOUS WEED MANAGEMENT COORDINATION PROGRAM.

(a) NATIONAL NOXIOUS WEED MANAGEMENT COUNCIL.—

(1) ESTABLISHMENT.—The Secretary of Agriculture and the Secretary of the Interior shall jointly establish a National Noxious Weed Management Council that shall take such actions as may be necessary to coordinate the national control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

(2) REGIONAL COMMISSIONS.—

(A) AUTHORITY.—The National Noxious Weed Management Council is authorized to establish such regional commissions as may be necessary to assist the Council in carrying out this subtitle.

(B) COMPOSITION.—A regional commission established under subparagraph (A) shall be composed of—

(i) two regional representatives of the Department of Agriculture;

(ii) two regional representatives of the Department of the Interior;

(iii) one regional representative of the Army Corps of Engineers; and

(iv) not more than seven representatives of State and local governments involved in weed management activities, including representatives for agriculture, wildlife management, and health.

(C) DUTIES.—A regional commission established under subparagraph (A) shall—

(i) identify regional priorities with respect to noxious weed management;

(ii) make recommendations to the National Noxious Weed Management Council concerning noxious weed management;

(iii) coordinate noxious weed management using an interdisciplinary approach, regional research, training, technical assistance, and requests for funding;

(iv) assist in the development of regional technical guides for noxious weed management; and

(v) prepare and submit, on not less than an annual basis, to the National Noxious Weed Management Council a report on regional control, research, and education concerning noxious weed management.

(3) COORDINATION.—The National Noxious Weed Management Council shall coordinate the regional commissions established under paragraph (2) and facilitate the transfer of information among such regional commissions.

(4) SUPPORT SERVICES.—The Secretary of Agriculture and the Secretary of the Interior may provide to each regional commission established under paragraph (2) such administrative and technical support services as necessary for the effective functioning of such regional activities.

(b) ADMINISTRATIVE PROVISIONS RELATING TO REGIONAL COMMISSIONS.—

(1) COMPENSATION.—The members of a regional commission established under subsection (a)(2) shall receive no additional pay, allowances or benefits by reason of such members service to the regional commission.

(2) CHAIRMAN.—The members of a regional commission shall select a chairman from among the members of the regional commission.

(3) AREA.—Each regional commission shall meet in the geographical area of the regional commission at the call of the chairman of such commission or at the request of a majority of the members of such commission.

SEC. 1277. NOXIOUS WEED MANAGEMENT COST SHARING.

(a) GRANTS.—The National Noxious Weed Management Council, in consultation with the regional commissions established under subsection 1276(a)(2), may provide grants to State and local agencies to enable such agencies to manage noxious weeds and to provide cost sharing incentives to local private landowners for the management of noxious weeds.

(b) ELIGIBILITY.—To be eligible to receive assistance from the National Noxious Weed Management Council for the management of noxious weeds, a State or local agency shall—

(1) maintain staff that is adequately trained in the management of noxious weeds;

(2) develop and coordinate a program of noxious weed management in consultation with the regional commissions established under section 1276(a)(2); and

(3) ensure that a majority of the landowners in the area will participate in a noxious weed management program.

SEC. 1278. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this subtitle.

On page 557, line 11, strike out "Subtitle F" and insert in lieu thereof "Subtitle G".

On page 557, line 12, strike out "1271" and insert in lieu thereof "1281".

On page 558, line 7, strike out "1272" and insert in lieu thereof "1282".

On page 560, line 1, strike out "1273" and insert in lieu thereof "1283".

On page 562, line 7, strike out "1274" and insert in lieu thereof "1284".

On page 569, line 12, strike out "1275" and insert in lieu thereof "1285".

On page 570, line 4, strike out "1276" and insert in lieu thereof "1286".

On page 574, line 21, strike out "1277" and insert in lieu thereof "1287".

BURNS AMENDMENT NOS. 2318 AND 2319

Mr. LEAHY (for Mr. BURNS) proposed two amendments to the bill S. 2830, supra, as follows:

In S. 2830, on page 676, line 12, insert the following new section:

"SEC. 1427. ALTERNATIVE USES FOR AGRICULTURAL PRODUCTS.

"(a) The Secretary of Agriculture is encouraged to conduct a study on new uses for traditional and alternative agricultural products and, within 6 months, and annually thereafter, after the date of enactment of this Act, submit to the Congress a report on such study.

"(b) The annual studies shall include—

"(1) a review of existing alternative uses for traditional and alternative crop both here and abroad; and

"(2) a strategy for research in new uses for traditional and alternative agricultural products within the national land grant college system".

In S. 2830, on page 671, line 7, insert the following:

(c) The Secretary of Agriculture is encouraged to conduct a study on the impact of rangeland carrying capacity during drought and, within 1 year after the date of enactment of this Act, submit to the Congress a report on such study.

(d) The study shall include—

(1) a review of existing rangeland drought research here and abroad; and

(2) a strategy for the establishment of a national rangeland drought research program, involving international, Federal, State and local agencies.

McCONNELL AMENDMENT NO. 2320

Mr. LEAHY (for Mr. MCCONNELL) proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate point in the bill, add the following:

Section 5.17(a) of the Farm Credit Act of 1971 is amended by deleting paragraph (13).

Section 5.19(a) of the Farm Credit Act of 1971 is amended by adding after the third sentence the following:

"Examinations of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank."

GLENN AMENDMENT NO. 2321

Mr. LEAHY (for Mr. GLENN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 737, lines 21 and 22, strike out "for each of the fiscal years 1994 and 1995" and insert in lieu thereof "for fiscal year 1994, and $500,000,000 for fiscal year 1995".

DASCHLE (AND PRESSLER) AMENDMENT NO. 2322

Mr. LEAHY (for Mr. DASCHLE, for himself and Mr. PRESSLER, Mr. BOSCHWITZ, and Mr. GRASSLEY) proposed an amendment to the bill S. 2830, supra, as follows:

STORAGE PAYMENTS.—

(1) On page 349 of S. 2830 (as amended by amendment No. 2303), 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 requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehouses shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corpration for the storage payments made to producers and commercial warehouses as a result of the adjustment of storage rates under this section.

KERREY (AND HATFIELD) AMENDMENT NO. 2323

Mr. PRYOR (for Mr. KERREY, for himself, and Mr. HATFIELD) proposed an amendment to the bill S. 2830, supra, as follows:

In S. 2830, on page 361, line 16, before ".", insert the following provision: ", including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk".

On page 417, line 15, after "security" insert ", including nutrition,".

On page 418, line 10, after "security" insert ", including nutrition,".

LUGAR AMENDMENT NO. 2324

Mr. LUGAR proposed an amendment to the bill S. 2830, supra, as follows:

At the appropriate place at the end of title XVII, add the following new section:

SEC. 17 . MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1), is amended, by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsection (c) and notwithstanding any other provision of law,";

(2) adding at the end thereof the following new subsection:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the U.S. Trade Representative of such import prohibtion or regulation;

"(2) the U.S. Trade Representative shall determine, and submit in writing to the Secretary of Agriculture, that the application of the grade, size, quality, and maturity provisions, of the relevant marketing order, or comparable restrictions, to imports are not inconsistent with U.S. international obligations under any trade agreement, including the General Agreement on Tariffs and Trade; and

"(3) if the U.S. Trade Representative does not submit a determination under paragraph (2) within 30 days of the notification under paragraph (1), the Secretary may proceed with the proposed prohibition or regulation.".

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on Wednesday, August 1, 1990, to examine the impact on small business of proposed legislation regarding estate tax freezes and capital gains. The hearing will be held in room 428A of the Russell Senate Office Building and will commence at 9:30 a.m. For further information, please call Marja Maddrie at 224-5175, or Matthew Helmerich at 224-4721.

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the public that a bill has been added to the hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources rescheduled to take place Tuesday, July 24, 1990, at 10 a.m., in room SD-366 of the Dirksen Senate Office Building, Washington, DC. In addition to S. 2807, the Grand Canyon Protection Act, the subcommittee will also receive testimony on S. 1556, a bill to designate the Salt-Gila aqueduct of the Central Arizona Project as the "Fannin-McFarland Aqueduct."

For further information, please contact Tom Jensen, counsel for the subcommittee at (202) 224-2366.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. WIRTH. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Energy Regulation and Conservation on July 30, 1990, has been rescheduled, and will take place on August 2, 1990, beginning at 9:30 a.m., with an afternoon session beginning at 2 p.m.

The hearing will take place in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to consider legislation to promote energy production through the use of waste and recoverable materials.

For further information, please contact Allen Stayman or Joel Saltzman, at (202) 224-4756.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON MEDICARE AND LONG-TERM CARE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Medicare and Long-Term Care of the Committee on Finance be authorized to meet during the session of the Senate on July 20, 1990, at 9:30 a.m. to hold a hearing on S. 1766, the Patient Self-Determination Act.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Friday, July 20, at 10 a.m. for a hearing on pending nominations within the committee for associate judges of the Superior Court.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. 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 on Friday, July 20, 1990, at 10 a.m. to conduct a hearing on the nomination of Constance Horner to be a member of the Board of Directors of the National Cooperative Bank for a term of 3 years.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 20, at 9:30 a.m. to hold a hearing on the Cambodian peace negotiations: Prospects for a settlement.

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

SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition and Investigations of the Senate Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Friday, July 20, 1990, at 10 a.m. to hear testimony on the economic concentration of ownership in the meatpacking industry.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. 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 Friday, July 20, at 10 a.m., for a hearing on the nomination of Julian De La Rosa to be inspector general, Department of Labor.

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

ADDITIONAL STATEMENTS

THE CIVIL RIGHTS ACT OF 1990

● Mr. NUNN. Mr. President, all Americans should be protected against discrimination based on race, color, sex, religion, or national origin. In reaction

to a potential threat to these rights, the Senate has passed the Civil Rights Act of 1990 to overturn several recent Supreme Court decisions in the area of employment discrimination. These decisions make it more difficult for employees to challenge discriminatory practices. To confront the inequity of these Court rulings, I believe that a revision of our civil rights laws is necessary.

While I have supported overturning the Wards Cove, Patterson, and other cases in concept for some time, I did not cosponsor the bill because of my concerns about the original bill's potential impact on businesses in general, and small businesses in particular. I was concerned about the potential for the creation of either explicit or implicit hiring quotas. I was equally concerned about the greatly increased provision for damages encouraging frivolous lawsuits.

The bill passed by the Senate on Wednesday was significantly changed from the original bill introduced in February of this year. I believe that a great deal of progress in addressing these concerns has been made in the past few weeks' negotiations. I commend my colleagues for their efforts on this most important issue. In particular, I want to commend the efforts of Senators BOREN, BUMPERS, PRYOR, DECONCINI, DANFORTH, JEFFORDS, and others in reaching an understanding with the manager of the bill, Senator KENNEDY, about issues of mutual concern.

I believe that the modifications that have been made by Senators KENNEDY and JEFFORDS with regard to the business necessity definition improve the bill. I also believe that the modifications made in this area will prevent this legislation from becoming a "quota bill." I support the amendment offered by Senator DECONCINI which states clearly that this bill should not "be construed to require an employer to adopt hiring or promotion quotas."

The resolution of the business necessity definition is most important as this is the key to avoiding the quota threat issue. This definition represents the legal standard that employers must meet when their hiring practices are challenged. Under the bill and under the law before the Wards Cove case, once an employee has shown that a hiring practice or group of practices operates to have a discriminatory impact on minorities or women, the burden then shifts to employers to prove that a practice with a disparate impact was justified by a business necessity.

The definition of business necessity has been modified on two occasions since the introduction of this legislation. It started out as "essential to effective job performance." Responding to arguments that this standard was unduly stringent, Senators KENNEDY and DANFORTH prepared an amendment which would have changed the definition to "bears a substantial and demonstrable relationship to effective job performance." Prior to passage of the legislation, the sponsors responded to suggestions from the White House and others and modified the definition again and it now reads that a challenged practice or group of practices "must bear a significant relationship to successful performance of the job." At each of these steps in the negotiations, the employers' standard of proof was lessened. All of these changes were made in order to accommodate the legitimate concerns of the business community.

Two other important issues will be addressed in conference: Statistical imbalances and jury awards. Amendments which I cosponsored on both of these areas were offered, but because of a procedural objection by the Republican leader, they were not included in the bill as passed.

The first amendment was offered by Senator PRYOR regarding statistical imbalances. Because of my concerns about the bill's implicit encouragement of quotas, I have worked with Senator PRYOR and others to clarify that mere statistical imbalances alone in an employers' work force will not be a violation of the act. We have been assured that the Pryor amendment will be included in the conference report. Also, we clarified that this legislation will not apply to small businesses which employ 15 or fewer employees—consistent with the 1964 Civil Rights Act.

Second, I also support the jury awards cap that Senators BOREN, BUMPERS, and others have proposed. In cases where intentional discrimination is proved, employees will be able to seek compensatory and punitive damages. However, punitive damages shall not exceed the amount of compensatory damages or $150,000, whichever is greater. The managers of this legislation have assured the Senate that they will take this issue to conference and work for its inclusion.

Because I was assured that these two concerns will be addressed in conference, I voted for the bill's final passage. I will carefully review the conference report before voting on its approval to ensure the resolution of these two important issues.

I believe that the Senate acted properly in passing this legislation to ensure fundamental protections against employment discrimination. It is my hope that a bill will emerge from the conference committee that both the House and Senate can approve and the President will sign.●

THE PASSING OF JOHN BIGGS

● Mr. GORTON. Mr. President, the people of Washington State on Saturday, June 23, lost a great friend and leader. John Biggs, former director of the State departments of game and ecology, died at the age of 77.

Biggs' 19-year tenure as director of game was the longest of any game director in the Nation. He left the post to become the first director of Washington's Department of Ecology. In that role, he had to pull together various departments, with different operating styles and messages, into one cohesive group. The enthusiasm that Biggs put into ecology has been carried on for two decades. His vision of business, industry, and the environment coexisting with one another is exemplified through his creation of the Nation's first recycling program, which gave the opportunity to forge ties with State and local business leaders for the benefit of Washington's environment.

Washington residents were indeed fortunate to have had John Biggs lead the way in helping protect and preserve their rich and varied natural resources. His vision, commitment, and leadership will long be remembered.●

A TRIBUTE TO AARON COPLAND

● Mr. KERRY. Mr. President, I rise today to honor Aaron Copland, the preeminent and prolific American composer. Often referred to as the President of American music," Aaron Copland is an American institution.

Bestowed with virtually every accolade that can be awarded in a lifetime; from the Pulitzer-Prize to an Oscar, from the Medal of Freedom to the Congressional Gold Medal, Copland is enormously accomplished. He has composed operas, ballets, film scores, chamber music, as well as orchestral, choral, and keyboard arrangements. He taught poetry at Harvard and took up conducting when he was well into his fifty's. However, to think of Aaron Copland is not to think of a litany of accomplishments and accolades. Rather, it is to think of American music.

Copland saw this country as his greatest musical inspiration. He remarked once "I can't say that I went around thinking about creating an American sound; what I wrote was just the way I heard things. I connect American sentiment with a certain reserve in its expression rather than something that carries its bleeding heart all over the place." It is clear his view of the world was shaped by living above the family store on Washington Avenue in Brooklyn, NY, during the early 1900's—and it never left him. Years later, following a trip to one of the markets in Tangier, Copland remarked to his traveling companion "I have seen this all on President's Street in Brooklyn."

Whether it is "Appalachian Spring," "Billy the Kid," or "Fanfare for the Common Man," Copland's music transcends time and boundaries. His music is a reflection of the American century and its people. Richard Dyer of the Boston Globe wrote of Copland's music "Some of it sounds French, some Latin, some American. Some of it is high-minded, some of it serious, some of it very funny. Some of it evokes New England; the most famous evokes the Old West. . . (and) maybe only Midwesterners will know how fully the opera 'The Tender Land' realizes that place." "Some as comfortable as a summer evening on the back porch . . . at various times it evokes both urban elan and urban loneliness . . . all it takes is a few bars of 'Coplandesque' music to evoke whole eras and areas of our history."

To hear Copland's music today is to evoke memories of an America we believe may no longer exist but in our minds. From the urban hum of our cities to the silent fields in the countryside; from the loneliness of a single soul lost in the bustle of the city to the isolation of Appalachia; from the swelling of pride that comes with a job well done, a shared joy, or a flag passing by in a parade, this is still America. We are a land that still possesses countless noble acts, endless dreams, and quiet aspirations. We are a country that still wants to do better and tries to do so. We are a people that still believes that we can leave things better than we inherited them. That is Aaron Copland's timeless music. And that is still America.

Virgil Thomson, a colleague of Copland's, once called him "the voice of America in our generation." For us, Aaron Copland will always be the voice of all generations in America.●

DOMINIC JACOBETTI, UPPER PENINSULA LEADER IS 70

● Mr. LEVIN. Mr. President, I rise today to pay tribute to Michigan's longest-serving State representative as he celebrates his 70th birthday.

Dominic Jacobetti grew up in Negaunee, MI, where his Italian immigrant parents found work in the Upper Peninsula mines. When he began working in the mines himself, his mother advised him to join the union because it was "for the people." Dom went on to become president of United Steelworkders Local 2867 and later USW Local 4950.

Dom has worked tirelessly for the Upper Peninsula since his election to the Michigan House of Representatives in 1954. He has been chairman of the House Appropriations Committee since 1975. He has remained a fervent advocate for the Upper Peninsula of Michigan, for youth work programs and for helping the poor and helpless throughout his 36 years in the House.

Dom and his wife, Marie, are active with their three children, their spouses, and their 11 grandchildren. I'm sure there are few State or Federal legislators known for standing on their roofs in red Santa Claus costumes lowering Chirstmas gifts down the chimney. And who else but Dom Jacobetti, after all of his years in Lansing, would list his proudest moment as that time in 1938 when as captain and quarterback of the Negaunee St. Paul Catholic High School, he led his team to triumph over Pequaming.

State Senator Joe Mack, his colleague of 30 years, describes Dominic Jacobetti as "100 percent U.P. * * * (everything) the public could possibly expect from a man to represent them in the legislative halls."

Dom's love of people has provided the Upper Peninsula with a servant unparalleled in Michigan history. I join the people of our State to wish the best to Dominic Jacobetti.●

CHARLESTON'S WAR ON DRUGS: A MODEL FOR THE NATION

● Mr. HOLLINGS. Mr. President, earlier this year, under the auspicies of our Commerce, Justice, State Appropriations Subcommittee, Senator RUDMAN and I held field hearings in South Carolina focusing on illegal drug trafficking. It was truly an education for me. And what impressed me perhaps most of all was the determination and ingenuity with which local officials are tackling the drug crisis. Certainly, a sterling example of creative local initiative is the antidrug strategy of Charleston's, SC, Police Chief Reuben Greenberg. Chief Greenberg's approach was highlighted in a column by William Raspberry in Wednesday's Washington Post.

As Raspberry points out, in Charleston "the police don't bother with * * * lighting-strike shows of force. When he learns of an open-air drug market, the chief assigns an officer or two to the area for round-the-clock surveillance. If the dealers move, the officers move with them. That simple tactic has worked in Charleston and appears to be working in Mobile, AL, where Greenberg is on loan as public safety director." Raspberry also notes under Chief Greenberg's extraordinary leadership, the overall crime rate in Charleston has dropped 45 percent to the lowest rate in 20 years.

Mr. President, I salute the tremendous job Reuben Greenberg has done in my hometown. Along with Raspberry, I commend the Greenberg antidrug tactics to other urban communities searching for answers to the drug plague. For a more complete description of what the police are doing in Charleston, I ask that the entire Raspberry column be reprinted in the RECORD at this point.

The article follows:

DRUG DEALERS: A WAY TO TAKE THEIR TURF

(By William Raspberry)

"Once again I was awakened at 2:15 a.m. with the loud noises of the drug dealers outside my home. Then by 4:15 a.m., I was disturbed again, this time by a female voice screaming in distress. As I looked out, I could only partially see figures moving in the dark. I called the police, and soon the men who had been standing on the corner began to flee down the street.

"Exactly what happened I do not know, but several squad cars arrived, as well as a paddy wagon, ambulance and unmarked cars. However, within five minutes after the police left, the drug dealers were again standing on the corner."

The remarkable thing about the woman's account is that it is so unremarkable. Not just in the slums but in erstwhile quiet neighborhood like hers, drug dealers routinely work their open-air markets, suspending operation when the cops arrive, resuming it as soon as the cops drive away. And like her fellow sufferers, this Northwest Washington resident doesn't know what to do. Her letters and phone calls to city officials date back nearly two years. Four or five nights a week, she says, her sleep is broken by the activities of the drug dealers—sometimes a handful, sometimes as many as 20—operating within a few feet of her front door.

"Cars are constantly coming and going, doors opening and closing, music blasting from car radios—all this at 2, 3, 4 or 5 a.m. When I leave for work at 6, they are still there on the corner. I'm afraid even to go out in the mornings unless I see others moving on the street. Why can't [city officials] do something?"

It's a good question, and the answer—perhaps too naive—is that they can.

You've heard the official answers. The police respond to complaints, but since the activity ceases with their arrival, there's usually nobody to arrest. Making a case against the dealers involves the painstaking work of making undercover buys, obtaining warrants and then returning days later with other officers (so as to protect the identity of the undercover cops) to make the arrests. With the open-air markets numbering in the hundreds, little progress is made.

Is there another way? Well, maybe there is. In Charleston, S.C., the bailiwick of Police Chief Reuben Greenberg, the police don't bother with these lightning-strike shows of force. When he learns of an open-air drug market, the chief assigns an officer or two to the area for round-the-clock surveillance. If the dealers move, the officers move with them. That simple tactic has worked in Charleston and appears to be working in Mobile, Ala., where Greenberg is on loan as public safety director.

"A street-level drug dealer is a merchant, that's all," Greenberg said recently. "They don't want to move more than a block away. Their customers don't know where they are."

And there's another reason they don't like to move too far, he points out. "You can get killed [by rival dealers] moving someplace else. Once you lose your turf to the cops, in most cases you're out of business."

I haven't asked the local authorities why they don't copy Greenberg's tactic, but I can anticipate their answers: too few officers; a lack of jail space for arrested dealers; the probability that it would only force the dealers indoors, where they are harder to catch.

I don't buy it. Most cities could use more police officers, but using the present force smarter could work as well in other places as in Charleston, where the crime rate has dropped 45 percent to its lowest level in 20 years. Jail space matters in the case of arrests, but who supposes that the dealers would court arrest by continuing their drug-selling operations in the presence of uniformed officers or that their customers would continue buying?

As for moving indoors, Greenberg, has an answer. When his officers bust an indoor operation, they cart off everything that could conceivably be used as evidence: furniture, telephones, clothing. "We take the air conditioner out of the window and the chair he was sitting on. He can't get back in business Monday or Tuesday. He's losing $30,000 a day."

But the main appeal of the Greenberg approach is that it is not dependent on making arrests. The idea is to hit the dealers financially, disrupting their markets and scaring off their customers, including the vital out-of-neighborhood middle-class "recreational" users. Sure they will move, but not far. To hide from the cops means hiding from their customers as well, and they can't stand it.

Finally, if there are too many open-air markets to police them all, I offer this suggestion. Let the police give priority to those neighborhoods that bestir themselves to institute citizen patrols. Such a joint undertaking could have the twin effect of busting up the drug traffic and putting citizens back in charge of their neighborhoods. Not a bad parlay.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar items 885, 886.

I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; and that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominations, considered and confirmed en bloc, are as follows:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Rosalie Gaull Silberman, of the District of Columbia, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1995. (Reappointment.)

NATIONAL LABOR RELATIONS BOARD

James M. Stephens, of Virginia, to be a member of the National Labor Relations Board for the term of five years expiring August 27, 1995. (Reappointment.)

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

AUTHORITY FOR COMMITTEES TO REPORT AND FOR RECORD TO REMAIN OPEN

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate committees may file reported legislative and executive calendar business until 4 p.m. today; and that the RECORD remain open for the introduction of bills and statements until 4 p.m. today.

NOMINATION OF GEORGE F. MURPHY REFERRED TO COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the nomination of George F. Murphy, to be inspector general of the U.S. Information Agency, reported by the Committee on Foreign Relations, be referred to the Committee on Governmental Affairs for a period not to exceed 20 days.

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Kansas be recognized to address the Senate; that upon the completion of his remarks, the Senator from Hawaii be recognized to address the Senate; and that upon the completion of his remarks the Senate stand in recess as under the order until 12:30 p.m. on Monday.

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

The Republican leader is recognized.

BUDGET SAVINGS

Mr. DOLE. Mr. President, we have finally begun floor debate on the 1990 farm bill. Winter wheat producers and other farmers need to know what kind of farm program we are going to have for the crop year already upon us. I have asked Secretary Yeutter to make some kind of announcement regarding the 1991 acreage reduction requirement and he has agreed to do so by the end of the month.

YESTERDAY'S BUDGET FIX

I congratulate the chairman, Senator LEAHY, and the ranking member of the committee, Senator LUGAR, for offering their budget-related amendment yesterday, but I think it is important to review the bidding and put this amendment in context—because where you stand may depend upon where you sit. Let me be clear about one fact: this amendment does not spell the end of the budget story.

The current law baseline, just updated this week by OMB, projects spending on commodity programs of about $54 billion over the next 5 years. CBO's baseline is $52 billion, not much different from OMB's in this case.

BILL STILL OVER BUDGET

The committee originally came forward with a bill that is projected to cost almost $60 billion. This is a number subject to great uncertainty; it could be more. But the committee bill was clearly an increase over current law—this at a time when, right down the hall in S-207, the budget summitteers are meeting to try to cut a deficit that is now over $200 billion for fiscal year 1991.

So I do not think it was realistic of the committee to come forward with a bill that was a $6 billion budget increase.

Do not get me wrong. I support a strong agriculture program. I come from rural America.

BE HONEST WITH PRODUCERS

But farmers want to be leveled with. They do not want to hear one story from this Senate when we pass a bill, only to get the real bad news in a few months.

Plus, farmers are concerned about inflation. Farmers are concerned about interest rates. They know we cannot continue to spend more and more and more money on any program, including theirs.

So let us look at where we are. The amendment offered by the committee yesterday would cut about $4 billion from their original bill over 5 years. That leaves the bill $1.6 billion over the current law baseline. And the biggest part of the savings—$3 billion of the $4 billion cut—the committee offered came from a shift. We just shifted the payment or repayment dates for loans. So it is not completely real savings. In fact, it might be in real costs but certainly not any savings to shift the date and say we just saved $3 billion.

DO NOT IGNORE FUTURE CUTS

But even with the amendment, a bill that is about $1.5 billion over the baseline ignores the fact that additional cuts are around the corner. The administration has asked for $1.1 billion in farm program savings this year—$18.7 billion over 5 years. And the summit is talking about savings of anywhere from $6 to $18 billion below the current law baseline.

So we have to be realistic. The deficit is now $168 billion—$231 billion if you count the S&L's. We face a sequester of over $100 billion in just 2½ months. That means, if there is no budget agreement, a cut of 38 percent across the board in all farm programs.

So rural America should want to see a successful budget summit. They should want an agreement. And if there is to be a successful summit—if there is to be an agreement—agriculture will have to do its part. Those who wish to offer amendments to raise

spending or those who think our job is done should keep this in mind.

So let us not mislead the farmers and producers out there, and others. Let us not send them the wrong signal.

SUBSTITUTE RECOGNIZES BUDGET

I have a substitute drafted, which I have discussed with the distinguished ranking Republican on the committee, Senator LUGAR. I am not certain it will be offered. But at least it will bring our bill slightly below current services. It also moves us closer to the 1985 farm bill which most farmers and Members of Congress say was a good bill, and probably one of the most successful farm bills in history.

The White House said it will veto this bill, the bill now pending—not the substitute I may offer—if it is not brought in line with the summit agreement.

I appreciate our chairman's commitment to forestall final consideration of a farm bill conference report until and unless the bill meets summit agreement spending levels.

ALSO NEED POLICY REVISIONS

I also hope we are able to make some policy improvements here on the floor. It will make our job a little easier later on.

I know Senators GRASSLEY and BOSCHWITZ will have some suggestions on flexibility. Senators MCCONNELL and FOWLER apparently have a dairy plan. SENATORS CHAFEE, ROTH, and METZENBAUM have some honey and peanut ideas that deserve consideration. There are many others who may have amendments as well.

The bottom line is that there are going to have to be budget savings below the baseline. It could be about a billion dollars for next year. And it could be several billion dollars over 5 years. And we should begin now to talk about options for achieving those savings. Thomas Jefferson once said that "the whole of Government consists of the art of being honest." Let's be honest to our farmers. We need a budget agreement. And agriculture will have to do its part. Yesterday's amendent was only a first step and a very short step at that.

If I have any leader time I yield 2 minutes to the Senator from Missouri.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized. Subsequent to that, I will recognize the Senator from Missouri.

The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 2883 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE SAVINGS AND LOAN DEBACLE

Mr. BOND. Mr. President, a few days ago I rose to discuss in this body the implication of the savings and loan debacle. It is clearly one of the largest financial disasters that this country has ever seen. The cost is now estimated at $130 billion, some of that to be paid by the industry but much of it to be paid back by the taxpayers, and the interest on it to be paid by the taxpayers.

It is important that we ask what are the taxpayers, the constituents we serve, going to get for the money they put into it?

Well, prosecutions are very important. We are encouraged to see the Department of Justice continuing and stepping up the pace of prosecutions to go after those who are criminally responsible or who have assets that can be recovered.

I am very pleased that Attorney General Thornburgh is in my State of Missouri today to discuss the savings and loan activities and the law enforcement activities going along with them.

But, while it is important to prosecute wrongdoers and to go after those who have taken illegal assets, taken gains that are not properly theirs, that is not enough. I believe the taxpayers of America have a right to expect more. We must go beyond prosecutions and determine what were the policy mistakes, what were the administrative mistakes, the executive mistakes, the legislative mistakes, the private sector mistakes that led to this immense scandal.

I do not believe it is productive for us, in Congress, to lob political hand grenades at each other as we discuss how this scandal came about. I think there is a great need for an independent commission to look into this matter, to make a calm and careful assessment of what went wrong, and to lay out for us and for the taxpayers what we need to do in the future; what mistakes we ought to avoid in the future so we do not run into another problem.

I would like to see that answer in 6 months. I would like to see it soon. And I would like to be able to put this behind us so we can go on with the ongoing responsibilities we have in financial institutions and their regulation.

I believe an independent commission could conduct a full investigation of all aspects of the scandal without political skirmishing and give the Congress and the people of the United States some answers. That is why yesterday my colleagues, Senator DODD of Connecticut, Senator ROBB of Virginia, and I, circulated a letter asking colleagues with ideas who want to join us to let us know because we are in the process of drafting a resolution to establish a commission which is not composed of Government officials, legislative officials, or administrative officials, which should be set up on a bipartisan basis, which should be charged with getting the answers, and getting the answers as soon as possible.

I invite my colleagues to join us. I invite my colleagues to submit their ideas so we can provide the best possible vehicle. We will be talking with the leadership about finding an appropriate vehicle to move this resolution forward. I believe it is the least we can do for the taxpayers who are being asked to bear the burden of this tremendous scandal.

I yield the floor.

THE SENATE'S SCHEDULE

Mr. MITCHELL. Mr. President, I want to repeat for the information of Senators, so there can be no current or later misunderstanding, the requirements of the Senate's schedule over the next 2 weeks prior to the August recess. I have been asked by many Senators what action will be required before the commencement of the recess. I stated it last evening. I will restate it now just in the event anyone who was not aware of my remarks yesterday may now be listening.

We will complete action on the farm bill, I hope, early next week. The distinguished Senator from Indiana and the distinguished Senator from Vermont have been working diligently to move forward on the bill. We hope to have a full schedule of amendments on Monday.

Following that we will take up the campaign finance reform bill and then we will have to deal with the Department of Defense authorization bill and the debt limit extension.

In addition, I met yesterday with the distinguished Republican leader and the chairman and vice chairman of the Ethics Committee, and it is my intention to dispose of the recommendation made this week by the Ethics Committee prior to the recess. The timing of that remains yet to be determined. I hope to have an announcement in that regard early next week. In fairness to all concerned, I believe that matter should be disposed of promptly as well.

So we are talking really about 5 measures: The farm bill, the campaign finance reform bill, the ethics report, the debt limit extension, and the Department of Defense authorization bill.

Senators should understand that to the extent any of those are delayed, the likelihood for going on recess at the close of business on August 3 is reduced. Whether or not we go is entirely up to the Senate and Senators—not whether or not we go, when we go, I should say, because there definitely

will be a recess. The question of course is at what time it will begin.

So any Senator who thinks he is gaining something by delaying, why of course that merely pushes the other end back further. And I know that no Senator wishes to inconvenience his or her colleagues in that regard.

I thank the distinguished Senator from Indiana and the Senator from Vermont. As I indicated, Mr. President, I hope shortly to have an announcement regarding the schedule for Monday and Tuesday.

ORDERS FOR MONDAY, JULY 23, 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12:30 p.m. on Monday, July 23; that following the time for the two leaders there be a period for morning business not to extend beyond 1 p.m. with Senators permitted to speak therein for up to 5 minutes each.

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

RECESS UNTIL MONDAY, JULY 23, 1990, AT 12:30 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 12:30 p.m., Monday, July 23, 1990.

Thereupon, at 1:32 p.m., the Senate recessed until Monday, July 23, 1990, at 12:30 p.m.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 20, 1990:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

ROSALIE GAULL SILBERMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 1995.

NATIONAL LABOR RELATIONS BOARD

JAMES M. STEPHENS, OF VIRGINIA, TO BE A MEMBER OF THE NATIONAL LABOR RELATIONS BOARD FOR THE TERM OF 5 YEARS EXPIRING AUGUST 27, 1995.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.