

SENATE—July 23, 1990

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 12:30 p.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 Almighty God, our Creator and our Heavenly Father, the prayer will be led by the Senate Chaplain, Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

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

Let us pray:

Gracious Father in Heaven, we unite our hearts in sympathy for Senator PRESSLER and his family in the loss of his father who died Saturday evening. Comfort those who grieve with the wonderful consolation of the Psalmist: "Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me * * *"—Psalm 23:4.

"For promotion cometh neither from the east, nor from the west, nor from the south. But God is the judge: he putteth down one, and setteth up another."—Psalm 75:6,7.

"* * * For there is no power but of God: the powers that be are ordained of God."—Romans 13:1.

Eternal God, Lord of history, Ruler of the nations, we pray for the Senate of the United States, the most powerful deliberative body in the world, model for all nations, seeking to form democratic institutions. Protect this distinguished body of men and women, chosen by their peers to represent them and provide leadership to the Nation and the world. Protect the Senate from every influence, within or without, that jeopardizes its effectiveness and reputation. Rebuke those from within who, because of ambition or greed, would compromise the integrity of the Senate and bring it down to shame. Frustrate those from without who, because of self interests, would impose unjust and unfair pressures on public servants.

Sovereign Lord, rule in this place and in our minds and hearts, that truth and justice may prevail. In Jesus' name who is truth incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

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

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

SCHEDULE

Mr. MITCHELL. Mr. President, this afternoon following the time for the two leaders, there will 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. At 1 p.m. today, the Senate will resume consideration of S. 2830, the farm bill, and Senator GRASSLEY will be recognized to offer his amendment relating to rural safety education. Other amendments will be offered and debated today and rollcall votes are expected to occur today, although not prior to 6 p.m.

So for the information of Senators, in preparing their schedules for today, there are expected to be rollcall votes no earlier than 6 p.m. and sometime after that hour.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The PRESIDENT pro tempore. Without objection, the time of the two leaders that is unused will be reserved.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business to extend to the hour of 1 p.m. today, during which time Senators are permitted to speak for not to exceed 5 minutes each.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Minnesota is recognized for not to exceed 5 minutes.

THE IMPORTANCE OF THE POPULATION GROWTH ISSUE

Mr. BOSCHWITZ. Mr. President, I read with great interest a recent article in the Washington Post, July 2, by Barbara Vobejda regarding the lack of attention paid by the United States to the world population problem. This article could not have been more timely, and I am inserting it in the RECORD in order that all my colleagues will be able to see it.

Ms. Vobejda's main point was that the issue of world population growth "has virtually disappeared from the public agenda." Indeed, I recently delivered a speech here on the Senate floor discussing the lack of attention given to this issue by both environmentalists and Congress alike. In light of the article in the Post, I thought that I would take this opportunity to reiterate some of my points.

The population problem truly lies at the heart of virtually all of our environmental problems. When I was born, there were 2 billion people on our planet. Now there are 5.4 billion people, and by the year 2000 that number will certainly exceed 6 billion, with the situation particularly acute in developing nations.

Each new person consumes additional energy and puts stress on resources and the world's ecological balance, and while people in the Third World use far less energy per capita than we do in developed countries, the practices in the Third World to scratch out a living are sometimes particularly harmful in the areas of deforestation and desertification. I chaired the panel on these subjects at the recent Interparliamentary Conference brilliantly organized and chaired by Senator AL GORE.

Yet the U.S. contribution to world population control program has declined over the past 5 years. Most of that and the lack of participation by the United States is due to the politics of abortion.

After the Interparliamentary Conference I sought out another Senator who expressed interest in the population problem. We agreed that together

we—who are on different sides of the abortion issue—should work to separate this issue from world population growth so the United States can become the lead player as it must if there is to be real progress. We must focus instead on promoting family planning, meaningful sex education and contraception.

The Washington Post is a powerful voice and Ms. Vobejda's article will be most useful in bringing this issue of issues to the forefront. I intend to help with that by delivering a series on the issue focusing as did Ms. Vobejda's article on different parts of the world.

I ask unanimous consent that the article by Ms. Vobejda be printed in the RECORD.

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

[From the Washington Post, July 2, 1990]
AS GLOBAL POPULATION RISES, ATTENTION TO
ISSUE IN U.S. DECLINES
(By Barbara Vobejda)

It has been a long time since Lewis Townsend, a local obstetrician, has heard a patient express any anxiety over world population. Some patients say they are limiting the size of their families for financial reasons; others, because of their age. But no one talks about doing her part for zero population growth.

"I heard 'zero growth' about 10 or 15 years ago," said Townsend. Now, "it's not a concern."

Two decades ago, overpopulation was widely perceived as an urgent global threat, a steady but volatile force fueling a host of other social, economic and environmental dangers. But today the issue has virtually disappeared from the public agenda, frustrating population specialists and environmentalists who argue that, if anything, the rapidly growing human population poses even more of a threat.

They point to several reasons for the diminished public concern, including a dramatic shift by the federal government in 1985 when the Reagan administration withdrew population-control funding from organizations it deemed had supported abortion in any country. The linkage to abortion has stifled efforts to control population internationally and chilled debate on the issue, these groups say.

Overpopulation also lost its immediacy because of the substantial decline in fertility rates in this country since the late 1960s, when rapid growth was cited frequently as a critical reason for American couples to limit the size of their families.

But while fertility is dropping in this and other developed countries, world population continues a steep expansion. Despite the link between population growth, pollution and resource depletion, environmentalists say the topic has been missing from the recent upsurge in environmental activism in this country.

"Public awareness about population issues has waned dramatically since the '60s," said Susan Weber, executive director of Zero Population Growth. She dated the change in attitude nationally to a CBS newscast in the early 1970s, when anchorman Walter Cronkite reported that fertility rates in this country had fallen below "replacement level."

"That was perceived as the end of our problems," she said. And as attention to the issue began to fade, the political climate of the Reagan and Bush administrations hastened the trend, she said. "All population birth control programs, even the notion that population is a problem," came under attack.

While the United States is still the major contributor to international population control, funding has dropped from more than \$298 million a year in 1985 to about \$256 million this year, according to the Agency for International Development.

Scientists do not agree on whether a crisis is imminent, but there is a consensus among demographers that rapid population growth, especially in certain "hot spots," is a serious global problem. And few dispute that the number of human beings on the planet is multiplying at breathtaking speed.

While world population in 1960 was just over 3 billion, there will be 3 billion people living in just the five largest countries by the turn of the century, and another 3 billion elsewhere around the globe.

Fertility rates have declined in about half of the Third World and virtually all industrialized countries. Globally, the rate of population growth has begun to decrease, from 2 percent in 1968 to 1.8 percent today.

Still, the current rate of growth means world population will double every 39 years. And the U.N. Population Fund estimated last year that world population—now 5.3 billion—would reach 14 billion before it stabilizes late in the next century. An earlier estimate said the stabilization would occur at 10 billion.

Numbers of such magnitude carry little meaning for the average American, however, and scientists hold a range of opinions on what conclusions should be drawn.

Most prominent among those who see disaster in the numbers is Stanford University biologist Paul Ehrlich, who launched the popular movement for zero population growth with his 1968 book, "The Population Bomb." In a new book published this spring with his wife, Anne, Ehrlich renewed his earlier warnings that overcrowding will lead to massive starvation and environmental catastrophe. Decreasing fertility in many industrialized countries should not bring complacency, he said.

"The biggest fallacy is that there is a population problem in Africa and India, but not here," he said. "It's not density, not numbers, it's what people do to the planet."

For example, the United States, with less than 5 percent of the world's population, produces more than 17 percent of the global "greenhouse" gases.

In his new book, "The Population Explosion," Ehrlich argues that couples in the United States should continue to limit their number of children to one, or at most two, because resource consumption is so much higher here.

"The birth of an American child is hundreds of times more of a disaster for Earth's life-support systems than the birth of a baby in a desperately poor nation," he writes.

At the other end of the spectrum are a handful of "pronatalists" who have issued admonitions that falling fertility in industrialized countries will lead to economic decline.

Economist Julian Simon, a professor of business at the University of Maryland, argues that population growth should be viewed as an economic stimulus because more people will mean greater innovation, production and market formation.

While the parameters may be defined by Ehrlich and Simon, the population debate is conducted elsewhere in more subtle tones.

"It's not as simply as either side would have you believe," said Michael Teitelbaum, a demographer at the Alfred P. Sloan Foundation.

"World population," said Teitelbaum, "doesn't mean that you're going to have a catastrophe next year. It doesn't mean you will have a world of catastrophes. But you could have some very serious problems in some countries and regions."

Demographers tend to focus on problems in south Asia and sub-Saharan countries. In Bangladesh, for example, 100 million people live in an area the size of Wisconsin.

Population-issue groups, which point to the political linkage between population control and abortion as a major barrier to addressing the problem spots, had hoped the election of George Bush would mean a change in policy. But Bush has continued to deny funding to organizations even for abortion referrals.

The decline of the U.S. fertility rate had little to do with overpopulation, according to experts.

Arthur Haupt, a population specialist at the Population Reference Bureau, said it is generally assumed that U.S. fertility fell—from 3.4 children per woman of child-bearing age in the early 1960s to 1.8 in the 1980s and 2 in the past year—because of the availability of contraceptives, higher educational levels among women, increased participation of women in the work force and other lifestyle changes such as delayed marriage.

Haupt suggested that the extraordinarily high fertility of the baby boom era may have been the reason for the attention devoted to overpopulation in the late 1960s.

Hundreds of Zero Population Growth chapters formed around the country, and Life magazine ran a cover story on the subject. The attention was heightened by the stark message in Ehrlich's "The Population Bomb," in which he declared that "the battle to feed all of humanity is over."

Ehrlich and others who have issued similar grim warnings have since been criticized as "doomsday theorists," and lingering skepticism created by that criticism may have further dampened public attention to population concerns.

Simon, for example, labled the warnings by Ehrlich and others as "nonexistent scares . . . every single prediction of the doomsayer has turned out wrong."

"Not as many died as we expected to die," Ehrlich said. But he defended his statement that "hundreds of millions" would starve, citing World Health Organization and U.N. estimates that between 10 million and 14 million people die each year from hunger and related diseases.

Alan Lopez, a statistician for the World Health Organization, said it is widely accepted that more than 14 million children under age 5 die each year worldwide, but a significant portion of those deaths are unrelated to hunger.

To assume that 10 million of the 14 million deaths are hunger related—as Ehrlich has done—is "taking the upper limit," Lopez said.

POPULATION PRESSURES IN THE NEAR EAST

Mr. BOSCHWITZ. Mr. President, I spoke recently in this Chamber on the link between the world population ex-

plosion and environmental degradation—and of my belief that the population problem lies at the heart of almost all of our environmental problems that we face today. Today I would like to examine that connection as it applies to the Near East.

With respect to the Near East, I am referring to 25 countries in northern Africa and western Asia, mostly Arab in ethnic origin and culture, with a population today of about 250 million. Their numbers, in other words, are about the same as those of the United States. But the similarity ends there.

The populations of those 25 countries are generally characterized by high fertility—about 5 children per woman. These countries have a very high rate of population growth—nearly 3 percent per year, compared to current growth rates, for instance, of 0.8 percent in our country, 0.4 percent in Japan, zero percent in West Germany, minus 0.2 percent in Hungary. A minus figure, by the way, means that total deaths each year exceed total live births.

These 3 percent population growth rates in the Middle East may not seem very dramatic at first hearing. But they translate into a doubling of population in these 25 countries in, on the average, about 25 years. The comparable number for the United States is 92 years.

Let us examine for a few moments the impact of these burgeoning numbers of resources, on economic development, and on the development, and on the daily quality of life of people in these countries. I am deeply concerned about these consequences.

First, sustained high fertility has led to a very young population in these countries. On average, more than 40 percent of the population in the Near East is under age 15. This creates a high burden on the working age population. It also severely taxes the ability of governments to provide adequate schooling, health services, and eventually, jobs for rapidly increasing numbers of children and young people.

Second, most of these countries are characterized by an arid climate. Rapid population growth has already resulted in per capita declines in arable land and usable water supplies for drinking, agriculture, and industry. Contention for land and water is a key underlying cause of much of today's strife in the Middle East.

Lastly, most of these countries are facing unplanned urbanization and very explosive growth in their largest cities. Approximately 50 percent of the population in this part of the world already live in urban areas. By the year 2025, this proportion will increase to nearly 70 percent. Cairo, to cite the region's most populous city, had 3.7 million inhabitants in 1960. Twenty years later, its population was almost 7 million. And, at current population

growth rates, it will, unhappily, have close to 12 million by the end of this decade.

Why do I say "unhappily?" Because, even with all the hundreds of millions of dollars that our country, the World Bank, and other donors put into Egypt each year, we seem to consider ourselves very fortunate, very lucky indeed nowadays if Egypt's economic growth each year comes even close to the sheer growth of people—numbers that put ever increasing stress on both national infrastructure and natural resources, on its land, water, and air, on that proportionately very small fertile delta that precariously sustains most of Egypt's population.

The sheer size of a Cairo presents a situation for which we have no collective experience. Little precedent exists for feeding, sheltering, or transporting in a relatively poor country so many people in so dense an area, nor for removing their waste products or providing clean drinking water. The critical environmental degradation facing such cities will push to the limit their ability to sustain human life. And it is the urban poor who are the most vulnerable, the most subject to disease, starvation, and malnutrition.

The same phenomenon is, unfortunately, the case in many of the other countries of the Middle East. But there are some signs of improvement in parts of this gloomy scene, some rays of light.

The Agency for International Development provides significant population assistance in five Islamic Near East countries—Egypt, Morocco, Tunisia, Jordan, and Yemen. These programs have made some progress in improving access to family planning, increasing contraceptive use, and lowering fertility. In Tunisia, for instance, family planning is used by half of all women—and fertility has declined there by 25 percent in the last decade. In Egypt and Morocco, more than one-third of women today use contraception, up from less than one-quarter a decade ago.

But, obviously, a lot more needs to be done. Many challenges remain. Some have to do with local beliefs and customs. There's an urgent need to modify centuries-old attitudes. That a mother has to give birth eight, nine times, or more to ensure that half that number will survive until adulthood and provide needed farm labor. That family planning and the woman's ability to control conception will somehow reduce the husband's authority in his family. That family planning is unnatural.

Well, those attitudes are hard to change in the Middle East, and in most other developing regions of the world. But family planning is acceptable among many Islamic populations. The blocks are often sociological and cultural. AID's experience and that of

other donors and researchers is, however, that change is possible, particularly if you can get the attention and public support of top leaders in the country and if you can provide an adequate network to make known and supply contraceptive devices.

Most Near Eastern countries still have official policies that are either neutral on the population issue or are pronatalist, that is, they intentionally favor having more children through provision of child allowances, tax incentives, or other means. AID and other donors will have to make the need for family planning an important part of their high level policy dialogs with leaders of those countries where burgeoning populations threaten to cancel out any fruits of economic development and bar for most people the possibility of a better life for their children.

The challenge is also one of financial resources. Demand for family planning services continue to grow. More funds are needed not only for contraceptive supplies, but also, of equal importance, for training and paying skilled local people, doctors, nurses, pharmacists, and other health care providers, who can enlighten their neighbors' consciousness on this subject and who can provide specific guidance and materials.

Mr. President, as I said in my remarks here a few weeks ago, I believe that AID needs and can effectively use more funds than the roughly \$200 million they have requested for population programs this year. I will be working with some of my colleagues in this body to ensure some relatively modest, but important, increases for AID's population activities—but not at the expense of other AID programs. I look forward to your support.

POPULATION PRESSURES IN SUB-SAHARAN AFRICA

Mr. BOSCHWITZ. Mr. President, I make today a third statement about population because, as I have noted on the floor, there is a relationship between population pressures and environmental degradation in different parts of our globe.

I have just spoken about the problems of the Near East and North Africa, and now I wish to turn to the situation in sub-Saharan Africa.

The African countries south of the Sahara face an historic challenge. Never before have so many nations tried to modernize in the face of such extraordinary population growth. The combination of rapidly growing population and stagnating economies has made the issue of population and development in Africa one of the great unfolding dramas of our time.

The population of that region's 47 nations numbers over 500 million. It is

increasing by nearly 3 percent per year, faster than in any other region on Earth. According to U.N. estimates, nearly a billion persons will be added to Africa's population between 1990 and 2025.

Africa's population is growing rapidly because its birth rates are collectively the world's highest, about 6.5 children per woman. Any birth rate declines that have occurred have been proportionately smaller than declines in death rates.

Africa's population is extremely young, a result of the long history of high birth rates and, to a lesser extent, the more recent declines in infant and child mortality. According to U.N. estimates, at least 45 percent of the population is under age 15 in most African countries. The youthful age structure constitutes an economic burden because an exceptionally large share of development resources must go to meet the immediate needs of the young. Education, for example, commands 20 to 25 percent of government expenditures in many African countries.

Rapid population growth has had serious consequences for Africa's environment. It has contributed, for example, to deforestation and desertification, a particular concern of mine because of its relation to global warming.

Forests are being depleted at a disturbing rate due to encroachment of farm settlements onto forest land, and due to uncontrolled cutting, mostly for wood to be used for household fuel by poor people struggling to survive and feed their many children. In a country such as Niger, where only 1 percent of the land is forest, and the population of 8 million is growing at 3 percent per year, one can anticipate grave problems in the not too distant future.

In many countries, increasing numbers of people result in larger cattle herds, which lead to overgrazing on pasturelands, which leads, in turn, to erosion and desertification. These expanding herds also increase demands on increasingly limited water supplies.

Some experts think Africa is losing its forests at a rate of 50 acres per minute. At least 18 countries are facing acute firewood shortages. It takes a long time to replace a forest, 20 or more years. It takes a lot longer to replace topsoil that runs off due to erosion after vast amounts of trees are cut or burned—sometimes hundreds of years.

The consequences of rapid population growth are far-reaching. Rivers and lakes have dried, due to serious overuse, silting from erosion, and pollution. Aquifers have been seriously depleted. Some natural resources, like unique flora and fauna in the forest, can never be replaced. These losses of forests, arable farm and pasture lands, and water have seriously undermined the ability of many Afri-

can nations to achieve sustainable development.

Most African leaders entered the 1980's with at best lukewarm attitudes toward developing population policies and programs. And most of them probably didn't think too much about the relationship between rapidly expanding populations and rapidly diminishing natural resources.

But attitudes change, as realities become more evident. By the end of the decade, throughout much of the region, a new, very favorable environment existed for population policies and programs designed to reduce growth. For example, in 1975 only four countries in Africa favored lower rates of population growth. Today, more than 30 countries do so.

The Agency for International Development supports and promotes voluntary family planning in many of its African programs. It encourages population growth consistent with the growth of economic resources and productivity. Its programs emphasize the advantages of family planning, benefits that make sense to me, and are beginning to make sense to many African leaders and to many more African couples.

These include the critical health benefits for mother and young children when women are able to limit or space their births, the decrease of illicit abortion through increased access to voluntary family planning services, and the decline of population growth rates to levels that can be supported by the economy and the environment.

Within the last 5 years, the first evidence of fertility decline within the region began to appear in three countries, Botswana, Kenya, and Zimbabwe. There, fertility has declined significantly. Contraceptive prevalence, especially of modern methods, has risen dramatically. In these countries, the governments support family planning, many women want smaller families, and the institutional structure exists to make contraceptives and health care available to the community.

Although these changes are important, they are representative of only a small proportion of the population of the region and considerable work remains to be done. For example, in Nigeria, the largest country in the region with nearly 120 million people—fully one-quarter of the population of all of Africa—women on average have more than 6 children, and only 1 percent of women are using effective contraceptives.

The World Bank has said of Africa:

At no time in history has any group of nations faced the challenge of development in a situation of such rapid population growth.

In combination with stagnating economies, this imposing demographic reality has led African governments to adopt policies to reduce high fertility

and high population growth rates. The 1990's will test the ability to implement new programs, increase contraceptive prevalence, and lower birth rates. The effort expended in confronting this challenge will determine if a new Africa can emerge in the 21st century, one free from hunger, disease, illiteracy, and poverty.

In 1989, AID projects provided \$70 million in population assistance to 39 African nations. The needs are, in my view, greater than that funding level can handle. I will be working to try to get AID some additional funds for these crucial family planning programs, funds that won't have to be carved out of the Agency's other important development activities.

Mr. President, I am concerned that the United States has a responsibility, both a moral responsibility and a political responsibility, to help our African neighbors do something about their exploding populations. Keeping the population of Africa and other parts of the developing world at some reasonable levels will help prevent other kinds of explosions, and will help protect our precious natural heritage. I look forward to your support in this important endeavor.

THE BUDGET SUMMITTEES NEED AND DESERVE OUR SUPPORT: THE NATION NEEDS A GOOD SUMMIT AGREEMENT

Mr. BOSCHWITZ. Mr. President, the budget summit has been proceeding for many weeks now, and the results are certainly not clear. But I have been at least somewhat encouraged by the reports I have heard, including statements made in the public by some of the participants recently that the negotiators are finally getting down to business.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. BOSCHWITZ. I ask unanimous consent, Mr. President, that I be granted another 1½ minutes.

The PRESIDENT pro tempore. Without objection, the Chair hears none, the Senator is recognized for an additional 2 minutes.

Mr. BOSCHWITZ. The negotiators must reach agreement on four basic points if their efforts will either be acceptable, as far as I am concerned, or accepted, in my judgment, by the majority of my colleagues.

The first agreement must be specific with respect to areas where spending will be constrained.

Second, it must be enforceable over several years and must, by fundamental reform of the budget process, protect, if not strengthen, the existing enforcement processes so that we cannot get back into this mess after we are freed from the specific constraints of the agreement.

Third, the agreement must not harm the national security; it should provide for a thought-out build-down of our defense establishment that maintains our deterrence and allows us to defend our vital national interests around the world. This includes, I would add, our vital assistance programs to allies who truly help us shoulder the burdens of being the world's leading democracy and force for stability, as well as our efforts to help developing countries control the growth of their populations and protect the environment we all share.

Fourth, any new revenues should be raised by means designed to stimulate growth. We can use tax policy to make the economy grow. A meaningful capital gains provision can increase GNP over 5 years by a total of 2.8 percent, increasing tax revenues by between \$30 and \$40 billion, according to Dr. Allen Sinai of the Boston firm "Economic Advisers."

For many years, I have supported constraints in all spending, other than that directed at helping the poorest Americans, so that it would increase at a rate somewhat less than the rate of inflation. Economic growth and inflation would drive government receipts up slightly faster than spending would increase. Combining some restraint in spending and economic growth means that we should be able to eliminate the budget deficit over just a few years.

With continued effort on the part of the members of the budget summit, Mr. President, we can achieve an agreement we can all be proud of, and that will help us achieve prosperity and security in the coming decades.

I ask unanimous consent that two articles on how economic stimulation can lead to additional revenues be printed in the *RECORD*.

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

[From the Washington Times, July 18, 1990]

A BUM TRADE ON CAPITAL GAINS? (By Warren Brookes)

Last week, the administration and Congress stumbled into gridlock over President Bush's desire to have a capital gains tax cut part of any budget deal.

On the one hand, Senate Majority Leader George Mitchell, Maine Democrat, insisted there be no capital gains cut without raising the top rate to 33 percent.

On the other hand Senator Robert Packwood, Oregon Republican, ranking member of the Senate Finance Committee and architect of the 1986 tax reform, said he won't accept such a trade, while the White House said without capital gains there will be no revenue agreement.

This may explain why the White House turned Vice President Dan Quayle loose at the Republican National Committee meeting in Chicago last Friday with some stakes-raising rhetoric:

"During the 1988 election President Bush and I campaigned across the country to

reduce the capital gains tax to 15 percent, because we believe that small business and risk-taking entrepreneurs are the motors of economic growth.

"Meanwhile, Governor Dukakis argued the case for income redistribution. The American people rejected that argument and gave us a resounding mandate. But today, nearly two years later, the Democratic congressional leadership have denied the voters that mandate. In fact, Congress' failure to pass the president's capital gains proposal last year is partly responsible for the current slowdown in economic growth.

"The fact is, ladies and gentlemen, a tax cut, the capital gains tax cut, not a tax increase is the single most important thing we can do for economic growth."

Mr. Quayle is absolutely right.

Ironically, his economic case was strongly endorsed the day before at a Joint Economic Committee hearing by Allen Sinai of the Boston Company Economic Advisers.

Mr. Sinai surprised his former liberal Keynesian colleague and JEC staff director Joe Minarik with a study projecting positive economic and revenue impacts of the full-scale 50 percent capital gains tax cut laid out by Mr. Bush in 1988 and now co-sponsored by Republican Senators Robert Kasten of Wisconsin and Connie Mack of Florida.

Mr. Sinai said that such a proposal would increase total GNP by 2.8 percent (or \$155 billion in current dollars) by 1995. That's about 0.5 percent more GNP growth per year from present baseline projections. This is because the cut would raise total business investment by 1.3 percent per year, or 6.7 percent 1990-1995 (see table).

That in turn reflects Mr. Sinai's projection that the Kasten-Mack cut would lower the effective cost of capital, debt and equity by 4 percent a year and drive the stock market up 16 percent a year, a massive improvement in investment returns.

This would fuel a substantial 2.5 million expansion in jobs, or 500,000 new jobs a year. The result of all of this would not be a tax loss, as fraudulently argued by the Congressional Joint Committee on Taxation and others, but a substantial tax revenue increase of \$30 billion to \$40 billion over five years.

Since Mr. Sinai has been a harsh critic of Reaganomics, his projections are a reminder it's impossible to escape the evidence—namely, that taxing capital gains at high rates is both economically and fiscally self-defeating while cutting such rates as low as possible is not simply a "payoff to the rich."

Incidentally, because of the capital gains tax increase in 1986, for the first time in six years the share of the tax burden paid by the top 1 percent fell almost 2 percent in 1987, after soaring more than 42 percent from 1981 to 1986. Wealthy risktakers suddenly started pulling in job-creating horns and paid less.

The best proof: From 1982 to 1986 following the reduction of the capital gains rate to 20 percent in 1981, U.S. investment grew at an average annual real rate of more than 7 percent. Following the raise in capital gains taxes in 1986 to 28 percent, investment growth 1986-1989 fell by nearly 50 percent to 3.6 percent a year. From 1982 to 1986, new business formations rose 5.7 percent a year. Since 1986, they have actually fallen by about 3 percent.

A study by Federal Reserve economist Richard Kopcke in 1989 showed that raising the capital gains tax rate to 28 percent increased U.S. capital costs by 20 percent. He

said, "This additional tax burden tends to increase the cost of equity financing and deter the growth of corporate enterprise."

There is no question that had Senator Mitchell not single-handedly thwarted the majority will of the Senate and the House last fall and blocked final passage of capital gains, the U.S. economy would be stronger today, the deficit would be far smaller and everyone but Democratic politicians better off.

Unfortunately, the administration has been too willing to trim its sails on this issue, cutting its original proposal from a 15 percent top rate to a 20 percent rate and raising the holding period for that best rate to three years. Precisely as they did this, the economic case for their proposal melted—so much so that both administration and Hill leaders are now considering abandoning the whole exercise unless the Democrats give up their demonic quest for raising income tax rates. Such a trade would be tragic, and lacks even a "fairness" premise.

As Sen. Bill Bradley, Democrat of New Jersey, told his colleagues in a recent letter: "Unfortunately many people believe—incorrectly—that taxpayers subject to the 33 percent rate [bubble] are being treated unfairly compared with higher income taxpayers. . . . In fact, the bubble does not reward the rich. On the contrary, it enhances the system's progressivity."

That is because the temporary 33 percent rate bubble is only a device to phase out a whole series of tax benefits to the very rich, including the personal exemption. In other words, the bubble, like so much liberal thinking, is a phoney issue.

Mr. Bush should go back to the people with the Kasten-Mack proposal, which stands on its own merits. It generates both economic growth and higher revenues and is likely the only proposal on the table that would actually cut the deficit.

Macro effects of a capital gains tax reduction

For all taxpayers, FY 1990-1995:

Real GNP total change (percent).....	+2.8
Per year (percent)	+5
Employment total change (millions).....	+2.5
Per year (million)	+5
Business capital spending (percent).....	+6.7
Per year (percent)	+1.3
Cost of capital (percent)	-18.9
Per year (percent)	-4.1
S & P 500 stock index (percent).....	+112.8
Per year (percent)	+16.3
Total Federal tax revenues over 5 years (billions).....	+\$30-\$40

Source: Dr. Allen Sinai—Sinai-Boston Model—U.S. Economy.

[From the Wall Street Journal, July 5, 1990]

WANT MORE MONEY, MR. BUSH? CUT TAXES (By Alan Reynolds)

Those who spent the past week trying to divine the meaning of President Bush's words on taxes focused on one phrase. Early on—the first time the issue came up publicly—the president acknowledged a need for greater "tax revenues." Later, at the week's end, the president said that in his negotiations to solve the budget problem a number of things would be considered "including tax increases." The difference here between

"higher tax revenues" and "tax increases" is crucial. The important fact is that, the government's new posture notwithstanding, the two do not usually coincide.

One way to raise tax revenues, Mr. Bush's first stated goal, would be to cut the capital-gains tax. Ever since maximum tax rates on capital gains were increased by 62, after the 1986 reform, many more investors have preferred immediate interest income to possible future gains. Companies in recent years have catered to this preference by increasing their debt equity ratios through stock buybacks and leveraged buyouts. The result has been larger corporate interest deductions, and therefore smaller taxable profits.

A lower capital-gains tax would therefore raise corporate tax receipts by tilting the debt-equity decision back toward equity, while making it possible for credit-constrained small entrepreneurs to raise capital by selling stock. Interest rates would be held down by the reduced business demand for credit, as well as by the increased incentive for individuals to hold taxable bonds for capital gains, thus reducing the government's interest expense.

CAPITAL-GAINS ADVANTAGE

A lower capital-gains tax would also increase the pace at which capital gains were realized, raising revenues directly as well as through the increased economic growth arising from more efficient mobility of capital. It would bid up the value of assets subject to the capital-gains tax and thus raise the amount of taxable gain, move more ventures capital out of tax-exempt funds into the hands of taxable individuals, raise personal incentives to save and to take longer-term risks and greatly reduce the cost of the S&L bailout by raising the value of the thrifts' real estate and bonds. A lower capital-gains tax could shave tens of billions off the deficit.

As the chart shows, inflation-adjusted federal revenues have expanded at an unprecedented rate since fiscal 1983. Measured in constant 1982 dollars, tax revenues were nearly stagnant during the 1970s, hovering between \$500 and \$600 billion. Since 1980, real federal revenues have increased by more than one-third: Tax collections are about the same percentage of GNP as they were 10 years ago, but, thanks largely in the Reagan tax cuts, the U.S. economy is nearly one-third larger—largely because the 1980s were the years of important tax cuts.

If the government in 1960 had instead set out to increase taxes by one-third, average federal tax rates would have had to have been increased by one-third. It is hard to believe the economy could have grown at all in the 1980s under such an onerous tax increase, much less experienced, as it did, a huge increase in growth.

Even a seemingly modest increase in tax rates on incomes or sales can be self-defeating. In the short run, it can cause a recession. In the long run, it can slow economic growth. Yet the U.S. government's own budgetary accountants' revenue estimates from various increases in tax rates always assume that taxes do no damage whatsoever to the economy.

The Congressional Budget Office predicts, for example, that a one percentage point increase in the corporate tax rate would yield an extra \$1.3 billion next year, on the untenable assumption that it would have no effect on corporate investment or employment. But if it really had no effect, then an extra \$65 billion could be collected by simply raising the corporate tax rate to 84%. A \$5 oil import fee is likewise supposed

to raise \$7.7 billion on the assumption that higher energy prices do no damage. If that made sense, we could raise \$65 billion by imposing an oil import fee to raise prices to \$60 a barrel.

Consider a less-extreme example, the \$3.8 billion that is said to be available if the president and Democratic leaders opt for what is currently a popular "budget fix": Raising marginal tax rates on high-income families to 33% from 28%. This is proposed as a "trade" for a lower capital-gains tax, even though young professional couples with high salaries often have negligible capital gains, while people nearing retirement have large capital gains and small taxable incomes. Since tax reform made the average tax rate virtually the same as the marginal rate among the top-bracket taxpayers, an increase of 5 percentage points in marginal rates amounts to a brutal increase of nearly 18 percentage points in average tax rates. That increase would amount to a \$10,000 added burden on a taxable income of \$200,000.

To avoid that, though, affected taxpayers would hold more tax-exempt bonds and make greater use of the lower alternative minimum tax; many more salaried people would become self-employed; professionals would play more golf and retire earlier. The alleged \$3.8 billion revenue increase, which assumes that people don't react to their taxes, would soon turn out to be an "unexpected" loss.

Raising the top rate to 33% could hurt the economy, and therefore the budget, in many different ways. The higher tax rate on interest income and dividends would raise interest rates and sink the stock market by reducing the demand for taxable securities. Those losses in the stock and bond markets would in turn damage the budget (through higher interest expense, lower capital-gains tax receipts, weak taxable sales and profits due to reduced wealth, etc.). The result of such a higher tax rate could easily widen the budget deficit by tens of billions of dollars for many years to come.

The alleged beneficial effect of higher tax rates on savings is another myth arising from static accounting. The whole idea assumes that higher tax rates would in fact yield higher revenues over time, that higher revenues would actually be devoted to reduced deficits and that increasing the government's revenue at the expense of the private sector would not reduce the private sector's ability or willingness to save. Not one of these assumptions is consistent with experience. Instead, the ability of private households and firms to save would be seriously undermined by higher tax rates on what people earn or buy, and the value of U.S. stocks, bonds and real estate would also be depressed by the reduction in prospective after-tax returns.

Actually, the U.S. has had some instructive experience with trying to raise federal revenues by increasing the tax share of GNP, rather than by increasing GNP itself. The first major effort was in mid-1932, when individual income tax rates were roughly tripled. Revenues subsequently fell by 16%. The next experiment was the surtax of 1969-70. Interest rates rose sharply for many months after the higher rates were imposed, falling only as the economy was shoved into a recession that did not end until the surtax was removed.

MEASURING BY THE GNP

Then there were the unlegislated tax increases resulting from inflation and "bracket creep" in 1974-75 and 1981-82, when reve-

nues once again declined with the contracting economy. In fact, federal tax receipts have never exceeded the current 19.6% of GNP since World War II without tipping the economy into recession. The option of attaining significant and sustained "tax revenue increases" through higher tax rates is a politician's illusion; it have never worked.

Couldn't the contractionary effect of higher tax rates be offset by an easier monetary policy? Not really. Even if higher tax rates generated more real revenue, which they do not, it makes no sense to argue that smaller deficits justify any easier monetary policy than would otherwise be appropriate. This amounts to saying that if the government sold fewer bonds, then it could safely print more money. But bonds and money are not at all the same. Higher tax rates would weaken the supply side of the economy, while an easy money policy merely stimulates spending or "demand." The result of that "policy mix" is always stagflation—witness Britain.

There is actually only one way in which real tax revenues can be significantly increased over the next decade, and that is the same way that real revenues were increased over the past decade—namely, by increases in employment, profits, capital gains and sales. That is why President Bush's proposed "growth incentives"—lower tax rates on capital gains—are not at all inconsistent with real and sustainable "tax revenue increases." Higher tax rates, on the other hand, are inconsistent with growth incentive, and therefore with the preservation of the past decade's remarkable increase in real revenues.

(Mr. Reynolds is director of economic research at the Hudson Institute of Indianapolis.)

Federal tax receipts in billions of constant 1982 dollars

1969	\$519.4
1970	502.0
1971	453.6
1972	474.2
1973	495.5
1974	516.6
1975	492.1
1976	488.9
1977	541.0
1978	568.0
1979	607.5
1980	611.7
1981	642.0
1982	617.8
1983	575.8
1984	616.6
1985	659.1
1986	674.2
1987	730.1
1988	751.4
1989	786.5
1990(e)	817.9

Source: 1991 U.S. budget.

The PRESIDENT pro tempore. The Senator's time has expired.

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

The PRESIDENT pro tempore. The point of no quorum having been raised, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. 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.

NO NEW TRANSFER TAX ON SECURITIES

Mr. MOYNIHAN. Mr. President, as the distinguished Presiding Officer and other Members of the Senate will know, at one point this morning the Dow Jones average on the New York Stock Exchange had dropped 107 points. At that point a circuit-breaker program took effect, which halts trading for a temporary period when prices drop very sharply. This trading halt helps everybody get their wind and their perspective.

However, Mr. President, there is no doubt about the alarm that was evidenced in New York this morning. Mr. Chung Lew, who is the head trader at Kleinwort, Bentsen North America, is quoted in the Associated Press wire: "There was panic, without a doubt."

Panic. The situation of that panic, sir, calls to mind the situation on Black Monday, 2½ years ago, nearing 3, when the stock market went into a sudden free-fall. Before it was over, a trillion dollars in stock values had disappeared, the sharpest 1-day decline in the history of the New York Stock Exchange, an event that sent tremors around the world, as of course it would do.

I was in New York City, and in the course of that day I learned that one of the key events affecting investor behavior on Black Monday as it came to be known—the reference was to the 1929 crash—Black Tuesday was a little noticed tax measure which had been approved the previous Wednesday night by the Committee on Ways and Means. It was a measure offered by a Representative from North Dakota which limited the amount of interest charges that could be deducted for debt used in mergers and acquisitions. I think it is fair to say, sir, there was not any likelihood that this proposal would ever become law.

I would have been a conferee on the final version of any tax legislation. The Senate conferees would not have wanted it. I am not sure the House indeed would have wanted it once they'd fully considered some of the arguments against it. It was a measure of accommodation, and yet it cost the stock market a trillion dollars, which meant it cost every pension fund, every charitable foundation, every financial institution in the country and probably most in the world.

Efforts to say it would not pass, may have had some effect; they may not have. But by the time our reassurances were making their way onto the wires, as we say, the market had lost enormous sums of money.

A commission to study the crash was appointed by the President. It was headed by our now distinguished Secretary of the Treasury, Mr. Brady. He identified two triggering events: One was the announcement of an unexpectedly high merchandise trade defi-

cit for August 1987, and the other was the rumor that a tax measure limiting interest deductions on merger and acquisition indebtedness might be adopted in the forthcoming reconciliation bill. It never became law. It was only rumor, but it was a rumor that cost \$1 trillion.

I can report from conversations today that something very similar almost happened, and still could happen. The discussions going around financial centers are that the budget summit negotiations between the Executive and the Congress include consideration of a stock transfer tax of one-half of 1 percent to be imposed on securities trading on America's exchanges. This will raise—I have heard myself a range—\$7 billion the first year and \$11 to \$12 billion in the fifth year out. So we have something like \$50 billion or so to be gotten in the 5-year package that is being considered—\$50 billion. But look at what the stock markets have lost in value today alone. And one of the events that may have triggered it, Mr. President, is a very fair-minded but forceful article in this morning's Wall Street Journal, on the editorial page, by Mr. Joseph Grundfest, who was formerly a Commissioner of the Securities and Exchange Commission, now a professor at Stanford Law School. It is entitled, "The Damning Facts of a New Stocks Tax."

Mr. Grundfest makes two points.

First of all, he makes the point that this tax is, for practical purposes, as difficult to collect as a tax could be. The millions of transactions, the endless regulations, the elusive nature of many of these activities is just a nightmare from the point of view of the IRS. But he also said this should not be the primary concern because the real effect will be to send stock trading abroad rapidly: abroad to London, abroad to Tokyo. It seems like a small sum of money, a small rate of taxation. It is nothing of the sort. It is a curious fact.

Mr. Grundfest cites an article in the Financial Times of London which says, "City Sees Advantage in U.S. Levy on Volume." The Financial Times piece says "If the U.S. Administration decides to go ahead with a securities turnover tax, it will have strong support in the City of London."

And why ought they not?

The Swedes imposed such a tax, I am informed by Mr. Chris Finn of the American Stock Exchange. The Swedes did this on an options exchange in Stockholm and the exchange promptly moved to London. There are, indeed, taxes on stock transfers in other countries. Almost every country in the world which has such a tax, that is a significant trading nation, is proposing to abolish it. Only the United States proposes to add it, or is considering doing so.

The fact that we are considering this arises in the context of the President's statement that everything should be on the table. This idea is on the table.

In contrast to Professor Grundfest, Prof. Lawrence Summers of Harvard University proposes in this morning's New York Times that we indeed impose a stock turnover tax. The New York Times says yes, the Wall Street Journal, no. They are both published in New York City. Barron's this morning says there's a 50/50 chance that a securities transaction tax will pass. The stock market was down 107 points before people went to lunch.

The point Mr. Grundfest makes very carefully is that the real tax is on the people who are taking part in pension funds, in mutual funds, who depend on charitable foundations, where the real costs of transactions will be very real. It sounds like a small tax: 20 cents on a \$40 share. But the stock broker's price for that transaction will be about 5 cents. In effect the cost of transactions goes up by a factor of 400 percent.

I will read the concluding paragraph of Mr. Grundfest's statement. He says:

Perhaps the best short criticism of a transaction tax was presented to the Senate Government Affairs Committee in January 1989:

A stock transfer tax has no evident justification. It could cause distortions in the financial markets and could cause many investors, particularly institutions, to shift their equity trading away from organized exchanges and to foreign countries. Who—

Mr. Grundfest asks—

Should have analyzed the issues so succinctly and so well? Only the head of the Office of Management and Budget, Richard Darman. Need we say more?

Mr. President, I hope my remarks are heard in New York, in Chicago, and elsewhere. This tax must not pass. We ought to stop even talking about it. One certain useful outcome of our summit would be for them to issue at the earliest possible date a statement they are not going to consider this self-destructive and dangerous proposal. They are not going to take this self-destructive and dangerous act.

Mr. President, I ask unanimous consent that Mr. Grundfest's article be printed in the RECORD at this point.

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

[From the Wall Street Journal, July 23, 1990]

THE DAMNING FACTS OF A NEW STOCKS TAX (By Joseph A. Grundfest)

A decision has apparently been made to raise revenues through new taxes. The question facing Congress and the administration now is whose ox to gore and where to gore it. Needless to say, ox-goring is never pleasant or riskless. But, if you're going to gore, you should at least do it intelligently. And there lies the rub.

Budget negotiators are reportedly toying with the idea of a securities transfer tax

that would levy a fee of up to 0.5% on sales of stocks, bonds, futures and other instruments, with the exception of Treasury securities. The hope is that this tax will raise billions, while reducing volatility in financial markets. There is only one problem with this plan. It won't work.

In the course of its failure, this tax is likely to destroy part of the U.S. financial market, enrich foreign competitors, increase the cost of capital for U.S. firms, drive down U.S. stock and bond prices, hurt small investors and increase volatility in capital markets.

Let's march through the logic. The transaction tax has strong support from the British financial services sector. London's Financial Times led its coverage of the proposal with the headline "City Sees Advantages in U.S. Levy on Volume," and explained that "if the U.S. Administration decides to go ahead with a securities turnover tax, it will have strong support in the City of London."

The British are excited about the tax because, if it is set at a high enough level, it is certain to drive billions of dollars to London. It is easy for traders to shift their activities to any market via a phone line and a fax machine. A meaningful financial transaction tax in one jurisdiction can drive business to other, lower-tax jurisdictions in the shake of an electron's tail.

The natural bureaucratic response is to write rules that would gather the tax regardless of where the relevant transaction takes place. But even bureaucrats who might be charged with this Herculean task know they would fail.

The Congressional Budget Office recognizes, for example, that the tax "would be difficult to administer." The CBO allows that "it would be difficult for the IRS to audit these transactions, so compliance would be low." The staff of the Joint Committee on Taxation joins in the chorus, explaining cautiously that it "may prove difficult to exert jurisdiction over foreign situs transfers," and that "transactions by U.S.-owned foreign intermediaries could present significant avoidance possibilities. Broadening the base of the tax to include such intermediaries may entail modifying tax treaties."

English translation: If the government adopts this tax it won't be able to collect a big piece of it. Even an army of bureaucrats producing a mind-numbing blizzard of regulations would fail. An informal survey shows that tax lawyers have already come up with several ideas for legally avoiding the tax. One example involves setting up investment vehicles offshore. U.S. taxpayers would hold interests in these vehicles for relatively long periods of time, but the vehicles' portfolios would trade rapidly in newly designed foreign securities that would be carefully structured to mimic highly taxed U.S. stocks and bonds. To reach these transactions, American authorities would have to tax foreign entities trading foreign securities in foreign markets. Good luck.

History unfortunately demonstrates that the government has the gumption to embark on such pointless ventures. Recall the Interest Equalization Tax adopted during the Kennedy administration and the baroque set of regulations designed to prevent capital flight in connection with that tax. That ill-fated experiment created the Eurodollar market—a market that is today the backbone of Europe's financial services industry.

Better yet, compare the American plan to what's going on overseas. Britain is now

eliminating its transaction tax, as are West Germany and the Netherlands. Pressure is building on French and Swiss authorities to abolish their transfer taxes. The Swedish transfer tax was recently abolished after resourceful Swedes successfully transferred much trading to London from Stockholm. The U.S. is, at the moment, the only nation in the world thinking of bucking the trend by raising transaction taxes.

But suppose the inevitable doesn't happen, and the U.S. adopts a transaction tax that raises billions of dollars and doesn't drive business offshore. Is that the end of the matter? Hardly.

To start with, it is important to understand that a 0.5% transaction tax looks "bigger" to the world's capital markets than a 0.5% sales tax looks to consumers. On a \$40 share of stock, a 0.5% sales tax amounts to 20 cents per transaction. Institutions, however, pay as little as 5.3 cents per share in brokerage fees. For these investors, a 0.5% tax on a \$40 transaction would almost quadruple brokerage costs. The tax is even costlier for those in foreign-exchange and other markets that are more liquid than the U.S. stock exchanges. Consider transaction costs in the government securities industry, where primary dealers can earn as little as \$312 on a \$1 million bond transaction. A tax of 0.5% on \$1 million amounts to \$5,000—16 times the primary dealer's income on the trade.

There's another way a tax on financial transactions differs from a consumer sales tax. A sales tax is paid once, at the point of consumption. In contrast, a transaction tax is like a diamond—it is forever. It is paid again and again, every time a security is traded. To adjust for this compounded transactions cost, markets are likely to reduce the current price of all financial instruments subject to the tax. The Congressional Research Service estimates that such a tax would cause at least a 9.3% drop in the value of the stock market.

It seems clear that the administration also understands the harm its proposals can do. Notice that the proposals floating around Washington all exempt federal debt securities from the tax—so that the price of Treasury securities won't fall while other prices decline. But why would we want to raise capital costs for the private sector while effectively subsidizing federal debt creation. Sauce for the goose seems not to be sauce for the gander.

DISAPPOINTING REVENUE

As for those who believe the tax will raise substantial revenue, they are likely to be disappointed. One of the axioms of tax economics is that you should try to tax behavior that won't change much in response to the imposition of the tax. Here, the government is considering a tax on one of the world's most quickly moving targets. Even absent forcing migration, the imposition of the tax will reduce the volume of trading and lower value of the instruments traded, thereby reducing the Treasury's take.

The bulk of the tax burden is likely to fall on a silent but solidly middle class group of investors whose wealth is invested in pension funds, mutual funds, insurance companies and other collective investment vehicles. It will also weigh on charitable foundations and educational institutions, which will see the value of their endowments decline and the rate of return on their assets decrease. Hard hit too will be small investors who want to buy and sell but don't have the means to make sophisticated trades offshore. This is a middle-class tax

that will be paid out of middle America's pockets. The burden won't fall on Wall Street fat cats.

To be fair, I must mention that there is a theory popular among some economists that low transaction costs lead to "trend-following" trading rules that exacerbate market volatility and promote excessive speculation. In theory the transactions tax will slow this type of trading, diminish speculation and reduce volatility.

CREATING A CHOPPY MARKET

The trouble with this theory is that it is at least as speculative as the speculation it hopes to drive from the market. As the CBO has noted, "The October 1987 crash seemed to be no less severe in Japan and the United Kingdom despite the existence of [transaction taxes] in both."

The anti-volatility argument also seems to fall apart once it is cast in the real world. If traders are able to engage in portfolio insurance in foreign markets, and if international pricing mechanisms transmit that selling pressure to back to the U.S. (in larger, more discrete "chunks" designed to avoid the cumulation of transaction tax payments), then the U.S. will still experience the price effects of portfolio insurance emanating from abroad.

Indeed, because the transaction tax will have to be paid by all investors—not just trend-followers, speculators and other vermin—it could well make the markets "choppier." Investors would be loathe to trade until markets have moved far enough for or against their positions to make it worthwhile for them to bear transaction tax costs.

Perhaps the best short criticism of a transaction tax was presented to the Senate Government Affairs Committee in January 1989: "A stock transfer tax has no evident justification. It could cause distortions in the financial markets, and could cause many investors, particularly institutions, to shift their equity trading away from organized exchanges and to foreign countries." Who could have analyzed the issue so succinctly and so well? Only the head of the Office of Management and Budget, Richard Darman. Need we say more?

(Mr. Grundfest, a former commissioner of the Securities and Exchange Commission, teaches at Stanford Law School.)

TIME FOR PROGRESS ON CYPRUS

Mr. KENNEDY. Mr. President, last Friday marked the 16th anniversary of the Turkish invasion of Cyprus and the illegal occupation of the northern part of the island which continues to this day.

It is time for all sides to redouble their efforts to bring about a prompt and peaceful resolution of this crisis. Unfortunately, over the past year, the intransigence of the Turkish Cypriots has continued. They have refused to negotiate in good faith with U.N. Secretary General Javier Pérez de Cuéllar and President Vassiliou of Cyprus. They appear to be feigning interest in negotiations as part of their strategy to maintain the status quo, which is unacceptable.

In his most recent report to the Security Council, the U.N. Secretary

General described his frustration with the lack of progress toward a solution. I continue to believe that the best hope for lasting peace in Cyprus lies with the efforts of the Secretary General. I urge the Bush administration to give higher priority to supporting these efforts, and to impress upon the Government of Turkey the importance of achieving a just and expeditious settlement of this crisis.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,955th day that Terry Anderson has been held in captivity in Beirut.

I would note also some important work being done on behalf of all the hostages by the Journalists' Committee to Free Terry Anderson. The committee has begun a campaign urging the public to send notes to President Bush to remind the administration that we cannot stop caring about the hostages and that we must continue to press for their freedom.

The message on the committee's postcards reads:

A nation that chooses not to pursue freedom for an innocent captive resigns its own freedom. Those who choose not to listen will themselves cry out and never be heard.

Indeed. The ordeal of the hostages and their families is our ordeal as a nation. We cannot rest easy until it is over.

Mr. President, I ask unanimous consent that an AP wire story describing the committee's efforts be printed in the RECORD at this point.

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

POSTCARD CAMPAIGN SEEKS RELEASE OF U.S. HOSTAGES

(By Diane Duston)

WASHINGTON.—Organizers of a postcard campaign seeking the release of U.S. hostages in Lebanon are asking the public to send a new wave of cards to the White House in hopes of bringing home the remaining six American captives.

The first campaign in which 450,000 postcards were mailed to President Bush was started last year to show the administration that the public cares about the hostages and wants them released, said Anne Zickl, who is running the campaign for the Journalists' Committee to Free Terry Anderson.

Anderson, the Associated Press' chief Middle East correspondent, was taken hostage March 16, 1985. He has been held the longest of the six Americans and 10 hostages from other countries.

Zickl said White House statements about the hostages changed after the first postcard campaign began.

"From that time on, the administration has been saying what the Reagan administration never said that we will talk to anyone to bring about the release of these innocent people," she said.

"We do believe that the heightened awareness across the country helped bring

about the release of (Robert) Polhill and (Frank) Reed," she said.

Reed, director of the Lebanese International School, was freed April 30 after 3 years in captivity. Polhill, assistant professor at Beirut University College, was held almost 2 years before being released April 22.

Zickl said the idea for the postcard campaign started with a journalist committee member who heard a State Department official say the American people didn't care about the hostages.

That's not true, said Zickl.

"The American people are not passive on issues of human rights if they are informed," she said. She said that once the campaign started getting publicity, she couldn't answer the telephone fast enough.

"I had people call me and say we didn't even know those people were still there," she said.

The new campaign began July 4. The postcard carries photographs of the hostages with the message:

"A nation that chooses not to pursue freedom for an innocent captive resigns its own freedom. Those who choose not to listen will themselves cry out and never be heard."

A note to Bush on the card urges him to intensify his administration's efforts to win freedom for the six U.S. hostages.

Besides Anderson, the remaining hostages and dates they were kidnapped are Thomas Sutherland, June 9, 1985; Joseph James Cicippio, Sept. 12, 1986; Edward Austin Tracy, Oct. 21, 1986; Jesse Turner and Alann Steen, both Jan. 24, 1987.

The committee includes journalists from the broadcast and newspaper industry, including network anchors and national news executives.

The postcards are being distributed by the journalists' committee at a cost of \$14 for 250 cards and can be ordered by calling or writing Anne Zickl, P.O. Box 652, Batavia, N.Y. 14021, 716-343-6198.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The PRESIDENT pro tempore. Under the order, the Senate will resume consideration of S. 2830, which the clerk will report.

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.

Pending:

Bradley amendment No. 2314, to extend the current sugar program for five years and decrease the loan rate from 18 cents to 16 cents.

The PRESIDENT pro tempore. Under the order, if the Senator from Ohio will withhold, Mr. GRASSLEY is to

be recognized at this time to call up an amendment.

Mr. GLENN. I yield the floor to the Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the Senator for yielding. Let me mention that Senator GRASSLEY will not be present for a few moments. In view of that, the managers of the bill would like for other business to proceed. I understand that the Senator from Ohio is prepared to do that. We would favor his proceeding.

The PRESIDENT pro tempore. Without objection and without prejudice to the Senator from Iowa [Mr. GRASSLEY] the Senate will proceed to consider the bill, during which time other Senators may be recognized.

Staff will please take seats.

The Senator from Ohio is recognized.

PRIVILEGE OF THE FLOOR

Mr. GLENN. Mr. President, I ask unanimous consent that Charlene Waggoner, an AAAS congressional science and engineering fellow assigned to my office, be granted the privileges of the floor during the Senate's consideration of S. 2830, the 1990 farm bill.

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

Mr. GLENN. Mr. President, Senator DASCHLE has an amendment that he will be prepared to offer. I am here in support of that amendment. It involves a matter I have been involved in for a number of years when agricultural legislation has been before the body.

I understand Senator DASCHLE is on the way, and until he arrives, unless there is other business, 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 legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2325

(Purpose: To earmark a portion of the amount appropriated for the Agricultural Research Service for research that has the goal of increasing demand or utilization of farm and forest products)

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

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

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, and Mr. GLENN, proposes an amendment numbered 2325.

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

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

The amendment is as follows:

On page 661, line 2, insert after "1995" the following: ", and not later than October 1, 1993, and for each fiscal year thereafter, not less than 20 percent of the amount appropriated in each such fiscal year under this subsection shall be used for research that has the goal of increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products."

The PRESIDENT pro tempore. First of all, the Chair should state the time of this amendment is limited to 3 hours to be equally divided between the mover of the amendment and manager of the bill, that being the usual form.

However, if the manager of the bill supports the amendment, then the time in opposition thereto is controlled by the minority leader or his designee.

Does the Senator from Oklahoma [Mr. BOREN], support the amendment?

Mr. BOREN. The managers of the bill, I understand, will support the amendment on both sides of the aisle; and the distinguished acting minority leader, I presume, controls time on that side.

The PRESIDENT pro tempore. Under the rules, the usual form means that if the manager of the bill supports the amendment offered, then the minority leader or his designee controls time in opposition thereto.

Therefore, Mr. LUGAR, being the designee of Mr. DOLE, will control the time in opposition thereto.

The Senator from South Dakota, [Mr. DASCHLE].

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

The PRESIDENT pro tempore. The Senator is recognized for such time as he may consume.

Mr. DASCHLE. Mr. President, I am very satisfied with many of the aspects of the research title. We have made tremendous improvements with regard to ground water, sustainable agriculture, global climate change, and improved financial commitment for certain aspects of research. From a financial point of view, in particular, this bill represents a significant new commitment to research, and for that I am especially pleased.

Again, as I did last week, I should cite the contribution made by the ranking minority member of the Research Subcommittee, Senator BOND, the distinguished Senator from Missouri, for his cooperation, his efforts. As chairman of the committee, I feel very pleased with much of the progress we have made.

If I have one disappointment, it is in regard to the continuing overemphasis, in my view, on the research on in-

creasing production. We are spending 34 percent of the Agricultural Research Service budget on production, \$209 million during this fiscal year. We are spending \$500 million in total. That is 50 percent of the total USDA budget is for production research.

Yet, we are only spending 9 percent, some \$57 million to increasing the demand or developing alternatives of agricultural products. How much sense does it make to be making that kind of a commitment, I might say \$2½ billion over the next 5 years on research to increase production at the very time we are spending over \$9 billion over the period of the next 5 years to decrease production?

We will be spending \$9 billion on the Conservation Reserve Program over the next 5 years, to set aside 34 million acres. We are going to require 22 million acres in set-aside. That is 6.6 million acres of wheat, and 15.4 million acres of feed grains. So all total, we are setting aside almost 22 million acres of land this year to control production. Ironically or coincidentally, perhaps, this is equal to the State of Indiana, or I am sure many other States of equal size.

We are setting aside that much land at the time we are spending \$2½ billion to find ways to produce more. It just does not make sense. As one who has been given some responsibility for research this year, it is unacceptable as we continue to try to cope with the fact that we are dealing with fewer dollars, and as those dollars are better understood the fact that we have to spend that much on continuing production at the very time when we are trying to discourage production to the scale that this year, \$500 million is being spent on production research and almost 50 million acres, are being set aside. This is unacceptable, and as part of this bill, simply cannot be tolerated.

But it is not just the gross inconsistency we are perpetuating. It is also the lack of results which disturbs me. Setting aside, for the moment, whether it is right to encourage production and require supply controlled simultaneously, which is what we are doing in the farm bill right now, the fact is that we are getting the results in production research the way we once did.

It is not like it was in the forties and fifties and sixties. Back then, through production research, the United States became the world leader in production. The USDA and land grant colleges frankly should be applauded for that. If it were not for the emphasis of production over the last 50 years, we would not be in the position we are.

But times have changed. The dollars for production research are fast reaching diminishing returns. The current corn, soybean, and wheat yields in many parts of the country, including South Dakota, are the same as they

were in the late 1970's. During the past decade, the yields of major commodities have reached a plateau. We are no longer in a production-oriented research program, which resulted year after year with the same result that we had in the last 20 years. We are not resulting any longer in the dramatic increases in yield that we had back then.

It should also be noted that the private sector is spending a great deal on research for production. Last year, that figure alone was \$2½ billion. That means that the private sector is spending in 1 year on production what we are going to be spending in 5 years to enhance our research for production purposes. A majority of that research will continue to be spent on production, regardless of what we do in this bill.

I said there are many ways to increase income to farmers within the budgetary confines that we have been relegated, and I understand that. Last week, the Senate adopted an amendment which would increase the storage payments to farmers, which would equalize the storage payments provided to farmers and elevators. That is one very minor way of doing it. I am absolutely convinced there is another.

This week we are going to see a number of other proposals that work within the budget to make sure that we divide up the pie more equitably. But this amendment will do it, as well.

Income in the future is no longer purely a function of volume and availability of more supply through greater production. We have to come to that realization. Incomes will increasingly be determined by the quality of the product and the demand for that product over the next few years. The greater the demand, the greater the income.

So this amendment in part is designed to do that, to create an even greater demand, and greater demand comes in part from greater consumptive research. Already, we have seen some encouraging developments in consumptive research. We have developed alternatives to road salt which are biodegradable, the market for which ought to expand dramatically in the years ahead. We have produced soybean oil as a pesticide carrier. We have developed milkweed as a lightweight clothing fiber that appears to have great market opportunities. We have heard a good discussion about biodegradable plastics, and have now produced a nontoxic ink using soybeans.

Each one means more income and reduced cost to taxpayers, because as we create greater demand, there obviously is less need to provide subsidy. The General Accounting Office has reported by doubling ethanol consump-

tion, there would be a savings in farm bill cost of up to \$800 million.

So not only does this research provide savings in farm bill outlays, and increased income opportunities to farmers, but in virtually every one of these products, there is also substantial environmental benefits to be realized as well. And we really cannot tell at this point, and cannot calculate what the environmental savings may be as a part of our budgetary consideration.

But by requiring ethanol blends in merely the nine most polluted cities in the United States, we would reduce carbon monoxide by 25 percent, and toxics and ozone by at least 15 percent, not to mention providing the much-needed balance to carbon dioxide as well.

In spite of our productive research, farmers increasingly appear to be locked into growing the same commodity crops year after year. Our research system has not succeeded in developing alternatives to today's major crops.

There has not been an alternative crop developed with any success since the soybean. As a result, throughout farm country there are miles and miles of monocultures of corn, wheat, and soybeans. Instead of focusing on solving the surplus problem through research, USDA continues to focus on squeezing out an additional bushel of corn, soybeans, wheat, cotton, or rice.

It is ironic that this farm bill would emphasize flexibility when farmers in this particular year, as we consider the farm bill for the next 5 years, have even fewer crops to choose from in maximizing their marketability. Farmers in much of the country are locked into planting the same crops year after year because the research system has not provided the alternatives to choose from. Nearly 20 percent of USDA research budget is for major commodity crops. Four-tenths of 1 percent is used for developing new crops today. It is time USDA uses its research system, the same one that has focused on production research for the past 50 years, to make major advances in demand and utilization.

The priority-setting language in the research title begins that effort, but earmarking a reasonable part of the Agricultural Research Service budget to conduct demand and utilization research will ensure that this happens over the next few years.

The amendment that is currently at the desk simply provides that 20 percent be directed to demand enhancement, to utilization, and to alternative crop and product research, and it does not make that requirement until 1993.

We realize this is something we cannot do overnight. We realize that this is going to be gradual; going from 9 percent to 20 percent cannot be done tomorrow. But we also realize that unless we mandate it, unless we take a

larger share of that utilization budget and do what is right, create the kind of markets that will create the income that will ultimately reduce the subsidy, we just have no prospects of realizing that in this particular bill. It no longer makes sense to me to be spending \$2.5 billion in production research and \$9 billion in supply control. That is what we are doing, and that is the whole essence of this legislation.

How can we turn that around? How can we be in a position of not having to pay farmers \$9 billion in an effort to increase price, and, also, at the same time, create a research program that recognizes the change in priority, the change in agriculture policy that this farm bill represents in many very applaudable ways?

This will be our best opportunity to change that formula, Mr. President. If the subsidy safety net is no longer what it was, then let us do all we can to develop the markets, which is what we all subscribe to. From a cost, from an income, environmental, and research point of view, this amendment makes sense, and I am very pleased that the managers of the bill have seen fit to support the legislation, and I am hopeful the Senate will do so as well.

I yield and retain the remainder of my time.

The PRESIDENT pro tempore. Who yields time?

Mr. DASCHLE. Mr. President, I yield such time as the distinguished Senator from Ohio may consume.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. GLENN] is recognized for such time as he may require.

Mr. GLENN. Thank you, Mr. President, and I thank Senator DASCHLE.

Mr. President, I join my colleague, Senator DASCHLE, in sponsoring the amendment to earmark 20 percent of the agriculture research budget for increasing the demand or uses for farm or forest products. This research will emphasize the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products.

Mr. President, before we get into more detail on this, let me back up a little bit and put this in historical perspective for our country. If we look at the United States of America and why we have catapulted ahead of most other nations around the world in our tiny little time frame in history, we would have to say education was one item. Education was not just for the kids from the castle but it was for all the young people in this country. We have not done a perfect job, but we wound up with a better educated citizenry than anywhere else in the world, at least up to now.

But in a different direction, we spent more on basic research. We tried to learn the new things first. Out of that

research came inventions such as automobiles, roads, aviation, and plastics. These represent our finest examples of all of our efforts in research, that have paid off around this world. But what has done more for us and for the rest of the world is what this country has done through the years with agriculture research. It has been phenomenal. It is not only that we have the Great Plains and that we have a favorable area for producing food. A lot of places in the world have favorable areas for producing food. But what we had was a research service that improved how we produce food that was second to none in the world. It led the way.

I can give you a couple of examples, one in particular, that I think illustrates what has happened because of our research. Our farmers back home in Ohio around the area where I grew up in east central Ohio have the same land lying there today that they are farming as they did when I was a boy growing up. But what is the difference? When I was growing up there, a good corn crop was somewhere around 46, 48 bushels per acre. Now they are farming on that same land and per acre today do you know what they get out of that land? They get somewhere on average, depending on whether we have a good growing year to little less advantageous growing year, we average now somewhere from 120 and 130 bushels per acre.

Now we did not do that just because the farmers were all out there working that much harder. They are not working three times as hard as they were when I was a boy. But look at the production. Why do we have that kind of production coming off the same acreage? It is because of agriculture research.

The point I want to make is we are very good at research. When we put our minds to things in the laboratory or the fields in this country, there is no end to what we can do. And what we have done is concentrate on agriculture production, to grow more food, help furnish food for the rest of the world, not only for our people here, where we have surpluses.

Mr. President, this legislation addresses very directly that specific problem because it says that we want to channel some of this research over into utilization with emphasis on new nonfood uses for traditional commodities. In other words, if you grow a bushel of corn, do you have to use it to eat? Do you have to eat whatever we can, like the sweet corn we like to get at this time of the year, or do we use it to feed the animals out there? How do we use it? Are those the only things it can be used for? We now have ethanol being produced, sometimes at too high a price to be fully competitive with gasoline and diesel fuel. And yet,

with some research, we are very confident we can do even more. Can we produce some kind of plastics out of this? I do not know. But I do know we should be doing the research in these areas.

So, Mr. President, it is with that thought in mind that I want to discuss the reasons we are offering this amendment.

I would like to congratulate Senators LEAHY and LUGAR and other members of the committee for their efforts in putting together this comprehensive bill. It does, indeed, set forth the basic food and fiber policies of our Nation for the next 5 years.

I want to especially congratulate the committee, and Senator DASCHLE in particular, the chairman of the Agriculture Research Subcommittee, the one that oversees this research effort I was just referring to.

There is a great need for new investment in agricultural research, and this bill addresses this need. First, it authorizes new funding to strengthen our competitive grants program. Second, it establishes ARCC, the Alternative Agriculture Research and Commercialization Corporation Program, which will provide competitive grants for the development of new industrial uses for agricultural and forestry commodities as well as business financing and technical assistance for the commercialization of these products. I am a cosponsor of the legislation which created ARCC.

The bill also establishes new priorities for research and extension for all research conducted by the Department of Agriculture. Among these is an enhanced emphasis on new product development.

I certainly agree that this is a priority but, Mr. President, at the same time I say it is a priority, and I agree with that priority, let me say with the past experience I and I believe members of the Agriculture Committee have had, I am not confident that the USDA's Agriculture Research Service will give this priority the consideration it deserves when it allocates its research dollars. That is the reason why I feel this amendment is necessary.

I have had personal, one-on-one conversations, over the past—I believe it is 5 years—with Secretaries of Agriculture Block and Lyng and Yeutter. And every single one of them sits there with their assistants when we discuss this particular matter and they say yes, we have to do utilization research, we really have to get into that research on new nonfood uses. That holds more promise than anything else. People and animals can only eat so much, but the other uses that might come up for some of these nonfood uses of agricultural products may well be unlimited if we just do what we are very good at, and that is do a little bit of the research on how to use

these agricultural products for nonfood uses.

Utilization research, especially in the area of new nonfood uses for traditional crops such as corn and wheat and feedgrains, has been a major concern of mine for a number of years. While I certainly do commend USDA for its accomplishments in production research, I believe it is time we begin to shift the focus to utilization research. Research into new, nonfood products has remained stable over the last several years.

Mr. President, last year we spent somewhere above \$600 million on agricultural research. I do not know whether you have an idea of how much of that went to nonfood uses research, but to bring it down to the bottom line the funding level of approximately \$14 million out of that plus \$600 million.

The picture is a little bit worse than even that because much more can be done within this service, if we look at this factor: Out of that \$14 million, only about half went to research for traditional agricultural commodities of corn, wheat, and feedgrains.

That is \$7 million we are talking about out of plus \$600 million in the Agricultural Research Service. We are still way over lopsided, still trying to concentrate on production research that has given us these surpluses. I think it is high time, now, we started moving some of this research effort over into utilization research which holds the greatest promise, I believe, for our farmers and for a stable farming community in the future, for stable financing and for food for the whole world.

There is no reason why we should be cutting back on the planting the way we do. We are so good at increasing yields that we say we have to take acres out of production. And then what do we do at the same time?

We go out and do \$200 million or so worth of production research each year to develop new methods to produce more on the acreage that is remaining in production, so next year there will probably be more surpluses, so we cut out more acreage.

By any test of logic, that has to be a crazy way to do things. You would think, with the surpluses we produce, we would have long ago have moved into researching areas that would show us how to use these commodities so it would not be a continual game of, as we say in the agriculture business, "slippage." Slippage means this. Because of whatever we predicted this year, a certain percent is taken out of production. Slippage occurs when we produce more on those acres remaining under production, so we end up with an unrealistic view of how much we are actually reducing production.

What we are saying is, we would like to see developed in this country an ag-

ricultural community where we produce everything we want to produce but we have plenty of other uses for it, quite apart from feed and from eating.

The funding level of approximately \$14 million I mentioned, is seriously deficient, and I think much more can be done within the Agricultural Research Services' total budget, especially since this bill raises total budget authority for ARS to \$730 million for 1991 through 1995. Mr. President, the mission of the ARS is to perform agriculture research and demonstration relating to production, utilization, marketing and distribution, home economics, nutrition, and consumer use.

In 1988 the ARS budgeted \$14 million for new nonfood products research and in 1989-90 few additional dollars were budgeted for nonfood use research. But even the modest amount of \$14 million currently being invested by the Department of Agriculture on new nonfood use research is not being targeted in the right direction.

As I said before, last year I met with Secretary Yeutter and ARS Administrator Dean Plowman on this issue and they provided me with detailed information that I had requested on projects being funded for new nonfood use research. I found that well over half of the \$14 million expenditure is actually for research on improving production from traditional, nonfood commodities such as cotton and wool.

I believe that the department's understanding of the nonfood concept must be expanded. As far as I am concerned, new nonfood use research should focus on developing innovative nonfood production from food crops that have traditionally been used for food production. Research in this area offers the most promise for creating new and expanding markets for farm commodities.

There is potential for great gains in the development of new nonfood uses for agricultural commodities. Right now, corn starch is used, not just in producing alcohol but also in manufacturing paper products, building materials, textiles and adhesives. A component of corn starch can be used as an additive to polyethylene to create biodegradable plastics; soybean oil can be used to manufacture printer's ink. Industrial uses for corn byproducts also include application as a highway deicer, for desulfurizing coal, and improving the quality of motor fuel.

A commitment to develop these uses further will not only increase domestic demand for agricultural products, but may increase demand from overseas as well. And that is just with the little bit, comparatively small amount of nonfood uses research we have done to date.

In 1985 I introduced the Agricultural Research and Development Act along

with Senator LUGAR. Part of this legislation was incorporated in the 1985 farm bill. This legislation authorized not less than \$10 million to be used to conduct a research and development program to formulate new uses for farm and forest products.

Since that time I have urged, in testimony before the Agriculture Appropriations Subcommittee and with officials at USDA, that we provide more funds for this program.

In 1988 I was successful in persuading the Senate Appropriations Committee to earmark \$15 million of the ARS appropriation for nonfood uses. But unfortunately that provision was deleted in conference.

During this process I became acutely aware of the difficulty in moving ARS away from just production research that they have traditionally concentrated on. USDA officials kept telling me that new funding was not needed because the Department was already spending enough on alternative uses for agriculture commodities.

Last year, after looking at a detailed analysis of the ARS budget on utilization research for both food and nonfood, I found that the Department was spending over \$50 million on utilization. However, only \$14 million is related to new product research and only about half of the \$14 million being used for new nonfood uses is used for development of new uses for traditional food crops such as corn, wheat and feed grains.

I would like to go over the figures for the ARS once more. Total funding for 1989 was a little over \$600 million. The ARS budget includes seven program categories. Utilization research for both food and nonfood is \$57 million, but only \$14 million is for research into new nonfood uses and over half of this amount is for research for agricultural commodities such as cotton and wool.

I ask unanimous consent to have printed at this point in the RECORD the breakdown of the ARS budget on food and nonfood uses for 1988.

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

DEPARTMENT OF AGRICULTURE,
Washington, DC, June 8, 1990.

HON. JAMIE L. WHITTEN,
Chairman, Subcommittee on Rural Development, Agriculture, and Related Agencies,
Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to a directive in Senate Report No. 101-84, accompanying Public Law 101-161, making appropriations for Rural Development, Agriculture, and Related Agencies for Fiscal Year 1990, we are enclosing a report on research regarding new nonfood uses for traditional food commodities.

A similar letter and a copy of the report are being sent to Congresswoman Smith and Senators Burdick and Cochran.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Enclosure.

ARS RESEARCH ON NEW USES FOR AGRICULTURAL COMMODITIES

This report is submitted by the Agricultural Research Service (ARS), U.S. Department of Agriculture, to the U.S. Congress in response to a directive contained in Senate Report 101-84, accompanying the Rural Development, Agriculture, and Related Agencies Appropriation Act, 1990, which reads:

"New nonfood uses: The Department is directed to initiate, and make substantial progress toward, the reallocation of no less than \$50,000,000 of the ARS budget to research on new nonfood uses for traditional food commodities such as wheat, corn, and soybeans, as newly appropriated and previously committed funds become available. The Committee further directs ARS to report to Congress on its progress in achieving this objective no later than April 30, 1990. This allocation should help ensure a better balance between production and utilization research as well as higher prices for farmers, expanded international trade opportunities, and smaller Federal outlays for farm programs."

ARS has a long history of commitment to agricultural product utilization and development research. In 1990, the four ARS regional utilization laboratories at Peoria, Illinois, New Orleans, Louisiana, Albany, California, and Philadelphia, Pennsylvania are celebrating their 50th anniversaries. Originally authorized by the U.S. Congress in 1938, these regional laboratories were established in 1940 with the technological mission to increase the value and stimulate the use of agricultural commodities being produced by U.S. farmers in quantities in excess of market demands at that time. Since their beginning, the laboratories have developed an impressive array of agricultural technologies and contributed significantly to the use and marketability of U.S. agricultural commodities.

Now, five decades later at a time when U.S. agriculture is again experiencing record production, high cost farm programs, and soft market demands and prices, it is fitting that the ARS utilization research capability is once more being called upon to stimulate the development of and contribute technological solutions to problems of agricultural commodity utilization and marketing.

The ARS commitment to utilization is already strong at the present time. Currently, twenty percent, or \$110 million, of the total ARS program is directed to all forms of commodity conversion and delivery research. This includes more than \$14 million specifically allocated to research to develop nonfood uses of agricultural commodities.

Furthermore, ARS is committed to provide increased emphasis and to refocus additional resources to product development research. The ARS strategy for achieving this objective will be to carefully combine a reallocation of existing base resources with targeted budget increases over a period of several budget cycles. Caution will be taken to minimize disruption to ongoing programs before reallocation of resources occurs. This will permit ARS to achieve the objective through a cumulative series of incremental increases during the early 1990's. The specific ARS target for the fiscal years 1990

and 1991 will be to reallocate up to \$10 million into value-added and product development research from base resources at the four regional research centers, as well as the Athens, Georgia, research center. The mission of the Athens center includes research on animal and plant physiology, poultry processing, food safety and quality evaluation.

In direct response to the Congressional directive, a comprehensive and systematic research planning process has been underway in ARS since September 1989. This process has involved strategic planning, identification of specific research project and development of plans to terminate some ongoing development research and enhanced technology transfer. Agency research managers and scientists have participated fully in this planning process and specific actions to effect increased product development research are being implemented. These planning activities provide the basis for ARS to move toward the \$50 million long-term objective; in fact, the planned near-term reallocation of \$10 million, plus the current base of \$14 million, indicates that ARS will be appropriately halfway to meeting the Congressional directive in 1990.

The new research will include transforming renewable resources such as cereal starch, vegetable oils, and dairy materials to specialty industrial nonfood products. Examples are bioplastics from corn- and wheat-starch and soybean oil printing ink. Environmental issues are being addressed and opportunities identified within market movements worldwide towards the "greening" of business, e.g., starch is used to encapsulate chemical pesticides. These new formulated products permit lower pesticide application rates and reduced groundwater pollution. Fermentation processes for manufacturing biopesticides from starch as a substrate are being developed.

ARS also will continue to respond to the changing face of the food industry. Consumer demands for natural components are increasing. Biotechnological methods for manufacturing natural flavors, colors, textures, and preservatives are being exploited. Novel functional foods to minimize dietary risk of disease are being designed.

Mr. GLENN. Mr. President, I was disappointed with this level of funding and again with the Appropriations Committee. We were successful in incorporating report language which directed the Department of Agriculture:

To initiate, and make substantial progress toward, the reallocation of no less than \$50 million of the ARS budget to research on new, non-food uses for traditional food commodities such as wheat, corn and soybeans as newly appropriated and previously committed funds become available.

I received a copy of the USDA's report on research regarding new nonfood uses for traditional food commodities this past June. I ask unanimous consent to have a copy of this report also printed in the RECORD.

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

[Department of Agriculture, Agricultural Research Service (ARS)]

ALTERNATIVE USES FOR AGRICULTURAL COMMODITIES
BACKGROUND

Despite resilience in recovery from economic set-back, United States agriculture needs to be strengthened. There is room for improving our competitive position relative to mounting challenges from agricultural sectors in other developed countries and the developing world.

During the early 1980's a world recession, coupled with a sharp increase in the value of the dollar, resulted in agricultural commodity surpluses. Agricultural technology diffusion has led to expanded production in other countries. There is a worldwide trend toward national self-sufficiency in major food crops. Non-traditional subsidized competitors are entering the world marketplace leading to vigorous rivalry for global market share. Several countries are assiduously building up research programs as a key to sharpening their competitive positions.

The United States needs to recapture and expand its share of the world market. A solid base in agricultural research is a sure avenue to achieving this goal: it produces goods that provide for economic growth and exports.

Awareness of the need to buttress and advance the United States' competitive position in agriculture has fostered interest in the Congress and resulted in several Congressional initiatives toward that end.

ARS STRATEGY

ARS strategy is focused toward capturing markets for U.S. agricultural commodities through greater product diversification; satisfying consumer needs by means of new or modified products, in both food and non-food product classes. The range of consumer needs in identified in market studies performed by USDA agencies and other sources of market information.

Harvested commodity conversion to diverse higher value products is thus a prime target. These novel products can be derived from conventional commodities by transforming them to value-added materials using, for example, new biotechnological methods.

There are additional opportunities for exploiting new crops, which synthesize compounds of possible strategic or commercial interest, and which can be cultivated in the United States.

A feature of ARS strategy is coupling innovative research with a system for facilitating technology transfer to the commercial sector. Such a mechanism is provided by the recent Public Law 99-502, the Federal Technology Transfer Act of 1986, already productively utilized by the ARS.

RESEARCH PROGRAM STRUCTURE

There is a tradition within the ARS of research efforts geared toward novel and diverse products. In this "utilization" research, conventional commodities such as surplus cornstarch, soybean oil, and dairy materials are transformed to novel products which are sought after, for example, by the plastics, detergent, paint, lubricants, and cosmetics industries. There are four ARS product utilization research centers: the Western, Eastern, Northern, and Southern Regional Research Laboratories located in Albany, California; Philadelphia, Pennsylvania; Peoria, Illinois; and New Orleans, Louisiana respectively. A number of other ARS laboratories are actively involved in this line of research work. In addition, there is a new

crops research program. The programs are structured to utilize advanced biotechnology, chemistry, and bioprocess engineering techniques. The knowledge base created from these research efforts is available as a resource to solve problems related to developing novel, high value-added, products from agricultural commodities.

The FY 1990 ARS budget for developing novel agricultural products is \$52,282,000, approximately equally divided between food and nonfood products. From this budget, new crops research work is funded to a level of \$3,661,000.

FOOD PRODUCTS

The food products industry is changing rapidly. Health, convenience, novelty, and luxury demands are propelling the industry toward new opportunities. There are increasing demands for freshness, nutrition, and "natural" ingredients.

ARS research is directed toward controlling and extending shelf-life of fresh foods such as fruits, vegetables, meat, and fish. New techniques are being brought into play from modern biotechnology and molecular genetics to retard senescence in fruits and vegetables. Methods for removing cholesterol from dairy products are being devised. Through genetic manipulation of oilseed plants, profiles of fatty acids are being changed leading to reduced dietary risk for cardiovascular and cancer problems. Natural flavors, textures, colors, and preservatives are being designed, using biotechnological methods. Novel food products based on surplus non-fat dried milk are being developed. Taste, nutrition, and shelf-life are prime considerations.

NON-FOOD PRODUCTS

The product class chosen for research focus is based on product price-range and potential market volume. Large-volume, low-price bulk chemicals are excluded; the U.S. petrochemicals industry turns out these products with a cost-structure which, at present, tends to defy competition from agricultural sources. The very high priced market end (e.g. biomedical products) has little appeal because only small quantities of major agricultural commodities would be utilized.

In contrast, the intermediate price range products (greater than a dollar per pound) such as specialty chemicals appear to be an attractive category for agricultural commodity transformation. ARS has chosen such products as a focus for research work.

The commodity conversion research thrust includes both biological and chemical technology. Using these various tools, a resource base of technical know-how is being created. The projects which have been undertaken could open up large new multi-billion pound markets for cereal starch, soybean oil, and dairy materials (such as lactose and milk protein).

The ARS Northern Regional Research Center, Peoria, has developed technology for incorporating starch from corn or wheat into plastic films. This provides an agricultural mulch film that biodegrades. Other market possibilities include biodegradable trash can liners, grocery bags, and food packaging. Injection-molded articles such as beverage bottles are targets too. Substitutes for imported gums are being sought by altering starch structure biochemically to imitate gum-like characteristics.

Groundwater quality has become a nationwide concern. Starch can be mixed with pesticides to make granules which release the pesticide gradually. Pesticide losses

through leaching and evaporation are diminished. The result is lower application rates for pesticides and reduced groundwater pollution.

There is increasing concern that chemical pesticides could pose health risks. Possible substitutes are biopesticides, such as fungal spores, that destroy noxious weeds. ARS research has been directed toward developing bioprocess systems for manufacturing natural pesticides from starch and other commodities. These biopesticides are expected to be future substitutes for a considerable portion of the \$15 billion pesticide market worldwide.

Vegetable oils and dairy materials also offer opportunities for novel applications.

Useful soybean oil products are now being made: for example, printer's ink at present requires 300 million pounds per annum of petroleum-based oil; a soybean oil substitute would use about 25 million bushels/year of U.S. soybeans. Biochemical research is being applied to provide hydroxy acids from soybean oil and replace imports of castor oil (100 million pounds/yr.). Novel catalysts are being investigated for preparing lauric acid (for the detergents and lubricants industry) with the view of replacing coconut and palm kernel oil imports. Soybean oil is being developed as a fuel for farm tractors; also to make cosmetics, specialty lubricants, and other higher value products.

Lactose from the dairy industry is being upgraded, through fermentation systems, to health-care products. Experiments in which milk proteins are cross-linked have led to manufacture of thin, durable, and biodegradable films for packaging.

The United States annually imports natural rubber worth more than a half a billion dollars from tropical countries. To develop a U.S.-based source of natural rubber, the ARS has a collaborative research program with industry. The research thrust involves development of an industrial process in which rubber would be synthesized in a fermentation/bioreactor system based on genetically engineered microorganisms. This approach differs from that of the guayule program (see under "New Crops") in which an arid-zone crop is being developed agronomically to enhance its production of rubber latex.

There are projects for improving cotton products. Modifying the internal crystalline structure of cotton fibers has resulted in better processing and utilization characteristics. Wrinkle resistant fabrics amenable to dyeing have been made. Distinctive thermal storage properties have been built into cotton fibers using special polymers.

The conversion of hides to leather is being optimized, for example, by finding out how salts interact in the tanning process in leather manufacture. By removing grease, vegetable matter, stains, and dark fibers the quality of U.S. wool is being improved.

NEW CROPS

The United States needs less dependence on foreign sources for certain strategic and essential industrial materials. This has been a motivating force for developing new agronomic crops. USDA has screened thousands of wild plant species to find candidates for industrial materials production. The Office of Critical Agricultural Materials of the Cooperative State Research Service (CSRS) coordinates research and development of materials for industrial use. This initiative arose from the Critical Agricultural Materials Act of 1984 (PL 98-284).

Several crop species have been chosen by CSRS as candidates for commercial development: kenaf, guayule, winter rapeseed, and crambe.

Encouraged by the American Newspaper Publishers Association, a cooperative agreement has been set up between USDA and industry to promote kenaf as a fiber source for newsprint manufacture. Other uses for kenaf are being explored and appear to have potential.

The DOD and USDA have an agreement for a joint Guayule Domestic Rubber Project. This could provide a domestic source of natural rubber to satisfy 20% of DOD end-product needs. Research efforts are supplied by the ARS and State universities.

Erucic acid is needed for specialty lubricants. The practicality of developing an industrial supply of erucic acid using domestically grown winter rapeseed and crambe has been examined by the USDA and various State colleges. Under the Critical Agricultural Materials Act a market development program for lubricants, plastics, and other products has been set up by the CSRS with seven states involved.

The ARS has research efforts on other new crops as well. Meadowfoam produces long-chain fatty acids suitable for cosmetics and lubricants; the Oregon Meadowfoam Growers' Association has promoted extensive plantings and already a small amount of oil is being marketed to a cosmetics manufacturer.

The primary source at present of lauric acid for manufacturing soaps, detergents, lubricants, and related products is imported coconut and palm kernel oils. Moreover, the U.S. depends on imported castor oil for its total supply of hydroxy fatty acids: this strategic material is used in the production of plasticizers, coatings, lubricants, surfactants, and pharmaceuticals. Seed oils from species of *Cuphea* and *Lesquerella* are good candidates for a domestic production of lauric acid, and for hydroxy fatty acids respectively. Research toward agronomic development is in progress.

A species with promise is guar. The gum product is used in a variety of industries. Most of the guar is imported. There are, however, increasing plantings in Texas, Oklahoma, and Arizona. There is potential for agronomic improvement of this hardy crop.

TECHNOLOGY TRANSFER

The Federal Technology Transfer Act (Public Law 99-502) signed by President Reagan in October 1986, has provided a new avenue for the commercialization of ARS research results. The new Cooperative Research and Development Agreements differ from previous ARS research contracts and agreements by providing the cooperating industrial/entrepreneur with a first right to exclusive licenses on patented inventions made under the agreement. ARS scientists work closely with companies to commercialize the technology arising from their research results.

The company either provides funds for specified ARS research expenses or enters into a Memorandum of Understanding which does not involve transfer of funds. ARS scientists seek opportunities for cooperative industry/ARS research and development agreements while ensuring that several conditions are met: i) consistency with the ARS research mission; ii) no conflicts of interest; iii) a fair chance has been provided to all potential cooperators interested in participating.

The ARS Office of Cooperative Interactions provides guidance and assistance. Members of the ARS National Program Staff are consulted to ensure that the collaborative project is in harmony with national program goals. The scientist/inventor, however, is essentially responsible for transferring the research work to the commercial sector.

Apart from one-to-one agreements, the ARS is permitted by P.L. 99-502 to establish consortia to enable industry to capitalize on scientific discoveries made by ARS and universities. Such a consortium has been formed in Illinois recently. Known as the Biotechnology Research and Development Corporation (BRDC) the major partners comprise six industrial companies, the State of Illinois, and ARS. Since the market interests of the shareholder companies are diverse, the research program has a broad-based charter. For example, core technologies are being developed through research on novel bioprocessing techniques, more efficient genetic engineering methods, process control sensors, and new separation systems for product recovery. These areas of work are consistent with ARS national program goals.

SUMMARY

There is need to recapture and expand the U.S. share of international commerce. A solid base in agricultural research and technology transfer is imperative to achieving this goal. ARS research is focused toward transforming conventional agricultural commodities to value-added materials using new biotechnological methods, exploiting new crops which synthesize compounds of strategic or commercial interest, and by developing new or modified food and nonfood products. Innovative research must be coupled with a system for facilitating technology transfer.

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE, ARS RESEARCH ON UTILIZATION OF AGRICULTURAL COMMODITIES, SUMMARY TABLE

(In thousands of dollars)

Description	Fiscal year—		
	1988 estimated	1989 estimated	1990 budget
New products/process:			
Nonfood	\$13,060	\$12,879	\$12,879
Food	10,296	9,822	9,822
Total, new products/process	23,356	22,701	22,701
Enzyme/microbial conversion:			
Nonfood	3,449	3,493	3,493
Food	1,422	1,683	1,683
Total, enzyme/microbial	4,891	5,176	5,176
Biotechnological manipulation to increase end use value:			
Nonfood	2,555	2,476	2,476
Food	7,069	7,665	7,665
Total, biotechnological manipulation	9,624	10,141	10,141
Processing/handling to increase end use value:			
Nonfood	2,671	2,770	2,770
Food	7,756	7,833	7,833
Total, process/handling	10,427	10,603	10,603
New crops	3,411	3,661	3,661
Total	51,709	52,282	52,282
Summary:			
Nonfood	25,146	25,279	25,279
Food	26,563	27,003	27,003
Total	51,709	52,282	52,282

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL RESEARCH SERVICE, ARS RESEARCH ON UTILIZATION OF AGRICULTURAL COMMODITIES, SUMMARY TABLE—Continued

(In thousands of dollars)

Description	Fiscal year—		
	1988 estimated	1989 estimated	1990 budget
New products/process—Nonfood	13,060	12,879	12,879
New products/process—Food	10,296	9,822	9,822
Enzyme/microbial conversion:			
Nonfood	3,449	3,493	3,493
Food	1,422	1,683	1,683
Subtotal, enzyme/microbial	4,891	5,176	5,187
Biotechnological manipulation to increase end use value:			
Processing/handling to increase end use value	9,624	10,141	10,141
New crops	3,411	3,661	3,661
Total	51,709	52,282	52,282

New Products/Process Nonfood

Engineering studies of triglyceride hydrolysis and restructuring in an immobilized enzyme reactor	407,436
Elimination of contaminants from greasy and scoured wool	389,945
Effect of structure of connective tissue on properties of products	514,817
Production of polyunsaturated fatty acid enriched lipids from carbohydrates by fermentation	177,911
Influence of noncollagenous component on cattlehide processing characteristics	510,433
Regulation of lipid behavior in mixtures and at phase interfaces	50,791
Property enhancement of cereal starch for expanded agricultural uses	615,591
Modifications of cereal starches, dextrans, and cycloamyloses and their derivatives for new uses	309,082
Vegetable oil as diesel fuel: fundamental properties and physical/chemical modifications	349,965
Chemical systems for soybean oil conversion to industrial products	464,864
Chemical and physical modification of starch in extruders for nonfood industrial application	448,015
Noncellulosic constituents and the fiber and processing quality of cotton	190,814
Pilot spinning laboratory evaluation of the fiber quality and processing performance of cotton	451,160
High volume instrument systems and techniques for cotton market quality measurement	333,545
Cotton fiber surface properties as related to quality	721,458
Cotton fiber quality as related to maturity and the tendency to form neps	824,149
High cotton-content core yarn fabrics with improved performance characteristics	425,045
Technique to produce quality all-cotton and cotton-rich core/wrap yarns of fine counts	598,736

New Products/Process Nonfood—Continued

Quality improvement by identification/control of fiber damage during mechanical processing...	599,900
Better cotton products through improved opening/cleaning/carding technology.....	527,367
Structural features that maximize strength in chemically modified cotton.....	488,960
Dyeable durable-press resin-finished cotton fabric.....	339,074
Optimizing thermal properties of textiles for agricultural and consumer uses.....	470,001
Reactions of cotton applicable to low- or no-formaldehyde textile finishing.....	608,669
Improved permanent press cotton-containing fabrics.....	494,645
Use of cotton in nonwoven products.....	420,655
Processing cottonseed using aqueous ethanol to extract oil and remove gossypol and aflatoxins.....	763,874
Utilization of biotechnology to enhance value of agricultural commodities.....	333,552
Development of guayule super propagules.....	48,136

Total..... 12,878,589

Biotechnological Manipulation To Increase End Use Value Nonfood

Biotechnological systems for soybean oil conversion to industrial products.....	585,839
Application of recombinant DNA technology to enhance agricultural oleochemical utilization...	572,663
Biochemical control of protein and starch synthesis during seed development and plant senescence.....	292,402
Biochemical control of oligosaccharide synthesis during soybean seed development.....	250,433
Plant cell transformation for consumer/processor quality improvement of vegetable crops.....	22,679
Physical behavior and deterioration of seed membranes.....	251,336
Utilization of biotechnology to enhance value of agricultural commodities.....	500,327

Total..... 2,475,679

Enzyme/Microbial Conversion Nonfood

Enzymatic and Microbial modifications of polymeric starch.....	398,899
Regulation and expression of fungal genes for utilization of agricultural commodities.....	576,876
Bioreactor systems for efficient production of biocontrol agents.....	565,983
Utilization of plant polysaccharides by microorganisms.....	636,292
Cornstarch-based biodegradable molded plastics.....	408,790
Application of enzyme technology to enhance agricultural oleochemical utilization.....	281,360
Use of endogenous enzymes to obtain sugar from corn starch granules.....	49,623
Production of microbial polymers from sucrose-based substrates.....	133,540
Studies on mixed microbial cultures.....	441,845

Total..... 3,493,208

Processing/Handling To Increase End Use Value Nonfood

New technologies for cotton ginning research.....	392,699
Ginning and production methods to enhance fiber quality and producer income.....	583,296
Cotton gin system design and evaluation to maximize product quality and minimize processing costs.....	327,028
Cotton quality measurement and gin plant control and automation.....	228,233
Prevent quality losses during export of soybeans.....	294,535
Export quality evaluation, maintenance and improvement.....	169,252
Development of improved seed conditioning.....	226,937
Determining grading methods and end-use properties of grain for marketing.....	202,364
Computer-aided design and operation of grain handling and processing systems.....	57,782
Develop models to simulate the environment-cotton-plant-harvesting-processing interactions.....	138,465
Reduction of storage losses in oilseeds.....	149,317

Total..... 2,769,898

New Crops

New or alternative crops for production of critical materials and chemicals.....	570,702
Infrastructural evaluation of guayule as a source of natural rubber.....	137,490
Meadowfoam production and use for critical materials and chemicals.....	247,544
Germplasm maintenance, evaluation and enhancement of cuphea and other new crop species.....	263,663
Introduction, inventory, preservation, maintenance, evaluation and distribution of crop germplasm.....	119,635
Mechanism of bioregulation of synthesis of cos-polyisoprene rubber in plants.....	160,284
Germplasm and cultural management improvement of guayule and other new crops.....	445,215
Germplasm development and domestication of cuphea and other new crop species.....	180,685
Guayule production potential and technology for south Texas.....	169,057
Development of equipment and techniques for producing, harvesting and transporting kenaf.....	148,526
Germplasm development, environmental stresses and cultural practices for cuphea.....	107,550
Potential of rapeseed oil as a source of fuel for agriculture....	95,257
Production practices and managing nematodes and root diseases on kenaf.....	148,526
Introduce, increase, evaluate, document, maintain and distribute plant germplasm.....	90,470
Conservation tillage practices for the great plains.....	55,615

New Crops—Continued

Weed management systems to improve conservation practices in crop production and range land.....	13,656
Development of guayule super propagules.....	48,136
Bioreactor production of natural rubber.....	214,896
Understanding water and thermal tolerance in species adapted to dryland agriculture.....	69,300
Kenaf.....	300,000
Kenaf 89 increase.....	75,000

Total..... 3,661,207

Processing/Handling To Increase End-Use Value Food

Reduction of storage losses in oilseeds.....	149,317
Basic rheological aspects of quality and processing.....	431,688
Improved tenderness and juiciness of meat.....	567,884
Effect of metabolic regulation of safety aspects and nutrient/antitumor composition of meat.....	48,702
Physical-chemical changes in frozen CCC-owned cheddar cheese.....	245,503
Role in pectin structure as a determinant in fruit softening.....	240,543
Concentrating model liquid foods and effluents by freeze concentration; physical-chemical and eng. studies.....	526,542
Improve oxidative stability and flavor quality of vegetable oils..	91,614
Prevent quality losses during export of soybeans.....	294,525
Predicting the effects of stress of handling and extended storage on potato quality.....	44,286
Export quality, evaluation, maintenance and improvement.....	169,252
Chemical, physical and microbial control monilinia and botrytis in stone fruits, grapes in marketing.....	47,937
Reduce phytotoxicity and physiological deterioration to nectarines, melon, citrus, grapes and sweetcorn.....	241,482
Reduction of senescence of whole and cut fruits, vegetables using environmental modification.....	77,213
Ripening and thermal sensitivity in tropical and subtropical fruits.....	154,671
Characterization of fresh tomato flavor.....	347,614
Bioreactor production of natural rubber.....	214,896
Determining grading methods and end-use properties of grain for marketing.....	101,182
Computer-aided design and operation of grain handling and processing systems.....	57,782
Flavor, quality and processing in catfish.....	60,011
Develop new or improved post-harvest practices for quality and shelf life extension.....	154,279
Muscadine grape processing research.....	40,995
Origin of off-flavors in peanuts... Etiology and control of undesirable flavors of meat, poultry and fish.....	696,138
Ecosystem related off-flavors in farm-raised catfish.....	664,523

<i>Processing/Handling To Increase End-Use Value Food—Continued</i>		<i>Biotechnological Manipulation To Increase End-Use Value Food—Continued</i>		<i>New Products/Process Food—Continued</i>	
Automated objective system for grading farmers stock and shelled peanuts.....	311,219	Biochemical and physiological processes and phytohormal control and citrus fruit and juice quality.....	647,294	Enhanced textural properties of casein components.....	439,680
Improve flavor, texture and juiciness of processed poultry meat.....	246,607	Wheat storage protein gene control systems.....	481,951	Coagulation/gelation phenomena of casein and other food proteins.....	422,268
Extending shelf life and reducing postharvest losses in stone fruits during maturation and senescence.....	249,596	Lipid biosynthesis and metabolism in plants.....	360,556	New strategies to improve protein functionality of nonfat dry milk as a food ingredient.....	710,792
Reduce losses and develop quarantine treatments for horticultural crops in domestic/export systems.....	378,559	Regulation of ripening and senescence in plants.....	466,248	Mechanisms for the retention of quality of lightly processed fruits and vegetables.....	631,101
Red. in losses caused by decay and external stress of sub fruits and vegs related to quarantine treatments.....	159,189	Plant cell transformation for consumer/processor quality improvement of vegetable crops.....	128,512	Optimum potato processing system—role of salient production parameters.....	577,917
Critical control factors for the preservation of vegetables by fermentation or direct acidification.....	185,094	Increasing U.S. winter wheat quality to allow it to be more competitive in export markets..	474,198	Supercritical fluid systems for extraction and processing of agricultural products.....	486,707
Biochem. basis of storage stability and text. prop. of processed prod. made from stored hort. crops.....	75,659	Biotechnological approach to prevent expression of senescence pectinase/polyphenoloxidase activities.....	264,069	Relationship of structure to thermal denaturation of soybean proteins.....	324,511
Quality changes in freeze-damaged peanuts.....	34,027	Retardation of biochemical processes of post-harvest senescence in fruits and vegetables...	205,805	Stabilization and formulation of foods for expanded utilization of commodities in export programs.....	233,762
Total.....	7,833,136	Molecular and biochemical regulation of wheat grain dormancy and pre-harvest sprouting.....	182,093	Improved oxidative stability and flavor quality of vegetable oils..	366,455
<i>Biotechnological Manipulation To Increase End-Use Value Food</i>		Biochemical mechanisms affecting quality and degeneration of fruit delivery storage and marketing.....	450,026	Regulation of lipid behavior in mixtures and at phase interfaces.....	118,512
Environmental control of lipid metabolism in soybeans.....	253,533	Biochemical and physical mechanisms regulating postharvest quality of horticultural crops....	363,109	Predicting the effects of stress of handling and extended storage on potato quality.....	146,143
Effect of metabolic regulation of safety aspects and nutrient/antioxidant composition of meat..	97,403	Growth physiology and quality/flavor development in peanuts..	77,029	Improve flavor, texture and juiciness of processed poultry meat..	123,304
Regulation of metabolism to maintain quality and limit water loss of lightly processed vegetables.....	379,309	Regulatory role of lipids in developmental regulation of vegetables and fruits.....	145,528	Reduction of senescence of whole and gut fruits, vegetables using environmental modification.....	98,833
Reduce quality loss caused by effects of chilling on membranes and physiology of tomato and apples.....	189,432	Total.....	7,664,682	Develop new or improved post-harvest practices for quality and shelflife extension.....	30,856
Increasing shelf life and controlling senescence through an analysis of fruit cell wall metabolism.....	211,464	<i>Enzyme/Microbial Conversion Food</i>		Engineered foods from nonfat dry milk, vegetable proteins and other agricultural commodities.....	661,315
Induction and control of ACC synthase during tomato fruit ripening.....	419,636	Microbial and biochemical technology of cholesterol removal from dairy foods.....	569,009	Soy protein conformation and its relationship to the physical properties of foods.....	369,237
Protein synthesis as related to tonoplast membrane-function and init. Steps of ripening in tomato fruit.....	140,248	Enzymatic removal of cholesterol from milk.....	204,233	Modification of soy proteins for improved functionality in foods	454,301
Soybean oil body membrane proteins; regulation, expression, and transfer to tobacco plants....	223,325	Value added fruit and vegetable products made by enzyme processing.....	220,039	Improve stability of quality in aseptically packed orange and grapefruit juice products.....	532,383
Cellular regulation of the expression of dormant genes in cereal grains.....	175,075	Production of microbial polymers from sucrose-based substrates.....	133,540	Vacuum infusion process to preserve fresh quality in fruit and vegetable products.....	277,898
Regulation of gene expression by ethylene.....	161,929	Vacuum infusion process to preserve fresh quality in fruit and vegetable products.....	136,875	Edible films and coatings to sustain product freshness during storage.....	409,954
Role of pectin structure as a determinant in fruit softening.....	60,136	Application of enzyme technology to enhance agricultural oleochemical utilization.....	281,360	Quality changes in freeze-damaged peanuts.....	34,027
Physical behavior and deterioration of seed membranes.....	251,336	Processing cottonseed using aqueous ethanol to extract oil and remove gossypol and aflatoxins.....	137,497	Critical control factors for the preservation of vegetables by fermentation or direct acidification.....	185,094
Biochemical control of protein and starch synthesis during seed development and plant senescence.....	292,402	Total.....	1,682,553	Characterization and prevention of gelation in milk concentrate.	300,000
Biochemical processes that control or influence market quality and losses from potatoes in storage.....	321,554	<i>New Products/Process Food</i>		Total.....	9,821,903
Reduce phytotoxicity and physiological deterioration to nectarines, melon, citrus, grapes and sweetcorn.....	241,482	New improvements in slicing technology to maintain plant cell integrity.....	363,802	Mr. GLENN. Mr. President, the report states:	
		Prevention by microbial growth in lightly processed fruits and vegetables.....	406,964	ARS is committed to provide increased emphasis and to refocus additional resources to product development research.	
		Edible films for encasing cut fruit and vegetable surfaces.....	465,076	The ARS strategy for achieving this objective will be to carefully combine a reallocation of existing base resources with targeted budget increases over a period of several budget cycles. Caution will be taken to minimize disruption to ongoing programs before reallocation of resources occurs. This will permit ARS to achieve the objective	
		New processing concepts to improve marketing efficiency of fruits and vegetables.....	405,508		
		Physical-chemical changes in frozen CCC-owned cheddar cheese.....	245,503		

through a cumulative series of incremental increase during the early 1990's. The specific ARS target for the fiscal years 1990 and 1991 will be to reallocate up to \$10 million into value-added and production development research. * * *

In fact, we enhance the likelihood that the family farms will still be there decades to come as the family farm.

I believe it is time to give the ARS some direction in shaping its budget. Production research has made us the envy of the world.

There is not a nation around this world that does not envy the United States of America and what we have done with regard to agriculture.

We can outinvent, outproduce, and outresearch anyone in the world. It is time that we put this same energy into finding new uses for the abundant agricultural resources we have in this country. I urge my colleagues to join Senator DASCHLE and me in supporting a directive to the ARS to use this increased percentage of its research budget, 20 percent for utilization research.

I am particularly gratified that the floor managers of the bill have agreed that they will accept this legislation. Mr. President, I add I hope this is the minimum. I hope the Department of Agriculture takes this as the bare minimum that is to be put into these non-food uses research programs.

I would personally like to see us go with a much higher percentage than 20 percent and then maybe increase at a certain percent per year. I would hope that the Agriculture Department, once they look into this and set their teeth into this, are going along with it so that we really can see them deciding on their own that a higher percentage of their research budget can very well be beneficially spent researching nonfood uses of our traditional agricultural commodities.

Mr. President, if there are other people to speak, I will move in that direction. If not, I will be prepared to go to a vote, depending on the wishes of Senator DASCHLE.

Mr. DASCHLE. I yield such time as he may consume to the distinguished Senator from Oklahoma.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN] is recognized.

Mr. BOREN. Mr. President, I thank my colleague from South Dakota and my colleague from Ohio for the outstanding remarks they have just made in explaining this amendment.

I am certainly in full sympathy with the aims of this amendment. I think it is an amendment that is needed. We do need to emphasize in our agricultural research programs the creation of new markets and new uses for agricultural products, as well as simply emphasizing production as we have done so often in the past.

This is a period of time of global change. There is a change in markets for our agricultural production. There is a change in terms of the economic mix of the agricultural sector. I think that it is wise that we move in this direction in terms of research. In the long run, it will be very, very beneficial to the farmers of this country that we explore additional uses for agricultural products, including nonfood uses for those products.

I want to commend the Senator from South Dakota, who does chair the research subcommittee so ably and is a very effective member of the Agriculture Committee, a very far-sighted member of the Agriculture Committee. I also want to commend my colleague from Ohio, Senator GLENN, who has long had an interest in this subject, as he has had an interest in many areas of research policy for this country. We would be in a much more competitive situation internationally, we would have a much stronger economy in this country if the ideas and the suggestions offered by the distinguished Senator from Ohio had been heeded by those making policy in this country over the last several years. So I commend both my colleagues for joining together and offering this amendment.

I have discussed this amendment with the chairman, the distinguished Senator from Vermont, Senator LEAHY, and it is fully acceptable to him. I believe that it is enthusiastically supported by a vast majority of the members of the Agriculture Committee.

Mr. President, I am pleased to join with my two colleagues in urging the adoption of this particular amendment and indicate that it has been cleared on this side of the aisle.

The PRESIDENT pro tempore. The Senator from South Dakota [Mr. DASCHLE].

Mr. DASCHLE. Mr. President, let me just thank the distinguished Senator from Oklahoma for his kind remarks, as well as his support. I am very grateful. He has been a tremendous partner in the effort to put together a comprehensive and a worthwhile piece of legislation. Obviously, his support in this amendment in particular is a very productive and helpful indication of the kind of support that we think exists in the Senate.

Let me also thank the Senator from Ohio for his comments. I do not know anyone who has fought this fight harder and longer than the distinguished Senator from Ohio. He has taken this issue up on many occasions and has made the case that he made so eloquently this afternoon on a number of occasions and I think has continually impressed the Senate as to the need in moving in this direction. Certainly given the case he made and given the fact that we must make

some major changes in the way we look at research as we look to the next 5 years, this amendment deserves the support that he has indicated and he has shown.

At this time, I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Indiana.

Mr. LUGAR. I yield myself as much time as I may require.

The PRESIDENT pro tempore. The Senator is recognized for such time as he may require.

Mr. LUGAR. Mr. President, I commend the distinguished Senator from South Dakota who has offered excellent leadership in the Subcommittee on Research of the Agriculture Committee, and has produced another amendment which we believe is worthy of the Senate's attention and should be adopted this afternoon. I appreciate the explanation the Senator has given of his amendment and likewise the strong support given by the distinguished Senator from Ohio [Mr. GLENN].

I appreciate Senator GLENN's mention of collaboration with the two of us in the Glenn-Lugar effort of the 1985 farm bill, in which the amounts were sizably less than the amounts the Senator from South Dakota mentions today, but the thrust was very similar then. The distinguished Senator from Ohio, as has been pointed out by other colleagues, has offered leadership since that time and almost each year. I can recall his testimony before the Senate Committee on Agriculture on behalf of research on other uses of food products.

So it is with real pleasure on this side of the aisle that we commend the amendment and indicate our support. We look forward to watching the impact of this amendment come through the research laboratories, land grant universities and others that are working on these products in our Nation for the benefit of American citizens.

Mr. President, I know of no one else on our side of the aisle who wishes to speak on the amendment. Therefore, I yield back all time on our side.

Mr. DASCHLE. Mr. President, I see no request for time on this side. I yield back the remainder of my time, again reiterating my sincere thanks to the managers for their cooperation and support of the legislation.

The PRESIDENT pro tempore. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment (No. 2325) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I ask unanimous consent that I might proceed as if in morning business for 3 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

The Senator from Oklahoma will be recognized for 3 minutes as in morning business.

EXPORT ENHANCEMENT PROGRAM

Mr. BOREN. Mr. President, I rise this afternoon to bring to the attention of my colleagues a very serious matter. In the last few weeks, we have had a very steep decline in the price of wheat in this country, and I am convinced that part of the reason why we have had such a decline is that we have not been using the Export Enhancement Program as aggressively as we should have been using it.

Wheat prices in my home State of Oklahoma are \$1 per bushel less than they were 1 year ago. More recently, Kansas City futures have declined 17 percent just since the first week in May. The reason for much of the current price erosion is the lack of export sales. The sales under the Export Enhancement Program have fallen dramatically since the first of the year.

During the first quarter of this year, the United States sold nearly 5 million metric tons of wheat under the Export Enhancement Program. But second quarter sales had fallen to just about half the level of the first quarter, to less than 2.7 million metric tons. So we have had very much of a curtailment in the use of the Export Enhancement Program, and that curtailment has been going on at the very same time that we have had a very severe erosion of per bushel prices for wheat.

Even more disturbing is the fact that our competitors have made very large export sales during just the last few weeks. Trade sources indicate that 70 to 80 percent of the Soviet and Chinese purchases through mid-October have already been booked primarily by the European Community and the Canadians.

I think immediate steps must be taken to capture exports for shipment through the last half of 1990. The low price of U.S. wheat will not only cause farm income to decline, it will dramatically increase program costs as well if we do not do something about it. During this age of budgetary constraints and budgetary difficulties, the U.S. Department of Agriculture can ill-afford to cause income support costs to increase without failing to aggressively utilize the Export Enhancement Program to expand exports and support prices.

This is a very critical period of time. This is a time of the year in which major sales are made. Our competitors are out there, obviously, as we look at what has happened with Soviet sales and with Chinese sales. We need to be out there in the market.

We have at least \$300 million still available to us in terms of the Export Enhancement Program for this year. That is money that can be used. That is money that will help get farm incomes up. That is money that will help save the taxpayers' money in terms of keeping the cost of the farm program down because as market prices go down, the cost of the support program is going up. These are markets that we should not lose. These are sales that we should not be losing.

As many of my colleagues on my committee know and other colleagues in the Senate understand, the European Community, in particular, has a program which has been outspending our Export Enhancement Program sometimes as much as 10 to 1. They have been known to subsidize wheat sales in the neighborhood of \$6 to \$9 a bushel in order to steal sales away from the United States.

The GATT negotiations are going on right now. It is one of the reasons why I think it is very important that we work in a bipartisan fashion to enable ourselves to get a farm bill passed as soon as possible to strengthen the hand of those now negotiating in Geneva. But in the meantime, let us not allow wheat prices to erode further. Let us use the tools at hand.

I urge the Secretary of Agriculture and the Department to act right away to make full use of the Export Enhancement Program that is in effect available to them at this moment in order to regain our market share. Let us not have another quarter of declining use of the Export Enhancement Program while our market prices for wheat continue to fall.

I thank the Chair.

I suggest the absence of a quorum.

Mr. METZENBAUM addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oklahoma withhold his suggestion?

Mr. BOREN. Mr. President, I withhold my suggestion.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I ask unanimous consent to proceed at this time as if in morning business for a period not to exceed 15 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Ohio [Mr. METZENBAUM] is recognized for not exceeding 15 minutes.

CIVIL RIGHTS ACT FOLLOWUP

Mr. METZENBAUM. Mr. President, I rise to call attention of my colleagues to an article that appeared on the front page of last Friday's New York Times regarding the Civil Rights Act of 1990. The article presents a clear, accurate summary of the issues surrounding the definition of "business necessity" that were the subject of intensive negotiations between the sponsors of the bill and the administration.

I ask unanimous consent that a copy of the article be printed in the RECORD at the conclusion of my statement.

The PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. METZENBAUM. I thank the Chair.

During the debate last week on the Civil Rights Act, there was a great deal of discussion about the possibility of reaching an accord with the White House. A number of Senators on the other side of the aisle claimed that a deal in fact had been agreed to but that Senator KENNEDY, the bill's chief sponsor, had reneged on the deal. I believe the New York Times article sets the record straight.

The article points out that it was the business community that prevented the White House from reaching agreement on the bill.

The article cites a memorandum from the executive director of the Labor Policy Association, a business lobbying group that took credit for scuttling an agreement in principle between Senator KENNEDY and the White House. The article states that a coordinated effort by the Labor Policy Association, the U.S. Chamber of Commerce, and the National Association of Manufacturers prevented a final agreement by the administration.

There you have it, Mr. President. The White House, not Senator KENNEDY, reneged on the deal. The Bush administration, regrettably, bowed to the political pressure of the business lobbyists and then sought to blame Senator KENNEDY.

Part of this coordinated business effort was to scare people into thinking that this bill would somehow mandate hiring and promotion quotas. All this talk about quotas has become a political game. But the red herring of the quotas should not divert attention from the fact that the White House gave in to the business lobbyists, who have made an all-out effort to kill the civil rights bill.

The Civil Rights Act of 1990 does not require quotas. The bill's language is absolutely clear on this point. The bill expressly restores the Griggs decision, which had been the law of the land from 1971 to 1989. No employer was required to adopt quotas because of the Griggs decision and no employ-

er will be required to do so by restoring Griggs and overturning the Wards Cove decision.

The act expressly provides that nothing in the act "shall be construed to require an employer to adopt a hiring or promotion quota."

Throughout the debate, we made a good-faith effort to address the legitimate concerns of Senators. Regarding the critical definition of "business necessity," we made a series of changes to alleviate concerns that we were placing too onerous a burden on employers.

We started out requiring that an otherwise discriminatory practice must be justified as "essential to effective job performance."

In response to Senator DANFORTH's concerns, we reduced the burden to "bears a substantial and demonstrable relationship to effective job performance." Finally, we accepted the suggestion that there should be one standard for selection practices, such as hiring and promotion and another standard for practices unrelated to selection, such as layoffs resulting from a plant closing or a bankruptcy.

As enacted by the Senate, the bill allows employers to justify otherwise discriminatory practices by showing that those practices bear a significant relationship to successful job performance or to a significant business objective. That is a tough, but reasonable standard. In particular, the bill provides that for selection practices, the employer must show a significant relationship to successful job performance. For nonselection practices, the employer must show a significant relationship to a significant business objective.

This of course is not what the business community wants. They want a standard so weak that it amounts to the continuation of Wards Cove. But this bill is about overturning Wards Cove. If President Bush is serious about favoring civil rights, he should be ready to sign a bill that overturns Wards Cove. That is the bill Congress will give him.

We also made other changes. We added language to ensure protection of due process rights under the Wilks decision. We gave assurances to our colleagues that a cap on punitive damages—not to exceed the greater of \$150,000 or the amount of compensatory damages including back pay—would be included in the bill. We also guaranteed that Senator PRYOR's amendment would be included in the final bill to clarify that a mere statistical imbalance in the work force is not sufficient to create a *prima facie* case of disparate impact discrimination.

Mr. President, these changes are significant and they all favor employers. Yet the Republicans objected when we tried to add some of these provisions to the bill. I am confident that most

Members of the Senate supported these changes.

As a matter of fact, I heard the distinguished Senator from Oklahoma [Mr. BOREN] trying to explain how the cap with respect to damages was reasonable, was the right approach, and how he and others on this side of the aisle, some on that side of the aisle as well, wanted to put these limiting provisions into the bill that Senator KENNEDY and I and others who were supporting the civil rights bill were prepared to accept but the Republicans would not permit us to do so.

What happened was that the Republicans used procedural tactics to block our ability to improve the bill, and to make improvements that were more important to the employer community than to the worker community.

Frankly, using procedural tactics to keep the sponsors from improving the bill in the direction of the opponents of the language is not the way to legislate if you are truly interested in having a civil rights bill.

Because of those tactics, there is a legitimate question whether the Republicans want a civil rights bill. President Bush still threatens to veto the legislation. Unfortunately he is receiving bad advice. Regrettably he is listening to the business lobbyists who want to kill this bill.

I urge him, instead, to listen to the women and minority workers in this country. Listen to the vast majority of Americans in this country. They need the Civil Rights Act of 1990 to restore fair treatment and equal opportunity in the workplace.

In the next few weeks, President Bush will face a moment of truth. He will have to choose between the nay-saying corporate lobbyists, and millions of women and minority workers who are looking to him for support. He will have to decide if there will be a civil rights bill in 1990 protecting the minorities and women in this country. He will have to determine whether he wants to follow in the footsteps of Ronald Reagan, who was the first President in my memory to veto a civil rights bill. I am hopeful that President Bush will do the right thing, by signing the Civil Rights Act of 1990 into law.

Finally, Mr. President, I call your attention to this morning's New York Times, which contains an editorial that completely supports the position that the Civil Rights Act of 1990 has nothing to do with quotas. I ask unanimous consent that a copy of that editorial, entitled "A Red Herring in Black and White," be printed in the RECORD.

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

[From the New York Times, July 23, 1990]

A RED HERRING IN BLACK AND WHITE

Calling the proposed Civil Rights Act of 1990 a "quota bill," as President Bush does, doesn't make it so. It may confuse some citizens and allow the Bush Administration to fool itself.

Scare words about quotas didn't fool the Senate, which passed the bill last week by a vote of nearly two-thirds. They won't fool the House as it takes up this needed legislation. Nor will they fool minorities that have a chance to regain rights in Congress that they have lost in the courts.

The provisions the President professes to be horrified by would only restore the nation's job discrimination law as it was applied from 1971 to 1989. That's hard to do precisely, but the bill comes close.

In the 1971 Griggs case a unanimous Supreme Court held that if a plaintiff could show that an employer disproportionately screened out blacks, the employer must show that its job policy was "significantly related to successful job performance." That was a fair, legally familiar assignment of burden to the party best equipped to provide the crucial evidence. But last year in the Wards Cove case, a 5-to-4 majority overruled Griggs and placed new, heavy burdens on civil rights plaintiffs.

The new bill would make clear that Congress thinks the Court, interpreting the 1964 Civil Rights Act in both cases, got it right the first time. It would require companies to show "a significant relationship to successful performance on the job."

The quota charge is a red herring, part speculation and part fabrication. The Administration speculates that companies will be driven to adopt reverse-discriminatory quotas to avoid the law's intolerable burden of proof.

The best evidence of that danger would be that from 1971 to 1989, many employers in fact adopted quotas. But the Administration cites no such evidence. It only complains that the Senate rejected Administration language—language the bill's supporters said resembled the Wards Cove decision more than the Griggs decision.

More seriously, Attorney General Dick Thornburgh claims that the bill permits lawsuits based solely on a statistical imbalance between the makeup of the employer's work force and that of the community. That's false. The bill requires a plaintiff to prove that a specific employment practice or group of practices results in a disparate impact by race, religion, sex or national origin. Only then does the burden shift to the employer to justify the challenged practice or practices.

President Bush enjoys remarkable support among black Americans compared with the chill inspired by President Reagan. But he risks that standing with his loose talk of quotas. On examination, calling this a "quota bill" does this remedial legislation a profound injustice. Mr. Bush needs to make that examination.

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

I want to publicly extend my appreciation to the managers of the bill for permitting the Senate to go into morning business for the purpose of making these remarks. I am very grateful to both of them.

EXHIBIT 1

WORK IS RENEWED FOR ACCORD ON CIVIL RIGHTS BILL—RIGHTS SUPPORTERS SEEK COMPROMISE TO AVERT A VETO

(By Steven A. Holmes)

WASHINGTON, July 19.—Supporters of a major bill to prevent job discrimination, approved by the Senate Wednesday night, said today that they would work with the White House to avert a veto.

But both sides were equally firm in suggesting that there was only limited room for compromise. At the heart of the dispute is the Bush Administration's argument that the measure in its current form would force businesses to adopt quotas to protect themselves from lawsuits that allege discrimination in the hiring and promotion of minority members, women and members of religious groups.

ALL DEMOCRATS BACKED BILL

The Senate passed the legislation by a vote of 65 to 34 in a victory that was important but far from conclusive because it left the bill's supporters two votes short of the margin needed to override a veto. All the Senate's 55 Democrats voted in favor of the bill, joined by 10 Republicans. One Senator, William L. Armstrong, a Colorado Republican, was absent and did not vote.

"We'll continue to consider any proposals from the President," said Senator Edward M. Kennedy, Democrat of Massachusetts, the chief sponsor. "But we're not going to sacrifice the essential principles of this legislation."

QUAYLE ASSAILS LEGISLATION

Vice President Dan Quayle used strong language to denounce the legislation today, saying, "The Administration is not going to have a quota bill crammed down its throat disguised as a civil rights bill." But the White House used noticeably milder language, saying President Bush still hoped to avoid a veto.

"We'll work to change it in the House," said Marlin Fitzwater, the White House spokesman, as he traveled today with Mr. Bush in Anaheim, Calif. "We still want a bill we can sign."

The bill moves to the House where approval by the House Judiciary Committee is expected, possibly next week. Speaker Thomas S. Foley said today that he doubted that the measure would be considered by the full House before the summer recess, which is scheduled to begin on Aug. 6. Passage by the House appears certain.

The White House hopes to avert a veto, in part because passage of the bill has been a top priority of civil rights groups and Mr. Bush has sought to reach out to minority voters. White House officials fear that a veto would be a severe setback to Mr. Bush's efforts to win black support, which have paid off in poll ratings that show the President with an extraordinary level of popularity among blacks, for a Republican President.

The bill, which has the backing of civil rights groups, women's organizations, unions and major Jewish organizations, seeks to reverse six decisions by the Supreme Court in recent years that advocates for civil rights and women's groups say greatly weakened Federal anti-job discrimination efforts. It would also increase the potential awards that juries could grant to plaintiffs who proved willful discrimination.

COOPERATION PROMISED

The chairman of the House Judiciary Committee, Jack Brooks, a Texas Democrat,

said today that he believed there were enough votes in the House to pass the bill without any alterations even if the Administration was "still screaming about quotas."

But other Democrats said they were willing to work to reach an accommodation with the White House.

"We're going to discuss the one or two items that might make them feel a little better," said Representative Don Edwards, a California Democrat.

Participants in the negotiations say the differences between the Administration and the bill's backers were slight. Indeed, on the critical issue of the standard of proof that businesses must meet to successfully defend themselves in certain types of large-scale discrimination lawsuits, the differences come down to a few words. However, both sides are looking ahead to how these words will be interpreted by the Federal courts.

These types of lawsuits involve allegations that a concern's policies have the effect, though unintended, of excluding individuals on the basis of their race, sex, color, religion or national origin.

Plaintiffs would have grounds for bringing these suits if they could show a gap between the number of minorities or women who are actually working for the company and the number of minority and female applicants who are qualified to perform the job. Plaintiffs would also have to identify the policies that produced the disparity. For example, a height requirement that could bar many women, or a requirement for a high school diploma that excluded black applicants.

Under Mr. Kennedy's bill, companies could defend themselves against these charges by demonstrating that the practice or policies that caused the exclusion were needed to do business.

The argument continues to be over the standard of proof companies would have to meet to show the practice was necessary to do business. The higher the standard of proof that businesses have to meet, the more advantage the plaintiffs would have. Administration officials say that high standards of proof would cause companies to adopt quotas to bring their work force in line with the demographics of the local community.

Last week, Mr. Kennedy and the White House chief of staff, John H. Sununu, agreed in principle to a two-part definition of business necessity. But, the White House wanted language saying that business necessity "in the case of employment practices primarily intended to measure job performance" must "bear a significant relationship to successful performance of the job." This, experts in the field agree, is a rather tough standard for businesses to prove.

For all other employment policies, business necessity would be defined as having "a significant relationship to a significant business objective of the employer." This is a markedly less stringent standard, experts say.

Civil rights advocates objected to the use of the words "primarily intended to," asserting that by definition these cases have nothing to do with intent. More importantly, civil rights groups wanted the bill to specifically say policies like hiring, promotion, recruitment and job assignments are included in the definition with the higher standard of proof. The White House refused.

While the differences between the two sides seem slight, the Administration was under intense pressure from conservatives and business lobbyist not to agree to the deal.

Last week, the two sides reached their agreement in principle on the two-part definition. But the Labor Policy Association Inc. a research and lobbying organization, took credit for scuttling the deal. In a memorandum to his board of directors, Jeffrey C. McGuinness, the organization's executive director, said a coordinated effort on the part of his group, the United States Chamber of Commerce, the National Association of Manufacturers and other business groups had brought pressure on the White House and prevented a final agreement.

Mr. McGuinness memo also cited business's distrust of Mr. Sununu's efforts. "For Republicans, the negotiations have become something of a death watch, wondering when and if Sununu will cave," the memo said.

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

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. 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.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. BAUCUS. Mr. President, I ask unanimous consent that I might offer an amendment at this point.

The PRESIDENT pro tempore. What is the Senator's request?

Mr. BAUCUS. I ask unanimous consent that I might be recognized for the purpose of offering an amendment to the underlying bill.

The PRESIDENT pro tempore. The Senator's name is not on the list with an amendment. Is he asking unanimous consent, notwithstanding that fact, that he be recognized to offer an amendment?

Mr. BAUCUS. The Chair is correct.

The PRESIDENT pro tempore. Is there objection to the Senator's request?

Hearing no objection, it is so ordered. The Senator may proceed to call up his amendment.

Mr. BAUCUS. Mr. President, I rise to offer an amendment to make wood products eligible for all agricultural export programs.

The forest products industry is critical to my State and it is critical to many other States. It is the largest industry in Montana and Oregon, and the second largest in Washington and Idaho.

Increasingly, the thousands of workers employed by the forest products industry depend upon exports. For example, currently, about 16 percent of U.S. wood products are exported.

Unfortunately, a disturbingly high percentage of those exports have been

raw, unprocessed logs instead of finished products. For example, until recently, about 70 percent of the United States forest product exports to Japan—the largest export market—were unprocessed. They were not linerboard, or paper, or fiberboard, but unprocessed raw logs.

This is a pattern that must change. Every time we export a shipment of raw logs, we export jobs right along with them. Instead, we must strive to keep the logs and the jobs in America.

In the last year, I have worked with other timber State Congressmen to shift U.S. forest product exports from logs to processed products, and we have had some major successes.

For example, our country recently reached a major trade agreement with Japan to remove many Japanese barriers to processed forest product exports. The industry predicts that this agreement will eventually increase American processed forest product exports by \$1 billion annually and create 10,000 to 20,000 new jobs.

The Senate has also passed legislation to ban the export of logs from public land. Assuming this measure can be successfully agreed to with the House, it will shift forest product exports from logs to finished products and increase employment in the forest products industry.

But this goal, this shift from raw logs to processed forest products, does not seem to be shared by all parts of the U.S. Government. While we have worked to increase processed forest product exports, certain executive branch agencies, such as the Treasury Department and the Office of Management and Budget, have systematically excluded forest products from agricultural export programs—particularly export credit guarantee programs.

These agencies argue that forest products should be treated as manufactured products, not agricultural products, and as such should not have full access to agricultural export credit guarantee programs.

They take this position even though it directly contradicts the definitions of agricultural products established in the 1988 Trade Act. In addition, the intent of Congress as expressed in report language is clearly to include forest products in all agricultural export programs.

Further, there is a long precedent for treating forest products as agricultural products, not manufactured products. For example, in the ongoing negotiations on agriculture in the GATT talks the U.S. Government has taken the position that forest products should be treated as agricultural products.

Yet, these executive branch agencies have chosen to ignore these extensive precedents and instead cite guidelines for extending export credit established

under the OECD. These guidelines hold that export financing for manufactured products should be extended for no longer than 2 years.

But there is nothing in these guidelines to define the term "manufactured products" to include forest products. Further, these guidelines are not binding and certainly would not take precedence over American law.

Obviously, this is just another example of certain executive agencies being pennywise and pound foolish.

As many representatives of the forest product industry testified before the Agriculture Committee, access to export credit guarantees is critical if U.S. forest product exports are to break into new markets. Even Foreign Agricultural Service officials have conceded that export credit financing is critical in making arrangements to sell processed forest products to developing countries.

By denying processed forest products access to export credit financing, these executive branch agencies are costing the United States hundreds of millions of dollars in exports and thousands of jobs.

To reverse this shameful situation, I am today offering an amendment to direct the executive branch to grant forest products access to all export credit programs. The amendment has two sections.

The first section defines the term "wood products" to include a full range of processed forest products. This definition is drawn directly from the 1988 Trade Act. The farm bill already defines wood products as agricultural products.

The second section mandates that all export credit guarantee programs—including both GSM 102 and 103—both be extended to forest products on terms no less favorable than those extended to other agricultural commodities. This provision should make it clear once and for all that forest products are eligible for both GSM 102 and 103.

At a time when the United States has undertaken a policy of expanding processed forest product exports, we must ensure that the left hand and the right hand work together.

Thousands of jobs in the forest product industry are now jeopardized by environmental concerns. If we are to keep those workers working, we must be ready to use all tools that are available, including all agricultural export programs.

I hope this amendment permanently puts to rest the issue of whether or not forest products are to have access to export credit guarantee programs.

AMENDMENT NO. 2326

(Purpose: To clarify provisions of the Agricultural Trade Act of 1978 affecting wood and processed wood products)

Mr. BAUCUS. 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 assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2326.

Mr. BAUCUS. 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 429, between lines 2 and 3, insert the following paragraph:

"(6) WOOD AND PROCESSED WOOD PRODUCTS.—The term 'wood and processed wood products' includes logs, lumber (such as boards, timber, millwork, molding, flooring, and siding), veneer, panel products (such as plywood, particle board, and fiberboard), utility and telephone poles, other poles and posts, railroad ties, wood pulp, and wood chips."

On page 445, between lines 19 and 20, insert the following new subsection:

"(n) CONDITIONS FOR WOOD AND PROCESSED WOOD PRODUCTS.—The Secretary shall make guarantees available under subsections (a) and (b) for wood and processed wood products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections."

Mr. BAUCUS. Mr. President, I have described the amendment. I understand the amendment has been agreed to by the managers of the bill, both on the majority and minority sides, and at the conclusion of their remarks, if any, I ask that the amendment be adopted.

Mr. BOREN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Mr. President, the staff on this side of the aisle and the chairman, Senator LEAHY, are aware of this amendment. We have had an opportunity to study it, and there is absolutely no objection to the adoption of this amendment from this side of the aisle.

I commend the Senator from Montana for his continued interest and attention to the needs of the forest product industry in this country. No one has fought harder than he for those that are employed in this industry, and no one has worked harder than he has to assure that the continued vitality of this industry will make a very strong contribution to the economy of our country.

Time and time again, in trade negotiations and in other circumstances, we have heard from the Senator from Montana on these kinds of issues. He has effectively presented the case of those who are employed in this great

industry. He has effectively taught the rest of us about the importance of this industry to the total economy of the country, to our balance of trade, and he has sensitized the need for fair trade practices in this area.

The offering of this amendment is just a continuation of a longstanding effort on his part. I commend him for it. The Senator has been sound and solid on the points he has made, and we are happy to endorse this amendment on this side of the aisle.

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana.

Mr. LUGAR. This amendment emphasizes that wood products should be an integral part of our foreign aid and commercial export programs. It is in fact a very clear statement of the intent which Congress first established in the 1988 trade bill.

Wood products should be an important part of our foreign aid and trade efforts. This amendment makes that clear. I am pleased to accept it on our side.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

The amendment (No. 2326) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BOREN. 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 bill clerk proceeded to call the roll.

Mr. LUGAR. 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.

Mr. LUGAR. Mr. President, I ask unanimous consent that an amendment might be eligible for consideration that is not on the list before the Chair.

The PRESIDENT pro tempore. Would the Senator repeat his request?

Mr. LUGAR. Yes. I will further clarify that the amendment is an amendment that the distinguished chairman of the committee, Senator LEAHY, has crafted and has asked me in his absence to offer dealing with options for debt forgiveness.

The PRESIDENT pro tempore. The Chair does not see on the list an amendment by Mr. LEAHY.

Mr. LUGAR. The Chair is correct. The amendment is an additional amendment that Senator LEAHY has crafted to be part of the consideration of the farm bill. At this point it seemed useful to offer the amendment

and take action on it, if there would be unanimous consent for that procedure.

The PRESIDENT pro tempore. Is there objection to the request?

Without objection, it is so ordered.

Mr. LUGAR. I thank the Chair.

AMENDMENT NO. 2327

Mr. LUGAR. 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 bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. LEAHY (for himself and Mr. LUGAR), proposes an amendment numbered 2327.

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

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

The amendment is as follows:

On page 415, (section 403(b))—

(a) line 12 strike "or".
(b) line 16 strike the period and insert "; or"; and

(c) between lines 16 and 17 insert:

"(4) if such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development."

Mr. LUGAR. Mr. President, the distinguished chairman of the Agriculture Committee, Senator LEAHY, offers the amendment which I am delighted to cosponsor.

This amendment adds to the conditions under which the President may provide debt forgiveness for countries in debt to the Commodity Credit Corporation. In general, the existing provision allows debt forgiveness for those countries which have formal agreements for economic reform with major international financial institutions.

The amendment before the Senate says:

If such formal agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic market-oriented development, and long term economic development.

The amendment would add to the President's flexibility and ability to respond to debt forgiveness requests thus encouraging the kind of free-market orientation that is badly needed in many developing countries. The amendment is a very positive addition to the bill.

Mr. President, I ask unanimous consent that I be added as a cosponsor with this legislation.

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

Mr. LUGAR. Mr. President, I commend the amendment for adoption and yield to my distinguished colleague.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. President, the amendment just offered by the distin-

guished ranking minority member of the committee is enthusiastically supported on this side of the aisle. It has been offered on behalf of the chairman as well as on behalf of Senator LUGAR. It is sound policy. I ask unanimous consent that I might also be added as a cosponsor of the amendment.

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

Mr. BOREN. Mr. President, as I say there is no objection on this side of the aisle. It is strongly supported.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 2327) was agreed to.

Mr. BOREN. 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.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I ask unanimous consent I be permitted to offer an amendment on behalf of the Senator from New York [Mr. MOYNIHAN] in spite of the fact that no amendment by the Senator MOYNIHAN is included in the list of those amendments previously cleared under the unanimous-consent agreement for action at this time.

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

The Senator from Oklahoma is recognized for that purpose.

AMENDMENT NO. 2328

(Purpose: To require the Secretary of Agriculture to conduct a study of the New York-New Jersey Highlands)

Mr. BOREN. Mr. President, on behalf of Senator MOYNIHAN the distinguished Senator from New York, I send an amendment to the desk and ask for its immediate consideration.

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

The bill clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. MOYNIHAN, proposes an amendment numbered 2328.

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

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

The amendment is as follows:

On page 857, between lines 20 and 21, insert the following new chapter:

CHAPTER 6—NEW YORK-NEW JERSEY HIGHLANDS

SEC. 1545. STUDY CONCERNING NEW YORK-NEW JERSEY HIGHLANDS.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the region known as the "New York-New Jersey Highlands", located in New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York (here-

inafter referred to in this section as the "region").

(b) **SCOPE OF STUDY.**—The study authorized under subsection (a) (hereinafter referred to in this section as the "study") shall include an identification and assessment of—

(1) the physiographic boundaries of the region referred to in subsection (a);

(2) forest resources of the region, including timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(3) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(4) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life;

(5) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region; and

(6) the impact of forest land conversion to alternative uses on the surrounding area and any threats that this may pose.

(c) **ALTERNATIVE CONSERVATION STRATEGIES.**—The alternative conservation strategies referred to in subsection (b)(5) shall include a consideration of—

(1) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(2) public access for recreation;

(3) protection of fish and wildlife habitat;

(4) preservation of biological diversity and critical natural areas; and

(5) new local, State, or Federal designations.

(d) **PUBLIC PARTICIPATION.**—In conducting the study, the Secretary shall provide an opportunity for public participation.

(e) **TIME LIMIT.**—The study shall be complete not later than 12 months after the date on which funds are appropriated under subsection (f).

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated \$250,000 to carry out this section.

Mr. MOYNIHAN. Mr. President, I offer this amendment to authorize a study of the New York-New Jersey Highlands area, including Sterling Forest, which is located less than 40 miles from New York City. This study is important to understand the value of this natural resources and the impact of alternative land use decisions.

Sterling Forest is 21,000 acres of wooded ridges, lakes, and wetlands in New York's Orange County and New Jersey. The study would identify and evaluate the natural, recreational, scenic, and cultural resources of undeveloped areas in the New York-New Jersey Highlands region and would predict what the impact of residential, commercial, and industrial development would be on those resources and on nearby communities.

As one of the last remaining large tracts of undeveloped land in the New York metropolitan area, Sterling Forest is a valuable natural resource.

This study will simply permit us to make informed decisions on the future of Sterling Forest and other forest areas in the New York-New Jersey Highlands region. I thank the distinguished chairman of the committee, Senator LEAHY, and ranking member, Senator LUGAR, for their support.

I thank the Chair, and yield the floor.

Mr. BOREN. Mr. President, this amendment which I have sent to the desk on behalf of Senator MOYNIHAN is an amendment which provides for a \$250,000 study to be conducted on the effects of deforestation in the New York-New Jersey highlands.

I think that the amendment is a particularly sound idea. A study of this kind has already been conducted on problems of deforestation in the Adirondack region of Vermont, New Hampshire, and Maine, the northern forest lands study and eventually some of the forested lands in New York and New Jersey might qualify for the Forest Legacy Program in our title of the farm bill.

We have had significant problems of changes in this area, the need to consider ways to protect the forest lands and return these areas to alternative economic uses.

There are a number of uses which could be considered, including recreational uses among them. As I have indicated, this kind of study has been particularly beneficial in the past in the Adirondack area.

I believe that this amendment has been cleared on both sides of the aisle. It is supported by the managers of the bill on this side of the aisle, and I urge the adoption of the amendment.

Mr. LUGAR. Mr. President, indeed, we do support the amendment.

As the distinguished Senator from Oklahoma has pointed out, such studies have already been conducted in the Adirondacks, specifically in Vermont, New Hampshire, and Maine, the so-called Northern Forest Lands Study. Eventually some of the forested highlands in New York and New Jersey might qualify for the Forest Legacy Program which has been included in the farm bill now before the Senate. Our Forest Legacy Program calls for Federal cost-sharing of up to 75 percent of the cost of permanent easements to keep forest lands specifically from being converted to nonforest uses.

We recommend strongly that the Senate adopt the Moynihan amendment.

Mr. BOREN. Mr. President, knowing no further debate on this particular amendment, I urge adoption of the amendment.

The PRESIDENT pro tempore. If no Senator seeks recognition, the Chair will automatically put the question.

The question is on agreeing to the amendment.

The amendment (No. 2328) was agreed to.

Mr. BOREN. 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.

The PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. BOREN. 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 bill clerk proceeded to call the roll.

Mr. BOREN. 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.

AMENDMENT NO. 2329

Mr. BOREN. Mr. President, I ask unanimous consent that, notwithstanding the fact that there is no amendment listed by Senator LEAHY under the previous unanimous-consent request, I might be recognized to send an amendment to the desk on his behalf at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The Senator from Oklahoma may send the amendment to the desk on behalf of Mr. LEAHY.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for Mr. LEAHY, proposes an amendment numbered 2329.

On page 1079, in section 1943, line 8, after "Secretary of Agriculture" insert ", in consultation with the Secretary of Energy."

Mr. BOREN. Mr. President, this is a very simple amendment. There is already established in the farm legislation a demonstration project under which the Secretary of Agriculture will undertake to determine the benefits for energy production of biomass conversion, forest products essentially being converted into energy.

This amendment is offered at the request of the Energy Committee and, it is my understanding, also at the request of the Secretary of Energy. It merely requires that in carrying out this directive to study biomass conversion as a source of energy that the Secretary of Agriculture consult with the Secretary of Energy in the carrying out of this particular demonstration project. It is a very simple, straightforward amendment and it is supported on this side of the aisle and acceptable to the managers on this side.

Mr. LUGAR. Mr. President, we accept the amendment and support the amendment on this side of the aisle.

The PRESIDENT pro tempore. The question is on the adoption of the amendment.

The amendment (No. 2329) was agreed to.

Mr. BOREN. 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. BOREN. 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. BAUCUS. 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.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Montana is recognized.

AMENDMENT NO. 2314

Mr. BAUCUS. Mr. President, the Senate is considering an amendment to lower the price support for sugar. I strongly oppose the amendment.

If you listen to the supporters of this amendment, you would be left with the impression that the U.S. Sugar Program is a great affront to the principle of free trade. In their view, this is just another example of an inefficient industry being protected at the expense of consumers. But, Mr. President, this interpretation simply does not match the facts.

Look around the world. The U.S. sugar support system pales in comparison with those of our trading partners.

Our main competitor in world agriculture markets, the European Community, maintains a sugar program that makes ours appear anemic. The European Community program is complicated. It includes export subsidies, it includes import barriers, it includes price controls, and it includes minimum prices. It is very complicated. It is also, therefore, difficult to compare the European Community program directly with our American Sugar Program.

But most sugar in the EC was supported at a rate of about 30 cents per pound compared to 18 cents per pound in the United States.

While critics bemoan the fact that the U.S. program has decreased sugar imports, they should consider that the EC's Sugar Program has converted the Community from a major sugar importer to one of the world's largest sugar exporters.

The EC sells its high priced sugar by dumping it on the world market with the help of extensive export subsidies.

Certainly, the EC program is far more damaging to developing country exporters than the U.S. program.

OTHER NATIONS' PROGRAMS

And the EC is not alone. Many other nations, including Argentina, India, Poland, Cuba, China, and Japan all maintain sugar supports.

The International Trade Commission recently completed a study that compared relative sugar support in major nations. According to the ITC's analysis the Sugar Program in the EC provides European farmers with protection equivalent to a 360-percent tariff. The Japanese program is equivalent to a 170-percent tariff. The U.S. program was judged equivalent to a 102-percent tariff—quite modest by comparison.

In other words, our major trading partners provide two to three times as much support to their sugar farmers as we do.

U.S. SUGAR PRODUCERS ARE COMPETITIVE

In light of these figures it should come as no surprise that the U.S. sugar industry has supported dropping sugar subsidies if—and I emphasize if—our trading partners would do likewise.

In fact, a recent study by USDA indicates that U.S. sugar producers would fare well in a world in which the trade in sugar was completely free.

USDA found that U.S. producers had the seventh lowest production costs among the 31 nations that produce beet sugar. And the United States ranked 33d among the 61 nations that produce sugar from cane.

We are the low cost producers in beet sugar and we are in the middle or average among cane producers. Therefore we could very easily sustain and in fact we encourage a completely free trading system where no country supports the price of sugar.

UNILATERAL DISARMAMENT

But even the most competitive industry could not survive in a world in which the United States practices free trade and the rest of the world does not. Yet, that is exactly what the sponsors of this amendment are proposing.

For the last 4 years, the United States has been involved in an intense negotiation with our trading partners to lower agricultural subsidies under the rubric of the GATT. Those negotiations are expected to conclude in December this year. Just last week, President Bush personally attempted to convince our trading partners to move in these negotiations. But he was not successful.

The EC doggedly maintains that they will not accept elimination of agricultural subsidies. The EC has dragged its feet throughout these ne-

gotiations. Still our negotiators hope to force the EC to accept liberalization. I hope they succeed. But they will not succeed unless the United States keeps the pressure on our competitors with a strong farm program.

At such a critical stage in these negotiations, it shocks me that some—including the administration—would press for cuts in the Sugar Program.

Consumers, developing nations, and farmers would all benefit far more from a multilateral cut in sugar subsidies than in an American unilateral cut.

But, as in arms control negotiations, the United States must be prepared to bargain from strength.

If the United States is willing to unilaterally eliminate its Sugar Program without any similar cuts in other nation's sugar programs, those other nations will have little incentive to negotiate. The United States will have signaled that it is willing to bear the burden of adjustment unilaterally without similar steps by our trading partners.

And believe me the EC would far rather have their cake and eat it. They would very much like us to make a unilateral cut when they do not have to make one themselves.

But if the United States keeps its Sugar Program and keeps the budgetary pressure on its competitors, other nations will have an incentive to come to the bargaining table and negotiate cuts.

From the perspective of developing nations and consumers, cutting our Sugar Program unilaterally at this stage amounts to taking a half step forward and four steps backward.

Not only will it do little to improve their situation, it will ensure that the real villains in the world sugar market—the EC—will continue to distort world markets.

If we are really interested in worldwide reform of the sugar trade, a unilateral cut is one of the most counterproductive steps I can imagine.

THE ADMINISTRATION'S POSITION

I am aware that proponents of this amendment will introduce statements from the Bush administration's leading trade negotiators indicating their support for this amendment. In my view, these statements represent a victory for ideology over common sense.

Apparently, this administration's negotiators are so committed to abolition of the Sugar Program that they are willing to do so at any cost—even if it jeopardizes its goals in the GATT negotiations and means sacrificing our farmers. I have worked with the administration's trade negotiators on many issues as chairman of the Senate Finance Committee's International Trade Subcommittee. I have generally found them to be quite capable. But endorsing this amendment is a serious

error on their part. We simply cannot bargain from a position of weakness.

CONCLUSION

If we are willing to cut back our agricultural supports and get nothing in return from our competitors, rest assured our competitors are more than willing to avoid making any sacrifices.

Farmers, consumers, and developing nation exports would all be better off if we focused our efforts on successful international negotiations rather than unilateral cuts.

Free trade principles apply to all nations, not just the United States. I urge my colleagues to keep focused on the long-term goal of worldwide agricultural reform and reject this amendment as counterproductive.

I yield the floor.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD] is recognized.

AMENDMENT NO. 2330

(Purpose: To modify the repayment requirements for advance deficiency payments for certain producers)

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

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

The assistant legislative clerk read as follows:

The Senator from North Dakota, [Mr. CONRAD], proposed an amendment numbered 2330.

Mr. CONRAD. 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 329, between lines 5 and 6, insert the following new subsection:

(C) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of 9 percent;

(B) shall withhold no more than one-third in each of the next three crop years of farm program payments to the producers as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years to the extent the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply in the case of producers on a farm if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a));

(B) the producers are required to provide a refund under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payment; and

(C) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of natural disaster, as determined by the Secretary) for the crop.

On page 329, line 6, strike "(c)" and insert "(d)".

The PRESIDENT pro tempore. Time on this amendment is 1 hour to be equally divided and controlled in accordance with the usual form, which means that the Senator who has 30 minutes in opposition to the amendment is the manager of the bill. Does the manager of the bill oppose the amendment, the Chair inquires?

Mr. BOREN. Mr. President, the manager of this bill as of this moment in its current form is not prepared to accept the amendment and is obligated to oppose the amendment.

The PRESIDENT pro tempore. The Chair thanks the Senator.

The Senator from North Dakota [Mr. CONRAD] is recognized for 30 minutes.

Mr. CONRAD. Mr. President, this amendment allows farmers hit with drought or other natural disasters in 1988 or 1989 to repay excess advance deficiency payments in 1988 and 1989 over 3 years at a 9-percent rate of interest.

It requires farmers taking advantage of this delay to purchase multiperil crop insurance for the 3-year period.

Mr. President, the reason for the amendment is to give farmers already suffering from drought or other natural disasters in 1988 or 1989, a chance to repay USDA overpayments under reasonable terms and interest rates. In 1988 and 1989 the United States suffered the worst drought in 50 years. As production was cut by the drought, prices rose substantially. The rise in prices sharply reduced the advance payments due farmers, requiring them to return much of the payments that had been paid in advance. Unfortunately, farmers hit by the drought had little production to sell at the higher prices. Not only did they have no crop, they were required to pay back the advance payments.

Mr. President, what we have here, really, is a double whammy on already hard-pressed farmers. They were faced with a situation in which payments were made to them based on an estimation of what their deficiency payment would be for the year. Then came the drought. The drought wiped out much of the farm production in this country. As a result, prices rose wiping out the deficiency payment due farmers.

Unfortunately, the whole advance deficiency payment schedule is predicated on the notion that if prices rise, farmers will get the benefit of the price increase. In this case, farmers did not. They did not get the benefit because their crops had been destroyed, and so when the prices went up, they had no crop to sell.

While the drought has been broken in most of the northern plains, spots of drought continue in Montana, Minnesota, North Dakota, and South Dakota. In Texas, Arkansas, and Missouri, and Oklahoma, floods have reduced income again this year.

In my own State of North Dakota, the 1988 drought reduced the farm income by 50 percent below 1987 levels. The 1989 drought was not as severe but still reduced income from 1987 levels by 30 percent.

After the farm recession of the 1980's and two droughts, many family farmers simply do not have enough money to make the whole repayment this year. This legislation allows them 3 years to repay: One-third this year and one-third each of the next 2 years at 9 percent interest.

Mr. President, the Secretary of Agriculture currently has the authority to allow farmers to repay over 3 years without paying the penalty rate of interest. Unfortunately, the Secretary has not used this authority. If the Secretary had chosen to exercise his authority to allow farmers hard hit by natural disasters to repay over 3 years, this amendment would not be necessary.

This bill will not increase Government spending over the next 3-year period. I want to emphasize that. Over the 3-year period, it is budget neutral. It will, however, increase the deficit in fiscal year 1990 by about \$150 million and reduce the deficits in fiscal years 1991 and 1992 by an equal amount, \$75 million each year.

Mr. President, this amendment will help family farmers hit hardest by the drought and other natural disasters over the past few years. Instead of demanding an immediate repayment, it would give them 3 years to repay.

Mr. President, I want to acknowledge at this moment that the estimates that we have used from CBO are subject to some alteration and change because the underlying amendment has been altered somewhat. For that reason, I ask unanimous consent that we put off any vote on this amendment until tomorrow so that we have a chance to get CBO's new analysis so that my colleagues will be voting on the precise number that would result in the budget from this legislative enactment.

Mr. BOREN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Reserving the right to object, and I will not object to this request, I stated just a few moments ago that as acting manager of the bill, I will be forced to oppose this amendment in its current form. The reason for my opposition is not lack of sympathy in regard to the plight of those farmers who have suffered in the State of North Dakota and the Plains States in general from the terrible drought of 2 years ago. I understand full well the devastating impact that it has had, the inability of the farmers through cash flow and this period of time over the last 3 years to bring themselves back to a position in which they are able to repay these funds to the Government.

So I have great sympathy for the difficulty of these farmers who have been highlighted by the distinguished Senator from North Dakota who has so forcefully and ably given their case in the Agriculture Committee and on the floor of the Senate previously.

This bill has been carefully crafted to stay within the bounds of the budget available to us this year. We have all had to reach compromises. We have all had to strike out elements of the bill that we favor very strongly because of the cost of these particular proposals. So, therefore, unless we can find some way to bring this proposal back into budget with the new analysis, it will be very difficult for the managers of the bill to accept this amendment.

So I think the Senator's proposal is a reasonable one. We might have the latest analysis from CBO available to us before we actually bring this amendment to the floor for a vote.

I will not object on behalf of the managers on this side to the request that the vote be delayed until this latest analysis is available.

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. Is there objection to the request?

Mr. LUGAR. Reserving the right to object.

The PRESIDENT pro tempore. The Senator from Indiana.

The Chair would ask, is the time in speaking upon the reservation of the objection being charged to the Senator from Oklahoma? Or is it being charged to the Senator from North Dakota?

Mr. LUGAR. Mr. President, I ask the distinguished Senator from Oklahoma to yield to me 3 minutes that I might speak.

Mr. BOREN. I will be happy to yield to my distinguished colleague from Indiana and to request that the time that I have taken previously and the time of the Senator from Indiana be charged against this side.

The PRESIDENT pro tempore. Without objection, it is so ordered. The time will be so charged.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I reserve the right to object because the arrangement of the Senate with regard to this amendment is that an hour of debate should occur today and then a vote pertaining to the amendment should occur not before 6 o'clock. Certainly, it was the intent of the managers that a certain number of amendments should be debated today. The distinguished majority leader had high hopes, and he so stated, that such debate would occur and that such amendments would be disposed of at the end of the day. Senators were on notice that that would occur.

My own judgment, in reserving the right to object, is that however one changes the impact of the costs of this amendment, whether it be for a year or spread out or other arrangements are made, there is still a substantial cost involved in the event that farmers do not repay their deficiency or advanced deficiency payments. That impact, as the Senator from North Dakota has pointed out, could be in the order of \$150 million if these payments are not repaid. His assumption is that they will be repaid. I gather the intent of the amendment is to space out the payments so that they may occur.

I will argue this point further, Mr. President, with regard to the merits of the amendment itself, at least the experience of this Senator having noted that already the payment of these debts have been delayed three times. There is a growing assumption on the part of this Senator that the underlying intent is to make certain they are never repaid. In essence, by deleting or pushing back the date and the circumstances of repayment, the circumstances of repaying amounts stemming from the 1988 crop grow more dim all of the time. I argue the fact there is a fiscal impact and it is substantial. It comes at a very unfortunate time in the life of this country and this bill.

With regard to the procedure, Mr. President, my suggestion, I suppose, while I reserve the right to object to the procedure offered by the distinguished Senator from North Dakota, is that if we are to take up the new amendment on its merits tomorrow, then it ought to be offered tomorrow, time ought to be reserved for it so we can hear the argument and Senators coming to a vote will have some idea of the substance on which they are voting.

Therefore, respectfully, Mr. President, I object to the current request, having given this advice as to how the Senator might proceed.

The PRESIDENT pro tempore. Objection is heard.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I simply say to my colleague from Indi-

ana that the amendment is not changing. The amendment that I am offering is the amendment that is at the desk. The fiscal analysis of the effect may be altered because what we have the CBO response to was a different amendment, not a great difference but somewhat different.

So the reason for my request was to try to honor the desire of the manager to have the debate occur today but the vote occur subsequent.

That was the reason for my request. It seemed to me that we would be able to debate the underlying question today but then vote at a later date.

I might add that there was no unanimous-consent agreement, as I understood it, that indicated we would vote on this amendment today. The unanimous-consent agreement was that we would debate this amendment today—and I have been trying to honor that by coming forward and debating it—but putting off the vote until we have the most recent CBO information.

Perhaps at this point it would be appropriate to put in a quorum call and have a chance to discuss this matter and perhaps that is the way we could make the most progress. With that, I note the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. 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.

Mr. CONRAD. I yield such time as the Senator from Montana may consume.

The PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I ask the Senator to yield, say, 10 minutes.

Mr. CONRAD. I yield 10 minutes to the Senator from Montana.

The PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Senator.

I rise in support of the Conrad amendment.

The effect of the amendment will be to defer the repayment of barley advance deficiency payments from 1988 to 1989 crops years. Under the amendment, any farmer who had suffered a 50-percent crop loss in 1988 or 1989 or a 25-percent loss in each of those years would be able to repay their advance deficiency payments over 3 years at 9 percent interest.

I believe this is the least we can do for our barley producers who suffered great crop losses as a result of the droughts of 1988 and 1989. I know that we have voted on this issue before and the position of the Senator from North Dakota and myself is well known. I urge my colleagues this time

to support us because this amendment will merely provide a delay in the repayment. It is not a forgiveness.

I repeat that point, Mr. President. This amendment merely provides for a delay in repayment. It is not a forgiveness. I wish the amendment did provide forgiveness because I believe that is what barley farmers deserve. This is not that amendment.

The farmers in my State have been greatly disadvantaged by the USDA's method of calculating deficiency payments. And now because of an unexpected decrease in the market price of barley as a result of droughts in 1988 and 1989, they are being asked to repay money they do not owe.

The basic flaw with the USDA's current system is that it fails to recognize that there are two types of barley, malting barley and feed barley. Malting barley is used for brewing beer and normally sells at a premium. Feed barley is primarily used for animal feed and sells at a much lower price. Much of the barley produced in my State is feed barley.

Currently, the USDA calculates the target price for barley based on the relative value of feed barley to corn. It assumes that the barley will be used to feed animals, not for malting. However, the USDA then calculates the market price by averaging the price of all barley sold on the market. Both feed and malting barley are therefore, grouped together. Malting barley normally sells for 25 to 35 cents per bushel more than feed barley. In most years, far more feed barley is produced than malting barley, so malting barley sells at a relatively small impact on the average price for barley.

However, due to the drought of 1988, the barley crop was much smaller than expected. Malt barley market prices skyrocketed to \$3.24 a bushel as compared to \$2.29 per bushel for feed barley. Consequently, the USDA calculated the national average market price for barley as a whole to be \$2.83 or 32 cents a bushel above the actual market price of feed barley at \$2.51.

This inequitable calculation places feed barley producers at a unique disadvantage. USDA estimated that the average market price for barley would be much lower and made advance deficiency payments assuming a lower market price. Remember, a lower market price means larger Government payments and vice versa.

It later became apparent that the USDA advance deficiency payment exceeded the value of the entire year's deficiency payment if the artificially high market price for barley was used.

Thus USDA demanded that feed barley producers repay a large portion of their deficiency payment because the market price was higher than expected. But including malting barley in USDA's calculation skewed the market price of barley up and forced

producers to pay their deficiency payment even though the real market price was far lower than USDA's estimate.

This is an outrage. USDA's 32-cent miscalculation could put many Montana barley farmers out of business. The error will force 16,400 Montana barley producers to repay \$19 million in advance deficiency payments for 1988 and 13,200 producers will have to repay \$6,750,000 for 1989.

This error would be bad enough if it was not exacerbated by the drought.

Many barley farmers lost most of their crop to the drought in 1988 and 1989 but managed to survive. In north-eastern Montana, they are now struggling to survive yet another drought year.

But instead of helping, the USDA has now delivered a knockout blow by demanding they repay money they do not really owe.

Because USDA is unwilling to own up to its mistake, many Montana barley farmers will be driven off the farms.

But we are not here even seeking to completely right this wrong with the amendment we should be debating. Instead, we are only asking a little more time for barley farmers to work out their finances to repay the advance deficiency payments. Surely, this is not too much to ask.

Fortunately, this problem will not likely recur in the future because the current farm bill that the Agriculture Committee reported out and is now before the floor recognizes the formula used to calculate barley deficiency payments is unfair and partially addresses the problem by calculating the average price of malt and feed barley together for deficiency payment purposes, that is, until the price difference reaches 22 cents.

For any price differential over 22 cents malt and feed barley will be calculated separately. While this formula does not completely fix the problem, it is a step in the right direction.

It was my initial plan to make this formula retroactive to the 1988-89 crop years so that feed barley producers would be treated more fairly, but unfortunately the Senate has passed no appropriations bills which could be utilized to offset such an amendment.

Therefore, delaying repayment is the best we can do for the time being, given our current budget situation.

I strongly urge my colleagues to support the amendment of the Senator from North Dakota. It will provide at least temporary relief to barley producers who have been penalized because of the faulty USDA formula.

Mr. President, I yield the remainder of my time. I yield the floor.

The PRESIDENT pro tempore. Who yields time?

Mr. LUGAR. Mr. President, I ask unanimous consent the distinguished

Senator from Oklahoma yield to me 2 minutes to speak in opposition to the amendment.

Mr. BOREN. I am happy to yield.

The PRESIDENT pro tempore. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, the distinguished Chair will recall that debate concerning repayment of these debts has occurred three times. As a matter of fact, the Senate has previously taken action that has been dramatic and substantial.

The Chair in fact was managing an appropriations bill on the last occasion on April 30 when by a vote of 52 to 43, an amendment by Senator CONRAD offering similar relief was defeated.

Mr. President, the dilemma presented by the distinguished Senator's amendment is that farmers were paid, as he has described, for crops that were to be harvested in due course. The advanced deficiency payment concept is to forward to farmers money that they can use for cash flow as they get into the planting of crops.

So the money was paid to the farmers, not only barley farmers, but corn farmers and wheat farmers. I make this point because there are others involved in this equation in addition to the barley farmers cited by the distinguished Senator from North Dakota. In fact, in his own State, there are farmers who produce other crops. But, barley farmers are the focus of our attention for the moment, and have been the focus of our attention several times already in committee and on the floor.

The dilemma came down to the fact that there was a great drought in 1988. It affected at least 20 States. This body considered emergency drought legislation in August 1988 and offered very substantial relief. We estimated at the time that the cost of that relief to farmers who were in need might be on the order of about \$3.5 to \$4 billion.

Indeed, that was a reasonably accurate estimate as payments were finally made to those who had suffered very substantial losses of over 35 percent of their crops. We made it a comprehensive bill covering, as the distinguished Senator from Kansas pointed out, as many as 400 or 500 different crops and commodities in this country.

So there was equity, and payments were made to try to compensate farmers for a substantial amount of those losses. There were grievous losses in the State of North Dakota. As I recall the figure, the North Dakota farmers received more than any other State save maybe one or two, and perhaps they received the absolute highest level of payments. That reflected very substantial drought, and in fact moisture deficiency in that State from the preceding year.

So therefore I understand the basis with which the Senator from North Dakota compassionately takes a look at farming devastated by that drought. I would simply point out that the farmers already have been helped in one way by having money in hand. Time, in money terms, is worth a lot—to have money in hand and to be able to use that capital prior to planting a crop by farmers in North Dakota and Indiana. Indiana also suffered a drought that was very, very devastating—the worst one we had seen since the 1930's.

So many, including those in Indiana, were beneficiaries of that drought legislation. I know how welcome those payments were, both the advanced deficiency payments we received in Indiana, as well as the drought payments.

But there comes a time, Mr. President, when the payments that are not merited, have to be returned. There are only two ways in which the payments would not have been merited. One is that the price of the crop rises, and therefore the advanced deficiency payment, the payment that contemplates that there will be a deficiency between the target price and the market price, diminishes. That is what the deficiency payment is all about—this gap between target price and market price.

If in fact there is not much of a gap, if in fact the market price rises up toward the target price to meet it, then a payment to a farmer for a deficiency that does not occur, results in a profit to the farmer from the fact that the price rose. The farmer profits again when he sells the crop at that point.

If the farmer did not have the crop to sell, he was protected when he received a disaster payment to cover a good part of his loss. We estimate coverage in most cases at about 65 percent of a normal loss.

So in due course, through the farm programs the farmer has the money, and the requirement, that he pay it back.

Not only has the Senator from North Dakota argued on other occasions, but so have other Senators, that given these disasters there ought to be a degree of forbearance. That has occurred. This is the reason in the middle of 1990 we are still in the process as a country of collecting back these payments made as advanced deficiency payments in the crop year of 1988—over 2 years ago.

How could this be? It could be because the Congress has delayed these payments or repayments from time to time.

Mr. President, in an earlier argument that I made, I reserved the right to object to the unanimous-consent request. I suggested that there is a growing suspicion on the part of some of us

that to delay and to delay and to delay is almost to forgive and forget.

At some point, in all equity, that money ought to come back to the general taxpayers. Most other farmers paid it. Corn farmers in Indiana have repaid, and as far as I can tell, most of the advanced deficiency payments that were made to those farmers were made at about the same time as these barley payments in North Dakota.

That would be true of most other States in the Union.

Let me just point out, Mr. President, that the Senator from North Dakota can speak, and will very eloquently, to the condition of crops in his State. But of these reports that have been published nationally, say that as of July 10, a few days ago, 81 percent of North Dakota's spring wheat crop was in good to excellent condition; 84 percent of North Dakota's Durum wheat crop was in good to excellent condition. While the same was true of 89 percent of the barley crop, there is some distance to go before harvest. That is the challenge, and, likewise, the cause of the precarious existence of the farmer.

But I would suggest that there is a very good chance that relatively few North Dakota farmers who are involved in those three crops I have cited will have 35 percent losses this year.

The Senator from North Dakota has suggested that perhaps we ought to take a look at the accounting aspects of this. First of all, basically, who has not repaid the deficiency payments? Really, how much money is out there? That is a very important question. As of the 1st of June, our staff was advised that the repayments by farmers of all crops was somewhere on the order of \$400 million.

We have tried to make a staff estimate applying it just to barley farmers and just to those who had had very substantial losses. In such cases it might be \$150 million. But I suggest, Mr. President, that either of those figures—and I am inclined to think it is the smaller rather than the larger figure, because a lot of repayment has been occurring in June and July throughout the country—is still a substantial sum of money. If one argued that all of it will be repaid, one can argue it is merely an accounting problem in which year the money falls, therefore, which year suffers the deficit and which suffers the surplus.

My fear, frankly, is that a lot of this money will not be repaid. It will be delayed, perhaps, with the distinguished Senator from North Dakota coming before the body again. However, there may be other Senators suggesting there are great problems.

Mr. President, I ask that I might have 3 more minutes.

Mr. BOREN. I yield 3 more minutes.

The PRESIDENT pro tempore. The Senator is recognized for 3 additional minutes.

Mr. LUGAR. I fear that the argument will be made that the same farmers that had problems at that stage still have them. Why not? If a Senator has had success in delaying the repayment several times already, why not try it out again for the fourth, fifth, or sixth time? How many times is this body to be visited with the problem of 1988 deficiency payments for barley? I say, Mr. President, I hope not again.

I think that the occasion is at hand in which we are noticing a good year of crops, not only in North Dakota but in Indiana and in many States of our country. We pray that will continue to be the case. We pray we will not be visited with drought, disaster, and flood, that there will be the wherewithal to make repayments, as almost all farmers would prefer to do.

Therefore, Mr. President, I do not know at what point we shall vote on the question, or whether we shall have further debate or further accounting information in front of us. All of that is still to be decided. As the amendment stands, I oppose it. I ask the Senate to resolve the issue finally, once and for all, and to put behind us the 1988 crop year.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I yield myself 3 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 3 minutes.

Mr. CONRAD. Mr. President, I ask unanimous consent to add Senators BURDICK, BAUCUS, and BURNS as original cosponsors of the amendment.

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

Mr. CONRAD. Mr. President, the Senator from Indiana has advanced a number of interesting arguments in opposition. I must say there are very few in this body for whom I have more respect than the Senator from Indiana. He is one who always does his homework, and I think he is very level-headed in the way he goes at these issues. In this one particular instance, I think perhaps he is a bit mistaken, but I certainly respect the difference.

Let me just say, Mr. President, we are not asking for forgiveness here. We are asking, basically, for a payment schedule. This is not some thing that is unusual or unique. In fact, it is in the law now. Past Congresses have seen the wisdom of allowing a payment schedule under unusual circumstances, and I assert that this is one of them, a situation in which we had absolutely devastating drought in this country in 1988 and 1989. In my State,

even with the payments that the Senator from Indiana referenced, even with hundreds of millions of dollars of payments, North Dakota's farm income was cut in half. That is how devastating the drought was in my State, and my State was not alone.

Mr. President, we are simply asking that what is already law be invoked. I must ask, under what circumstances would we invoke this law if not now, if not under this set of facts? My goodness, this is a devastating loss. Prices skyrocketed, but farmers did not have the production to sell. So they were forced to have advance payments repaid, when they had no money to make the repayments.

Now what we are saying under this amendment is, please, give us time; we will pay, but give us time.

Again, Mr. President, I ask unanimous consent that we hold off voting on this amendment until we have the most recent information and, hopefully, have time to work something out here, and that we leave 20 minutes of debate, 10 minutes on each side, for action on this at a later time.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. It is so ordered.

Mr. CONRAD. I thank the Chair and yield the floor.

Mr. BOREN. 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 legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, when we discuss a farm bill, there are a lot of things related to the prosperity of agriculture that does not deal directly with price supports and things like that. In the committee report there is considerable discussion of the subject of cargo preference. There is considerable discussion of the subject of the negotiations going on in Geneva under the General Agreement of Tariffs and Trade. I want, for a few minutes, without offering an amendment, to discuss some of these issues at this point.

Mr. President, every time we try to engage in a discussion of cargo preference, maritime supporters come running in with the argument that since farmers get a subsidy, so should our seafarers and ship owners. After all, we are told, fair is fair. What is good for the goose is good for the gander.

Let me make it perfectly clear that I am quite willing to support maritime programs, but only if they prove to be reasonably related to the goals and policies upon which they rest, and only if they prove to be reasonably

successful. Our maritime policies fail on both accounts, and I will explain what I mean by this very fully.

The problem with cargo preference is even far more perverse. Cargo preference is a hidden, back-door cost that rarely can be scrutinized by budget-deficit sensitive Members of Congress. It is one of those hidden items in the budget. You try to pick it out and you just cannot pick it all out.

Cargo preference is unaccountable and virtually untraceable. Cargo preference allows U.S.-flag operators a monopoly over certain government cargoes. They can charge Uncle Sam as much as they want with no fear of competition from far cheaper, more competitive foreign-flag vessels.

So let me say at the outset that I would be very happy, and am happy, to support the maritime industry, if they are willing to replace cargo preference with a subsidy program that requires the maritime interests to come to Congress every year to justify their costs and a program that renders itself to simple, clear accountability year in and year out. It is a little bit like the farmers of the United States of America who have to come to Congress to get some of their programs appropriated on a year-to-year basis and we have a way of keeping track pretty closely to the exact cost of those farm programs to the taxpayers. Not so with the maritime subsidy.

So how else can Congress and the administration determine whether or not our maritime programs are worth what they cost unless they are fully accounted for and fully appropriated subject to debate from year to year.

So, as far as this Senator is concerned, fair is fair, and I am willing to work toward that end.

But in view of what I have been reading recently from maritime interests, I have to wonder if they are really interested in fairness and equal treatment.

It has been no secret that for the last few years the United States has been leading the charge in the Uruguay round of General Agreement of Tariff and Trade, or GATT for short, and we have been doing this against the unfair domestic and export farm subsidies as well as protectionist trade barriers of our competitors.

Mr. President, U.S. farmers are the most productive and competitive in the world. On the average, one American farmer produces enough food and fiber for 123 people, 98 in the United States and 25 overseas. Our farmers believe, and rightfully so, that if all the unfair trade barriers and subsidies were eliminated, they could compete with anybody in the world. What they cannot compete with, however, are the treasuries and unfair protectionist policies of foreign governments.

Therefore, American farmers have been supportive of our efforts in the

GATT to put these subsidies and policies on the table. I know that our farmers have not been willing to trade them for the income protections provisions, but I am talking about the European Community export subsidies with which we now have to compete. They know that if we succeed, American farmers will be better off; they know as well that the cost of farm programs to the U.S. Treasury will be less. There will not be the need for programs such as the Export Enhancement Program which the maritime union officials erroneously criticize as a ripoff for exporting companies.

But when it comes to GATT, the maritime industry cries out that it is special, that its subsidies and protectionist policies should not be left on the GATT table for negotiation at Geneva.

In one breath maritime supporters argue that they, too, prefer free and fair trade, but that the foreign governments with their policies and subsidies do not allow this ideal.

But in the next breath, maritime interests cry out that maritime problems relating to subsidies and policies must not be negotiated at GATT.

So, I say to them that you cannot have it both ways. If you truly want a free and fair trade, like American farmers want, where else besides GATT are you going to resolve these problems?

Mr. President, let me quote to my colleagues an editorial from the March 1990 edition of the American Maritime Officer, the official publication of District 2 MEBA-AMO of the AFL-CIO's Maritime Trades Department:

If the international bulk shipping market were indeed free and fair, District 2 MEBA-AMO would encourage open competition. . . . But the fact is that foreign governments protect their bulk fleets, while the U.S. does not—direct and indirect subsidies, commercial cargo reservation, and state ownership—put the struggling American-flag dry bulk fleet at a built-in disadvantage.

Mr. President, if the maritime unions honestly, truly wanted a free and fair international shipping market with open competition, they would be demanding that the U.S. GATT negotiators put the maritime problems at the top of the priority list, so that there would be bargaining as far as maritime interests were concerned in Geneva just like they are bargaining on agricultural subsidies in Geneva.

But is this what they are pushing? No way whatsoever. They are demanding just the opposite. They want all maritime discussions to be taken off the GATT table.

The July 9, 1990, edition of the American Maritime Congress reported that 46 Senators had agreed to sponsor Senate Concurrent Resolution 63, a concurrent resolution calling upon the President to remove maritime

from the GATT negotiations. In view of the fact that our farm interests are so prominently debated at the GATT, I was surprised to see that a handful of farm State Senators would lend their support for special treatment for maritime.

Mr. President, I ask unanimous consent to print in the *RECORD* this article to which I referred.

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

[American Maritime Congress Washington Letter, July 9, 1990]

SUPPORT GROWS FOR BREAUX RESOLUTION TO EXCLUDE MARITIME FROM GATT

(July 5) Senate support for the exclusion of maritime from the services section of the General Agreement on Tariffs and Trade (GATT) is growing as negotiations reach a critical stage. Forty-six Senators have agreed to sponsor S. Con. Res. 63, introduced by Senator John B. Breaux (D-LA), chairman of the Senate Commerce, Science and Transportation Committee's Subcommittee on Merchant Marine.

S. Con. Res. 63 calls upon the President to remove maritime services from the General Agreement of Tariffs and Trade (GATT) negotiations. The co-sponsors of the resolution agree that the inclusion of maritime in GATT would have a devastating effect on the U.S.-flag Merchant Marine.

The resolution declares that "... a strong and economically healthy United States-flag merchant marine has been encouraged and promoted since the founding of this Nation to provide essential service to the national defense of the United States, and to promote our commerce in foreign and domestic markets." A draft text of the services section of GATT is scheduled to be completed by the end of July.

The Senate sponsors now are follows: Brock Adams (D-WA), Daniel K. Akaka (D-HI), Joseph R. Biden, Jr. (D-DE), John B. Breaux (D-LA), Richard H. Bryan (D-NV), Dale Bumpers (D-AR), Quentin N. Burdick (D-ND), Thad Cochran (R-MS), William S. Cohen (R-ME), Kent Conrad (D-ND), Alan Cranston (D-CA), Alfonse D'Amato (R-NY), Dennis DeConcini (D-AZ), J. James Exon (D-NE), Wendell H. Ford (D-KY), John Glenn (D-OH), Albert Gore, Jr. (D-TN), Slade Gorton (R-WA), Bob Graham (D-FL), Tom Harkin (D-IA), Mark O. Hatfield (R-OR), Orrin G. Hatch (R-UT), Howell Heflin (D-AL), Ernest F. Hollings (D-SC), Daniel K. Inouye (D-HI), J. Bennett Johnston (D-LA), Frank R. Lautenberg (D-NJ), Carl Levin (D-MI), Joe Lieberman (D-CT), Trent Lott (R-MS), Connie Mack (R-FL), John McCain (R-AZ), Howard M. Metzenbaum (D-OH), Barbara Mikulski (D-MD), Frank H. Murkowski (R-AK), Claiborne Pell (D-RI), David Pryor (D-AR), Harry Reid (D-NV), Donald W. Riegle, Jr. (D-MI), Charles S. Robb (D-VA), Jay Rockefeller (D-WV), Jim Sasser (D-TN), Paul S. Sarbanes (D-MD), Richard C. Shelby (D-AL), Paul Simon (D-IL), and John Warner (R-VA).

Mr. GRASSLEY. So, it appears, Mr. President, "what's fair is fair, what's good for the goose is good for the gander," really does not apply to the agriculture and maritime situation.

What Senate Concurrent Resolution 63 suggests is that some in Congress believe that a few thousand American seafarers are more important or more

special, than America's millions of farm families.

But, of course, maritime supporters will argue, as it states in this resolution that "a strong and economically healthy U.S.-flag merchant marine has been encouraged and promoted since the founding of this Nation to provide essential service to the national defense of the United States, and to promote our commerce in foreign and domestic markets."

My response to that is, "So what?"

If our maritime industry is so important to national defense and foreign commerce, is that not all the more reason to fight unfair, damaging foreign maritime policies at this very moment during the GATT discussions so that our maritime industry has a level playing field with the industries in other countries? In other words, would not our maritime industry be better off if there were not subsidies of other foreign countries of their maritime industry? I would suggest what do we have to lose?

Our maritime programs and policies have been a colossal failure in meeting our national defense and foreign commerce objectives. Everyone knows that is the truth. The facts don't lie. Simply look at the fruits of our maritime policies during the last 40 years.

In 1950, our U.S.-flag fleet consisted of 1,050 vessels. Today, there are only about 360, and fewer than 200 of those are considered to have any military usefulness.

In 1950, we had 56,629 U.S. seafaring jobs. Today, there are fewer than 10,000.

If our U.S.-flag maritime sector is truly important to national security, you sure wouldn't know it from what has been produced by cherished maritime subsidies like cargo preference.

Maritime supporters in Washington should be clamoring to keep maritime on the GATT table to aggressively pursue a resolution of these problems. Maritime supporters should be clamoring to revamp the entire maritime government support mechanisms to eliminate cargo preference and replace it with a system where cost effectiveness can readily be assessed.

But that is not what is happening because people supporting these programs would like to have the arguments go away, would like to have the discussion go away. Instead, we get resolutions insisting on continued protectionist policies and more bills calling for more of the same—more cargo preference, more operating differential subsidies—and thus unfortunately, if history of the last 40 years is any evidence, continue these same Federal programs that unfortunately lead to more decay of the U.S.-flag fleet.

The objective of promoting foreign commerce has met similar, miserable failure. And again, the facts do not lie.

Since 1950, when we had those 1,050 vessels that I referred to and those 56,629 seafaring jobs sailing under the U.S.-flag, our American-flag merchant marine carried 43 percent of the volume of U.S. foreign trade.

Today, U.S.-flags carry less than 4 percent of our foreign commerce.

Thank goodness, the development of our foreign commerce did not depend upon U.S.-flag vessels and our maritime policies, because we would be an utter failure as a trading nation. We would be an utter failure as far as international trade is concerned.

From 1950 to 1985, our foreign trade skyrocketed from 117 million metric tons to 641 million metric tons. Our foreign commerce has thrived in spite of our merchant marine policies.

Since our maritime programs have failed miserably to promote national defense and foreign commerce, why have we allowed them to perpetuate this decay?

Unfortunately, a lot has to do with the political clout of the maritime union bosses whose aim is to protect the high-priced salaries of their seafaring union members.

So I was encouraged by some remarks I read by the former commander of the Military Sealift Command. His name was Vice Adm. Kent Carroll. He warned us that the outrageously high wages and benefits of U.S.-flag seafarers were crippling our U.S. merchant marine. He was quoted in the *Defense and Foreign Affairs Daily* as stating:

Why are we in such a mess? ... One of the reasons is that U.S. crew costs continue to be the highest in the world. Monthly crew costs of U.S.-flag ships are as much as three times higher than those of countries with comparable standards of living, such as Norway. ...

Vice Admiral Carroll once testified before the House Armed Services Subcommittee on Seapower that it took over \$300,000 per year to support the master of some U.S.-flag commercial vessels, while in sharp contrast it took about \$70,000 per year to pay the salary and benefits of a U.S. Navy aircraft carrier captain.

The vice admiral's warning about the crippling effect that the high priced cost of U.S.-flag seafarers was having on our national defense and foreign commerce needs fell at that time on deaf ears. And I hope that they do not fall upon deaf ears today because we should not be ignoring this problem any longer.

In the meantime, the maritime unions brag of their successes in negotiating even higher wage and benefit packages. Well, of course, that is the point of union negotiation. You cannot blame them for trying to get all that they can.

The June 1990 edition of the *Seafarers Log*, reported that Seafarers International Union was able to secure a

new contract guaranteeing them a 15-percent increase over the next 3 years, plus a cost-of-living increase during the 2d and 3d year of the contract for anything over 5-percent inflation. Furthermore, they were able to keep the high manning crew numbers. The U.S.-flag maritime operators had tried to hold the seafarers to a 6-percent increase over 3 years with a reduction in crew sizes. No luck there.

The seafarers bragged in their publication that this new contract exceeded the national average of wage increases negotiated by unions around the country which averaged 3.3 to 3.8 percent annually.

But, as long as they can depend upon the taxpayers to foot the bill through hidden subsidies like cargo preference, who cares? Right? Mr. President, one final word about GATT and this fairness issue between farm programs and maritime programs. With the passage of the 1985 farm bill, Congress included language stating that Congress finds and declares that "a productive and healthy agricultural industry and a strong and active U.S. maritime industry are vitally important to the economic well-being and national security objectives of our Nation."

Again, I ask, since Congress thinks both are equally important to our economy and defense, why does maritime believe they should be excluded from GATT, while our farmers know it to be in their interests to fight protectionist policies at the GATT?

Mr. President, the evidence is clear. The fight to protect and expand cargo preference has nothing to do with national defense or the health of U.S. foreign commerce. It has nothing to do with fairness.

It has everything to do with protection of a gravy train for high priced union bosses and their seafaring members. The Des Moines Register said it best when it recommended:

Scuttle cargo preference. Its alleged purpose is to keep a U.S. merchant marine intact in case of war, but the subsidy has more to do with political power and PAC donations of shipowners and maritime unions than any real military need.

Common Cause was very much involved in this issue in the 1970's. Common Cause argued that Americans should be protected from the maritime interests attempts to apply cargo preference to oil imports which would have shot up gasoline and heating costs even higher. We ought to thank Common Cause for their help in keeping oil imports free of the cargo preference requirement.

But we have not heard too much from Common Cause since then while efforts have been made to expand cargo preference to apply to additional Government cargo and foreign case assistance, and recently even to the grain that we sell to the Soviets.

Mr. President, hopefully it is not too late to keep maritime on the GATT table, just like we are keeping agriculture on the GATT table, but the President needs to know the facts and needs to know that not all Members of Congress agree with Senate Concurrent Resolution 63.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDENT pro tempore. The Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, as debate continues on S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990, we must remember how important the farmer is to this great Nation. Although farmers account for only about 3 percent of the total population of this country, they have the responsibility of working to feed the total population of our country. While they represent a small segment of the population, their contribution to society is absolutely vital and one on which we all depend.

Nationally, there are over 2 million farms with nearly a billion acres of farm land in production. Of all the industries in the United States, agriculture is the largest. Nearly 21 million people, or almost 19 percent of the work force of this country, are employed in agriculture. Agriculture contributes nearly one-fifth of our gross national product.

In my home State of South Carolina, agriculture is the third largest industry in terms of cash receipts, behind textiles and tourism. In 1985, farm income was \$151 million for South Carolina. The 1982 Census of Agriculture reports that 29 percent of the land area of the State was used for crop production. Further, there are 24,929 farms which plant almost 5.6 million acres. Approximately 57 percent of this acreage was cropland, 34 percent was woodland, and 9 percent was in miscellaneous usage such as house and barn lots, roads, as well as ponds.

Having grown up on a farm in Edgefield, SC, I know firsthand the long hours and hard work required to produce a crop. Daily, these dedicated men and women must labor in the fields from dawn until dusk in good weather and bad. The nature of their business requires farmers to be the biggest gamblers in the world. The farmer is no stranger to adversity. They must face risks which are unlike any faced by other businesses. They are susceptible to the unpredictable whims of nature. Without any warning, an entire season's crop can be wiped out by drought, flooding, freezing temperatures and pest infestations in a matter of hours. In spite of these hardships, they continue to work to raise our food and fiber.

Agriculture has been an integral part of the Nation's economy since its beginning. In 1987, the Nation celebrated the 200th anniversary of the signing of the Constitution. Thirteen of the thirty-nine signers of the Constitution depended on agriculture for their livelihood. For over 200 years, farmers have remained the backbone of our country.

The bill we are considering today recognizes the important role that agriculture continues to play in our economy. It includes changes in farm, environmental, and consumer policy. Although this bill includes many improvements, there are issues about which concerns have been expressed. I look forward to continuing the debate on this important measure.

Mr. President, I learned the following quote in my studies of agriculture at Clemson University, from where I graduated, which eloquently expresses the importance of agriculture:

At the head of the arts and sciences, at the head of civilization and progress, stands not militarism, the science that kills, nor commerce, the art that accumulates wealth, but agriculture, the mother of all industry and the maintainer of all human life.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized.

AMENDMENT NO. 2331

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

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

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], proposes an amendment numbered 2331.

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

The PRESIDENT pro tempore. Without objection, further reading of the amendment will be dispensed with.

The amendment is as follows:

At the end of the bill add the following:

SEC. . FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) The LD50 test is an acute toxicity test on animals which has been shown to be inaccurate, misleading, and unnecessary in product testing;

(2) other tests have been developed which are less costly, more humane, and more accurate;

(3) nonanimal alternatives have been developed for other acute toxicity tests using animals;

(4) the Federal Government has encouraged the use of the LD50 test and other animal acute toxicity tests through regulations which mandate their use, encourage their use, or do not prescribe other less costly, more accurate and humane alternatives;

(5) private industry is reluctant to use other tests without encouragement from the Federal Government; and

(6) private industry and the consumer will benefit from the promotion of alternative methods of testing when these alternatives are more accurate and humane than animal tests.

(b) **POLICY.**—Federal departments and agencies shall encourage the development and use of product testing procedures which accurately reflect human reactions to products, including consumer products and products containing hazardous or toxic substances, but which do not rely upon animal models.

SEC. . FEDERAL ACTION.

(a) **PROHIBITION OF USING LD50 Test for Product Safety, Labeling, and Transportation Requirements.**—Effective 1 year after the date of enactment of this Act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for the purposes of Federal regulation.

(b) **REGULATIONS CONCERNING TESTS OTHER THAN ANIMAL TOXICITY TESTS.**—(1) Not later than 1 year after the date of enactment of this Act, each Federal department or agency head shall—

(A) review and evaluate any regulation, guideline, or recommendation issued by that department or agency which requires or recommends the use of an animal toxicity test for the purpose of pre-market evaluation of the relative acute toxicity of a product; and

(B) promulgate regulations which specify that nonanimal toxicity tests be used instead of animal toxicity tests, unless that Federal department or agency head determines that in certain limited cases the non-animal toxicity test has less validity than the animal toxicity test.

(2) If a determination is made that a specific nonanimal toxicity test is less valid than an animal toxicity test, the appropriate Federal department or agency head shall publish in the Federal Register an explanation of all options considered and the justification for continuing the animal toxicity test, which shall be subject to public comment before a final regulation is promulgated.

(c) **PERIODIC REVIEW OF ANIMAL TOXICITY TESTING REGULATIONS.**—At least every 2 years (beginning 3 years after the date of enactment of this Act), each Federal department or agency head, after considering the most recent technological advances available, shall determine whether continued use of any animal toxicity test is justified. If a Federal department or agency head determines that such a use is justified, then that Federal department or agency head shall publish in the Federal Register an explanation and justification of such continued use, which shall be subject to public comment.

SEC. . DEFINITIONS.

For purposes of this Act—

(1) **ANIMAL.**—The term "animal" means any vertebrate.

(2) **ANIMAL TOXICITY TEST.**—The term "animal toxicity test" means an animal model acute toxicity test including (but not limited to) the Draize eye or skin irritancy test, approximate lethal dose test and the limit test.

(3) **FEDERAL DEPARTMENT OR AGENCY HEAD.**—The term "Federal department or agency head" means the head of a Federal department or agency who—

(A) has authority to promulgate regulations, guidelines, and recommendations with respect to procedures to be used in the testing of products, including consumer prod-

ucts, veterinary products, and products containing hazardous or toxic substances; or

(B) licenses or approves products, labeling requirements for products, or the transportation of products based on the results of these tests.

(4) **NONANIMAL TOXICITY TEST.**—The term "nonanimal toxicity test" means a nonanimal model acute toxicity test including (but not limited to) cell culture, computer modeling, protein alteration, and chorioallantoic membrane techniques.

The **PRESIDENT** pro tempore. The Senator from Nevada [Mr. REID] is recognized.

Mr. REID. Mr. President, this amendment that I have just sent to the desk is comparable to a bill that has been introduced on several occasions in the Senate. There is presently a bill pending that has been cosponsored by Senators JEFFORDS, WIRTH, COHEN, BURDICK, and AKAKA.

The amendment I am offering today encompasses the provisions of S. 891, which is entitled the Consumer Product Safety Testing Act. An identical bill has been introduced in the other body on many occasions. As we speak, H.R. 1676 is pending in the House with more than 100 cosponsors.

The purpose of my amendment is to encourage modernization of consumer product testing. First of all, the amendment precludes Federal agencies from accepting the results of the lethal dose 50 test, an outdated and unreliable test. Second, this bill calls upon Federal agencies to review regulations, some of which are decades old, and to substitute nonanimal for animal tests in situations in which the nonanimal test would protect humans equal to or better than the animal methodology.

The bill does not mandate any changes not endorsed by the regulatory agencies. It does not place restrictions on medical research. I repeat, this amendment places no restrictions on medical research or places any substantial economic burden on industry or Government.

What then is the lethal dose 50 test, the LD50 test? Mr. President, the test is easy to say, LD50, but is horrible and gruesome to consider. In the LD50, rabbits and other laboratory animals are force-fed poisons and other chemical substances until 50 percent of them die. That is the LD or lethal dose 50, a needlessly cruel lab test. What are they force-fed? Drain stoppers, all kinds of things for cleaning ovens, for cleaning toilets—anything you can imagine, these animals are force-fed until half of them die.

But LD50 is not just inhumane, Mr. President; it is scientifically suspect and unreliable. According to an Office of Technology Assessment report on animal testing alternatives—and, by the way, this report is 5 years old—the LD50 test has poor reproducibility. In other words, the results cannot be duplicated or confirmed in another labo-

ratory. This is one of the foundations of sound, reliable scientific research. The Office of Technology Assessment also concluded: "The results are difficult to extrapolate to humans because there are so many mechanisms by which death could occur."

We cannot even be sure, Mr. President, what the LD50 test means to the people who use and buy the products being tested. The Consumer Product Safety Commission has stated that it has a policy to discourage the classical LD50 test. The Food and Drug Administration and the Environmental Protection Agency have both stated that they do not require or encourage the continued use of this test.

In 1984, the chairman of the Medical Research Modernization Committee called the LD50 test an anachronism. The World Health Organization toxicology consultant considers the LD50 test to be a "ritual mass execution of animals."

But 5 years later, after the Office of Technology Assessment has done their work, we are still using this outdated, behind-the-times study because the written regulations have simply not changed in that 5-year period of time. Industry believes that existing guidelines make animal testing necessary for market approval and protection in liability suits. As long as the Federal Government refuses to change the rules, companies will fail to use or create more effective tests.

My amendment attempts to break this logjam, to encourage innovation and accuracy in product testing. Companies will be able to pursue the use of more effective and more humane methods.

Critics will claim that valid alternatives do not exist. Considerable progress, though, has been made to render the Draize eye irritancy test—another test often referred to as the rabbit blinding test—extinct.

In the Draize test, high concentrations of irritants are squirted into the eyes of rabbits. The rabbits endure excruciating pain. Reports indicate, Mr. President, that rabbits cry like human babies during this painful procedure. The irritants squirted into the open eyes of these rabbits could be pesticides, cosmetics, or other irritating chemicals. The drops are applied until the rabbits' eyes are painfully swollen. At the end of the Draize test, the rabbits are killed. I might add, Mr. President, at that time death is merciful.

Draize test alternatives have already been developed by the private sector. Last year, for example, Avon Corp. discontinued the Draize test and is now using something called Eytex, a non-animal alternative toxicity test that the company validated for its products as part of its product safety evaluation program.

Other companies, including Mary Kay, Amway, Revlon, and Faberge have dropped animal testing to verify the safety of their products.

The protection of human health is also of paramount concern, but I do add, Mr. President, that if these major companies about which I have spoken have given tests to the necessary governmental agencies that satisfied those agencies, certainly others should follow suit.

The Federal Government should be setting a better standard and advance safety product testing. For example, right now, Mr. President, in at least six States throughout the Nation, legislation has been introduced like this. We should set a better example and not have this done on a hodgepodge basis throughout the various States.

A letter from a California assemblyman—this letter was written to Congressman HENRY WAXMAN—outlines the problems that State legislatures face surrounding the problem of the use of animals in acute toxicity testing. Assemblyman O'Connell wrote:

The issue of the use of animals in acute toxicity tests was recently brought before the California assembly. This specific bill sought to criminalize the use of the Draize or LD50 skin irritating test for the purpose of testing consumer or household products. This legislation arose out of frustration with the lack of initiative on the part of industry to change from animal to in vitro acute toxicity testing where possible without sacrificing human health and safety. As recently exemplified by Avon's initiatives, industry is capable of significant changes in this area.

The assemblyman continued:

The bill failed in large part because of confusion over the Federal Government's role in determining the safety of cosmetics and household products and the Government's continued support for the Draize test despite a lack of initiative to validate new technologies.

We need to give some direction to the various States. It can be done by adopting this amendment.

This amendment calls upon Federal agencies to review these regulations regarding animal toxicity tests, and if nonanimal alternatives exist—I repeat, if nonanimal alternatives exist—to substitute these alternatives. It is not fair to the consumer to continue using such tests, especially, if viable alternatives exist.

Mr. President, without Federal guidance to the contrary, companies conducting LD50—remember, it stands for lethal dose 50—and the Draize test will stick to the tried and true. But these tests have proven to be less than true. They have been tried, but they have been proven to be less than true. These tests are certainly cruel, and they are also certainly unreliable.

When it comes to product safety, we cannot afford these half-truths. These tests fail miserably where it counts the most—on humanitarian and scientific

grounds. The U.S. Congress is the appropriate forum for initiating change in this area. This modest amendment will do nothing more than require agencies to review scientific progress. In the name of product safety, consumer safety, and scientific integrity, I urge adoption of this amendment.

I want to repeat, Mr. President, that this amendment does not deal with medical research. I quote from a statement made by my colleague in the hearings that took place on the bill in the Senate. Congresswoman BARBARA BOXER testified before the Senate Commerce Committee as follows:

I would like to add that claims that this legislation will force all animal testing to a grinding halt are patently misleading and irresponsible. This bill is directed specifically at toxicity testing of consumer products and in no terms involves biomedical research.

Additionally, while this bill bans use of the classical LD50 test in the first part, animal toxicity tests may continue to be required and the results accepted provided that they are justified.

I also direct the Senate's attention to a statement that will, I am sure, be brought up, that this is not the right place to do it. Maybe there should be more hearings held.

I submit that, first, this legislation arose in 1985 at the same time that the Office of Technology Assessment was asked by Senator ORRIN HATCH to make a determination as to how these products are used and should be used, and how these tests are used and should and should not be used. That was in 1985.

In that year, H.R. 1877 was introduced. In that year in the House, there were 105 cosponsors. In 1987, H.R. 1635 was introduced again by Congresswoman BOXER. Then there were 112 cosponsors in the House. At this time, the bill was referred to the House Subcommittee on Health, where it died, and at that same time I introduced S. 2814. There was no hearing held on it.

Again, I introduced H.R. 1676, not in the 100th Congress, but in the 101st Congress, and that matter is now languishing in committee. During the 101st Congress in the House, a bill was introduced by Congresswoman BOXER, and now there are 123 cosponsors, as of the last date, on that legislation.

So, Mr. President, I think it is time we acted on this legislation. The claims as to it being something that would interfere with medical testing are simply not valid.

I ask that this matter be overwhelmingly supported by this body.

Mr. President, parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state his parliamentary inquiry.

Mr. REID. It is my understanding this amendment is proceeding under a time agreement of 1 hour. Is that correct?

The PRESIDENT pro tempore. There is no time agreement on the Senator's amendment.

Mr. REID. There is no time agreement. I yield the floor.

The PRESIDENT pro tempore. Who seeks recognition?

Mr. LUGAR addressed the Chair.

The PRESIDENT pro tempore. The Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I rise in opposition to the amendment of the distinguished Senator from Nevada. I commend him for his thoughtful explanation and sense of humanity and compassion that certainly motivates this amendment.

Mr. President, the basic dilemma that many scientists face is that while nonanimal testing has progressed substantially, there is not overwhelming confidence in nonanimal tests. This is a simple way of stating what can be said in much more complex fashion, but this is the dilemma.

The amendment of the Senator simply states that the LD50 test, 1 year after enactment of this amendment, will not be recognized.

I state specifically: Effective 1 year after the date of enactment of this act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for purposes of Federal regulation.

Mr. President, the distinguished Senator has pointed out the Commerce Committee has received this legislation and the comparable House committee has received the legislation. Those committees have apparently had hearings, and not acted on this amendment.

The amendment arises in this farm bill context I suspect because some of the tests involve pesticides, insecticides, and various chemical situations that are part of agriculture.

The Senator has mentioned specifically cosmetics, and the fact that in some cosmetics testing something other than animal tests appear to work effectively. I would commend those who are doing that testing to use in every instance, if those tests are effective, other than animal tests.

But we are advised by the relevant governmental agencies that are involved in testing of all sorts—FDA, the Food and Drug Administration, the EPA, Environmental Protection Agency, and the Department of Commerce—of deep concern about this amendment because of its broad-brush approach. If 1 year after enactment of this amendment LD50 tests can no longer be utilized—that is a very severe and broad-brush stroke of all the testing being then done, much of it are very relevant to human health and safety.

I am simply advised that with regard to pesticide testing in particular there

is not confidence that the effects upon human beings can be foretold with the same degree of certainty that animal testing now gives in their so-called nonanimal testing mode.

I suggest that the amendment prophesied that progress will be made at a fairly rapid rate across the board in terms of this testing. Many Senators pray that would be so. But there does not appear to be substantial evidence that that will occur, and 1 year is a fairly short-term time for this complex evolution.

I suggest, Mr. President, that the amendment may or may not belong on this bill. It has been offered. So it is here. But the thrust, certainly, of, I think, all arguments that will lodge against this come down to simply the efficacy of the testing methods, and the gravity of the human concerns that are involved. Those are a very different set of concerns than concerns about cosmetics or about the products that do not affect the health and safety of individuals.

Mr. President, I rise in opposition to the amendment, and I am hopeful it will not be included as part of the farm bill. It clearly is a subject that will occupy the attention of thoughtful Americans for many years to come. Hopefully, those funds and resources, and the originality of topflight scientists will be devoted to ways in which these tests might proceed to a nonanimal type in a broad gamut of methods. But we are not yet at that point, in my judgment.

The intent of the Senator from Nevada may be to stimulate research, and to jog the thoughts of people who may be able to come up with alternatives. But that is clearly something else than mandating 1 year after the time of enactment the LD50 tests can no longer be taken as a part of the background of testing on things that may vitally affect our health and safety.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Thank you very much, Mr. President.

I respond to the manager of the bill for the minority on this matter, this important farm bill, that statements made by the Senator, with all due respect, are not in keeping with the testimony that has been rendered before committees of this Congress by administration officials.

For example, late last year Victor Kimm, who is the leader of the Office of Pesticides and Toxic Substances of the Environmental Protection Agency, testified that basically the LD50 test is not necessary. I will speak specifically to what he said. I give you a general statement. But he said specifically: "In 1984 we revised our position and"—

this is his word—"renounced classical LD50 tests that utilize a large number of animals for a singular purpose, the calculation of a median lethal dose. Instead, we suggested a cured approach that results in the saving of animal lives."

That is what this amendment is all about. Yes, it does do away with the classical LD50 test. But that is all it does because it sets up, as the Senator from Indiana has indicated, in the second section of the bill a program that the Federal Government will look into to make a determination if, in fact, there are alternatives available so that you do not need to use animals.

This bill does not outlaw animal testing. It does not even come close. In fact, the language of the amendment allows for, in effect, animal testing if the Federal Government says there are no alternatives. It is as simple as that.

The legislative intent should clearly apply and state that the term "LD50 test" means the classical LD50 test or one in which the calculated dose of a substance is measured to cause the death of 50 percent of an entire defined population. It does not include tests such as the limit test, multiple end point test, the up and down method, or the approximate lethal dose test, which are other scientific methods that are used that are, in effect, not as cruel to animals. Some of these may be unnecessary, but that is up to the Federal Government to decide. This legislation does not outlaw those tests.

I further submit that on a hearing of this bill, again in November of last year, before the Commerce Committee, at that time the Assistant Secretary for Health in the Department of Health and Human Services, Dr. James O. Mason, testified. He testified at great length about the need for animal testing.

Without debating those statements that he made, because we would all recognize that there is some validity in his statement that progress has been made as a result of some of the testing done on animals in the past—without debating that at this time as to whether or not it is necessary, and repeating that this legislation does not prevent animal testing, I submit that Senator BRYAN, who was chairman of that subcommittee and was conducting the hearing, said: "May I conclude from that at this time there is no particular type of research in which LD50 would be absolutely, in your judgment, necessary to do a proper job of research, but that your fear or apprehension is that there may come a time in the future in which there is a test in which LD50 may be necessary? Is that the thrust of it?"

He said: "I think you are very close to it."

So, in effect, what Victor Kimm has said is that the classical test is not necessary, and what Dr. Mason has said is that they do not have any use for the test right now. They may have a use for it sometime in the future.

I respectfully submit to the manager of this bill that we do not in this amendment stop, prevent, slow down in anyway animal testing if a Federal agency thinks it is important. We do away with the classical LD50 test, lethal dose 50, and we have done it based upon not only technology assessment, but there are other witnesses who testified on this. In addition to that, what the Government agencies have said is that it simply is not necessary. We have Victor Kimm's statement and we have that of Dr. James Mason.

Mr. CONRAD addressed the Chair.

The PRESIDENT pro tempore. The Senator from North Dakota [Mr. CONRAD].

Mr. CONRAD. Mr. President, on this side we would like to commend Senator REID for introducing this legislation. It certainly merits serious consideration. The legislation, we believe, would require and urge that alternatives to animals be used in research, wherever possible. Obviously, we should eliminate unnecessary testing on animals, wherever that is practicable.

However, Mr. President, on behalf of the committee, I want to register objection to this amendment for jurisdictional reasons. This is not a bill that has been examined by the Agriculture Committee. Rather, it is legislation that has been referred to the Commerce Committee. Senator REID, in referring to hearings and witnesses, is referring to testimony that was made not before the Agriculture Committee, but before the Commerce Committee. The Agriculture Committee, therefore, has never had an opportunity to review the testimony of those witnesses, to have a chance to question them, to have a chance to review this legislation, to be able to be certain that it has the sort of limited effect that the Senator from Nevada is suggesting here.

On behalf of the committee, we recommend that the Senator work this bill through the members of the Commerce Committee that are the ones that have had the benefit of the hearings, the testimony, and the legislative process.

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

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the Senator from Nevada [Mr. REID].

Mr. REID. Mr. President, I have been in Congress almost 8 years now, and I am disturbed every day by this jurisdictional matter. I understand if

in fact a bill was just introduced, there can be jurisdictional disputes over it. But remember, this legislation has been kicking around for 5 years. Are we going to wait another 5 years and have another million animals killed as a result of this test?

There comes a time when you have to cut people a little slack. I think in this instance we have cut about all the slack that should be cut. I think that in this instance, there has been enough done. There has been legislation introduced now in three Congresses—the 99th, the 100th, and the 101st Congress.

We are winding to a close with the 101st, and now we are going to say we need not only have the Commerce Committee keep it bottled up in their committee, but now we are going to put it over to another committee and bottle it up there for a while.

I think the evidence is very clear that it is time to stop killing these animals unnecessarily. This amendment does not affect medical research. This amendment does not affect animal testing with medical research, if in fact there is a reason for it.

What we are saying is, as Avon and other companies have said, there is no reason for it any more. What we are saying is the same thing Victor Kimm says, who is head of the Office of Pesticides and Toxic Substances. In effect, he is saying that we have done enough. We do not need the classical LD50 test. Let us have the other tests. That is where we have a second section of this amendment, which allows all the other testing to go on, if the Government can show there is a reason for it.

So I submit to my colleagues of the Senate, let us not get hung up on jurisdictional matters. We are talking about humane treatment. We are talking about animals being killed, not by scores, or by the hundreds or thousands, but by the tens of thousands. It is simply unnecessary.

The classical LD50 test does just what it says—lethal dose 50. When you have a number of these animals together, half of them die, you stop the test.

We do not need to do that. We are a civilized society. I repeat for the fifth time, this amendment does not interfere with or slow down medical research in any manner. If there are animals that are necessary to be used in medical testing, the Government simply has to show that it is necessary, that there are not other tests that exist. I submit that this amendment should be adopted overwhelmingly by this body.

Mr. LUGAR addressed the Chair.

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

Mr. LUGAR. Let me reiterate that no Senator wants the unnecessary

slaughter of animals. Every Senator, I think, has to act in a prudent manner. And all the distinguished Senator from Nevada has pointed out is that his amendment has been around in one form or another for 5 years, and the Commerce Committee has had several opportunities to have hearings to discuss it.

The fact is, they have not taken action. One reason they have not, I submit, is that high level officials in the Department of Commerce, FDA and EPA, do not want to see action on this amendment. They do not want to see action, because they believe that they would be precluded from utilizing tests that are important for the health and safety of human beings.

That is a very important consideration for all of us. No Senator wants to see the slaughter of animals, but most Senators, in a prudent manner, would say that given the scientific evidence, scientific procedures, the sorts of tests that apparently are required to make certain that a pesticide and insecticide, agricultural chemicals—and I gather that is one reason the amendment comes into our purview at all, as opposed to being strictly a Commerce Committee jurisdiction—are suitable for human use. But let us accept on face that there is at least a portion of agricultural jurisdiction, even if a narrow one, at least the aggregate of those in EPA, that have consulted with our committee and are not prepared to see adoption of this amendment.

Therefore, Mr. President, I conclude, as has the Senator from North Dakota, the distinguished comanager of the bill right now has said, that it would have been better if the motion was based in hearings. We have not had hearings. We have been approaching this amendment on the floor of the Senate because it has not made headway in the Commerce Committee after a hearing, after Senators have seen a great deal more testimony than we have.

But we have consulted with relevant agencies of our Government, and they oppose the amendment. They oppose it because they believe that it is a broad brushstroke, and certainly the alternative testing methods simply are not available in the force and number that are required.

Therefore, Mr. President, I repeat again that it seems to me that this is an amendment whose time has not yet come, whatever the jurisdiction or whatever the venue in which the discussion occurs. This is an important amendment in the sense of spurring consideration of alternative means, and humaneness with regard to animal testing.

I join the distinguished Senator from North Dakota in commending the Senator from Nevada for his interest. But at the same time, I must

oppose the amendment and advise Senators I think it should not be part of this farm bill.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The chair recognizes the Senator from Nevada [Mr. REID].

Mr. REID. I think that the time has come to stop going back and forth, but I do feel it is important to bring out testimony that was rendered before the Commerce Committee. This was a statement of Dr. Martin Stephens, a representative of the Humane Society of the United States. I think it is very probative to listen to what he said:

The goal of this bill is to make testing more humane, and certainly that is the goal shared by the American public. I had many remarks to make on the LD50 test, but it seems that there is no opposition to eliminating the LD50 test.

The administration testified; Dr. Kimm, Dr. Mason, both testified, and Dr. Stephens responded to their testimony and said "As I have said, it seems that there is no opposition to eliminating the LD50 test. Both Dr. Kimm and Dr. Mason agreed that the test had seen better days. They talked about the need for continued animal testing on modification of the LD50 test."

This bill does not prohibit those modifications, which include the approximate lethal dose test, the limit test, the up-and-down method, and others. These still involve animals but far fewer animals, and in some cases there is less suffering per animal. I think Dr. Mason was under the mistaken impression that this bill would not allow those modifications."

He goes on to say Dr. David Rall, Director of the National Toxicology Program, head of the Department of Health and Human Services called the test an anachronism.

He went on, "I do not think that the LD50 test provides much useful information about the health hazards to humans from chemicals," and this from the head of the agency that tests chemicals for components, FDA, NIH, and the Centers for Disease Control. He also stated that the National Toxicology Program itself does not use the LD50 test. The International Scientific Journal states it is now widely recognized among toxicologists and regulators that the precise LD50 value is an unattainable vision.

Dr. Gerhard Zbinden, of the University of Missouri, called the LD50 test a ritual mass execution of animals. And he states, "I could go on."

Mr. President, I could go on and on. There is simply no basis for not supporting this amendment. The only basis is one of this vague illusionary things we chase around here and I have seen for 8 years, this thing called jurisdiction, which is meaningless. What we need to do is do something to

stop unnecessary suffering and in the process we will make this country a better and more humane society.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota [Mr. CONRAD].

Mr. CONRAD. Mr. President, I ask unanimous consent to add Senator LEAHY as an original cosponsor of the Reid amendment.

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

Mr. CONRAD. Mr. President, I would also like to commend to Senator REID on behalf of Senator LEAHY that he would be willing and eager to work with the Senator in order to achieve some of the goals that have been outlined by the Senator from Nevada and to further indicate that Senator LEAHY and the committee believes that while there is much merit in the amendment from the Senator from Nevada that it is inappropriate for this amendment to be added to this bill.

Again, often people hide behind jurisdiction in this body. But in this case we have a situation in which there have been hearings held before another committee, witnesses have been called before another committee, in which the expertise that has been generated in this Congress really resides somewhere else.

Therefore, again on behalf of the committee we would resist the amendment.

Mr. REID. 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.

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

Mr. LUGAR. Mr. President, during the course of this debate others in Washington have been listening to our words and I have received a memo from Secretary Sullivan of the Department of Health and Human Services in which he and his department made the following comments with regard to this amendment.

He points out that the amendment has never been voted out of any committee, whether it be Agriculture or Commerce, and it is strongly opposed by the administration. The Assistant Secretary of Health stressed that biomedical medical research and drug development programs will be adversely affected by this amendment.

This is a disastrous amendment. It would wreak havoc on biomedical research and drug development, because it places restrictions on the choice of scientific methods and creates sizable administrative burdens for justifying the use for each type of toxicity testing.

The amendment outlaws the test for establishing product safety; while it is true that this test is used less and less

frequently, it is still available as an option when science demands it.

A particularly damaging portion of the amendment, as the Secretary points out, is the requirement that all agencies review regulations and guidelines concerning the use of any animal toxicity testing of products that may go onto the market. The agencies concerned with product safety already go to great lengths to assure that the test involving animals are conducted humanely and with the minimum number of animals. The amendment would require an unacceptable amount of unproductive work to continue using these test methods.

Finally the thoughts of the Secretary, and I quote:

The products potentially affected by this bill are not just additional soaps or deodorants or cosmetics but include life-saving and life-sustaining commodities such as new drugs and medical devices. We do not want to hamstring our scientists as they try to develop safe and effective drugs, vaccines, and other treatments for persons in this Nation.

I make these additional points, Mr. President, prompted by the interest of the Department of Health and Human Services.

Mr. President, at the time that the distinguished Senator from Nevada or others are completed with their debate and therefore we know the debate is at an end I will be asked to be recognized to table the amendment of the distinguished Senator from Nevada, but I am withholding that motion, seeing he is on his feet and wishes to proceed with the debate.

Mr. President, I ask unanimous consent that a letter from Dr. Louis Sullivan, Secretary of Health and Human Services, be printed in the RECORD.

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

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, July 23, 1990.

DEAR SENATOR: I am writing out of concern that the provisions of S. 891 may be offered by Senator Reid as an amendment to the farm bill, currently under discussion on the Senate floor.

The Administration, and this Department in particular, is strongly opposed to the adoption of this amendment. S. 891 would seriously curtail the use of animal toxicity testing of products to be introduced into the American marketplace. One such test, the LD50 test, would be completely outlawed by this measure; while this test, in fact, is being employed less and less frequently, it does play an important role in some situations and should remain available when the scientific circumstances demand it. A particularly damaging aspect of the Reid amendment is the requirement that all Federal agencies review and justify any animal toxicity testing that they utilize or require. In fact, Federal agencies already go to great lengths to assure that animal testing is conducted humanely as possible and is designed to involve a minimum number of animals. The proposed amendment would require that a great deal of effort be committed to justifying the continued use of testing

methods that seem to be working quite well. This would be government waste of taxpayers money, pure and simple.

The products affected by this bill include life-saving and life-sustaining commodities such as new drugs and vaccines, such as those that might be targeted toward cancer and AIDS. We should not hamstring our scientists and doctors as they try to develop safe and effective products for our nation's people.

I hope you will join me in opposing the incorporation of the provisions of S. 891 into the farm bill. The future health and well being of our citizens may well depend on a firm rejection of this amendment.

Sincerely,

LOUIS W. SULLIVAN, M.D.,

Secretary.

Mr. KENNEDY. Mr. President, I am opposed to this amendment. It is clear, on the basis of testimony given by the Assistant Secretary for Health, Dr. Mason, that reliable alternatives to these tests do not now exist in all conditions. Although all of us wish to minimize injury to animals, we must not do this by placing human beings at risk. NIH has informed me that there are a number of potentially life-saving cancer drugs that cannot be administered safely to human beings without animal testing of the kind this amendment would prohibit.

This is a complicated matter. It has not yet been thoroughly reviewed by any committee. It is clearly inappropriate to adopt an amendment based on conflicting and disputed scientific arguments without a thorough committee review.

Mr. REID. Mr. President, I have a brief statement to make before the Senator seeks recognition to ask for a motion to table.

I submit that Dr. Sullivan, and I respect his interest to this body, should determine what his own people had to say. I have related what Dr. Mason has said, and I have stated what another agency has had to say, namely the Environmental Protection Agency.

I repeat now for the sixth time, this amendment does not affect any type of medical research. It does outlaw a test that even the administration officials have stated is an anachronism. It is time to do away with this test. I do state I do appreciate the kind offer of the chairman of the Agriculture Committee, Senator LEAHY, and his interest to look into this but I think the time has come that we should vote on this amendment.

I now yield to the Senator from Indiana.

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

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Nevada.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUGAR. Mr. President, is it the opinion of the Chair that the vote on this will occur after 6 p.m. this evening per the order under which we are debating today?

The PRESIDING OFFICER. There is no formal order that establishes when the votes will occur. There has been an informal understanding.

Mr. LUGAR. Mr. President, then in line with the informal understanding, I ask unanimous consent that the vote occur after 6 p.m. this evening.

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

The vote on the motion to table the amendment of the Senator from Indiana will occur after 6 p.m. this evening.

Mr. LUGAR. I thank the Chair.

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. BURNS. 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. BURNS. Mr. President, I take this time, as we have now started the second full day of debate, on what I consider probably the most important legislation that will come before this body, and that is the redoing of a Food and Agriculture Act.

I would like to premise this just a little bit because I think a lot of times the American people have been misguided that this is a farm welfare bill. We are talking around an outlay of \$50 billion a year out of a budget of \$1.2 trillion. Now that does not sound like very much. In fact, it is less than 1 percent of the total outlay of tax dollars that this Government will spend.

It has been done for a very specific reason. It is not done to guarantee an income to our farmers and ranchers, the people that live on our ranches and farms that produces the food and fiber for this country. It is done because the American society as a society made a commitment that they want a stable, healthy, nutritional supply of food, and also fiber. It touches the lives of every one of us.

Every day people go to the grocery store. Foreign visitors when they come to this country do not marvel at our transportation system and they sometimes do not marvel at our communications system. They do not marvel at the big buildings that we have built. They marvel at our supermarkets.

Right here in the Washington area, I think, last year was a prime example,

when the wife of a Russian hockey player for the first time visited an American supermarket. She filled up two pushcarts full of meat. She had never seen that much meat in a grocery store in her life. Because over there you spend 2 hours standing in line to make a selection of 19 items, and most of the time there is no meats involved. She had both of those carts full because she did not think tomorrow there would be any there, until she was told otherwise. Foreign visitors marvel at our supermarkets.

So basically what we are talking about here—and we are going to batter around in this body trying to justify outlays and dollars into the agricultural community at the production level. Let us understand this budget just a little bit. We are talking about \$50 billion. Half of that budget goes to food stamps, to help our less fortunate feed themselves—school lunch programs; food to nursing homes and convalescent centers; a whole array of programs that are sponsored by this Government that provides food and nutrition and, yes, fiber for clothing to some of our less unfortunate. Only \$11 billion in this budget actually gets to the farmer and rancher. If you want to take the percentage on that, I think that would be all right.

I do not have any problems dealing with the money that this Government spends to ensure the supply of food.

I asked a man one time, "Do you buy insurance on your car?" Sure, he does.

"What do you spend for it?"

"\$1,000 a year, couple of cars."

"How about insurance on your house?"

"You bet."

"How about insurance on your life?"

"You bet."

"Health insurance?"

"Yes."

I said, "What if I could provide you with an insurance policy that would guarantee you that you could spend all of your hours in the day dealing with your chosen vocation. I do not care what you do. I do not know what your line of work is. I do not care what your line of work is. What if I could guarantee that you would never have to plant, prepare a seedbed, hoe, harvest, process, freeze, and do all those things it takes in to lay a food supply for the winter, if I could guarantee you would never have to do that or any of your family would have to do that so that you could contribute all of your time to your chosen vocation? Would you buy an insurance policy like a that?"

He said, "You bet. It is worth quite a lot to me."

How much is it worth?

Right now the average family spends \$129 a year for that insurance policy. That is not very much. That is not very much, guaranteeing them that any time of day, 7 days a week and in

a lot of areas 24 hours a day. You can come to the grocery store and get from, yes, soup to nuts, fresh meats, any amount that you want, processed in any manner that you want; you want it canned, frozen, dried, however; a little bit or a lot of it. But it is for sale.

This society called the United States spends less of its disposable income for food than any other citizen of any other nation in this world. Think about that for a little bit. Here is what we are doing with these programs. We are insuring America that there will always be something in the grocery store. It is only costing you \$129 a year. That is not a bad deal.

You look at health and human services, I think something like \$172 billion a year. That does not count Social Security that amounts \$227 billion; defense \$294 billion. And I agree it is important.

It is important. We spend \$21 billion for education. We are talking about \$11 billion, in this Government, to ensure that those people who know how to make land produce and produce very efficiently can do it. Keep those people on the land. Keep them producing.

Agriculture does not want a welfare program. They want to be able to produce. They want to be able to get their paycheck at the marketplace. They should have that freedom to do so. They should have the freedom to put on an acre of lands whatever they think they can make a profit at. These programs, some of them, do not allow you to do that.

Back to the old story about two good friends of mine; they were two brothers and they used to go down in Mississippi and buy watermelons for 50 cents apiece and haul them all the way back to Montana and sell them for 49 cents apiece. Cecil looked at Leonard and said, "We are not making any money." Leonard said, "I know it. We have to get a bigger truck."

It is not going to happen that way. We cannot do it by volume.

The people who want to limit production on one side are the same people who, for environmental reasons, want to shut it down altogether, production agriculture. That makes it pretty tough.

It is the role of this body, of this Government, the Department of Agriculture, to start taking a look at what their real role is, and that is representing the producer, taking care of those people who produce, and also ensuring this country of a safe supply of food. That is what we are talking about here.

We will kick around a lot of amendments and some of them will mean something. I know I have 16 or 17 here I will be offering. We are still dealing with them. They do not mean much.

But we will make great speeches on how we are going to get the farm vote and all of this.

Basically what we are talking about, America, this is a consumer bill. This is a bill that makes sure you have fiber in the store to protect you against weather. This makes sure you have food in those grocery stores. Because we all use it, most of us more than three times a day. I show the effects of that. Maybe some of us only two times a day. But the first thing we do in this life is eat. You will not miss it until it is not there.

So, as we go down the road and we start talking about this farm bill, do not forget what the priorities are in this Nation. It is the largest industry there is in this Nation. I expect half of all the trucks rolling up and down the interstates have something to do with food and fiber. It is our largest export.

If you want to know how bad our balance of payments could be, just imagine if agriculture was not in the black. We can sell it, but we have to be allowed to sell it. We need policy that allows us to sell it.

If we want to do something for the farmer, let us take a look at the grain standards. If we are going to grow and develop a quality product, let us give our customers a quality product. Take a look at that.

This is a consumer bill. This ensures that we will have food on the table and that it is readily available. Make no mistake about it, America, we are going to pay for this food one way or another.

I venture to say there are a lot of folks in this body, if you gave them a ranch or a farm, they could not make it go. They could not make a profit on it.

I can tell you about the poor times. I was born right in the middle of the Depression; 160 acres, two rocks and some dirt, in northwest Missouri—I will tell you about the hard times, folks. We did not know what ties were, and fancy shirts. But those people hung on, they stayed on their farms and they farmed them and they built a nation, and it was their spirit that did it.

As we look at these bills we can argue about a lot of things, whether they are germane or not germane or whatever. I do not think agriculture is looking for a welfare check. It is unique. We can go into a manufacturing line and they can say—well, take the automobile industry—this model is not selling, shut that line down. This one is, increase that one. Agriculture does not work that way. We cannot turn it on and turn it off in a year's time. It cannot be done. So we need a policy, something that keeps us going, and keeps the people in place that know how to make it produce.

Mr. President, as we look into this, we are not looking at budget busters.

Sure, money has to be some sort of constraint. I agree with that. But keep in mind, agriculture has made a commitment to this society and society has made a commitment to agriculture. We do not want to violate that commitment.

As the debate goes on we will be speaking on some amendments and some we will not; some we will oppose and some we will support, and offer our own. But what we have to look at is a Department of Agriculture that truly reflects the desires of the producers and is based on providing a food supply that is healthful, wholesome, and safe.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. Mr. President, first I thank the distinguished Senator from Indiana [Mr. LUGAR] who has been holding down the fort here, Senator CONRAD of North Dakota, who filled in for me, and Senator BOREN who did prior to Senator CONRAD. I was returning by air to Washington today and got back a little later than I had anticipated. I do want to thank the Senators who helped move the bill along.

I know staff has been working hard throughout the weekend and during the day today to find those amendments that might be cleared for action. I know there is a vote that will occur after 6 today—that is my understanding—on the Reid amendment. I also note there will be other votes tomorrow, beginning with the sugar amendment.

I do not know if there will be more than this one vote tonight. But tomorrow there will be many. It will be very busy. We will be going well into the evening tomorrow because of the nature of those amendments that will be debated and will require rollcall votes.

I say this, Mr. President, to urge any of my colleagues who have amendments they think may receive enthusiastic responses from the managers of the bill, that this might not be a bad time to come over because the traffic situation may be a tad congested tomorrow. Whereas today, it is a pleasant day on the floor; the mood of the managers, while always serious, and always with concern for the best order of the country, is probably in the best frame it will be this week. So I urge my colleagues to come forth and see what happens. The result might be better than it will be tomorrow.

With that, 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.

AMENDMENT NO. 2332

(Purpose: To modify the processor-funded milk promotion program)

Mr. LEAHY. Mr. President, I have an amendment on behalf of Mr. BOSCHWITZ which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BOSCHWITZ, proposes an amendment numbered 2332.

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

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

The amendment is as follows:

On page 35, line 15, strike "129(b)" and insert "128(b)".

Beginning on page 36, strike line 22 and all that follows through page 38, line 14, and insert the following:

SEC. 124. AUTHORITY TO ISSUE ORDERS.

The Secretary—

On page 39, line 3, strike "126" and insert "125".

On page 39, lines 4 and 5, strike "sections 125(a) and 135" and insert "section 135".

On page 39, line 9, strike "may" and insert "shall".

On page 39, line 15, strike "127" and insert "126".

On page 39, lines 16 and 17, strike "After notice and opportunity for public comment are given," and insert "Not later than 90 days after publication of the proposed order,".

On page 39, line 17, strike "126" and insert "125".

On page 39, line 25, strike "135" and insert "134".

On page 40, line 1, strike "128" and insert "127".

On page 40, line 5, strike "129" and insert "128".

On page 40, strike lines 15 through 25 and insert the following:

(2) SERVICE TO THE ENTIRE INDUSTRY.—In carrying out this subtitle, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only Class I fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) REGIONS.—The Secretary shall establish not less than 10 nor more than 25 regions in order to ensure appropriate geographic representation on the Board.

On page 41, line 4, strike "marketing".

On page 43, line 6, strike "131" and insert "130".

On page 44, line 14, strike "131" and insert "130".

On page 44, line 24, before the period, insert the following: ", except that this subsection shall not preclude the Board from offering its programs and projects for use by commercial parties, under such terms and conditions as the board may prescribe".

On page 50, between lines 12 and 13, insert the following new subsection:

(1) EXEMPTIONS.—The order shall exempt Class I fluid milk products exported from the United States.

On page 50, line 13, strike "(1)" and insert "(m)".

On page 50, line 16, strike "130" and insert "129".

On page 50, strike lines 20 through 25.

On page 51, line 1, strike "(c)" and insert "(b)".

On page 51, line 6, strike "(d)" and insert "(c)".

On page 51, line 17, strike "(e)" and insert "(d)".

On page 51, line 21, strike "(f)" and insert "(e)".

On page 52, line 4, strike "(g)" and insert "(f)".

On page 52, line 8, strike "131" and insert "130".

On page 54, line 4, strike "137(b)" and insert "136(b)".

On page 54, line 6, strike "132" and insert "131".

On page 55, line 20, strike "133" and insert "132".

On page 55, line 21, strike "133" and insert "132".

On page 59, line 1, strike "134" and insert "133".

On page 60, line 9, strike "135" and insert "134".

On page 62, line 1, strike "136" and insert "135".

On page 62, line 10, strike "135(a)" and insert "134(a)".

On page 63, line 2, strike "135" and insert "134".

On page 63, line 4, strike "137" and insert "136".

On page 63, line 11, strike "135(a)" and insert "134(a)".

On page 63, line 20, strike "131(e)" and insert "130(e)".

On page 64, line 2, strike "135" and insert "134".

On page 64, line 4, strike "138" and insert "137".

On page 64, line 22, strike "139" and insert "138".

On page 56, strike lines 13, through 21 and insert the following new paragraph:

(1) CIVIL PENALTIES.—Any person who violates any provision of this subtitle or a regulation issued under this subtitle may be assessed—

(A) a civil penalty by the Secretary of not less than \$500 nor more than \$5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than \$10,000 nor more than \$100,000 for each such violation.

Each violation shall be considered as a separate offense.

On page 60, line 22, after "products", insert the following: "represented in the referendum".

On page 63, lines 21 through 24, strike "class I processors voting in the referendum who represent, as determined by the Secretary, 60 percent or more of the volume of class I fluid milk products" and insert "class I processors representing 60 percent or more of the volume of class I fluid milk products represented by the processors voting in the referendum".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment (No. 2332) 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.

NOMINATION OF JUDGE SOUTER

Mr. LEAHY. Mr. President, I understand that the President has nominated Judge Souter of the first circuit for a position on the U.S. Supreme Court.

Mr. President, I hope that we will not see a rush of Senators saying that they will vote automatically for him, or automatically vote against him.

I remind my colleagues that we should have a full confirmation hearing where everybody can be heard. The President deserves to have his nominee looked at seriously. If we are going to fulfill the constitutional requirements of advice and consent, then we should be prepared to consider the nomination carefully.

The President will state what he sees as the strong reasons for his nominee. The Senate will consider them, read the opinions the judge wrote both on the New Hampshire Supreme Court and on the First Circuit Court of Appeals, and then honestly make up our minds.

The President has said he did not use litmus tests in selecting this nominee, and the U.S. Senate will not use litmus tests. Instead we will follow the normal constitutional—advice and consent. Senators should listen to the evidence, make up their minds, then declare their positions. Not the other way around.

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

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

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

The Senate continued with the consideration of the bill.

Mr. BOSCHWITZ. Mr. President, I have gone through my State of Minnesota many years and have made hundreds of onfarm visits. Starting with the drought in 1988, I did so very systematically. I made 62 onfarm stops that year in 62 different counties throughout our State, all the counties that were affected by the drought.

One of the things that I said as I proceeded along there is that I am going to come back next year, and see

whether or not the drought package that we passed was adequate so that you can attend the meeting next year. The drought package that we passed did not enrich the farmer, but nevertheless allowed him to get through what was a very, very difficult year.

It was a sad thing to see the farms and the crisis that occurred that year. What a difference this year is. Minnesota is all in bloom. Minnesota's crops look as beautiful as I have ever seen them. There is a feeling of buoyancy just as there was a feeling of despondency in 1988 when everything was just dry as a bone.

So I had gone from farm to farm back in 1989, and have been back to many of them in 1990. In 1989, and again this year, we talked about the 1990 farm bill. At each stop I would ask, "What do the farmers want? What do they seek in the 1990 farm bill?"

They would, almost without exception say—certainly there were some exceptions, if you get three or four farmers together, they seem to have quite a variety of views—but it really was certainly with a much larger majority than usual that people would say, "Why do you not just continue the 1985 farm bill?"

There were many who felt that in the event this whole procedure of trying to pass a new 5-year farm bill fell upon too great a contention we would indeed just continue the 1985 farm bill. It would have been a very popular act in rural Minnesota, and all of rural America.

What was there about the 1985 farm bill that made it so successful? If there was a very successful element to that farm bill, is that element in the 1990 farm bill?

One of the principal elements that was in the 1985 farm bill was the ability of the Secretary of Agriculture to establish competitive loan rates. Loan rates really are the market floor. Loan rates are the price that the farmer will get in any event. He makes a loan from the Federal Government, and in the event that the market is lower than that loan rate, he simply surrenders the crop to the Government and is excused from repaying the loan and the interest on that loan.

So the loan rate, plus the interest that is accumulated, really is the base of the market. Make that loan rate high, and you will encourage producers to produce more. Make that loan rate high, and you will encourage producers not only in the United States but in other parts of the world. And indeed, the loan rates during my stay in the Senate have often been so high that they began to farm further and further out on the Outback of Australia, closer and closer to the Arctic Circle in Canada. Production increased throughout Europe, and other parts,

particularly in South America. Crops were planted because of the incentive they were given because the world market has a low point. It is the American loan rate.

In the 1985 farm bill the formula was established that the loan rate would be 75 to 85 percent of the market price in the preceding 5 years, taking out the high year and the low year, and averaging the other three.

That is a sensible approach. You have them take out the low year because this might have been a bumper crop that drove down the price. You have to take out the high year because you can have a drought like in 1988 when there was a very short crop when crop prices do not have any semblance of normalcy.

So taking out the high and the low year makes sense.

Averaging the other 3 years makes sense. Then the Secretary of Agriculture can take 75 to 85 percent of that 3-year average, and say that this is the loan rate.

The Secretary of Agriculture has always taken the 75-percent route. In this farm bill there has been a change. The same formula exists, but a minimum, a floor is put in, and that floor is the 1990 loan rate. Even if the Secretary of Agriculture could, under the formula, lower the loan rate under this bill, he could not because there is a floor to the loan rate.

I do not want low prices in agriculture but I want competitive loan rates so that production around the world will not start up, so that our products will be competitive on the world market, and so that the other very fruitful programs, the EEP, the Export Enhancement Program that we instituted in the 1985 farm bill can operate and not be too expensive.

The amendment that I will offer on this farm bill, but will not offer at this moment, is that the loan rates continue to be established as they were under the 1985 farm bill. It is an important amendment. It is at the crux of the success of the 1985 farm bill. As a result it is important that we continue it in this farm bill as well.

The 1985 farm bill is widely regarded in rural America as having been a most successful effort. It alone did not create the return of prosperity to rural America. A good rain very often is more important than the farm bill, and certainly we see now throughout my State and throughout most States that we have good moisture. Without good moisture it almost does not matter what is in the farm bill.

The trade balances in the world are very affected by the economic conditions of many nations. The trade balance of the United States is very much impacted by the rate of exchange of the dollar. When the dollar is very expensive, a farm bill is not enough of a cure. When the dollar is very expen-

sive, then our grains are very expensive and our competitors enter into the picture. But the farm bill is a factor. These other things are factors as well.

The farm bill is an announcement. It announces to all the world what the minimum price of a commodity will be. That is why it is important that the Secretary of Agriculture continue to have the ability to establish a loan rate in a competitive manner.

That is what I will seek to restore to this farm bill, and what I argued for in committee.

The farmer continues to be protected, however, because of the deficiency payments. There is a target price and a loan rate. The difference between them is the deficiency payment.

If the market price goes up, then the deficiency payment is a small one. If the market price hovers around the loan rate, then the deficiency payment can be the entire difference between the loan rate and the target price. Only when the market price goes above the target price does the market reward the farmer. If the market is to reward the farmer, when indeed, we have to have trade throughout the world, and if we are to do that, we have to have competitive loan rates.

So my amendment will, again, return the basic loan rate to the 1985 formula. It will do a couple of other things, as well. It will eliminate the advance Findley payment, which is an interest-free loan, which is designed to make it more difficult for the Secretary of Agriculture to use the Findley adjustment. It will also eliminate the requirement that the Secretary of Agriculture submit a report before using the Findley provision. Finally, it will make marketing loans discretionary rather than mandatory.

Once again, Mr. President, this is a constructive amendment. If we were to go out and ask farmers, "Should we pass a new farm bill?" The vast majority of them would say why fool with a good thing, why fix something that is not broken. The 1985 farm bill has performed so well. It has performed so well, Mr. President, because of the ability to establish competitive loan rates.

So that is an amendment that I will offer. I will offer it tomorrow. I suggest to Senators that they look at a "Dear Colleague" letter that I have sent to their office which outlines this amendment and some other amendments, as well. This will be an amendment that will be well received in rural America, well received by the farmers of our country, and for good reason, Mr. President, because it has worked well in the last 5 years.

I yield the floor.

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. BOSCHWITZ. 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. BOSCHWITZ. Mr. President, I ask unanimous consent that I may proceed for not to exceed 6 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. I thank the Chair.

(The remarks of Mr. BOSCHWITZ pertaining to the introduction of S. 2889 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BOSCHWITZ. 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. GRASSLEY. 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.

AMENDMENT NO. 2333

(Purpose: To provide for the establishment of a Sustainable Agricultural Research and Education Program.)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY) proposes an amendment numbered 2333.

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

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

The amendment is as follows:

Beginning on page 732, line 3 all through page 759, line 3 and insert in lieu thereof the following:

"Subtitle C—Sustainable Agricultural Research and Education Program

"SEC. 1461. DEFINITIONS.

"For purposes of this subtitle:

"(1) AGRIBUSINESS.—The term 'agribusiness' includes a producer or organization engaged in an agricultural enterprise with a profit motive.

"(2) EXTENSION.—The term 'extension' shall have the same meaning given to the term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

"(3) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means an organization, group, institute, or institution that—

"(A) has a demonstrated capacity to conduct agricultural research, demonstration, education, or information delivery on sus-

tainable agricultural practices or systems; and

"(B) is exempt from tax under section 501 of the Internal Revenue Code of 1986.

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

"(5) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(6) STATE AGRICULTURAL EXPERIMENT STATIONS.—The term 'State agricultural experiment stations' shall have the meaning given to the term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

"(7) SUSTAINABLE AGRICULTURE.—The term 'sustainable agriculture' means an agricultural system that is economically viable and environmentally sound over short and long terms.

"SEC. 1462. FINDINGS.

"Congress finds that—

"(1) to be sustainable, any system must be environmentally sound and economically profitable over short and long terms;

"(2) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure the long-term agricultural sustainability of farms and ranches in the United States;

"(3) sustainable agriculture can embrace methods included in systems known as alternative, low-input, ridge, no- and minimum tillage, regenerative, biological, organic, ecological, and conventional agriculture that meets the economic and environmental criteria to achieve short and long term sustainability;

"(4) United States farmers and the non-farm public want a sustainable agricultural system that will continue through time to be productive and profitable, conserve natural resources, protect the environment, protect the health and safety of agricultural workers, provide safe and ample food and nonfood products, and compete efficiently in global markets;

"(5) improved management of all inputs, increased diversification among enterprises, and increased global understanding are essential to ensure the sustainability of the American agriculture system;

"(6) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service), State cooperative extension services, land grant and other colleges and universities, and State agricultural experiment stations—

"(A) have contributed greatly to innovation in agriculture; and

"(B) have a continuing role to play in improving agricultural sustainability;

"(7) the annual irretrievable loss of an estimated 3 billion tons of topsoil through wind and water erosion reduces agricultural sustainability;

"(8) farmers and ranchers have demonstrated an interest in participating directly in research and extension efforts, a practice that improves farming methods and benefits research and extension programs;

"(9) many farmers and ranchers are dependent on nonrenewable production inputs and natural resources for agricultural production;

"(10) public funding of a properly planned and balanced agricultural research and edu-

cation program is essential to improving efficiency in agricultural production and conservation practices; and

"(11) the expansion or redirection, or both, of agricultural research and extension efforts are needed to assist farmers, ranchers, and other persons engaged in agribusiness to—

"(A) improve agricultural sustainability;

"(B) implement soil, water, and energy conservation practices;

"(C) manage chemical, genetic, capital, labor, machinery, and other resources to optimize the economic and environmental results of their operations;

"(D) diversify their enterprises and practices to more effectively manage risk;

"(E) understand and compete in the global economy;

"(F) reduce nonrenewable production inputs when feasible and practicable and optimize the use of onfarm resources; and

"(G) protect the health of farmers, farmworkers, and consumers.

"SEC. 1463. PURPOSES.

"It is the purpose of this subtitle to—

"(1) facilitate and promote scientific investigation and education in order to—

"(A) enhance agricultural sustainability;

"(B) maintain the productivity of land, labor, capital, and technology;

"(C) reduce soil erosion and loss of water and plant nutrients;

"(D) conserve energy and natural resources;

"(E) improve competitiveness of agriculture producers and processors in global (domestic and foreign) markets; and

"(F) protect the health of farmers, farmworkers, and consumers through safe practices that provide safe food; and

"(2) facilitate the conduct of research and extension projects in order to—

"(A) study agricultural production, marketing, and management systems that are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

"(B) study farms that have been, and will continue to be, managed using farm production practices that rely on a variety of conservation practices;

"(C) take advantage of experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

"(D) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions; and

"(E) transfer practical, reliable, and timely information to farmers and ranchers on sustainable farming systems and practices.

"SEC. 1464. INFORMATION ASSESSMENT AND UTILIZATION.

"(a) IN GENERAL.—Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

"(b) DUTIES.—In carrying out subsection (a), the Secretary shall—

"(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to—

"(A) production practices;

"(B) marketing strategies for existing products;

"(C) globalization of American agriculture;

"(D) application of sustainable natural ecosystem principles to agroecosystems;

"(E) environmentally sound cropping, livestock, tillage, nutrient management, pest management, water conservation, and alternative energy systems;

"(F) the social, global competitiveness, economic, and environmental effects of alternative production and marketing systems and technologies; and

"(G) the role of public policies and programs in fostering and hindering the purposes of this subtitle;

"(2) identify which of the reports provides useful information and make the useful reports available to farmers and ranchers, and other agribusiness persons; and

"(3) carry out educational programs to facilitate the systematic application of information generated from research.

"SEC. 1465. RESEARCH, EDUCATION, AND TECHNOLOGY TRANSFER PROJECTS.

"(a) IN GENERAL.—Subject to section 1468, in cooperation with Federal and State research and extension agencies and agricultural producers, the Secretary shall conduct such research and education projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle. The Secretary shall ensure that—

"(1) the projects are open for public observation at specified times; and

"(2) the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is observed in the development and conduct of the projects.

"(b) BROAD REPRESENTATION.—In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agriculture.

"(c) AREAS OF LAND.—In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils production methods, and weed, insect, and disease pests on individual fields or other areas of land.

"(d) ONFARM RESEARCH.—In carrying out subsection (a), the Secretary shall conduct onfarm research.

"(e) STUDIES.—In carrying out subsection (a), the Secretary shall conduct studies on the national and regional economic, global competitiveness, and social and environmental implications of adoption of sustainable agriculture systems and practices.

"(f) SEQUENCE OF CROPS.—In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct the project for a term that is appropriate to the sequence involved.

"(g) SELECTION OF PROJECTS.—In carrying out subsection (a), the Secretary shall select projects on the basis of the relevance of the project to the purposes of this subtitle, the appropriateness of the design of the project, the feasibility of obtaining the objectives of the project, and the scope of the potential applicability of the findings and outcomes. Priority shall be given to those projects that—

"(1) closely coordinate research and extension programming, including extensive farmer input and feedback and specific plans for making findings readily useable;

"(2) maximize the involvement and cooperation of farmers, including onfarm research and demonstrations;

"(3) involve an interdisciplinary systems approach; and

"(4) involve cooperation between farmers, nonprofit organizations, colleges and universities, agribusinesses, and government agencies.

"(h) NATIONAL INFORMATION AND COMMUNICATION SYSTEM.—In coordination with the Extension Service, State cooperative extension services, private information delivery systems, and farmers, the Secretary may implement a national sustainable agriculture information and communication system using the cooperative extension service to ensure that farmers and ranchers and other agribusiness persons are aware of sources of information identified within section 1464 and projects conducted under this section, including—

"(1) demonstrations of components and systems through field days, tours, workshops, conferences, and short courses; and

"(2) multimedia information sources including publications, videotapes, broadcasts, computer information systems, and other technologies.

"SEC. 1466. COORDINATION.

"(a) IN GENERAL.—The Secretary may—

"(1) establish regional administrative councils that include representatives of—

"(A) the Cooperative State Research Service;

"(B) the Agricultural Research Service;

"(C) the Extension Service and State cooperative extension services;

"(D) State agricultural experiment stations;

"(E) the Soil Conservation Service;

"(F) State Departments of Agriculture;

"(G) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(H) farmers utilizing sustainable agriculture systems and practices;

"(I) agribusinesses; and

"(J) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities;

"(2) establish a national advisory council that includes representatives of—

"(A) the Agricultural Research Service;

"(B) the Agricultural Marketing Service;

"(C) the Farmers Home Administration;

"(D) the Agricultural Cooperative Service;

"(E) the Cooperative State Research Service;

"(F) the Extension Service;

"(G) the State cooperative extension services;

"(H) the State agricultural experiment stations;

"(I) the Soil Conservation Service;

"(J) the Economic Research Service;

"(K) the National Agricultural Library;

"(L) State Departments of Agriculture;

"(M) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices; and

"(N) farmers utilizing sustainable agriculture systems knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities; and

"(3) in conjunction with the regional administrative councils, develop criteria to identify the individuals, organizations, or other entities capable of assisting the Secretary and the land grant universities in carrying out this subtitle.

"(b) DUTIES OF REGIONAL ADMINISTRATIVE COUNCILS.—The regional administrative councils shall—

"(1) appoint regional technical committees consisting of—

"(A) scientists with expertise in a wide cross-section of disciplines;

"(B) Extension specialists or agents, or both;

"(C) farmers who use sustainable agriculture systems and practices;

"(D) members of nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(E) agribusiness persons; and

"(F) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and the viability of rural communities;

"(2) promote the program at the regional level;

"(3) recommend goals and criteria for selection of projects within the region;

"(4) review and take action on the recommendations of the technical committee; and

"(5) provide an annual report on funded projects and an evaluation of project activity.

"(c) DUTIES OF TECHNICAL COMMITTEES.—The technical committees established under subsection (b)(1) shall—

"(1) evaluate project proposals;

"(2) submit recommendations for funding; and

"(3) assess further research and education needs.

"(d) DUTIES OF NATIONAL ADVISORY COUNCIL.—The responsibilities of the national advisory council established under subsection (a)(2) shall include—

"(1) promoting the program at the national level;

"(2) advising Department of Agriculture agencies relative to activities funded by the program;

"(3) recommending general procedures for awarding and administering funds within the regions;

"(4) coordinating recommendations for improving the program;

"(5) exploring opportunities for increased integration among programs in sustainable agriculture, water quality, integrated pest management, alternative agriculture, food safety, and other related programs; and

"(6) providing an annual report to the Secretary.

"SEC. 1468. AGREEMENTS.

"The Secretary shall carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, for-profit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer and in commercialization of new processes and products to and from agriculture.

"SEC. 1469. DISSEMINATION OF DATA.

"The Secretary may—

"(1) make available through the Extension Service and State cooperative extension services and via the outreach of the cooperative extension system through other public and private agencies—

"(A) the information and research reports identified under section 1464; and

"(B) the information and conclusions resulting from any research project conducted under section 1465; and

"(2) otherwise take such steps as are necessary to ensure that the material is made available to the public.

"SEC. 1470. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated each fiscal year up to \$40,000,000 to carry out this chapter, to remain available until expended."

(b) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents for subtitle C of title XIV of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1359) (as affected by subsection (a) of this section) is amended to read as follows:

"Subtitle C—Sustainable Agricultural Research and Education Program

"Sec. 1461. Definitions.

"Sec. 1462. Findings.

"Sec. 1463. Purposes.

"Sec. 1464. Information assessment and utilization.

"Sec. 1465. Research, education, and technology transfer projects.

"Sec. 1466. Coordination.

"Sec. 1468. Agreements.

"Sec. 1469. Dissemination of data.

"Sec. 1470. Authorization of appropriations."

Mr. GRASSLEY. Mr. President, this amendment that I propose deals with the subject of the low-input sustainable agriculture subtitle of the legislation that is before us. This amendment deals with a very popular part of the bill, and I know the committee has worked long and hard on this subtitle.

As I offer an amendment that modifies part of the subtitle and only part of the subtitle, I suggest to the Agriculture Committee and to the respective staffs, I commend all efforts toward sustainable agriculture and the promotion of that concept.

I commend particularly the part that includes the National Training Program in sustainable agriculture, the Extension Service Pesticide Application Service, and the biotechnology risk assessment research sections in this legislation. These provisions will help us get to the goals of sustainable agriculture.

I offer an amendment to the research title. Just in case there is any doubt about what my amendment deals with, it deals with just the portion of the bill that is the first chapter of the sustainable agriculture section, and it leaves all of the previous-cited sections I mentioned untouched.

If I were to consider a general categorization of what Senator LEAHY and the Senate Agriculture Committee is trying to do with their legislation, they are very definitely trying to broaden the understanding of sustainable agriculture and encourage it, and legitimately so.

My fear in the approach that is used in this section we are spending a great deal of time preaching to the choir, people who have worked long and hard on the subject of sustainable agriculture, both from the standpoint of people preaching it as well as those

practicing it. And most of the time they are one and the same.

My effort is directed at what to do with all the research that is going to be done. Are we going to be able to involve enough people who are not part of the choir to accomplish our goals of getting a broad base of acceptance of the concept of sustainable agriculture?

As a practicing farmer myself, I have to say I have an awful lot to learn in this whole process of low-input sustainable agriculture. Even though I read and my family reads a great deal about it, we have a long ways to go in practicing the essence of sustainable agriculture. I spend a majority of my time away from the farm, so my son is really the farmer in my family. But whether it is this generation or whether it was his grandfather or great-grandfather, we have all been farmers. I do not pretend to be any different than any of the other Members of this body who can point back to succeeding generations of being involved with agriculture in America. Any of my colleagues could point out the handing down from one generation to another of practices in agriculture. Every one of my colleagues who is involved in agriculture could be talking about crop rotations and the utilization of animal manure for fertilizer as always being part of the farming operation. That is very elementary.

For generations, these principles, which are now referred to as sustainable agriculture, have been among the first farming lessons passed on from one generation to another. Today, we also have the benefits of technology and science in farming. Crop yields have soared with the introduction of chemical fertilizers and pesticides. To a degree, chemicals have reduced the need for traditional crop rotation.

But also we have Government program that lock producers into planting crops on the basis of their given crop base. This has further limited traditional crop rotation. I do not know it is realized as we talk about farm programs here, but there are an awful lot of bureaucratic and political decisions made in Washington, DC. Those decisions put an economic penalty upon farmers practicing some of the things that over a long period of time have been considered very wise decisions in farming. Things that today we would call sustainable agriculture because there is emphasis upon uses other than pesticides and commercial fertilizers.

By overemphasizing a corn base, we have encouraged people to plow up a lot of land that should never have been planted in row crops. Once that corn base is built up and we have not allowed enough flexibility in the farm programs, requiring a planting of every acre to certain specified crops, like corn, to maintain crop bases. In my State, we have discouraged the ro-

tation of crops that are integral to a lot of sustainable agricultural approaches. We must encourage farmers to combine responsible stewardship of natural resources with farm profitability, but we cannot ignore the bottom line in agriculture any more than you can ignore the bottom line in any business.

So that brings me to this amendment. I am concerned that language currently in this farm bill will move sustainable agriculture away from this goal into areas that may dramatically reduce farm productivity through reduction of chemical usage. There is more to sustainable agriculture than reducing chemicals.

In my home State of Iowa, we have a reputation for being leaders in sustainable agriculture. There is even a definition in Iowa law put there, of course, by the legislature. This legal definition reads this way, defining sustainable agriculture:

Appropriate use of crop and livestock systems and agricultural imports supporting those activities which maintain economic and social viability while preserving the high productivity and quality of Iowa's land.

I feel that the amendment I am offering will help American farmers to achieve these goals set forth in Iowa's legal definition of sustainable agriculture. Both the committee bill and my amendment emphasize the environment, conservation, and ground-water concerns. They both include the establishment of the national sustainable councils on farm research and competitive research programs. Although the differences between the current language and that of my amendment may appear subtle, there are significant differences.

First, the definition chosen for the committee bill emphasizes the reduction of inputs. So I am proposing a definition closer to the definition that has achieved positive results in my State and also a definition suggested by the U.S. Department of Agriculture. Their definition:

An agricultural system that is economically viable and environmentally sound over the short term and the long term.

I feel strongly that all types of classifications of farming need to be recognized as we work for truly sustainable agriculture using the definition that I have in my amendment.

Sustainable agriculture can and should embrace methods in systems known as alternative, low input, no till, ridge till, minimum tillage, regenerative, biological, organic, ecological, and conventional farming, if those methods meet the economic environmental criteria to achieve short- and long-term sustainability.

The committee also included the term "alternative" and "low-input livestock" in their amendment. The committee's reference to this raises a lot

of questions in my mind. There is no definition provided in the committee bill of what the committee means by alternative and low-input livestock. For as long as I can recall and as far as I know, long before I even remember, there has been only one kind of livestock farming and they all require the same amount of inputs.

I have a letter from 10 agricultural groups representing the Nation's livestock and poultry producers, including the American Farm Bureau Federation, the American Sheep Industry Association, the National Broiler Council, the National Cattlemen's Association, the National Pork Producers Council, the National Turkey Federation, the United Egg Association, and the United Egg Producers. Their concerns mirror my own.

So I ask unanimous consent, Mr. President, to have printed in the RECORD a copy of this letter that was sent to me.

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

JUNE 25, 1990.

HON. CHARLES GRASSLEY,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR GRASSLEY: The 10 national groups signed below, representing the nation's livestock and poultry producers and industries which serve them, are generally supportive of action taken by the Senate Agriculture Committee to increase funding and broaden the scope of U.S. Department of Agriculture research efforts. We fully recognize the need for a strong Farm Bill research title in maintaining a competitive agriculture economy. However, we have several concerns.

In reviewing amendments to traditional research programs and as part of the Senate's intent to increase funding for "sustainable agriculture," we are troubled by language used throughout the bill that implies there is sufficient concern with current livestock and poultry production systems and practices as to need "alternatives" in the pursuit of "animal welfare" or "well-being."

In Title XIV, "Findings," Sec. 1402 (15)(B), page 9, current law is amended by discussing "continuing or increased" efforts under traditional research programs to include "... development, of new animal alternatives and alternative animal rearing systems, animal husbandry and welfare ..."

In the absence of report language describing the Senate's confidence in current production practices, this language does not describe what an "animal alternative" might be, nor why "alternative animal rearing systems, animal husbandry and welfare" would be necessary, unless it is the consensus of the committee that current systems do not adequately address "welfare." The groups signed below strongly disagree if that is the assumption.

Interestingly, there is no similar language under "Purposes" Sec. 1403A, unless under Sec. 1403A (c)(1) page 17, "tak(ing) greater advantage of natural processes and beneficial onfarm biological interactions so as to sustain and enhance interactions for use in agronomic and livestock farm management ... is supposed to apply."

We have included the relevant sections from the House Agriculture Committee's version of the research title that we strongly believe show a pragmatic approach to broadened livestock and poultry production research. We urge the Senate to take a similar approach so that behavioral and physiological animal needs are researched in the context of production efficiency and animal well-being. We believe this to be the proper balance of these factors in maintaining producer efficiency and competitiveness.

Similarly, under Subtitle C, Sec. 1461 (a)(F), page 211, in the findings and purposes for sustainable agriculture research, there is now the need to "explore alternative livestock production systems that lead to low-input livestock production * * *" and Sec. 1461(b)(5) that contends one purpose of this research is to "promote animal well-being (sic)".

We question why researching "alternative systems" is preferable to studying methods by which current systems can be adapted to sustainable priorities, and why an "alternative" automatically means better animal care, unless the Senate believes current systems somehow ignore "well-being." The fact that under current LISA programs, similar research is already being funded does not mean this section is automatically "harmless."

We urge the Senate to also consider the potential anti-competitive implications of federal research dollars going to demonstration projects conducted on working farms, especially in the context of sustainable agriculture priorities.

Currently, there are producers in every segment of livestock and poultry production involved in the commercial raising of animals marketed as "chemical free" "organic", etc. In many cases, such contemplated demonstration projects—especially if cooperating producers are to be indemnified for any loss due to participation—could create automatic, government subsidized competition for these private producers, individuals who have invested money and time in developing their niche market operations.

We urge the Senate to either indemnify current commercial operators if unfair competition can be documented, or take steps to mitigate potential anti-competitive results of such projects.

Our final concern with the research title as currently drafted is the role of the "non-profit organizations," both as they are eligible for research dollars and their role on various advisory boards, etc. The statutory definition limits "nonprofit" to only those organizations demonstrating agricultural expertise which qualify as 501(c)(3) organizations under the Internal Revenue Code of 1986.

A 501(c)(3) is a charitable designation. This restriction is unreasonably narrow, and would preclude any recognized producer organization or trade association from participating either in legitimate research or in the oversight functions described in the program. We strongly urge the Senate to broaden this requirement to include all 501(c) organizations.

Thank you for your consideration of our concerns.

Sincerely,

American Farm Bureau Federation,
American Feed Industry Association,
American Agri-Women, American
Sheep Industry Association, National
Broiler Council, National Cattlemen's
Association, National Pork Producers
Council, National Turkey Federation,

United Egg Association, United Egg Producers.

Mr. GRASSLEY. Mr. President, I will also highlight for the immediate concern of my colleagues this statement from the letter.

* * * in the findings and purposes for sustainable agricultural research, there is now the need to "explore alternative livestock production systems that lead to low-input livestock production. . ." and Sec. 1461(b)(5) that contends one purpose of this research is to "promote animal wellbeing (sic)".

The letter goes on to say that "We," meaning the 10 groups that signed the letter:

We question why researching "alternative systems" is preferable to studying methods by which current systems can be adapted to sustainable priorities, and why an "alternative" automatically means better animal care, unless the Senate believes current systems somehow ignore "well-being."

It is not clear what the committee meant. But it is very possible that this can be read into the language since there is not any definition.

Since the beginning of our history, America has often been touted as the land of plenty. Everyone, including farmers, is just now fully understanding the sensitivity of our natural resources, the inter-reaction of everything within the ecosystem, the dependency of one part of it on another.

Obviously, there is more that needs to be done. I do not question that. The committee shows its leadership in the language they brought before us, but I think we need to bring more people under the umbrella. I think we need to make sure that we can involve as many people in the process of all the research possible on sustainable agriculture.

I hope in doing this we understand that no one wants to be told they must radically change how they make their livelihoods, especially when those changes may dramatically reduce their income. So there is a parallel between what changes farmers make and the bottom line of their operation. The process of educating people about low-input sustainable agriculture means bringing them along.

It does not mean only for those who are already sold on the project, making those people more committed to it. They do not have to be more committed to it. I know a lot of people who, for probably a couple decades, have been involved in the movement of sustainable agriculture. They would be the first to admit to you that every year they are learning more, but they are sold on the movement.

I think a problem we have is how do you bring more people into the movement. The thrust of my amendment is to get more people involved so that what has been good for a few thousand people in the United States and good for the entire country will mean more food for the entire country—as

we bring more people under that umbrella, to move them along slowly, to change traditional farming practices, to emphasize sustainable agriculture, but to do it in a way that is economically sound.

The approach that I am suggesting will show farmers how they can incorporate alternative methods in their current farming practices that will protect the environment while maintaining their current income; alternatives that allow farmers to maintain our competitive position in the marketplace. In fact, many sustainable practices actually reduce farm input costs while maintaining income levels. That is a worthy goal.

The Federal Government must be more than a mandator of change. It must become an active partner in discovering avenues and workable solutions that allow us to achieve sustainable agriculture, a partner with sensitivity to both the environment and economic ramifications on all facets that make up the agriculture industry. That is in what we ought to be involving the Federal Government. A unified front will evolve from the farming community, the environmental community, and consumers, if the move from conventional practices offers alternatives that maintain high quality and volumes of products in an economically viable manner.

We must remember our success will be mitigated if any one action is not in concert with the efforts of the group. I hope that a unified front will evolve and that a truly sustainable agriculture will become commonplace in all areas of the United States very soon. I hope Senators will join me and many of the national agriculture and commodity organizations in support of this amendment.

I yield the floor.

Mr. LEAHY. Mr. President, I apologize to the Senator from Iowa because I have been in a number of discussions, primarily on the Senate schedule. Has the Senator from Iowa sent his amendment to the desk?

The PRESIDING OFFICER. Yes.

Mr. LEAHY. I thank the Chair.

Mr. President, I have, as the Senator knows, a sense of friendship with the Senator from Iowa. With regard to his amendment, I hope he understands that it does not reflect anything on that friendship when I must say I oppose his amendment. I might also say that I suspect that the Senator from Iowa is probably not taken by surprise.

We have worked very hard on the issue of sustainable agriculture. The committee met a number of times, the staff has met, and individual Senators have met to forge a compromise on sustainable agriculture with which we could feel comfortable to pass out of committee.

The proponents of sustainable agriculture and those who have reservations about it each had to compromise to get where we are now. The amendment of the distinguished Senator from Iowa would give too much to the opponents. It would take out some major new initiatives that we have included in the farm bill.

The farm bill includes a new program to assist States in developing sustainable agricultural programs through Federal-State matching grants. It is my understanding that the amendment of the distinguished Senator would delete this program. The bill also includes the requirement to develop technical guides for farmers in order to provide them with the latest information on sustainable agriculture with this amendment. That, too, would be gone.

In the bill, we also have a definition of sustainable agriculture developed by the National Academy of Sciences. I think it is a good definition. It includes lower chemical use, which is deleted by this amendment. It is replaced with vague language that ignores the chemical question in farming. That is not what farmers want.

The Farm Bureau released a survey last week. They found that 78 percent of farmers support research leading to reduced pesticide use. Three out of four farmers, in fact, think that too many chemicals are used on U.S. farms. We have gone over this title very carefully, Mr. President. The language was developed by a broad coalition. It had representatives of the Department of Agriculture, sustainable agricultural groups, farmers, environmental organizations and others. The final language in the committee bill reflects countless hours of negotiation. The distinguished Presiding Officer of the Senate was included in those negotiations. Other Senators on the floor—the Senator from Indiana, the Senator from North Dakota, the Senator from Alabama and others who were on the floor were also a part of the negotiations.

Let me talk about some of the compromises. We made adjustments to the definition of sustainable agriculture that retained the low input language in the National Academy of Sciences definition for the research component of the title, substituting more general language for the extension service training section.

We are really talking about a research program. We are not requiring farmers to do things that they do not want to do. We are authorizing research to provide farmers with the information they seek to farm without harm to their health, to their children's health, to the environment, or to their own pocketbooks.

I do not think there is anything controversial about the committee's approach. I would also mention that we

worked on this title hearings and meetings, but now we see that we have a 17-page substitute for an entire title in the farm bill. There have not been any hearings on this amendment. There has not been any debate, and there has been no compromise. Are we saying that we should take a chapter of the farm bill that has been worked on for months and voted on and just throw it out?

I would hope that we would not do that. I would urge all Members to oppose Senator GRASSLEY's proposal, and support the committee bill that Senator LUGAR and I worked carefully to craft.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to speak in opposition to the Reid amendment dealing with the Consumer Products Safe Testing Act. It is my understanding that the U.S. Public Health Service, including the Food and Drug Administration, the Environmental Protection Agency, the National Academy of Sciences, and Congressional Office of Technology Assessment, and the Society of Toxicology all agree that now and for the foreseeable future the use of laboratory animals is an essential element of product safety evaluation.

This amendment would require all Federal agencies involved in regulating safety testing of any product, be it drugs, pesticides, chemicals, cosmetics, households or other products to promulgate rules mandating nonanimal tests be used instead of animal tests unless it can be proven in limited cases the nonanimal test is less valid.

I believe we all agree that the best available scientific methods should be used to assure public health and safety. The Commerce, Science, and Transportation Committee has a responsibility pertaining to Senator REID's proposal but has not made a report. Because it sounds as though we have significant conflicting opinions on the advisability of approving a major policy change of this type, I urge that Senator REID's amendment be tabled until such time as we have a recommendation from the Commerce Committee.

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I will speak in support of the Grassley substitute on sustainable agricultural research. I do so mindful of the points our chairman has made that this is an area that the committee has discussed at some length, and able staff on both sides of the aisle have been involved in a number of compromises.

The language in the bill that Senator GRASSLEY seeks to change with this substitute, the language we have

now, is a reasonable set of propositions. But I support the Grassley substitute not only because I support the thinking of the distinguished Senator from Iowa but the substitute is substantially the language that I offered originally in a comprehensive farm bill. Further the chapter of my bill that dealt with this subject is in fact the basis of the Grassley amendment.

So it is only logical that I would see value in that language, and I want to support it once again recognizing that a great, great deal of work has proceeded in the current legislation.

Many in the Department of Agriculture, farmers outside the department, agriculture scientists, extension field agents, many of my colleagues on the committee and in the Senate believe that "low-input" sustainable agriculture is only a part of the direction that production agricultural research needs to explore.

"Input efficient" agriculture is the goal that needs to be achieved. I underline that point, Mr. Chairman. It is input efficiency that we need to be emphasizing, not low-input per se, or necessarily an overall reduction of inputs.

Many farmers, consumers, and members of the agriculture science community, have reservations about low-input sustainable agricultural research as it currently stands. In many cases low-input farmers are not reducing their inputs. They are exchanging one input for another.

For example, a low-input farmer may use less herbicides to control weeds but then perhaps till more often using more fuel and mechanical expense, and increasing the chance of soil erosion.

This is simply using more efficient inputs that are available at the time and with less expense. The most efficient use of inputs is the goal that science and farmers are trying to achieve and the goal the Grassley sustainable substitute proposes.

Unfortunately the low input research directives as written in the research title, suggest that producers must "reduce" inputs to be sustainable. But sustainable agriculture is much more. It involves efficient use of inputs while maintaining productivity.

Sustainable agriculture is not a new science or even a new philosophy. Rather, sustainable agriculture is a collection of various farming practices that have been used in conventional agriculture on a site-specific basis for decades. Sustainable agriculture focuses on farming practices such as crop rotation, nutrient management, integrated pest management, conservation tillage, and crop variety selection, all recommended components of conventional agriculture.

I support sustainable agriculture. I agree that agriculture must be sustain-

able not only for our soil, water, and natural resources but also for our consumers and farmers.

The Grassley substitute realizes that important concept, allowing researchers and producers the flexibility to make the most efficient use of inputs, whether commercial or organic—I underline that, “whether commercial or organic”—so that the best economic, agronomic, and environmental results can be achieved from those mixtures.

Sustainability is a goal that our Nation's agriculture production system can and must achieve. But keep in mind it must not stop there. Agriculture's challenge is not only to produce as much as it does today more efficiently; the challenge has been and will continue to be to produce more with less tomorrow.

Since 1945, agriculture production activity in this country has grown 230 percent. Allowing Americans to use only 12 percent of their disposable income for food and the remainder for housing, clothing, automobiles, education, and possessions makes our Nation's standard of living one of the highest, if not the highest, in the world.

The same agriculture productivity that has been asked to feed the world's 1.2 billion people today, and will be asked to feed the planet's estimated 10 billion people in the year 2025, is in fact the product of sustainable agriculture. To feed those 10 billion people, American agriculture cannot be content with sustaining just current production levels. Sustainable agriculture is not a alternative to conventional agriculture, it is a part of conventional agriculture that will help guide the most efficient use of chemical and organic inputs to minimize soil and water contamination, while at the same time increasing productivity and farmer profitability.

In summary, Mr. President, the differences between the Grassley substitute—the amendment we are considering—and the existing language in the bill before us, are very subtle, but they are important. I will try to underline them for the consideration of my colleagues.

The Grassley amendment prioritizes sustainable agriculture as an economically viable and environmentally sound system which can include a reduction of inputs—it can include a reduction—but it is primarily focusing on maintaining the farm productivity and competitiveness that we have come to value.

The existing language in the bill defines sustainable agriculture as a reduction of inputs—and there the emphasis lies on “reduction of inputs,” as well as including low-input livestock and alternative production systems.

The Grassley amendment would remove references to low-input livestock and production systems that pro-

mote animal well-being, and includes low input as part of a sustainable agricultural method.

Therefore, Mr. President, subtle though it may be, there is a difference. Let me simply state that I appreciate the emphasis on lowering the use of inputs. By and large, the tough time that agriculture in America has faced in the past 8 years has required farmers to take a look at each input very carefully, to measure out the dollars required for putting that input into the mix of an agricultural operation.

So I value the idea of economy. And I believe—as the chairman pointed out—American farmers are very thoughtful about the use of fertilizers and pesticides, and any other purchased inputs. They have to be, if they are to be successful and stay alive in the agricultural situation.

But having said that, there is value in limiting input, and that is not the emphasis that I place least upon our agricultural future. I look at sustainable as meaning a reduction of inputs, wherever possible and wherever useful, but only as a part of a combination of those things which are found to be conventionally successful. As we have boosted agricultural productivity by almost three times in only four decades, we are challenged to do that in the future.

We are not talking strictly about an agricultural picture of our own, we are talking about leadership in which literally we have the basis to feed the hungry of the world for many years to come, as we reduce at the same time that portion of our own gross national product that is used for food and allow our standard of living to continue to grow, as has been our history.

For these reasons, I support the amendment of the distinguished Senator from Iowa, even while recognizing the very great value of the language for which this substitute is offered.

I yield the floor.

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

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. DASCHLE. Mr. President, I rise in opposition to the amendment. I do so with great respect for the author. He and I have been on the same side of a number of farm issues, and it is with some reluctance that I rise at all. But I must say I share the views expressed by the chairman of the committee, the manager of the bill, that the current language is a compromise. I say, in addition, the manager on the other side has made a number of very good points that no one can dispute. He is right in many of the comments he made in defense of the amendment.

So every one understands what the amendment does, the amendment eliminates, for all intents and purposes, our opportunity to devote research to sustainable agriculture. We have a \$1.2 billion research budget in this year's farm bill. \$4.5 million dollars of that \$1.2 billion is dedicated to sustainable agriculture. That is, four-tenths of 1 percent of the entire research budget is devoted to sustainable agriculture. That is hardly an amount which threatens research and production methods, which rely upon more intensive chemical applications.

Let there be no mistake, I do not think anybody on the committee says that somehow this year there ought to be a watershed, the change in direction we make with regard to research in productive agriculture. We understand the importance of traditional agricultural methods. We understand the need to continue to move in the direction we have for many years, but we also understand that there are things that are changing in agriculture today.

There is a realization that we need a lot more information than we have had in the past. As we look to the next 5 years, many of the questions that are being raised today simply cannot be answered, given the kind of information we have available to us within the Department of Agriculture or, frankly, anywhere else.

As we are called upon to make policy, as we are called upon to make some decisions here in the Senate with regard to the direction we take in productive agriculture, this minor amount of money, this four-tenths of 1 percent could be some of the best research investment that we are going to make in the entire \$12 billion research budget this year.

So it eliminates the goal of reducing chemical application for farming, and eliminates the Federal-State matching programs designed to help States promote sustainable agriculture.

And just so everyone understands, the Farm Bureau recently did a poll asking its members, “What do you think about the need for research in sustainable agriculture? Do you think it is an important goal?” More than 78 percent, three-fourths of those who responded, said there ought to be a research program for sustainable agriculture; there ought to be an opportunity to get the information necessary; there ought to be the kind of minute budget that we have in research this year to give us the facts and to give us the flexibility.

If we are talking about flexibility in agriculture, if we are talking about an opportunity to apply new techniques to ensure that farmers have greater flexibility in the future, then clearly this minuscule amount of money is

one of the best investments we can make.

The legislation before us provides that. That is, the farm bill itself provides us with that flexibility. It provides an option of using the guidelines set forth by the National Academy of Sciences here. It does not mandate that anybody use that.

I am simply giving the opportunity for them to avail themselves of this research program. Nobody is mandated to do anything. I hope as we consider what this small program can do, when we consider what small amount of money it actually means in the research budget, when we consider the need for maximum flexibility, then certainly we have to consider this amendment, as well intended as I know the Senator from Iowa is in offering it, as one that simply does not merit the support of the majority of the Senate. So I urge at the appropriate time the amendment be defeated.

I yield the floor.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I would like to ask the Senator from South Dakota not in the form of a question but just to consider in opposition to one statement he made about the elimination of the research. We specifically on page 9, line 4, establish research education and technology transfer projects. We also have \$40 million in our amendment just as in the original bill.

I think the key thing you want to remember about our approach is the use of the Extension Service well grounded in every county in the United States for the dissemination of information. I know that there is a very good organization of people in low-input agriculture trying to get their information out. I think they do a pretty good job of it.

If the intention of the committee's bill is to help them get their information out even better than they are presently doing, I do not find fault with that. That is a very worthy goal.

But how can you deny that the Extension Service, of all the organizations in rural America, is better prepared to get information disseminated than any other organization? It seems to me like we ought to take that strong and rural America and build on it, and that is what my amendment does.

Also, I wish to make very clear the organizations in low input agriculture in trying to get their information out. Just this summer in my State several of these farmers held field days where people from all over the State of Iowa or I guess from any place that could come on a specific day on a specific farm and see how low-input agriculture was working on that specific farming operation. These were staggered in different parts of the State

on a different day. So that any farmers who wanted to take advantage of seeing what was involved could actually see demonstrations. I appreciate that.

But you cannot beat the Extension Service for disseminating information as well. I think we ought to make use of that.

Mr. DASCHLE. Mr. President, will the Senator yield?

Mr. GRASSLEY. I am glad to stop and listen to the Senator's point of view, Mr. President, or even glad to respond to a question.

The PRESIDING OFFICER. The Senator from Iowa yields to the Senator from South Dakota.

Mr. DASCHLE. Mr. President, I apologize for interrupting. I only say this. I think I am after the same thing. I want to be sure we understand one another as we discuss the Extension Service. The Extension Service is authorized in the legislation to utilize the broad definition of sustainable agriculture as it applies to research authority as on page 760 of the bill it says:

The Secretary shall establish a National Training Program in Sustainable Agriculture to provide education and training for Extension Service agents and other professionals involved in the education and transfer of technical information concerning sustainable agriculture to develop understanding, competence, and ability to teach and communicate the concepts of sustainable agriculture to Extension Service agents and to farmers and urban residents needing information on sustainable agriculture systems.

The point the distinguished Senator from Iowa makes is a good one. No one is more qualified to provide better information on a broad range of agricultural techniques than is the Extension Service. Clearly in the bill, and I do not know how much clearer we can make it, we designate the authority to utilize this program to the very people that he and I both agree ought to have this responsibility.

I thank the Senator for yielding.

Mr. GRASSLEY. Again, Mr. President, I do not think we have any fight. Part of what the Senator from South Dakota refers to we do not change in our legislation whatsoever. We only change chapter 1. I want to emphasize that. I think the other section he refers to is the Development Technical Guides, which allows anyone to come in and give direction to the Extension Service. We use the Extension Service for the dissemination of this information.

In other words, the Extension Service would do as they traditionally do. My amendment will provide the extension with additional materials and resources.

I think in final analysis, and maybe we are being too friendly here, too appreciative of each other's positions, too respectful of each other's positions

on this, and I do not want to detract from that because that is a good environment for us to be working in. However, I sense that when I come along and I include low input with a lot of other approaches to agriculture, than I am like the skunk at the Sunday afternoon picnic, not very welcome in the debate. I am working to change agriculture, so it is environmentally and economically sound.

No one should understate or have any doubt about my appreciation of alternative agriculture. I will draw just a little bit of a picture, if I could, for the Senator on a farm in Boone County, IA. The Thompsons in Boone County, IA, are very well known in low-input sustainable agriculture. On the occasion of our visiting their farm, as part of a tour that I have every other year I remember particularly 1988 when there was a drought in Iowa. There was only a very small section in the State of Iowa that was not by August 31, very brown all over.

We visited the Thompson farm in Boone County, and it was just like an oasis in the middle of the desert in the sense that everything, without irrigation everything on the Thompson farm was green and growing when everything else in Iowa was mature and dry because of the drought.

You do not have to be in agriculture to appreciate the fact that that farmer was doing something different than any of his other neighbors for mile after mile after mile.

The difference was low-input sustainable agriculture practices used on his farm, that received no more rain than his neighbor. It was still green because of his farming operations that basically gave the soil the ability to soak up and absorb every inch of rain that fell, and at that particular time there was only about 50 percent of normal rainfall for that year had fallen.

So I hope that Senator LEAHY, any other opponents of my amendment, do not think that those of us supporting this amendment, come in here to gut what the committee is trying to do.

What we are trying to do is get more people involved so that the fruits of the labor of all the missionaries involved in low-input sustainable agriculture will be received and used and have the most benefit from their efforts. And we see the heavy emphasis just upon low input as driving people that would otherwise be interested away, and not encouraging enough farmers to come under the umbrella and not getting the information out as readily as we can through the Extension Service.

Our goal is to see that the research done is received by more farmers than presently being done in low-input sustainable agriculture. When you have organizations like the American Farm

Bureau Federation, American Feed Industry Association, Association of American Agri-Women, American Sheep Industry Association, National Broiler Council, National Cattlemen's Association, the National Pork Producers Council, National Turkey Federation, United Egg Association, United Egg Producers, United Pork Producers, United Cattlemen's Association, and probably a lot of other farming organizations that are interested in this, I hope you understand they speak for a lot of farmers; they appreciate the approach of low-input sustainable agriculture, but they want to be involved with a program that will help disseminate the information and involve more people in the process instead of less people.

I guess maybe the best way to say it is that we want more people brought under the umbrella and not less.

I yield the floor.

Mr. KERREY. Mr. President, I would like to speak on this particular amendment, but I wonder if the distinguished Senator from Iowa will yield for a question or will answer a question in regard to a change that the Senator is apparently making, and I want to make it clear that he is making the change; that I do not quite connect the details of your 17-page amendment with the underlying bill itself.

Mr. GRASSLEY. Mr. President, I will yield.

Mr. KERREY. If you have a copy of the bill.

The PRESIDING OFFICER. The Senator from Iowa has yielded to the Senator from Nebraska.

Mr. KERREY. On page 743 of the bill, it appears where we are talking about the definitions of sustainable agriculture, under part B, as I understand the distinguished Senator from Iowa is concerned about the definitions of sustainable agriculture, and one of the definitions has to be with part B, which is reduction of input, and is referring to the fact that sustainable agriculture is not just reduction in input.

I totally agree with that, that sustainable agriculture is not just an option where you are saying to producers that you must reduce inputs. However, this particular language I find in the current bill to be quite acceptable because it goes on to say it is reduction of inputs with potential to harm significantly the environment or the farmer or the consumer.

And it just seems to me that we are talking about a rather reasonable, broadly defined, as a matter of fact, definition of these inputs, and that we are not proscribing in any way that a farmer must select in all cases, if sustainable agriculture is the alternative used, a farmer must select in any way an automatic reduction of inputs.

I guess the question for the distinguished Senator from Iowa is what do you find objectionable in the language that says:

The reduction in the use of inputs with potential to harm significantly the environment or the health of the farmer and consumer.

Mr. GRASSLEY. Well, it is not just the paragraph that the Senator from Nebraska refers to. It is taken in the whole, the definition. And we want to make sure, as in our definition, a connection is made between the economic benefits and the environmental benefits. It seems to me like that is missing in the definition in the original bill. We want to emphasize a broad range of farming system, not just low inputs but all inputs in the process. That is what we do in our amendment.

Mr. KERREY. It seems to me that it does do more than that. My concern is it narrows it down rather than broadening it. In fact, the amendment itself is restrictive in the definition of inputs. It seems to me in the compromise language that we reached in the bill, we were attempting to make certain we were not going to restrict sustainable agriculture so much that what we were doing was forcing producers who wanted to try sustainable agriculture to always reduce inputs. That is why the definition included the potential to harm significantly the environment or the health of the farmer and consumer.

I would just make some comments about the sustainable agriculture portion of the bill. I find it to be reasonable.

I do appreciate both the arguments that the distinguished Senator from Iowa and the distinguished Senator from Indiana make. Both of those individuals understand production agriculture very well. I do not question that at all.

My concern is that we are getting behind the curve on environmental issues related to agriculture. I have spoken in fact last week with my Farm Bureau representatives who were in town. I have talked to my chemical people in Nebraska as well who were almost vehement at times in their concerns about sustainable agriculture.

One only has to mention the acronym LISA and it produces an immediate response that I am trying to force or mandate someone to use a particular practice when they are farming, when in fact neither the legislation in the farm bill or, for that matter, the amendment the distinguished Senator from Iowa is offering does any such thing.

We are fighting against the clock, I fear. The administration last year when they presented their budget did not provide any funds to sustainable agriculture. They argued that \$4.5 million was being spent. Actually, I believe it is 30 times or so in other pro-

grams. They came to a list of other things they designed as sustainable agriculture.

I accept the fact that we are in our budget, particularly in our research areas, as the distinguished Senator from Iowa mentioned, we are spending money on sustainable agriculture and in other areas. But I fear we are getting behind the curve because our consumers out there are not just consumers. They are not just people that are buying large quantities of grain. It is not just the elevators.

Consumers have become customers. And our customers are increasingly concerned about residues in their food. We can say we ought to have only a scientific basis about which we evaluate that concern. But the fact of the matter is most people, when they purchase food, have a significant emotional contact with that purchase. They have emotional involvement. It seems to me that we are playing far more defense on this sustainable agriculture input than is advisable for mainstream agriculture.

I have told the Farm Bureau in Nebraska, as I have told other farm organizations in Nebraska that are concerned about the potential for mandates, that if they want to avoid customers requiring and mandating even more stringent language than we have in this bill, then they need to embrace the sustainable agriculture, make sure it becomes exactly what the Senator from Iowa and the Senator from Indiana are describing, whereby they can learn how to reduce their costs, not have some Federal bureaucracy mandating what they do. To avoid that very mandate, they need to embrace it; make it their own; make sure the extension in fact is provided with the research they need to make a good decision. Typically, they do not have the information available to them.

It is a risky proposition. Any time you change the inputs that you are farming with, it is a risky proposition. You may not get the yields.

It is important, I think, for us to listen, as a consequence of that, to the distinguished Senator from Iowa and the distinguished Senator from Indiana, who understand what it means to be making decisions when you are producing what could be adverse to your capacity to sustain yourselves economically.

We do have the knowledge that sustainable agriculture ought to be first and foremost one of economic sustainability. But those of us who are concerned about production agriculture and providing an environment where it can prosper I think have to say to our producers and farmers who are trying to avoid the mandate that our customers are concerned about environmental sustainability.

They are coming at us increasingly with concern about it, and they are making emotional decisions. I have had an opportunity to get into discussions in the past with producers who say we have to have some scientific way, rather than having these Alar scares and other things like that that might produce a reaction that is adverse to our economic interests.

I urge my colleagues to reject this amendment. I believe the language of the bill itself is altogether reasonable. It contains a significant effort to compromise the concerns that we will be mandating that farmers adopt certain procedures.

I urge, as well, my colleagues to consider that we have a long ways to go, I believe, until we can comfortably say we have reached a balance between legitimate consumers' concerns about environmental conditions and legitimate producers' needs to sustain themselves economically on the farm.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, it is with some reluctance but with firm conviction that I rise to oppose the amendment offered by my colleague and good friend from Iowa.

Mr. CHAFEE. I wonder if, before the Senator starts, I could ask a quick question of the managers of the bill?

Mr. HARKIN. If I can get my time after the Senator is finished, certainly.

Mr. CHAFEE. I thank the Senator from Iowa very much.

Can we get some indication of what the voting situation is here? Originally there were to be no votes on Monday; then there would be some votes on Monday. Here it is 7:30, or close to it, and we have not had our first vote. It would be helpful if somebody could give us an indication of where we are going here, timewise.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, if I hear of anyone giving such an indication I will tell the Senator from Rhode Island immediately, posthaste, with glee and with great satisfaction.

I can take a stab at it, however, and that is to say we have a tabling motion that was put off until after 6 this evening. I believe it is a motion to table made by the distinguished Senator from Indiana of an amendment by the distinguished Senator from Nevada [Mr. REID].

Mr. CHAFEE. That is the Reid amendment which has been debated and is ready for a vote.

Mr. LEAHY. We are now awaiting the Grassley amendment, which also will require a rollcall vote at the completion of the debate on that. There is an effort to bring yet a third amendment up by the distinguished Senator from Maine [Mr. COHEN], which would require a vote.

It is my understanding that the leadership—I speak now of the leadership of the Senate, not of this committee—would like to have those votes go in a row, all three of them. In other words, complete the debate on the Grassley amendment and the debate on the Cohen amendment, and then go to vote on all three.

I wish I could tell my good friend from Rhode Island. I always try to cooperate with those from the Southern States any time I can; we northerners feel that way. I wish I could tell him when it is going to be, but I do not know.

Mr. CHAFEE. Are there any time agreements on either the Grassley amendment or the Cohen amendment?

Mr. LEAHY. No.

Mr. CHAFEE. Is there any chance of getting a time agreement on the Grassley amendment?

Mr. LEAHY. Certainly there is a chance of getting it. I should state neither the Senator from Iowa [Mr. GRASSLEY] nor the Senator from Iowa [Mr. HARKIN] nor the Senator from Vermont nor anybody else involved in this has done anything at all to delay it. I think everybody who has spoken has only spoken really for a matter of a very few minutes.

It is a very important amendment. It is a very complicated amendment, and many people want to speak on it.

Mr. CHAFEE. Do not discourage them from having a time agreement.

Mr. LEAHY. I want to make sure everybody has a chance to speak. But nobody has spoken, really, at length.

I have been up since 4 o'clock this morning. I would like to go home and go to bed; too; go home and have supper; go home and have lunch, even. But we are looking at a while longer.

Mr. CHAFEE. Could somebody ask for a time agreement? I will ask.

Is there any chance for a time agreement?

Mr. LEAHY. If the Senator from Rhode Island will yield yet again, I believe it was Hotspur in the discussion with Glendower. Glendower spoke of calling the "spirits from the vasty deep," saying he could do that. The response was: "Why, so can I, or so can any man; But will they come when you do call for them?"

So, of course, the Senator from Rhode Island or anybody else is free to ask for a time agreement.

The PRESIDING OFFICER. The Senator from Iowa has yielded to the Senator from Rhode Island for a series of questions to the managers.

Does the Senator from Indiana have further illumination on this issue?

Mr. LUGAR. May I raise a question to the Senator from Rhode Island, if the Chair will allow that? I do not wish to enter beyond where anybody would want to go at this point, but it appears to me the Senator from

Rhode Island might have a point. I respectfully ask the chairman of the committee whether perhaps we might ask for a time agreement at this point of 20 minutes more debate, 10 minutes on a side, with a vote on this amendment to follow that 20 minutes?

Mr. LEAHY. I might say, Mr. President, if I can also step in and have the floor, I have no objection to that. We still have the problem with the Cohen amendment, and I hope we might still be able to stack votes. But as far as debate on this is concerned, I would have no objection to such a unanimous consent.

Mr. LUGAR. If the chairman will yield, perhaps during this 20 minutes of time we could clarify the status of the Cohen amendments. Either they will be voted on tonight or they will not be. At the end of that time either we would have two votes or we would go on to the Cohen amendment for debate.

Mr. CHAFEE. Could I make another suggestion to the distinguished managers, since I seem to be on a roll here? I suggest that they suggest to Senator COHEN that he debate his amendment tonight and we vote on it tomorrow. I do not know what the majority leader's views are on all this.

It seems to me we could have two votes tonight, on the Reid amendment and the Grassley amendment—that is a pretty good day's work for a Monday—and go on to the Cohen amendment tomorrow.

As I say, I do not know what the majority leader's views are.

The PRESIDING OFFICER. The Senator from Iowa has the floor. Does the Senator from Rhode Island have any further questions?

Mr. CHAFEE. That completes my suggestions.

Mr. HARKIN. I would like to pick up the cudgel here, if I might. I am willing to put my remarks in the RECORD. It seems that the Grassley amendment has been debated enough. I only have 2 minutes more I would like to speak. I do not know why we cannot vote on the Grassley amendment 5 minutes from now and have a vote on the Reid amendment, which I guess is going to come after that, have a vote on those two and we will be done by 8.

Mr. LEAHY. If the Senator will yield, Mr. President, I ask unanimous consent there be no more than 20 minutes further debate on the Grassley amendment, divided in the usual fashion, 10 minutes to a side, and that no amendments be in order to the Grassley amendment, and reserve the right to a tabling motion, although it is not my intent at this point to do so.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, I wonder if the distinguished

chairman would add to that, that as soon as the vote on the Grassley amendment is finished, we proceed immediately without any intervening action, motion, or debate to vote on the Reid amendment.

Mr. LEAHY. Mr. President, if the Senator yields, does he mean to proceed to a vote in relation to the Reid amendment?

Mr. HARKIN. Yes, tabling or whatever it might be.

The PRESIDING OFFICER. The Chair informs the Senator that, based on previous action, immediately upon the vote on the Grassley amendment, we will proceed to vote on a motion to table the Reid amendment.

Mr. LEAHY. With that understanding, Mr. President, I have no objection to that.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request stated by the Senator from Vermont? Without objection, it is so ordered.

Twenty minutes equally divided. Who yields time?

Mr. HARKIN. If I can have a couple of minutes?

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. I yield such time of my 10 minutes as the Senator from Iowa [Mr. HARKIN] needs.

Mr. HARKIN. Thank you, Mr. President.

I started a few minutes ago. I have worked very closely with Senator GRASSLEY over the years on many matters of importance to agriculture in our State, and I respect his knowledge and judgment on agriculture. However, this amendment represents a step backward for farmers, for agriculture research and agricultural States like Iowa. Farmers have a tremendous interest in ensuring that farming practices they use are safe for themselves, their families, consumers, and the environment.

Last year, I conducted a mail survey of Iowa farmers to learn their views on farm policy. I received over 6,000 responses from Iowa farmers; 93.6 percent of them said they were concerned that some modern farming practices may have harmful effects on human health, the environment, and natural resources; 89.3 percent said they would be willing to change some of their farming practices to help protect and conserve ground and surface waters, soils and other natural resources.

Various other surveys, more scientifically designed than mine, reach the same conclusions.

As a Senator from Iowa these survey results do not surprise me. Because I have watched as farmers themselves have worked to develop farming practices that protect the environment and that maintain productivity, profitability and efficiency.

These farming methods are given various names: Low-input sustainable agriculture [LISA], alternative agriculture, sustainable agriculture. Unfortunately, the labels too often get in the way; to some it may sound like these farmers are radicals, or organic hippie farmers. In truth, these farming methods simply build on the basic knowledge of farming accumulated over the years. It is just that additional considerations, including the environment and cutting costs of production, now receive greater emphasis.

Nowhere are farmers accomplishing more in this effort than in Iowa. One group in Iowa that has done excellent and valuable work is named the Practical Farmers of Iowa. They are so named because their efforts focus on practical, profitable farming methods that are also friendly to the environment. Through onfarm research and demonstrations, they have shown that farmers can both protect the environment, cut costs and improve their bottom line.

In addition, the State of Iowa has taken the lead in research and education on farming methods that are environmentally and economically sound. With the Landmark Ground Water Protection Act of 1987 and the establishment of the Leopold Center at Iowa State University, Iowa is the preeminent State in this kind of research.

Unfortunately, farmers in Iowa and elsewhere have had to develop these farming methods and conduct their own on-farm research with virtually no help from the Federal Government—despite the huge research apparatus at USDA.

At field hearings held by the Agriculture Committee in Iowa—as Chairman LEAHY well knows—farmers said clearly that they need more research, education, and extension on the kinds of farming methods encompassed by this chapter of the bill.

In my survey of Iowa farmers, 49.9 percent of the respondents said they did not have enough information available to evaluate so-called low-input sustainable agriculture practices and adopt some of them on their farms.

That is why I was very pleased to sponsor this legislation with Chairman LEAHY.

So I urge my colleagues not to reverse the progress we have made in this bill, not to stand in the way of the vital agricultural research and education that this bill provides.

I want to reemphasize that farmers are very concerned about the soil, and water, and the environment, and they want to make changes in their farming practices. Quite frankly, though, they are caught on a treadmill. They often do not have the information. They do not have the outreach and the services they need to make wise decisions on how to reduce some of the inputs and

how to operate on a more sustainable basis. That is what this bill does and that is what this section of the bill does.

Quite frankly, I do not have too much of a problem with Senator GRASSLEY's changing of the definition. Definitions are definitions. I do not see a lot there that bothers me one way or the other with his definition. But two other parts of Senator GRASSLEY's amendment do bother me and that is, one, it eliminates the Federal-State matching grant program. I think that is most important because we want to encourage and assist in the creation of State-sustainable agriculture research, extension, and education programs to complement those at the Federal level. States may know better what is best for their individual circumstances rather than have the Secretary of Agriculture decide that. That is why we have this Federal-State matching program in the bill. I would hate to see it eliminated. The Grassley amendment eliminates that.

Also, I think it is important to have technical guides available to farmers. The committee bill requires USDA to develop these technical guides that foster sustainable agricultural systems and make the guides available to farmers.

This is an important step in getting the research off the shelf and into the hands of farmers. Again, I point out that the Grassley amendment eliminates this requirement. I think that is unwise.

For those reasons, I will have to oppose the amendment offered by my distinguished colleague.

I have heard some comments about language in the bill stating that one of the purposes of the chapter is to "promote animal well-being." That is, one of the purposes is "to encourage research designed to increase our knowledge concerning agricultural production systems that promote animal well-being."

I have heard some suggestions that this language may promote animal rights and all the animal rights activists. That certainly was not our intention when we put that language in the bill, that language was put in to encourage farmers to help promote the well-being of animals because that will make them more profitable. For example, I think the average now—my colleague can correct me on this; he probably knows it better than I do—but I think the average now is about eight or nine pigs per litter that are saved. I know some farmers who are saving 10 and 11 pigs per litter because of the way they take care of their sows, the way they treat their animals.

A lot of farmers do not have that information. That is what we are seeking to do here, to promote animal well-being so that farmers make more

money from the animals they produce. I want to lay that concern about the language of the bill to rest because I heard some talk that it had to do with animal rights; nothing could be further from the truth.

Mr. President, I just wanted to make those points and to point out why I believe the compromise we worked out and the language we have in the bill is the best we can do. It promotes the Federal-State matching grant program and gets the technical assistance out to the farmers that they need to help them make the wisest and best decisions so that they do not lose money when they want to make changes from the systems they are now using to more sustainable agricultural programs and practices. I yield the floor.

THE PRESIDING OFFICER. Who yields time? The Senator from Iowa controls 9 minutes 15 seconds.

Mr. GRASSLEY. I yield myself such time as I may use.

Mr. KOHL. Mr. President, I rise in opposition to this amendment.

As an original cosponsor of S. 2334, the Sustainable Agriculture Research and Education Act, I was pleased to see most of this bill included by the Agriculture Committee in the 1990 farm bill. The Grassley amendment would weaken key provisions of that bill.

The amendment before us eliminates one of the bill's most valuable features—the development by USDA of technical guides to help farmers reduce their agricultural chemical use. Let me explain why these guides are so important.

Earlier this month, the Wisconsin Department of Agriculture proposed a ban on most uses of Atrazine—a popular weed killer—in nine Wisconsin counties. The department took this action in response to the detection of Atrazine in one-third to one-half of the wells tested in these nine counties.

Should this ban become effective, farmers in these counties will have lost their traditional means of controlling weeds. They will need help in developing alternative means of weed control. And that is the purpose of these technical guides—to help farmers adopt less chemically intensive, yet economically viable, farming practices. These guides will become all the more important as States move to ban the use of certain pesticides or fertilizers because of ground water pollution problems.

This amendment also eliminates the bill's Federal-State matching grant program in sustainable agriculture—one of the most cost-effective programs in this legislation. Many States, including the State of Wisconsin, have strong State programs in sustainable agriculture. We would be very foolish not to make use of these State programs to leverage our limited Federal funding in this area.

Mr. President, sooner or later, we are going to have to face the environmental costs of our current agricultural practices. We can either recognize that now, while there is still time to help farmers find alternative, economically viable ways of producing crops—or we can continue to stall, as the Senator from Iowa's amendment would do, which will ultimately hurt the very farmers the Senator seeks to protect. Not offering our farmers the means to adapt to the inevitable—the limitations on chemical use that are already, and will become ever more commonplace—will only cost them money in the long run.

I commend the Agriculture Committee for its foresight in including a strong sustainable agriculture program in this legislation, and urge my colleagues to oppose this amendment.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Iowa, which contains language originally proposed in committee by the distinguished ranking Republican on the Senate Agriculture Committee. This amendment more appropriately addresses the research needs of a modern agriculture which must provide for a rapidly growing world.

The concept of low-input agriculture has generated much debate throughout the farm bill proceedings this year. The bottom line is that most farmers, consumers, and members of the scientific community have justifiable concern about directing the emphasis of research toward a low-input agenda.

The suggested intent of a low-input research initiative seems practical; researching alternative production methods which reduce the need for chemical and other inputs. The emphasis here is on the reduction and potential elimination of certain inputs which some have deemed unnecessary in light of alternative farming practices.

The existing language of the research title misses the mark. The driving force of agricultural research is to increase input efficiency, not the limitation of inputs. Farmers utilize the necessary productive inputs to the extent that they fit their own financial as well as time constraints. If a farmer reduced one input, it is necessary to offset that by a corresponding rise in other inputs. In agriculture, like any other industry, a producer simply cannot reduce his optimum input mix and maintain productivity unless there is a corresponding rise in efficiency. Improving upon that efficiency is the goal of agricultural research, and should not be undermined by an initiative which rejects that basic premise.

The Grassley amendment focuses upon productivity and economic stabil-

ity. The amendment recognizes that the dominance of American agriculture is based upon our tremendous efficiency and productivity. It is a commonsense approach to the research needs of a modern agriculture. For today's agriculture, we need to focus upon our productive efficiency rather than low-input systems which will be quickly outpaced by a growing world demand.

This amendment will prevent the existing language from establishing a precedent for research which does not provide for the long-term interests of farmers and U.S. agriculture. Our agricultural producers will always be free to try alternative farming practices, but it would be dangerous to mandate that those practices become our primary goal. Limiting inputs is not the answer to future agricultural production, but a continuing effort to expand upon our input efficiency will preserve our preeminence in the field of agriculture.

THE PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, at this point debate is summary and repetition for people who have just returned to town or started to pay attention to the debate. I will try to summarize my approach, except to comment on one thing my distinguished colleague from Iowa said. It is not that he is wrong, but I do want to emphasize that we have not left States out of this process. He made an accurate statement as to the specific Matching Grant Program. But States are part of the administrative council, so States are a very integral part of the process. Then State organization may make application for a grant as well.

We do not intend to keep States out of the process. They are very much a part of the process. I want to emphasize that because I believe that States ought to be a very important part of the process.

I want to remind my colleagues again of a letter from several farm organizations supportive of this amendment. I want to remind my colleagues the distinguished Republican leader on the Agriculture Committee spoke very eloquently and authoritatively about my amendment, in support of the amendment, and particularly to emphasize what he said, that it was part of his original farm bill that he introduced.

These farm organizations have expressed some concern about chapter 1 of the committee's language, and I emphasize to the body that I am only changing chapter 1. All the rest of the committee's provisions dealing with the sustainable agriculture are left intact. But these organizations have much concern: The American Farm Bureau Associations, the American Feed Industry Association, American

Agri-Women, American Sheep Industry Association, National Broiler Council, National Cattleman's Association, the National Pork Producers Council, the National Turkey Federation, United Egg Association and the United Egg Producers, along with other organizations that have expressed some interest.

Research is important, Mr. President. I do not detract from that emphasis on research, but it is important that the research completed must serve all 2.5 million American farmers, not just a few. So the whole emphasis of my amendment is to bring more farmers into the educational process that is going to come as a result of the education being done under this subtitle.

We need to provide alternatives so that more farmers want to try, and I think in this respect, the committee's approach is just too narrow. My approach broadens it showing farmers how to use alternative tillage methods and lower costs through lowering some inputs. This is all part of the process. But you have to get more farmers involved in that process.

I think the point that needs to be made is that the purpose of this legislation is to research and not to mandate a certain type of agriculture.

I am concerned also about consumer reaction. If we want widespread acceptance of sustainable practices for the consumer, then we are going to have to involve as many farmers as possible and get them interested. Research is important, but it is important that we get as many farmers as possible involved in the process, and that is what my amendment does. If nobody wants to speak and Senator LEAHY wants to yield back his time, I will be glad to yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Vermont has 48 seconds.

Mr. LEAHY. I will just take 1 minute, Mr. President. That, with all due respect, is a 17-page amendment. It replaces a whole chapter. It would eliminate the research goal of reducing chemical inputs in farming, places very vague language, ignores a research program that farmers throughout this country want. It ignores the ability to do something for those farmers who want to change.

The agriculture bill mandates nothing but at least makes some real alternatives available to people who want low inputs and sustainable agriculture. I hope the Senate will defeat the amendment.

Mr. President, I am prepared to yield back all time if the Senator from Iowa is so willing.

The PRESIDING OFFICER. Is the Senator from Iowa prepared to yield back the remainder of his time?

Mr. GRASSLEY. Yes, I yield back the remainder of my time.

Mr. LEAHY. I yield back time.

The PRESIDING OFFICER. The Senator from Iowa and the Senator from Vermont have yielded back the time. The Chair observes that the yeas and nays have not been requested on this amendment.

Is there further debate?

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

The PRESIDING OFFICER. The yeas and nays are requested by the Senator from Iowa. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MITCHELL. I announce that the Senator from California [Mr. CRANSTON], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "nay."

Mr. DOLE. I announce that the Senator from Utah [Mr. GARN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

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

The result was announced—yeas 32, nays 60, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—32

Armstrong	Gorton	Murkowski
Bond	Gramm	Nickles
Boschwitz	Grassley	Packwood
Burns	Hatch	Sanford
Coats	Helms	Sasser
Cochran	Lott	Specter
Cohen	Lugar	Stevens
Danforth	Mack	Symms
Dole	McCain	Thurmond
Domenici	McClure	Wallop
Durenberger	McConnell	

NAYS—60

Adams	Burdick	Fowler
Akaka	Byrd	Glenn
Baucus	Chafee	Gore
Bentsen	Conrad	Graham
Biden	D'Amato	Harkin
Bingaman	Daschle	Hatfield
Boren	DeConcini	Heflin
Bradley	Dixon	Heinz
Breaux	Dodd	Hollings
Bryan	Exon	Humphrey
Bumpers	Ford	Inouye

Jeffords	Levin	Robb
Kassebaum	Lieberman	Rockefeller
Kasten	Metzenbaum	Roth
Kennedy	Mitchell	Rudman
Kerrey	Moynihan	Sarbanes
Kerry	Nunn	Shelby
Kohl	Pryor	Simon
Lautenberg	Reid	Warner
Leahy	Riegle	Wirth

NOT VOTING—8

Cranston	Mikulski	Simpson
Garn	Pell	Wilson
Johnston	Pressler	

So the amendment (No. 2333) was rejected.

Mr. LEAHY. 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.

VOTE ON AMENDMENT NO. 2331

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Nevada.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. MITCHELL. I announce that the Senator from California [Mr. CRANSTON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Georgia [Mr. NUNN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Maryland [Ms. MIKULSKI] is absent because of illness.

Mr. DOLE. I announce that the Senator from Utah [Mr. GARN], the Senator from Wyoming [Mr. SIMPSON], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that the Senator from South Dakota [Mr. PRESSLER] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] would vote "yea."

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

The result was announced—yeas 62, nays 29, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—62

Armstrong	Exon	Mack
Baucus	Ford	McCain
Bentsen	Glenn	McClure
Bond	Gore	McConnell
Boren	Gorton	Metzenbaum
Boschwitz	Gramm	Murkowski
Breaux	Grassley	Nickles
Bumpers	Harkin	Packwood
Burdick	Hatch	Pryor
Burns	Hatfield	Riegle
Chafee	Heflin	Robb
Coats	Helms	Rockefeller
Cochran	Hollings	Rudman
Conrad	Kassebaum	Sanford
D'Amato	Kasten	Shelby
Danforth	Kennedy	Simon
Daschle	Kerrey	Symms
Dixon	Kerry	Thurmond
Dole	Leahy	Wallop
Domenici	Lott	Warner
Durenberger	Lugar	

NAYS—29

Adams	Fowler	Mitchell
Akaka	Graham	Moynihan
Biden	Heinz	Reid
Bingaman	Humphrey	Roth
Bradley	Inouye	Sarbanes
Bryan	Jeffords	Sasser
Byrd	Kohl	Specter
Cohen	Lautenberg	Stevens
DeConcini	Levin	Wirth
Dodd	Lieberman	

NOT VOTING—9

Cranston	Mikulski	Pressler
Garn	Nunn	Simpson
Johnston	Pell	Wilson

So the motion to table the amendment (No. 2331) was agreed to.

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

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

The motion to lay on the table was agreed to.

INDIAN EXTENSION AGENT PROVISION IN THE
1990 FARM BILL

Mr. McCAIN. Mr. President, I would like to express my strong support for the provisions in the 1990 farm bill which reestablishes agricultural extension agents on Indian reservations. In testimony before the Senate Select Committee on Indian Affairs, we heard from tribal witnesses, the Bureau of Indian Affairs, and the Department of Agriculture that agriculture is the largest single contributor to the economic and social well being of the reservation communities. Additionally, tribal governments rely heavily on agricultural enterprises to fund basic government services. Unfortunately, American Indians and Alaska Natives have been largely excluded from the past farm programs due to a multitude of barriers including governmental indifference and statutory barriers.

A joint hearing was held in February of this year, by the Select Committee on Indian Affairs and the Committee on Agriculture, Nutrition, and Forestry which reinforced the critical need for reservation extension agents. The presence of Agents on Indian reservations is the first step in removing the barriers to full Indian participation in national farm programs.

Cooperative extension agents provide the link between new agriculture technologies developed by the land grant colleges and the application of these developments by the Nation's farmers and ranchers. They also serve a liaison function with other USDA programs, such as FmHA, assist in developing farm plans for financial institutions, provide training in farm and ranch business management and recordkeeping, supervise youth activities such as 4-H, and coordinate special training programs such as food storage techniques, nutrition, and subsistence gardening. With the absence of this information flow to the reservations, In-

dians are falling further and further behind in agriculture technologies.

Reservation residents all too often do not have access to existing county extension agents. The reason most frequently given is that Indian trust lands are not under county and State jurisdiction and therefore do not directly contribute to the county or State tax rolls. This leads to pressures from the local county governments or Agriculture Stabilization Conservation Service boards on the local extension agents to exclude services to Indian farmers and communities.

We have worked closely with Indian tribes and USDA officials to develop a proposal to reestablish agents on the larger Indian reservations which would provide \$6.5 million to be earmarked from appropriations for the Department of Agriculture's Extension Service for the reservation extension agents. Authorizing language for this purpose has been included in the research and extension title of the 1990 farm bill. This proposal is not a new idea, in the early 1970's, \$10 million was appropriated to the Bureau of Indian Affairs to provide extension services on Indian reservations. Over the years, funding has fallen to slightly more than \$400,000 per year, effectively denying extension services to all but a few Indian communities. I believe that the proposal to earmark \$6.5 million in the Department of Agriculture for extension services on Indian reservations is extremely modest, but the benefits to our Nation's first citizens will be substantial.

I want to thank my friends, Senator LEAHY and Senator LUGAR for their assistance on this matter. I hope that these provisions of the farm bill mark the beginning of a new era for Indians in the programs of the Department of Agriculture.

FARMER-TO-FARMER PROGRAM

Mr. SIMON. Mr. President, the farm bill we are now considering contains a provision called "Farmer-to-Farmer." It was begun in the 1985 farm bill, and its use was encouraged in the SEED I legislation we passed last year for Poland and Hungary. It's a good program and deserves our support.

The program is administered by VOCA, Volunteers in Overseas Cooperative Assistance, a private voluntary organization that has done outstanding work in 87 developing countries since 1970. Farmer-to-Farmer sends American volunteers to help farmers in Africa, Latin America, Asia and the Middle East—and now Eastern Europe—increase their production and improve their standard of living. The focus is rightly on private farmers.

And here I would like to commend some Illinoisans who have recently participated in Farmer-to-Farmer: Hilmer Albrecht of Sparta, IL, volunteered in Colombia; Armin Grossman of Cambridge, IL, went to Honduras;

Roy Harrington of Moline, IL, went to Burundi; Wanda and Leonard Slotkowski of Glen Ellyn, IL, went to Poland; John Temple of Springfield, IL, went to Honduras; Robert Von Der Ohe of Rockford, IL, went to Ecuador; and Ernest Winnings of Monticello, IL, went to the West Bank.

In Poland, for example, 23 volunteers have already lent a hand to help Polish farmers set up private cooperatives and help convert state-owned farms to private farms. In the next year, more than 100 American farmers will go to Poland to help that country shift to a free market economy in agriculture.

I mentioned the Slotkowskis of Glen Ellyn. For many years, they owned the Slotkowski Sausage Co. in Chicago. When they were in Poland, they undertook a feasibility study for establishing a small meatpacking plant. I know that their advice will be put to good use.

Mr. President, I urge my colleagues to support section 209 of title XI of S. 2830 which continues the Farmer-to-Farmer Program and expands its authority to operate in Poland and other East European countries.

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.

CIVIL RIGHTS ACT OF 1990

Mr. DOLE. Mr. President, last week, I spent a good deal of time on the floor arguing that the so-called Civil Rights Act of 1990 would distort, not restore, the civil rights vision that has served this country well for more than 25 years. I also argued that the bill would alter 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 plaintiff's bar to make a killing in the courtroom.

Apparently, I am not alone in this view.

In an op-ed piece appearing in today's Washington Post, Attorney Zachary Fasman points out that lawsuits for compensatory and punitive damages—lawsuits which the so-called Civil Rights Act of 1990 would allow, if not actively encourage—will "benefit no one but lawyers."

Not title VII plaintiffs. Not those who are the real-life victims of employment discrimination.

But the lawyers of this country.

No wonder the American Bar Association put the full weight of its lobbying muscle behind this bill. It could

see the pot of gold beyond the civil rights rainbow.

Mr. Fasman also points out that compensatory and punitive damages will promote litigation, not conciliation and settlement, which has always been one of the fundamental premises underlying title VII.

Mr. Fasman writes that:

An employer's economic incentive to settle is largely destroyed if compensatory and punitive damages become available. Six-figure liability automatically will increase settlement costs in most individual cases beyond the employer's projected litigation costs, and thus employers will have an economic incentive to litigate rather than to settle.

Six-figure liability and endless litigation. That's the Senate's new vision of the civil rights for the 1990's.

Mr. President, I ask unanimous consent that the text of the op-ed be printed in the *RECORD* at this point in my remarks.

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

PRACTICAL PROBLEMS OF THE CIVIL RIGHTS ACT

(By Zachary D. Fasman)

The quota issue continues to dominate debate about the Civil Rights Act of 1990, obscuring several serious practical problems presented by the bill. Foremost among these is the proposal to allow compensatory and punitive damages under Title VII of the Civil Rights Act of 1964. The omnibus federal employment discrimination statute, Title VII currently allows monetary relief for economic injuries alone. An employee improperly discharged because of his race can be reinstated to his job and recover lost wages and benefits; a woman wrongfully refused promotion because of her sex can obtain the lost promotion and back pay as well. Neither can recover damages for mental anguish or pain and suffering, nor can either obtain punitive damages. The Civil Rights Act of 1990 would change this, and allow their claims to be tried before a jury rather than before a judge.

This proposal to create a federal tort law system for employment discrimination cases is likely to benefit no one but lawyers. Authorizing recovery of compensatory and punitive damages will lead to a dramatic increase in Title VII litigation, with accompanying judicial delays. At present, Title VII emphasizes obtaining full economic redress quickly and without litigation. Discrimination charges must be filed promptly, the Equal Employment Opportunity Commission is supposed to investigate expeditiously and if reasonable cause exists to believe that the statute has been violated, the EEOC must attempt to conciliate prior to suit.

Early in the process, even full recompense for an employee's economic injury is relatively slight in comparison to the employer's projected litigation costs, to say nothing of the plaintiff's legal fees that the employer will incur in the event of a loss. While some cases involve matters of principle, most cases are resolved early in the process because the employer has strong economic incentives to settle rather than to litigate.

An employer's economic incentive to settle is largely destroyed if compensatory and punitive damages become available. Experience in state wrongful discharge litigation reveals that compensatory and punitive

damage awards regularly average in the hundreds of thousands of dollars. Six-figure liability automatically will increase settlement costs in most individual cases beyond the employer's projected litigation costs, and thus employers will have an economic incentive to litigate rather than settle. In cases where an employer believes he has a reasonable chance of prevailing, the proverbial reasonable person would choose litigation on the basis of economics alone contrary to the current situation.

Such an increase in litigation is not justified by the claim that Title VII remedies are inadequate. Title VII's remedial structure certainly is not unique. Congress repeatedly has concluded that employment principally is an economic relationship and that employment injuries do not require tort remedies. Almost every federal statute addressed specifically to the employment relationship—the National Labor Relations Act and ERISA spring to mind—provides relief for economic injuries alone rather than pain and suffering or punitive damages. These statutes, like Title VII, long have been regarded as successful. The multimillion-dollar Title VII class actions that have resulted in redesign of so many employment practices have not required the enhanced remedial scheme envisioned by the Civil Rights Act of 1990.

Our tort system, long renowned for its unfairness and glacial pace, has little to recommend it in employment discrimination cases. It is ironic that a majority of the Senate and at least 180 representatives apparently support creating a new federal tort system for employment discrimination cases at the same time that legislators on both the federal and state levels actively are seeking alternatives to the tort system itself in areas such as products liability and medical malpractice.

This irony is even more pronounced given the increasing congestion in the federal courts, evidenced by the recent Report of the Federal Courts Study Commission, which concluded that the "recent surge in federal criminal trials . . . is preventing federal judges in major metropolitan areas from scheduling civil trials, especially civil jury trials, of which there is a rapidly growing backlog." That report recommended arbitration rather than federal litigation of individual employment discrimination cases.

Proponents of the Civil Rights Act of 1990 argue that compensatory and punitive damages and jury trials already are available to blacks under the Civil Rights Act of 1866 and that the new law merely seeks to preserve parity among groups by making such remedies available to all victims of employment discrimination. But this argument does not address whether it makes practical sense to extend tort remedies any further. The Civil Rights Act of 1866 initially was extended to employment discrimination by a Supreme Court decision in 1976, more than a century after its passage, and there is no evidence that Congress (either in 1866 or subsequently) ever debated the wisdom of applying the statute to the workplace.

More thoughtful proponents of the bill claim that certain injuries actionable under Title VII have no economic component. In 1986, the Supreme Court held that pervasive racial or sexual harassment in the workplace was actionable under Title VII even absent an economic injury. Shouldn't there be some financial remedy for this conduct?

Perhaps so. But even assuming it is appropriate to create a greater financial remedy

for harassment in the workplace, surely this limited lacuna in the law does not justify creating a federal tort system that would apply to almost every employment discrimination case.

That certainly is the purport of this legislation. Courts traditionally distinguish between disparate treatment cases—in which an individual claims to have been treated less favorably because of his race or her sex—and disparate impact cases, which generally involve systemic barriers to equality. The Civil Rights Act of 1990 would provide compensatory relief in all disparate treatment cases, not just those involving egregious intentional misconduct. Thus a run of the mill absenteeism discharge, in which a black or a woman claims that his or her absenteeism record was not as bad as that of another employee who was retained, would fall within the ambit of compensatory relief even though there was no direct evidence of race or sex animus in the workplace. So would broadly based class actions that allege that the employer engages in a "pattern or practice" of discrimination, thus inveigling juries in adjudicating sophisticated statistical issues with millions in compensatory and punitive damages hanging in the balance.

The monumental delays and the inordinate expense involved in litigating such cases before juries are daunting. Only lawyers would want to multiply this type of litigation by making settlements less likely or making it normal to introduce psychiatric testimony attempting to quantify the pain and suffering of an employee who has been discharged. The remedial provisions of the Civil Rights Act of 1990 need to be amended if the bill is to benefit anyone but members of the bar.

Mr. DOLE. Mr. President, an article also appeared in today's Washington Post highlighting the fact that the so-called Civil Rights Act of 1990 has more to do with the "politics of race" than with racial justice and equal opportunity.

According to the article, the bill "may hold pitfalls for Democrats." The article even quotes one Democratic operative as warning that "it's in the best interests of the Democrats to have President Bush sign this bill" to prevent the GOP from "playing the race card."

Well, President Bush does not have a "race card" in his deck, and he does not seek to divide this Nation by playing the cheap game of racial politics.

But the cards are on the table: President Bush will not sign a bill that will force employers to hire by the numbers. And he will not sign a bill that is a lawyers' bonanza, guaranteeing the plaintiffs' bar full employment for decades to come.

As currently drafted, the Civil Rights Act of 1990 is a quota bill, pure and simple, and the American people will not be fooled.

Mr. President, I ask unanimous consent that the text of the article be printed in the *RECORD* at this point.

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

[From the Washington Post, July 23, 1990]
CIVIL RIGHTS BILL MAY HOLD PITFALLS FOR
DEMOCRATS

(By Thomas B. Edsall)

While public attention has focused on President Bush's anguish over the Civil Rights Bill of 1990, the legislation highlights one of the difficulties Democratic presidential candidates have experienced in trying to maintain the support of blacks as well as working- and lower-middle-class whites.

"In the long run, the bill could place us in the position once again of choosing between loyal blacks and Reagan Democrats," one Democratic congressional strategist said. "It depends on how the bill plays out and, if it becomes law, how much it is seen as forcing racial preferences."

"It [the 1990 bill] is not a free lunch for Democrats," said Robert Beckel, a Democratic political strategist who, as manager of Walter F. Mondale's 1984 campaign, experienced the full brunt of the defection of once-loyal white Democrats. "It's in the best interests of the Democrats to have Bush sign this bill" to prevent the GOP from "playing the race card," he said.

"Democrats are trying to say to the middle class, 'We care about you. You are our primary concern,'" said Democratic pollster Stan Greenberg. "What affirmative action says is that poor people, disadvantaged minorities, have primacy. That limits the ability of the Democrats to be credible as the party that works for the middle class."

In a series of focus groups held in 1985 in Macomb County—white, working-class suburbs of Detroit once dominated by the Democratic Party—Greenberg found a deep hostility to a Democratic Party seen as favoring blacks. "The special status of blacks is perceived by almost all these individuals as a serious obstacle to their personal advancement," Greenberg said of his findings from the focus groups. "Indeed, discrimination against whites has become a well-assimilated and ready explanation of their status, vulnerability and failures."

Democratic pollster Ed Reilly found similar racial conflict, also working to the severe disadvantage of the Democratic Party, in a post-1988 election study. And in the current election, the opening salvo in the bid of Sen. Pete Wilson (R-Calif.) for the governorship is an attempt to portray Democratic nominee Diane Feinstein as an advocate of racial quotas.

Voters who are moved by the issues of affirmative action and quotas, Beckel said, "are the swing voters, the Central Valley in California, the white working class, the working-class suburbs of Oakland County."

As passed by the Senate and sent to the House last week, the civil rights measure would effectively set federal employment discrimination and affirmative action policy so as to strengthen the hand of employees claiming discrimination. Proponents contend that the measure would not prompt business to hire on the basis of quotas, the charge leveled by some administration officials, conservative groups and much of the business community.

Democratic pollster Harrison Hickman, while arguing that the bill does not pose significant liabilities for the Democratic Party, said Bush has gained control of "the definition of the bill. Any bill he signs will be a civil rights bill and any bill he vetoes will be a quota bill."

Polls show blacks and whites are severely divided on the questions of quotas, preferen-

tial hiring and special government intervention in behalf of blacks. "When we hold focus groups, if the issue of affirmative action comes up, you can forget the rest of the session. That's all that's going to get talked about," said Natalie Davis, an Alabama Democratic national committeewoman and pollster.

"There is a perception on the part of whites—working-class whites, ethnic groups, white southerners—that the Democratic Party is the party of the blacks," Rep. John Lewis (D-Ga.), who is black, said in an earlier interview. "I think there is in some cases a perception that blacks are taking jobs away... making it impossible for white males, working-class whites, to advance, to be promoted."

For blacks, Lewis said, affirmative action "is important. In the black community, people are not prepared to throw that chip in. . . . When it comes to the black community, it's not negotiable."

In private, a number of Democratic strategists noted that the issues of affirmative action and racial preference embodied in the complex language of the 1990 bill have the potential to split the presidential and congressional wings of the Democratic Party.

House Democrats can generally avoid racially polarizing issues by declaring support for civil rights, a position widely backed by the public, one strategist noted. Democratic presidential candidates and the national party, in contrast, are more closely associated with racial preferences and consequently have more to lose from legislative conflicts that draw sharp distinctions between the parties on these issues, he said.

Lewis, a former civil rights leader, described the political problem of affirmative action this way:

"Whites perceive it as a less-qualified black, woman or some other minority getting a position or advancing to a certain level, not because of qualification, but simply because of race—that it is taking something away from them. I think black voters see it as affirming, as compensating for the wrongs of the past, and that is something that society must do. It is a moral obligation."

ROSE KENNEDY: 100 YEARS OF COURAGE AND CONTRIBUTION

Mr. DOLE, Mr. President, every year at this time I am reminded that I share my July 22 birthdate with a very distinguished American, a woman revered for her grace and devotion to family.

I am talking about Rose Kennedy. This weekend, she reached a remarkable milestone with the celebration of her 100th birthday.

As the mother of two U.S. Senators and a President, Mrs. Kennedy has helped make the Kennedy name synonymous with dedication to public service.

Although she has endured terrible personal tragedies that would have buckled most people, Rose Kennedy has done far more than survive. She has remained a buoyant, loving woman of faith and endurance who continues to inspire us all. She is one of America's most remarkable moth-

ers, grandmothers and great grandmothers—and I salute her.

I know all of my colleagues join me in wishing a happy birthday to Rose Kennedy. America admires her century of courage and contribution.

CYPRUS

Mr. D'AMATO, Mr. President, the 20th of July marks the 16th anniversary of the brutal Turkish invasion of Cyprus. Sadly, in this year of great political upheaval and progress, we are no closer to resolving the Cyprus dispute today than we were a year ago. Thirty-five thousand Turkish troops, armed with United States military equipment, continue to illegally occupy Cyprus, while the Turkish Cypriot leader, Mr. Rauf Denktash, continues his unproductive separatist policies. Still, the Greek Cypriots have not given up hope and continue to take steps aimed at benefiting all of Cyprus.

On July 4, the Republic of Cyprus announced that they had applied for full membership to the European Economic Community. This historic step by the Government in Nicosia illustrates its commitment to cooperation, unity and concern for both Greek and Turkish Cypriots, as full membership in the EC will provide long-term political and economic stability for the entire country. I commend Cyprus President George Vassiliou for taking this bold step forward, and encourage the EC to act favorably.

The Turkish Cypriot leadership responded to the EC application in the most irresponsible way. Instead of joining President Vassiliou in this bold step forward, Mr. Denktash threatened to colonize the occupied Greek Cypriot town of Famagusta with Turkish settlers. Famagusta, once a beautiful coastal tourist resort, has been a ghost town since the Turkish invasion of 1974.

Despite numerous calls by the Congress and the entire international community, the Turkish Cypriots have refused to allow the Greek Cypriot inhabitants of Famagusta to return to their homes. In fact, Mr. Denktash's threat to settle Famagusta is contrary to U.N. Security Council Resolution 550 of 1984 which considers any attempts to settle any part of the city by people other than its inhabitants as inadmissible and calls for the transfer of the area to the administration of the United Nations.

Mr. Denktash's threat to settle Famagusta is irresponsible and cannot be tolerated by the Congress. The settlement of Famagusta by Turkish Cypriots will greatly heighten tensions of Cyprus and prolong the current delay in the negotiations. The Congress and the administration must use its best

efforts to see that Mr. Denktash does not act on his threats.

At the same time, we must let the Government in Turkey know that the status quo on Cyprus is unacceptable and that we are serious about resolving the Cyprus dispute. The presence of Turkish troops on Cyprus is intolerable and must end.

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Agriculture, Nutrition, and Forestry.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 1:35 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 75. Joint resolution relating to NASA and the International Space Year, and

H.J. Res. 591. Joint resolution designating the third Sunday of August of 1990 as "National Senior Citizens Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

At 3:58 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3468. An act to amend the act entitled "An Act to extend the Wetlands Loan Act," to provide for the expansion of the Stewart B. McKinney National Wildlife Refuge, and

H.R. 5257. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3468. An act to amend the act entitled "An act to extend the Wetlands Loan Act," to provide for the expansion of the Stewart B. McKinney National Wildlife

Refuge; to the Committee on Environment and Public Works, and

H.R. 5257. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 23, 1990, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 75. Joint resolution relating to NASA and the International Space Year.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 639. A bill to establish a Hydrogen Research and Development Program (Rept. No. 101-385).

H.R. 4521. A bill to establish a Hydrogen Research and Development Program (Rept. No. 101-386).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1067. A bill to provide for a coordinated Federal research program to ensure continued United States leadership in high-performance computing (Rept. No. 101-387).

H.R. 3000. A bill to require that certain fasteners sold in commerce conform to the specifications to which they are represented to be manufactured, to provide for accreditation of laboratories engaged in fastener testing, to require inspection, testing, and certification, in accordance with standardized methods, of fasteners used in critical applications to increase fastener quality and reduce the danger of fastener failure, and for other purposes (Rept. No. 101-388).

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. LAUTENBERG (for himself, Mr. KASTEN, Mr. PELL, and Mr. DIXON):

S. 2887. A bill to amend the Caribbean Basin Economic Recovery Act, the generalized system of preferences, and section 301 of the Trade Act of 1974 to require countries to maintain certain environmental standards, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE:

S. 2888. A bill relating to Indian health care; to the Select Committee on Indian Affairs.

By Mr. BOSCHWITZ:

S. 2889. A bill to establish a National Commission charged with considering the causes of the failure of the savings and loan system and to consider proposals to prevent future failures of this type; to the Committee on Banking, Housing, and Urban 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. MOYNIHAN (for himself, Mr. D'AMATO, Mr. GLENN, Mr. METZENBAUM, Mr. LEVIN, Mr. RIEGLE, Mr. LUGAR, Mr. COATS, Mr. KOHL, Mr. KASTEN, Mr. LAUTENBERG, Mr. JEFFORDS, Mr. LEAHY, Mr. BRADLEY, Mr. SPECTER, Mr. GRASSLEY, Mr. SIMON, Mr. BIDEN, Mr. SARBANES, Mr. BURDICK, Mr. KENNEDY, Mr. KERRY, Mr. DIXON, Mr. CHAFEE, Mr. HEINZ, Mr. PELL, Mr. LIEBERMAN, and Mr. BOSCHWITZ):

S. Res. 312. A resolution to express the sense of the Senate regarding the need to develop a zebra mussel research and control program through the Great Lakes Fishery Commission; to the Committee on Environment and Public Works.

By Mr. KENNEDY (for himself, Mr. SIMON, Mr. PELL, Mr. KERRY, Mrs. KASSEBAUM, Mr. CRANSTON, and Mr. DODD):

S. Con. Res. 141. A concurrent resolution expressing the sense of the Congress regarding the deteriorating human rights situation in Kenya; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG (for himself, Mr. KASTEN, Mr. PELL, and Mr. DIXON):

S. 2887. A bill to amend the Caribbean Basin Economic Recovery Act, the generalized system of preferences, and section 301 of the Trade Act of 1974 to require countries to maintain certain environmental standards, and for other purposes; to the Committee on Finance.

GLOBAL ENVIRONMENTAL PROTECTION AND TRADE EQUITY ACT

● Mr. LAUTENBERG. Mr. President, I rise on behalf of myself, Senator KASTEN, Senator PELL, and Senator DIXON to introduce a revised version of the Global Environmental Protection and Trade Equity Act. This bill is essentially the same as S. 2553, the original bill we introduced on April 23, 1990, but with two technical changes.

The first change is simply the addition of a title for the bill, which we have named the Global Environmental Protection and Trade Equity Act.

The second change makes the bill language reflect our original stated intent that the U.S. Trade Representative be given the option to refuse to pursue a section 301 unfair trade practice case against a polluter country in either of two instances. He or she may decline to pursue a section 301 case if the country accused of unacceptable efforts against pollution is making progress toward achieving effective, generally observed environmental standards, or has environmental standards commensurate with its level of economic development. Due to a

technical drafting error, that option was not provided in the original legislation, although we intended it to be.

I ask unanimous consent that a copy of the revised bill be included following my remarks.

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

S. 2887

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 "Global Environmental Protection and Trade Equity Act".

SEC. 2. CARIBBEAN BASIN.

Section 212(b) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702(b)) is amended—

(1) by striking "and" at the end of paragraph (5),

(2) by striking the period at the end of paragraph (6), and inserting "; and",

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) if such country does not have effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land or if such country's standards are generally not observed.", and

(4) by striking "and (5)" in the last sentence and inserting "(5), and (7)".

SEC. 3. GENERALIZED SYSTEM OF PREFERENCES.

Section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking "and" at the end of paragraph (6),

(2) by striking the period at the end of paragraph (7), and inserting "; and",

(3) by inserting immediately after paragraph (7) the following new paragraph:

"(8) if such country does not have effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land or if such country's standards are generally not observed.", and

(4) by striking "and (7)" in the last sentence and inserting "(7), and (8)".

SEC. 4. DEFINITION OF UNREASONABLE ACT OR POLICY.

(a) IN GENERAL.—Section 301(d)(3)(B) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (ii),

(2) by striking the period at the end of subclause (V) of clause (iii) and inserting "; or", and

(3) by adding at the end of the following new clause:

"(iv) constitutes a failure to establish effective natural resource protection and effective pollution abatement and control standards to protect air, water, and land."

(b) DETERMINATION BY TRADE REPRESENTATIVE.—Subparagraph (C)(i) of section 301(d)(3) is amended by striking "subparagraph (B)(iii)" each place it appears and inserting "subparagraph (B) (iii) or (iv)".

By Mr. BOSCHWITZ:

S. 2889. A bill to establish a national commission charged with considering the causes of the failure of the savings and loan system and to consider proposals to prevent future failures of

this type; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL FINANCIAL INSTITUTIONS INQUIRY COMMISSION ACT

Mr. BOSCHWITZ. Mr. President, I rise today to introduce legislation calling for the creation of a National Commission on Savings and Loans. It will be comprised of five persons, and the Commission would be charged with examining the causes of the current crisis in the savings and loan industry, and to consider proposals to prevent future failures of this type.

By now, all of us have heard from constituents who are wondering how the S&L crisis came about. They are entitled to an answer to those queries.

Recently, both political parties have begun pointing fingers to blame one another in order to avoid the political fallout in the upcoming November elections. The American people deserve better than that.

It is for this reason that I have concluded that a national commission, comprised of individuals who understand the financial services industry, should be convened to conduct an objective and scholarly review. Such a review not only can help us gain a better understanding of all of the factors which contributed to the current dilemma but, perhaps even more important, it would help identify similar difficulties yet to be encountered.

By now, we are all generally aware of some of the factors which contributed to the decline of the S&L industry. But allow me briefly to review the history, Mr. President.

As you know, through the 1970's, the thrift industry was highly regulated and very restricted in terms of market opportunities. It was very regulated and restricted as to what it could do. Thrifts were allowed to make long-term mortgage loans and to accept short-term deposits, on which the amount of interest they can pay was limited.

Everything was fine, because housing during the 1950's, 1960's, and 1970's went up in an unabated manner, and so the security of the S&L's was very sound. Interest rates were quite level, so that they were in a position of having to lend long and borrow short, but in the lending long, the interest rates in the marketplace did not exceed even those long-term loans, the interest on those long-term loans.

When the Nation was hit with record inflation and skyrocketing interest rates, thrifts found themselves unable to compete. As interest rates rose, depositors pulled their money out of S&L's and put their money into money market funds and other investments paying much higher returns. We had what we spoke about at that time as disintermediation of money flight from the S&L's.

In 1980, fearing a collapse of the thrift industry, Congress passed legislation to deregulate the industry. Among other things, the legislation phased out interest rate limits on deposits, permitted thrifts to engage in new banking services, and raised deposit insurance levels from \$40,000 to \$100,000. We look back on some of that stuff, we regret it, but at that time, it seemed the right thing to do.

In spite of this legislative effort, most savings and loans continued to lose money, though they lost less than they did before. While thrifts were free to pay market interest rates on deposits, long-term notes paid relatively low rates.

During the period, the Nation's thrifts lost nearly two-thirds of their capital base. In response, Congress adopted new legislative remedies, giving thrift regulators expanded authority over troubled thrifts, but also allowing federally chartered thrifts to make loans in new and unfamiliar areas.

At almost the same time, a number of States—particularly those in the Southwest, such as Texas—granted their State-chartered thrifts broader powers, including the authority to make direct equity investments. In hindsight, this action may have been the most significant one in terms of the losses which have occurred thus far.

By 1987, it was clear we were not out of the woods. Thrifts were still losing money. It was estimated that between \$16 billion and \$27 billion in taxpayer assistance was going to be necessary to keep the thrift insurance fund solvent. The Reagan administration requested \$15 billion to shut down insolvent S&L's. Unfortunately, both the House and Senate Banking Committees were unwilling to meet the administration's request. Finally, after months of delay, a \$10 billion recapitalization plan was adopted by Congress.

Frankly, all of the changes I have described above probably were factors in creating the crisis in the thrift industry. It is my sincere hope that a panel of experts can help us sift through the evidence, not so much to assign blame as to help us understand where we could have acted differently and, more important, what policies should be adopted to keep a crisis of this magnitude from recurring.

I urge my colleagues to carefully consider my proposal. I plan to offer it as an amendment to the next piece of banking legislation considered by the Senate. I welcome the support and co-sponsorship of my colleagues.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD in its entirety.

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

S. 2889

Be it enacted by Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Financial Institutions Inquiry Commission Act."

ESTABLISHMENT

SECTION 1. There is established the National Commission on Savings and Loans.

DUTIES OF THE COMMISSION

SEC. 2. (a) The Commission shall—

(1) advise the Congress, the President, and Federal agencies on policies and programs which may have contributed to the problems in the savings and loan industry and such policies and programs which may be needed to prevent future problems of this type.

(2) prepare the report required by subsection (b).

(b) Within 6 month after the date of enactment of this Act, the Commission shall prepare and transmit to the President and the Congress a report describing the activities of the Commission and containing such recommendations as the Commission considers appropriate for legislative and administrative actions.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) The Commission membership shall be determined in the following manner: the Speaker of the House of Representatives, the Majority Leader of the Senate and the Minority Leaders of the House and of the Senate shall each be allowed to select one member. The President of the United States shall select the final member who shall serve as the Commission Chairman.

(b)(1) The members of the Commission described in subsection (a) shall be appointed within 30 days after the date of enactment of this Act.

(2) In appointing members of the Commission under subsection (a), the President and the leadership of the House and the Senate shall ensure that the members of the Commission have knowledge and technical expertise in the areas of responsibility specified for the Commission.

(c) A vacancy in the Commission shall be filled in the same manner as the original appointment was made. A vacancy in the Commission shall not affect its powers.

(d) Except as provided in paragraph (2), members shall be appointed for the life of the Commission.

(e) Three members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) The Commission shall hold its first meeting on a date specified by the President, which shall not be later than 60 days after the date of enactment of this Act. Thereafter, the Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least three times during the life of the Commission.

(g)(1) Each member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for grade GS-18 of the General Schedule under section 5332 of title 2, United States Code, for each day (including travel time) during which such member is engaged in the actual performance of duties as a member of the Commission. Each member of the Commission who is an officer or employee of the United States shall receive no additional compensation.

(2) While away from their homes or regular places of business in the performance of duties for the Commission, all members of

the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at the rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

DIRECTOR AND STAFF AND COMMISSION

SEC. 4. (a) The Commission shall appoint an Executive Director who shall be compensated at a rate not to exceed the rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Commission.

(c) The Executive Director and the additional personnel of the Commission referred to in subsection (b) may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classifications and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Commission, the Executive Director may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed \$200 per day.

(e) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the commission in carrying out its duties under this Act.

(f) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative and support services as the Commission may request.

POWERS OF COMMISSION

SEC. 5. (a) For the purpose of carrying out this Act, the Commission may hold such hearings, sit and act as such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(b) Any member or employee of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any Federal agency such information as may be necessary to enable the Commission to carry out this Act. Upon request of the Chairman of the Commission, the head of such agency shall furnish such information to the Commission.

DEFINITIONS

SEC. 6. For purposes of this Act—

(1) the term "Commission" means the National Commission on Savings and Loans established by section 1; and

(2) the term "Federal agency" has the meaning given to the term "agency" in section 551(1) of title 5, United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. For fiscal years beginning after September 30, 1990, here are authorized to be appropriated such sums as may be necessary to carry out this Act.

TERMINATION

SEC. 8. The Commission shall terminate 90 days after the date on which the Commission transmits the report required under

section 2(b) to the President and the Congress.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. JEFFORDS, his name was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 160

At the request of Mr. THURMOND, the name of the Senator from Hawaii [Mr. AKAKA] 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. 1577

At the request of Mr. BOREN, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1577, a bill to amend the Internal Revenue Code of 1986 to provide that charitable contributions of appreciated property will not be treated as an item of tax preference.

S. 1850

At the request of Mr. CONRAD, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1850, a bill to require sequestration for a fiscal year if the actual deficit for the preceding fiscal year exceeds the target by more than \$10,000,000,000.

S. 1880

At the request of Mr. DANFORTH, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1880, a bill to amend title VI of the Communications Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other purposes.

S. 1890

At the request of Mr. THURMOND, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 1890, a bill to amend title 5, United States Code, to provide relief from certain inequities remaining in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

S. 1942

At the request of Mr. ROCKEFELLER, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1942, a bill to provide for home and community care as optional statewide service, and for other purposes.

S. 2186

At the request of Mr. McCONNELL, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2186, a bill to repeal the provisions of the Revenue Reconciliation Act of 1989 which require the withholding of income tax from wages paid for agricultural labor.

S. 2214

At the request of Mr. PACKWOOD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2214, a bill to provide incentives to health care providers serving rural areas, to eliminate the Medicare reimbursement differential between hospitals located in rural and urban areas, and for other purposes.

S. 2319

At the request of Mr. GARN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2384

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2384, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain real estate activities under the limitations on losses from passive activities.

S. 2438

At the request of Mr. BAUCUS, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2438, a bill to amend title XVIII of the Social Security Act to make certain modifications in the Medicare Program with respect to payments made under such program to hospitals located within rural areas with 50 beds or fewer, to improve the delivery of health services to individuals residing in rural areas, and for other purposes.

S. 2584

At the request of Mr. BOREN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2584, a bill to amend the Internal Revenue Code of 1986 to provide that the deduction for State and local income and franchise taxes shall not be allocated to foreign source income.

S. 2591

At the request of Mr. BAUCUS, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Wyoming [Mr. SIMPSON], the Senator from Wyoming [Mr. WALLOP], the Senator from Colorado [Mr. WIRTH], the Senator from Virginia [Mr. WARNER], the Senator from Louisiana [Mr. JOHN-

STON], the Senator from North Dakota [Mr. BURDICK], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 2591, a bill to amend title XVIII of the Social Security Act to provide relief from certain regulations relating to physicians' services

S. 2601

At the request of Mr. INOUE, the name of the Senator from Minnesota [Mr. BOSCHWITZ], was added as a cosponsor of S. 2601, a bill to amend the Internal Revenue Code of 1986 to allow individuals who do not itemize deductions a deduction for charitable contributions to the extent in excess of \$100 per year.

S. 2605

At the request of Mr. PRYOR, the name of the Senator from Vermont [Mr. JEFFORDS], was added as a cosponsor of S. 2605, a bill to amend title XIX of the Social Security Act to provide mechanisms to control Medicaid drug prices while assuring that beneficiaries receive quality medical care, physicians' prerogative to prescribe is protected and the role of pharmacists is enhanced.

S. 2616

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Mr. SIMON], was added as a cosponsor of S. 2616, a bill to amend title XVIII of the Social Security Act to provide coverage under such title for certain chiropractic services authorized to be performed under State law, and for other purposes.

S. 2640

At the request of Mr. DASCHLE, the name of the Senator from Vermont [Mr. JEFFORDS], was added as a cosponsor of S. 2640, a bill to amend title XVIII of the Social Security Act to prevent fraud and abuse and encourage competition in the sale of medicare supplemental insurance.

S. 2649

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. AKAKA], was added as a cosponsor of S. 2649, a bill to provide for improved drug abuse treatment and prevention.

S. 2677

At the request of Mr. LAUTENBERG, the name of the Senator from Minnesota [Mr. BOSCHWITZ], was added as a cosponsor of S. 2677, a bill to extend for 2 years the operation of sections 599D and 599E of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990.

S. 2736

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. LEVIN], was added as a cosponsor of S. 2736, a bill to amend the Follow Through Act, and for other purposes.

S. 2761

At the request of Mr. D'AMATO, the name of the Senator from Louisiana [Mr. BREAU], was added as a cospon-

sor of S. 2761, a bill to deem certain interests to be reasonably incidental to the operation of a gas utility company for the purpose of the Public Utility Holding Company Act of 1965.

S. 2807

At the request of Mr. MCCAIN, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from New Jersey [Mr. BRADLEY], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Washington [Mr. GORTON] were added as cosponsors of S. 2807, a bill to direct the Secretary of the Interior to establish and implement power operating criteria at Glen Canyon Dam, to protect the environmental and recreational resources of Grand Canyon National Park, and for other purposes.

S. 2886

At the request of Mr. GLENN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of 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.

SENATE JOINT RESOLUTION 277

At the request of Mr. LUGAR, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Joint Resolution 277, a joint resolution designating October 6, 1990, as "German-American Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990, as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 305

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Iowa [Mr. GRASSLEY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. METZENBAUM], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from California [Mr. WILSON], the Senator from Utah [Mr. HATCH], the Senator from Vermont [Mr. JEFFORDS], the Senator from North Carolina [Mr. SANFORD], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Joint Resolution 305, a joint resolution to designate the month of September 1990, as "National Awareness Month of Children with Cancer."

SENATE JOINT RESOLUTION 337

At the request of Mr. SIMON, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of Senate Joint Resolution 337, a joint resolution designating Labor Day weekend, September 1 through 3,

1990, as "National Drive for Life Weekend."

SENATE JOINT RESOLUTION 339

At the request of Mr. DECONCINI, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 339, a joint resolution to designate August 1, 1990, as "Helsinki Human Rights Day."

SENATE JOINT RESOLUTION 351

At the request of Mr. BYRD, the names of the Senator from California [Mr. WILSON], the Senator from Indiana [Mr. COATS], the Senator from North Dakota [Mr. BURDICK], and the Senator from West Virginia [Mr. ROCKEFELLER] 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 288

At the request of Mrs. KASSEBAUM, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Resolution 288, a resolution expressing the sense of the Senate regarding the reopening of universities in the West Bank and Gaza without delay.

SENATE CONCURRENT RESOLUTION 141—RELATIVE TO HUMAN RIGHTS IN KENYA

Mr. KENNEDY (for himself, Mr. SIMON, Mr. PELL, Mr. KERRY, Mrs. KASSEBAUM, Mr. CRANSTON, and Mr. DODD) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 141

Whereas the United States and Kenya have enjoyed friendly relations based on their mutual respect for human rights and democratic freedoms;

Whereas Kenya has been an important and politically stable ally to the United States in Africa;

Whereas Kenya is one of the largest recipients of United States aid in sub-Saharan Africa;

Whereas such aid has been offered to encourage democratic freedoms, human rights, and political stability in Kenya;

Whereas the Government of Kenya has been waging a campaign of repression designed to eliminate criticism and dissent;

Whereas the Government of Kenya has compromised the independence of the Kenyan judiciary and increasingly restricted freedom of the press;

Whereas government security forces have harassed and detained government critics, including former Cabinet Members and others advocating multi-party democracy, and assaulted their families and co-workers;

Whereas government security forces have targeted human rights attorneys by interfering with their work and arresting and detaining them;

Whereas the government crackdown compelled Gibson Kamau Kuria, one of the world's foremost human rights attorneys and the recipient of the Robert F. Kennedy Human Rights Award in 1988, to seek refuge in the United States Embassy in

Nairobi for five days, and forced his partner, human rights attorney Paul Muite, into hiding;

Whereas the Government of Kenya has resorted to the use of force against demonstrators calling for multi-party democracy and peaceful political change;

Whereas at least 1,500 peaceful demonstrators have been arrested and detained by government security forces during the first two weeks of July;

Whereas the Government of Kenya's ongoing campaign against its citizens violates basic standards of international law with respect to human rights and fundamental freedoms; and

Whereas Kenya's political stability is threatened by the government's crackdown on individual rights and democratic freedoms and intolerance of political dissent: Now, therefore, be it

Resolved, That—

(1) the Senate (the House of Representatives concurring)—

(A) condemns the arrest and detention of Kenyan citizens for the peaceful expression of their political views and the recent violence against unarmed civilians by Kenyan security forces;

(B) condemns the Government of Kenya's disregard of human rights and fundamental freedoms;

(C) calls upon the Government of Kenya to end the intimidation and harassment of those who are critical of government policies, particularly individuals within the church, the press, and the legal and academic communities; and

(D) calls upon the Government of Kenya to implement effective safeguards to ensure unrestricted freedom of the press and the independence of the judiciary and to guarantee due process and other fundamental civil rights and human rights for individuals imprisoned or otherwise detained by the government; and

(2) it is the sense of the Congress that the President of the United States should suspend all military assistance and economic support fund assistance to the Government of Kenya until that government—

(A) restores basic human rights and fundamental freedoms, including the rights of free speech, free press, and free association;

(B) releases all detainees and persons arrested for the peaceful expression of their political views;

(C) ends the harassment and detention of its political opponents and human rights lawyers by security forces; and

(D) enables the Kenyan people to determine whether they want to pursue a multi-party democratic system.

Mr. KENNEDY. Mr. President, during the past few weeks, government security forces in Kenya arrested, detained, assaulted, and killed peaceful advocates of human rights and democratic reforms. This escalating cycle of violence and repression in Kenya is a deep concern to all friends of democracy.

The United States should not be backing governments that deny the most basic rights to their citizens. If we are true to our heritage, we should stand with the forces of freedom, not those who deny it.

Therefore, I am introducing legislation calling on the administration to suspend military and economic assistance to the Government of Kenya.

The resumption of this assistance would be conditioned on the restoration of democratic freedoms and the release of all persons arrested and detained for the peaceful expression of their views.

Kenya was once a model of political stability in Africa. But today, its constitution and its democratic tradition are threatened by the government's repression of the rights of its citizens.

President Moi has mounted a harsh campaign against those who speak out against the government, who oppose the nation's single-party system, or who call for free expression. The President has emphasized his opposition to a pluralistic democracy. He has vowed to hunt down political dissidents "like rats."

In recent weeks, the repression has intensified. Security forces have arrested and detained more than 1,500 people. Hundreds of people were injured, and at least 22 were killed, when security forces fired into crowds and used clubs against demonstrators protesting the government crackdown.

Among those detained are two former Cabinet Ministers and the editor of a publication that criticized President Moi.

The government crackdown compelled Gibson Kuria, one of the world's most courageous champions of human rights, to seek refuge in the U.S. Embassy in Nairobi. Although the Kenyan Government permitted Mr. Kuria to leave the country after a few days, his leadership is needed by his fellow countrymen. His forced exile is a distressing commentary on the tragic situation in his native land. We look forward to working with him to bring about the day when he can return home to a free and democratic Kenya.

Kenya is the largest recipient of United States aid in sub-Saharan Africa. It is scheduled to receive \$46 million in aid this year, including \$11 million in military assistance. The administration has requested \$42 million in aid for Kenya in 1991, \$16 million of which is in military aid and economic assistance.

Americans should not send these tax dollars to a government that denies its citizens their basic rights. It is time to suspend all military and economic assistance to the Government of Kenya, until it restores fundamental civil and human rights.

Gibson Kuria and other brave Kenyans at the forefront of democratic and human right reforms are entitled to the individual freedoms guaranteed under the Constitution of Kenya. I urge Congress to ask the administration to support them in their cause.

SENATE RESOLUTION 312—RELATIVE TO THE ZEBRA MUSSEL

Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. GLENN, Mr. METZENBAUM, Mr. LEVIN, Mr. RIEGLE, Mr. LUGAR, Mr. COATS, Mr. KOHL, Mr. KASTEN, Mr. LAUTENBERG, Mr. JEFFORDS, Mr. LEAHY, Mr. BRADLEY, Mr. SPECTER, Mr. GRASSLEY, Mr. SIMON, Mr. BIDEN, Mr. SARBANES, Mr. BURDICK, Mr. KENNEDY, Mr. KERRY, Mr. DIXON, Mr. CHAFFEE, Mr. HEINZ, Mr. PELL, Mr. LIEBERMAN, and Mr. BOSCHWITZ) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 312

Whereas the zebra mussel (*Dreissena polymorpha*) is a filter feeding mollusk able to filter approximately a quart of water a day, and in doing so substantially reduce the quantity of phytoplankton essential to a health fishery;

Whereas the zebra mussel is native to temperate freshwater habitats of the Black, Caspian, and Azov Seas in Southern Asia, and canals built during the late 18th century allowed the species to expand into Western Europe by the 1830's;

Whereas the zebra mussel is believed to have arrived in North America in the ballast water of a ship arriving from Europe in the summer of 1986, and discharged into the Great Lakes system at Lake St. Clair and the St. Clair River;

Whereas by the year 1990 this infestation has spread eastward through Lakes Erie and Ontario into the St. Lawrence River, and westward into Green Bay, Lake Michigan, and Duluth Harbor, Lake Superior;

Whereas it is likely that within the coming two decades, if left unchecked, the zebra mussel will have infested the majority of the surface water system of the United States and Canada; and that this migration is irreversible and cannot be quarantined;

Whereas the United States Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost \$5,000,000,000 over the next ten years in environmental and economic losses; and

Whereas the Great Lakes Fishery Commission was established in 1955 by Convention between the United States and Canada to develop and coordinate fishery research and management, and to advise governments on measures to improve the fisheries; Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the zebra mussel, if left unchecked, may devastate the fisheries of the Great Lakes; and

(2) the President of the United States should direct the Secretary of State to negotiate with the Government of Canada to establish a program of zebra mussel research and control, through the auspices of the Great Lakes Fishery Commission. This program shall be coordinated with other research and control activities taking place within and outside the Great Lakes Basin.

SEC. 2. The Clerk of the United States Senate shall transmit a copy of this resolution to the President of the United States with the request that the President further transmit a copy to the Secretary of State.

● Mr. MOYNIHAN. Mr. President, I rise today to submit a Senate resolution concerning zebra mussels. The

measure, cosponsored by 27 Senators, is a simple request to the President. And that being, to instruct the Secretary of State to begin negotiations with Canada through the Great Lakes Fishery Commission on a program of zebra mussel control. To my friends and colleagues who have yet to hear or experience the effects of this foreign mollusk which is presently working its way through the surface water system of our Nation, I encourage you to take notice.

The zebra mussel is a dangerous new infestation. It presents a threat to our entire surface water system and ultimately will affect the way we live and work.

The zebra mussel—the scientific name is *Dreissena polymorpha*—is not indigenous to North America. It is native to the Black, Caspian, and Azov Seas of Soviet Central Asia. It has been in Europe for more than 150 years, and now it is here.

Unlike other infestations, this one is irreversible. The zebra mussel is here to stay. It cannot be quarantined or eradicated. Within 20 years time it will have spread through the entire surface water system of North America. How this occurred and what it will mean is worthy of our attention.

The zebra mussel is native to the fresh waters of Southern Asia. It was first identified there in 1771. Canals built during the late 18th century allowed the species to expand its range. It took less than a century for the mussel to spread over much of Europe—by the 1830's, zebra mussels had reached the British Isles.

Infestations of *Dreissena* created difficulties for the water supplies in Hamburg in 1886 and in Rotterdam in 1887 by clogging intake pipes. In 1895, Berlin's waterworks were closed for 27 days due to fouling of pipes by thousands of decaying mussels. In 1921, a hydroelectric plant in northern Germany closed because a 1.5 meter thickness of mussels severely restricted water flow.

But still, as of only 5 years ago, the zebra mussel had not reached North America. Or perhaps it had, but if so, it had not survived.

Nonetheless, it is believed that in the summer of 1986, zebra mussels arrived in North America in the ballast water of a ship arriving from Europe, and that this event or series of similar events has led to the infestation we now face. It is thought that ballast water taken on in a European port contained immature zebra mussels, that these mussels survived the 5- to 7-day trip that is now commonplace, and that this water was released into Lake St. Clair, which lies north of Detroit between Lake Huron and Lake Erie.

The first confirmed sighting of the zebra mussel in the Great Lakes was in the Canadian waters of Lake St. Clair on June 1, 1988. Zebra mussels

now have been found throughout the entire Great Lakes system. As far west as Duluth, MN, and as far east as the St. Lawrence River in New York.

The mussel can move between different bodies of water in several ways. The larvae—called veligers—can be transported downstream or downwind by water currents. Mussels attach to the hulls of boats, and larvae can survive for up to a week in the cooling water of boat engines. They can be carried by the feet of water birds and other wildlife.

Some advocate using natural predators of the zebra mussel to control its population. Diving ducks prey upon the mussel. In Lake Erie, where the zebra mussel is abundant, observers are reporting an increase in the diving duck population. Unfortunately, there are limits to the ability of the duck to control this organism. Wetland habitat in the Great Lakes may be too small to support the duck population needed to control this infestation.

Mr. President, the Senate Committee on Environment and Public Works has held three hearings in the last 3 months concerning the zebra mussel and the effects it will have on infrastructure and fishery habitats. The picture is rather grim. The U.S. Fish and Wildlife Service has estimated that the zebra mussel in the Great Lakes will cost \$5 billion over the next 10 years in environmental and economic losses. As the zebra mussel moves throughout the surface water system of our Nation this figure will surely rise dramatically.

In 1955, the United States and Canada created by convention, the Great Lakes Fishery Commission. The Commission was created to develop and coordinate fishery research and management, and to advise governments on measures to improve the fisheries. Not since the sea lamprey have our fisheries been at such peril. We have in place a Commission which, if given the directive, could begin research tomorrow. That we do this, working with our friends to the North, seems only reasonable.

Mr. President, there are currently three separate measures under consideration in the Senate concerning zebra mussels. In time, they will become law. However, we cannot wait. We must act now.

Although only a resolution, a request to the President by 28 Members of the U.S. Senate is no small matter. I encourage the President to begin negotiations immediately. ●

● Mr. GLENN. Mr. President, I rise today in support of Senate Resolution 312, to express the sense of the Senate that dialog with Canada begin immediately regarding the role of the Great Lakes Fishery Commission in zebra mussel research and control. I have long supported an active role for the

Great Lakes Fishery Commission in addressing the zebra mussel problem. This organization will be a key player in organizing that joint effort of the United States and Canada much as they have done for the sea lamprey. My bill S. 2244, the Non-Indigenous Aquatic Nuisance Act of 1990, invites the participation of the Great Lakes Fishery Commission on the Great Lakes Regional Commission for aquatic nuisance species and mandates international cooperation in cases where an aquatic nuisance species occurs in waters shared with a foreign country. This resolution furthers the goals of this bill and starts the negotiation process with Canada, and that is why I am proud to be a cosponsor of Senate Resolution 312.

Mr. President, we must coordinate the efforts of all agencies and individuals active in solving the problem of zebra mussels and other aquatic nuisance species. I would hope that all research initiated by a binational organization such as the Great Lakes Fishery Commission would encompass those agencies and individuals that are best capable of carrying out the tasks. This would include the U.S. Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, university researchers, and the Canadian counterparts. We must bring all of our knowledge and resources forward cooperatively so that we can most efficiently address this problem. ●

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

DASCHLE (AND GLENN) AMENDMENT NO. 2325

Mr. DASCHLE (for himself and Mr. GLENN) 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:

On page 661, line 2, insert after "1995" the following: ", and not later October 1, 1993, and for each fiscal year thereafter, not less than 20 percent of the amount appropriated in each such fiscal year under this subsection shall be used for research that has the goal of increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses for traditional commodities and the development of alternative farm and forest products."

BAUCUS AMENDMENT NO. 2326

Mr. BAUCUS proposed an amendment to the bill S. 2830, supra, as follows:

On page 429, between lines 2 and 3, insert the following paragraph:

"(6) WOOD AND PROCESSED WOOD PRODUCTS.—The term 'wood and processed wood products' includes logs, lumber (such as boards, timber, millwork, molding, flooring, and siding), veneer, panel products (such as plywood, particle board, and fiberboard), utility and telephone poles, other poles and posts, railroad ties, wood pulp, and wood chips."

On page 445, between lines 19 and 20, insert the following new subsection:

"(n) CONDITIONS FOR WOOD AND PROCESSED WOOD PRODUCTS.—The Secretary shall make guarantees available under subsections (a) and (b) for wood and processed wood products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections."

LEAHY (AND BOREN) AMENDMENT NO. 2327

Mr. LUGAR (for Mr. LEAHY, for himself and Mr. BOREN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 415, (section 403(b))—

(a) line 12 strike "or";

(b) line 16 strike the period and insert "or"; and

(c) between lines 16 and 17 insert:

"(4) if such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long-term economic development."

MOYNIHAN AMENDMENT NO. 2328

Mr. BOREN (for Mr. MOYNIHAN) proposed an amendment to the bill S. 2830, supra, as follows:

On page 857, between lines 20 and 21, insert the following new chapter:

CHAPTER 6—NEW YORK-NEW JERSEY HIGHLANDS

SEC. 1545. STUDY CONCERNING NEW YORK-NEW JERSEY HIGHLANDS.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the region known as the "New York-New Jersey Highlands", located in New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York (hereinafter referred to in this section as the "region").

(b) SCOPE OF STUDY.—The study authorized under subsection (a) (hereinafter referred to in this section as the "study") shall include an identification and assessment of—

(1) the physiographic boundaries of the region referred to in subsection (a);

(2) forest resources of the region, including timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(3) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(4) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life;

(5) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region; and

(6) the impact of forestland conversion to alternative uses on the surrounding area and any threats that this may pose.

(c) ALTERNATIVE CONSERVATION STRATEGIES.—The alternative conservation strategies referred to in subsection (b)(5) shall include a consideration of—

(1) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(2) public access for recreation;

(3) protection of fish and wildlife habitat;

(4) preservation of biological diversity and critical natural areas; and

(5) new local, State, or Federal designations.

(d) PUBLIC PARTICIPATION.—In conducting the study, the Secretary shall provide an opportunity for public participation.

(e) TIME LIMIT.—The study shall be complete not later than 12 months after the date on which funds are appropriated under subsection (f).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated \$250,000 to carry out this section.

LEAHY AMENDMENT NO. 2329

Mr. BOREN (for Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

On page 1079, in section 1943, line 8, after "Secretary of Agriculture" insert ", in consultation with the Secretary of Energy,".

CONRAD (AND OTHERS) AMENDMENT NO. 2330

Mr. CONRAD (for himself, Mr. BURDICK, Mr. BAUCUS, and Mr. BURNS) proposed an amendment to the bill S. 2830, supra, as follows:

On page 329, between lines 5 and 6, insert the following new subsection:

(c) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of 9 percent;

(B) shall withhold no more than one third in each of the next three years of farm program payments to the producers as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years to the extent the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply in the case of producers on a farm if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a));

(B) the producers are required to provide a refund under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payment; and

(C) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than the result of multiplying 65 percent of the farm program payment yield established by the Secretary for the crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of natural disaster, as determined by the Secretary) for the crop.

On page 329, line 6, strike "(c)" and insert "(d)".

REID (AND LEAHY) AMENDMENT NO. 2331

Mr. REID (for himself and Mr. LEAHY) proposed an amendment to the bill S. 2830, supra, as follows:

At the end of the bill add the following:

SEC. . FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds that—

(1) The LD50 test is an acute toxicity test on animals which has been shown to be inaccurate, misleading, and unnecessary in product testing;

(2) other tests have been developed which are less costly, more humane, and more accurate;

(3) nonanimal alternatives have been developed for other acute toxicity tests using animals;

(4) the Federal Government has encouraged the use of the LD50 test and other animal acute toxicity tests through regulations which mandate their use, encourage their use, or do not prescribe other less costly, more accurate and humane alternatives;

(5) private industry is reluctant to use other tests without encouragement from the Federal Government; and

(6) private industry and the consumer will benefit from the promotion of alternative methods of testing when these alternatives are more accurate and humane than animal tests.

(b) POLICY.—Federal departments and agencies shall encourage the development and use of product testing procedures which accurately reflect human reactions to products, including consumer products and products containing hazardous or toxic substances, but which do not rely upon animal models.

SEC. . FEDERAL ACTION.

(a) PROHIBITION OF USING LD50 Test for Product Safety, Labeling, and Transportation Requirements.—Effective 1 year after the date of enactment of this Act, Federal department or agency heads may not consider LD50 test results when determining product safety, labeling, or transportation requirements for the purposes of Federal regulation.

(b) REGULATIONS CONCERNING TESTS OTHER THAN ANIMAL TOXICITY TESTS.—(1) Not later than 1 year after the date of enactment of this Act, each Federal department or agency head shall—

(A) review and evaluate any regulation, guideline, or recommendation issued by that

department or agency which requires or recommends the use of an animal toxicity test for the purpose of pre-market evaluation of the relative acute toxicity of a product; and

(B) promulgate regulations which specify that nonanimal toxicity tests be used instead of animal toxicity tests, unless that Federal department or agency head determines that in certain limited cases the non-animal toxicity test has less validity than the animal toxicity test.

(2) If a determination is made that a specific nonanimal toxicity test is less valid than an animal toxicity test, the appropriate Federal department or agency head shall publish in the Federal Register an explanation of all options considered and the justification for continuing the animal toxicity test, which shall be subject to public comment before a final regulation is promulgated.

(c) PERIODIC REVIEW OF ANIMAL TOXICITY TESTING REGULATIONS.—At least every 2 years (beginning 3 years after the date of enactment of this Act), each Federal department or agency head, after considering the most recent technological advances available, shall determine whether continued use of any animal toxicity test is justified. If a Federal department or agency head determines that such a use is justified, then that Federal department or agency head shall publish in the Federal Register an explanation and justification of such continued use, which shall be subject to public comment.

SEC. . DEFINITIONS.

For purposes of this Act—

(1) ANIMAL.—The term "animal" means any vertebrate.

(2) ANIMAL TOXICITY TEST.—The term "animal toxicity test" means an animal model acute toxicity test including (but not limited to) the Draize eye or skin irritancy test, approximate lethal dose test and the limit test.

(3) FEDERAL DEPARTMENT OR AGENCY HEAD.—The term "Federal department or agency head" means the head of a Federal department or agency who—

(A) has authority to promulgate regulations, guidelines, and recommendations with respect to procedures to be used in the testing of products, including consumer products, veterinary products, and products containing hazardous or toxic substances; or

(B) licenses or approves products, labeling requirements for products, or the transportation of products based on the results of these tests.

(4) NONANIMAL TOXICITY TEST.—The term "nonanimal toxicity test" means a nonanimal model acute toxicity test including (but not limited to) cell culture, computer modeling, protein alteration, and chorioallantoic membrane techniques.

BOSCHWITZ AMENDMENT NO. 2332

Mr. LEAHY (for Mr. BOSCHWITZ) proposed an amendment to the bill S. 2830, supra, as follows:

On page 35, line 15, strike "129(b)" and insert "128(b)".

Beginning on page 36, strike line 22 and all that follows through page 38, line 14, and insert the following:

SEC. 124. AUTHORITY TO ISSUE ORDERS.

The Secretary—

On page 39, line 3, strike "126" and insert "125".

On page 39, lines 4 and 5, strike "sections 125(a) and 135" and insert "section 135".

On page 39, line 9, strike "may" and insert "shall".

On page 39, line 15, strike "127" and insert "126".

On page 39, lines 16 and 17, strike "After notice and opportunity for public comment are given," and insert "Not later than 90 days after publication of the proposed order,".

On page 39, line 17, strike "126" and insert "125".

On page 39, line 25, strike "135" and insert "134".

On page 40, line 1, strike "128" and insert "127".

On page 40, line 5, strike "129" and insert "128".

On page 40, strike lines 15 through 25 and insert the following:

(2) SERVICE TO THE ENTIRE INDUSTRY.—In carrying out this subtitle, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only Class I fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) REGIONS.—The Secretary shall establish not less than 10 nor more than 25 regions in order to ensure appropriate geographic representation on the Board.

On page 41, line 4, strike "marketing".

On page 43, line 6, strike "131" and insert "130".

On page 44, line 14, strike "131" and insert "130".

On page 44, line 24, before the period, insert the following: ", except that this subsection shall not preclude the Board from offering its programs and projects for use by commercial parties, under such terms and conditions as the board may prescribe".

On page 50, between lines 12 and 13, insert the following new subsection:

(1) EXEMPTIONS.—The order shall exempt Class I fluid milk products exported from the United States.

On page 50, line 13, strike "(1)" and insert "(m)".

On page 50, line 16, strike "130" and insert "129".

On page 50, strike lines 20 through 25.

On page 51, line 1, strike "(c)" and insert "(b)".

On page 51, line 6, strike "(d)" and insert "(c)".

On page 51, line 17, strike "(e)" and insert "(d)".

On page 51, line 21, strike "(f)" and insert "(e)".

On page 52, line 4, strike "(g)" and insert "(f)".

On page 52, line 8, strike "131" and insert "130".

On page 54, line 4, strike "137(b)" and insert "136(b)".

On page 54, line 6, strike "132" and insert "131".

On page 55, line 20, strike "133" and insert "132".

On page 55, line 21, strike "133" and insert "132".

On page 59, line 1, strike "134" and insert "133".

On page 60, line 9, strike "135" and insert "134".

On page 62, line 1, strike "136" and insert "135".

On page 62, line 10, strike "135(a)" and insert "134(a)".

On page 63, line 2, strike "135" and insert "134".

On page 63, line 4, strike "137" and insert "136".

On page 63, line 11, strike "135(a)" and insert "134(a)".

On page 63, line 20, strike "131(e)" and insert "130(e)".

On page 64, line 2, strike "135" and insert "134".

On page 64, line 4, strike "138" and insert "137".

On page 64, line 22, strike "139" and insert "138".

On page 56, strike lines 13 through 21 and insert the following new paragraph:

(1) CIVIL PENALTIES.—Any person who violates any provision of this subtitle or a regulation issued under this subtitle may be assessed—

(A) a civil penalty by the Secretary of not less than \$500 nor more than \$5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than \$10,000 nor more than \$100,000 for each such violation.

Each violation shall be considered as a separate offense.

On page 60, line 22, after "products", insert the following: "represented in the referendum".

On page 63, lines 21 through 24, strike "class I processors voting in the referendum who represent, as determined by the Secretary, 60 percent or more of the volume of class I fluid milk products" and insert "class I processors representing 60 percent or more of the volume of class I fluid milk products represented by the processors voting in the referendum".

GRASSLEY AMENDMENT NO. 2333

Mr. GRASSLEY proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 732, line 3 all through page 759, line 3 and insert in lieu thereof the following:

"Subtitle C—Sustainable Agricultural Research and Education Program

"SEC. 1461. DEFINITIONS.

"For purposes of this subtitle:

"(1) AGRIBUSINESS.—The term "agribusiness" includes a producer or organization engaged in an agricultural enterprise with a profit motive.

"(2) EXTENSION.—The term 'extension' shall have the same meaning given to the term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

"(3) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means an organization, group, institute, or institution that—

"(A) has a demonstrated capacity to conduct agricultural research, demonstration, education, or information delivery on sustainable agricultural practices or systems; and

"(B) is exempt from tax under section 501 of the Internal Revenue Code of 1986.

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

"(5) STATE.—The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(6) STATE AGRICULTURAL EXPERIMENT STATIONS.—The term 'State agricultural experiment stations' shall have the meaning given to the term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

"(7) SUSTAINABLE AGRICULTURE.—The term 'sustainable agriculture' means an agricultural system that is economically viable and environmentally sound over short and long terms.

"SEC. 1462. FINDINGS.

"Congress finds that—

"(1) to be sustainable, any system must be environmentally sound and economically profitable over short and long terms;

"(2) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure the long-term agricultural sustainability of farms and ranches in the United States;

"(3) sustainable agriculture can embrace methods included in systems known as alternative, low-input, ridge-, no- and minimum tillage, regenerative, biological, organic, ecological, and conventional agriculture that meets the economic and environmental criteria to achieve short and long term sustainability;

"(4) United States farmers and the non-farm public want a sustainable agricultural system that will continue through time to be productive and profitable, conserve natural resources, protect the environment, protect the health and safety of agricultural workers, provide safe and ample food and nonfood products, and compete efficiently in global markets;

"(5) improved management of all inputs, increased diversification among enterprises, and increased global understanding are essential to ensure the sustainability of the American agriculture system;

"(6) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service), State cooperative extension services, land grant and other colleges and universities, and State agricultural experiment stations—

"(A) have contributed greatly to innovation in agriculture; and

"(B) have a continuing role to play in improving agricultural sustainability;

"(7) the annual irretrievable loss of an estimated 3 billion tons of topsoil through wind and water erosion reduces agricultural sustainability;

"(8) farmers and ranchers have demonstrated an interest in participating directly in research and extension efforts, a practice that improves farming methods and benefits research and extension programs;

"(9) many farmers and ranchers are dependent on nonrenewable production inputs and natural resources for agricultural production;

"(10) public funding of a properly planned and balanced agricultural research and education program is essential to improving efficiency in agricultural production and conservation practices; and

"(11) the expansion or redirection, or both, of agricultural research and extension efforts are needed to assist farmers, ranchers, and other persons engaged in agribusiness to—

"(A) improve agricultural sustainability;

"(B) implement soil, water, and energy conservation practices;

"(C) manage chemical, genetic, capital, labor, machinery, and other resources to op-

timize the economic and environmental results of their operations;

"(D) diversify their enterprises and practices to more effectively manage risk;

"(E) understand and compete in the global economy;

"(F) reduce nonrenewable production inputs when feasible and practicable and optimize the use of onfarm resources; and

"(G) protect the health of farmers, farmworkers, and consumers.

"SEC. 1463. PURPOSES.

"It is the purpose of this subtitle to—

"(1) facilitate and promote scientific investigation and education in order to—

"(A) enhance agricultural sustainability;

"(B) maintain the productivity of land, labor, capital, and technology;

"(C) reduce soil erosion and loss of water and plant nutrients;

"(D) conserve energy and natural resources;

"(E) improve competitiveness of agricultural producers and processors in global (domestic and foreign) markets; and

"(F) protect the health of farmers, farmworkers, and consumers through safe practices that provide safe food; and

"(2) facilitate the conduct of research and extension projects in order to—

"(A) study agricultural production, marketing, and management systems that are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

"(B) study farms that have been, and will continue to be, managed using farm production practices that rely on a variety of conservation practices;

"(C) take advantage of experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

"(D) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions; and

"(E) transfer practical, reliable, and timely information to farmers and ranchers on sustainable farming systems and practices.

"SEC. 1464. INFORMATION ASSESSMENT AND UTILIZATION.

"(a) IN GENERAL.—Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

"(b) DUTIES.—In carrying out subsection (a), the Secretary shall—

"(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to—

"(A) production practices;

"(B) marketing strategies for existing products;

"(C) globalization of American agriculture;

"(D) application of sustainable natural ecosystem principles to agroecosystems;

"(E) environmentally sound cropping, livestock, tillage, nutrient management, pest management, water conservation, and alternative energy systems;

"(F) the social, global competitiveness, economic, and environmental effects of alternative production and marketing systems and technologies; and

"(G) the role of public policies and programs in fostering and hindering the purposes of this subtitle;

"(2) identify which of the reports provides useful information and make the useful reports available to farmers and ranchers, and other agribusiness persons; and

"(3) carry out educational programs to facilitate the systematic application of information generated from research.

"SEC. 1465. RESEARCH, EDUCATION, AND TECHNOLOGY TRANSFER PROJECTS.

"(a) **IN GENERAL.**—Subject to section 1468, in cooperation with Federal and State research and extension agencies and agricultural producers, the Secretary shall conduct such research and education projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle. The Secretary shall ensure that—

"(1) the projects are open for public observation at specified times; and

"(2) the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is observed in the development and conduct of the projects.

"(b) **BROAD REPRESENTATION.**—In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agriculture.

"(c) **AREAS OF LAND.**—In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils production methods, and weed, insect, and disease pests on individual fields or other areas of land.

"(d) **ONFARM RESEARCH.**—In carrying out subsection (a), the Secretary shall conduct onfarm research.

"(e) **STUDIES.**—In carrying out subsection (a), the Secretary shall conduct studies on the national and regional economic, global competitiveness, and social and environmental implications of adoption of sustainable agriculture systems and practices.

"(f) **SEQUENCE OF CROPS.**—In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct the project for a term that is appropriate to the sequence involved.

"(g) **SELECTION OF PROJECTS.**—In carrying out subsection (a), the Secretary shall select projects on the basis of the relevance of the project to the purposes of this subtitle, the appropriateness of the design of the project, the feasibility of obtaining the objectives of the project, and the scope of the potential applicability of the findings and outcomes. Priority shall be given to those projects that—

"(1) closely coordinate research and extension programming, including extensive farmer input and feedback and specific plans for making findings readily useable;

"(2) maximize the involvement and cooperation of farmers, including onfarm research and demonstrations;

"(3) involve an interdisciplinary systems approach; and

"(4) involve cooperation between farmers, nonprofit organizations, colleges and universities, agribusinesses, and government agencies.

"(h) **NATIONAL INFORMATION AND COMMUNICATION SYSTEM.**—In coordination with the Extension Service, State cooperative extension services, private information delivery systems, and farmers, the Secretary may implement a national sustainable agriculture information and communication system using the cooperative extension service to

ensure that farmers and ranchers and other agribusiness persons are aware of sources of information identified within section 1464 and projects conducted under this section, including—

"(1) demonstrations of components and systems through field days, tours, workshops, conferences, and short courses; and

"(2) multimedia information sources including publications, videotapes, broadcasts, computer information systems, and other technologies.

"SEC. 1466. COORDINATION.

"(a) **IN GENERAL.**—The Secretary may—

"(1) establish regional administrative councils that include representatives of—

"(A) the Cooperative State Research Service;

"(B) the Agricultural Research Service;

"(C) the Extension Service and State cooperative extension services;

"(D) State agricultural experiment stations;

"(E) the Soil Conservation Service;

"(F) State Departments of Agriculture;

"(G) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(H) farmers utilizing sustainable agriculture systems and practices;

"(I) agribusinesses; and

"(J) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities;

"(2) establish a national advisory council that includes representatives of—

"(A) the Agricultural Research Service;

"(B) the Agricultural Marketing Service;

"(C) the Farmers Home Administration;

"(D) the Agricultural Cooperative Service;

"(E) the Cooperative State Research Service;

"(F) the Extension Service;

"(G) the State cooperative extension services;

"(H) the State agricultural experiment stations;

"(I) the Soil Conservation Service;

"(J) the Economic Research Service;

"(K) the National Agricultural Library;

"(L) State Departments of Agriculture;

"(M) nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices; and

"(N) farmers utilizing sustainable agriculture systems knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and rural communities; and

"(3) in conjunction with the regional administrative councils, develop criteria to identify the individuals, organizations, or other entities capable of assisting the Secretary and the land grant universities in carrying out this subtitle.

"(b) **DUTIES OF REGIONAL ADMINISTRATIVE COUNCILS.**—The regional administrative councils shall—

"(1) appoint regional technical committees consisting of—

"(A) scientists with expertise in a wide cross-section of disciplines;

"(B) Extension specialists or agents, or both;

"(C) farmers who use sustainable agriculture systems and practices;

"(D) members of nonprofit organizations involved with research, demonstration, education, or information delivery on sustainable agriculture systems and practices;

"(E) agribusiness persons; and

"(F) other persons knowledgeable about sustainable agriculture and the impact of sustainable agriculture on the environment, the economy, and the viability of rural communities;

"(2) promote the program at the regional level;

"(3) recommend goals and criteria for selection of projects within the region;

"(4) review and take action on the recommendations of the technical committee; and

"(5) provide an annual report on funded projects and an evaluation of project activity.

"(c) **DUTIES OF TECHNICAL COMMITTEES.**—The technical committees established under subsection (b)(1) shall—

"(1) evaluate project proposals;

"(2) submit recommendations for funding; and

"(3) assess further research and education needs.

"(d) **DUTIES OF NATIONAL ADVISORY COUNCIL.**—The responsibilities of the national advisory council established under subsection (a)(2) shall include—

"(1) promoting the program at the national level;

"(2) advising Department of Agriculture agencies relative to activities funded by the program;

"(3) recommending general procedures for awarding and administering funds within the regions;

"(4) coordinating recommendations for improving the program;

"(5) exploring opportunities for increased integration among programs in sustainable agriculture, water quality, integrated pest management, alternative agriculture, food safety, and other related programs; and

"(6) providing an annual report to the Secretary.

"SEC. 1468. AGREEMENTS.

"The Secretary shall carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, for-profit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer and in commercialization of new processes and products to and from agriculture.

"SEC. 1469. DISSEMINATION OF DATA.

"The Secretary may—

"(1) make available through the Extension Service and State cooperative extension services and via the outreach of the cooperative extension system through other public and private agencies—

"(A) the information and research reports identified under section 1464; and

"(B) the information and conclusions resulting from any research project conducted under section 1465; and

"(2) otherwise take such steps as are necessary to ensure that the material is made available to the public.

"SEC. 1470. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated each fiscal year up to \$40,000,000 to carry out this chapter, to remain available until expended."

(b) **CONFORMING AMENDMENT TO TABLE OF CONTENTS.**—The table of contents for subtitle C of title XIV of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1359) (as affected by subsection (a) of this section) is amended to read as follows:

"Subtitle C—Sustainable Agricultural Research and Education Program

"Sec. 1461. Definitions.

"Sec. 1462. Findings.

"Sec. 1463. Purposes.

"Sec. 1464. Information assessment and utilization.

"Sec. 1465. Research, education, and technology transfer projects.

"Sec. 1466. Coordination.

"Sec. 1468. Agreements.

"Sec. 1469. Dissemination of data.

"Sec. 1470. Authorization of appropriations."

ADMIRALTY ISLAND NATIONAL MONUMENT LAND MANAGEMENT ACT

JOHNSTON AMENDMENT NO. 2334

Mr. MITCHELL (for Mr. JOHNSTON) proposed an amendment to the amendments of the House to the bill (S. 666) to enroll 20 individuals under the Alaska Native Claims Settlement Act, as follows:

On page 2, line 22, strike "101" and insert "201."

On page 5, after line 2, insert the following new sentence: "Nothing in subparagraphs (C) or (D) shall create a right or cause of action by Kootznookoo, Incorporated, or any other party against the United States."

On page 5, lines 19 and 20, strike the word "Cooper" each time it appears and insert in lieu thereof, "Cooper".

On page 6, line 5, strike "8756;" and insert "3756;"

On page 6, line 9, strike "876.60" and insert "376.60".

On page 6, line 13, strike "876.60" and insert "376.60".

On page 6, line 14, strike "8756," and insert "3756,".

ADDITIONAL STATEMENTS

PERSONAL FINANCIAL DISCLOSURE OF SENATOR DENNIS DeCONCINI

● Mr. DeCONCINI. Mr. President, pursuant to longstanding belief that all public officials should make full financial disclosure, I am submitting for the RECORD this date a financial report dated December 31, 1989, for Dennis and Susan DeConcini.

The report follows:

TIZZARD PLOTKIN,
KNUTTINEN & DONNELLY, P.C.,
Tucson, AZ, May 11, 1990.

DENNIS and SUSAN DeCONCINI,
Washington, DC.

We have reviewed the accompanying statement of financial condition of Dennis and Susan DeConcini as of December 31, 1989, in accordance with standards established by the American Institute of Certi-

fied Public Accountants. All information included in this financial statement is the representation of Dennis and Susan DeConcini.

A review of personal financial statements consists principally of inquiries of the individuals whose financial statements are presented and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying statement of financial condition in order for it to be in conformity with generally accepted accounting principles.

The historical cost/basis information in the accompanying statement of financial condition is presented only for supplementary analysis purposes and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statement. We did not become aware of any material modification that should be made to the supplementary information.

RODERIC D. TIZZARD,

C.P.A.

DAVID PLOTKIN, C.P.A.

1965-87

DAVID C. KNUTTINEN,

C.P.A.

JOANE E. DONNELLY, C.P.A.

G. JAMES WRIGHT, C.P.A.

DENNIS and SUSAN DeCONCINI STATEMENT OF FINANCIAL CONDITION DEC. 31, 1989

	Estimated current value	Historical cost basis
Assets:		
Cash, checking and savings accounts.....	\$141,494	\$141,494
Certificates of deposit.....	886,114	886,114
Miscellaneous receivables arising from rental properties.....	11,082	11,082
Notes receivable (note 2).....	559,264	559,264
Investments:		
Marketable securities (note 3).....	100,245	63,486
Real estate (note 4).....	4,477,975	1,495,616
Monterey Water Company (note 5).....	345,181	3,000
Partnerships, closely held (note 6).....	5,573,846	155,665
Partnerships and S-corporations, not closely held (note 7).....	331,653	140,696
Annuity.....	42,962	22,573
Vested interest retirement plans:		
Individual retirement accounts (IRA's).....	50,943	
Civil service retirement fund.....	49,532	
Cash value of life insurance (note 8).....	100,527	100,527
Residence (note 9).....	470,000	195,657
Personal property (note 9).....	165,000	65,000
	13,305,818	3,840,174
Liabilities:		
Miscellaneous payables arising from rental properties.....	12,125	12,125
Deferred gain (note 2).....	213,927	213,927
Income taxes—current year balance.....	201,782	201,782
Mortgages:		
Wraparound mortgages (note 2).....	361,914	361,914
Real estate investments (note 4).....	910,732	910,732
Residence (note 9).....	96,505	96,505
	1,796,985	1,796,985
Income taxes: Estimated on the difference between the estimated current values of the assets and the estimated current amounts of liabilities and their tax bases (note 10).....	3,126,663	
Net worth.....	8,385,170	2,043,189

DENNIS and SUSAN DeCONCINI STATEMENT OF FINANCIAL CONDITION DEC. 31, 1989—Continued

	Estimated current value	Historical cost basis
Total.....	13,305,818	3,840,174

Note.—See accountants' review report.

NOTES TO FINANCIAL STATEMENT

Note 1—Basis of accounting: The accompanying financial statement includes the assets and liabilities of Dennis and Susan DeConcini. Assets are stated at their estimated current values and liabilities at their estimated current amounts.

Note 2—Note receivable, 4-D properties:

	Receivable	Mortgage
In 1985 a residence on Crystal Drive, San Diego, California was sold to 4-D Properties with the note receivable being "wrapped around" the underlying mortgage for the same terms and amount. The monthly receivable/payable is \$589 per month including interest at 11 percent.....	\$41,914	\$41,914
In 1989 a shopping center at Cave Creek & Bell Road, Phoenix, Arizona was sold to an unrelated party. The note receivable is for monthly payments of \$7,168 including interest at 10 percent; the note receivable matures April, 1999. The note payable is for monthly payments of \$7,996 including interest at 9.5 percent; the note payable matures December, 1991. Deferred gain on this installment sale is \$213,927.....	517,350	320,000
Total.....	559,264	361,914

Note 3—Marketable securities: The estimated current values of marketable securities are either (a) their quoted closing prices or (b) for securities not traded on the financial statement date, amounts that fall within the range of quoted bid and asked prices. Marketable securities consist of the following:

	Number of shares or bonds	Estimated current values
Stocks:		
Fidelity Trend Mutual Fund.....	312	\$13,782
First National Corporation.....	1,743	24,568
James Madison Bank.....	200	1,175
Lasertechnics, Inc.....	1,000	1,500
Liberty Corp.....	100	4,338
National Education Corp.....	50	344
Pacific Telesis.....	200	10,075
Southern Arizona Bancorp of Yuma, Inc.....	3,150	25,200
The Price Co.....	200	9,250
Valley National Corp.....	700	9,245
Bonds:		
State of Israel.....	1	1,000
Total marketable securities.....		100,245

Note 4—Real estate: The estimated current values were determined by use of assessed value for property taxes, inquiries of realtors familiar with similar properties in similar areas, acquisition price of recently acquired properties and appraisals of some properties. Ownership is 100 percent unless otherwise noted:

Property description	Estimated current value	Mortgage balance	Mortgage terms		
			Monthly payment including interest	Interest rate	Maturity
Joint interests:					
Alpha Beta Shopping Center, 44th & Broadway, Phoenix, AZ (50 percent interest)	\$414,625	\$380,540	\$7,854	9%	1995
Avra Valley/Pioneer Trust, unimproved land, Pima County, AZ (3.125 percent interest)	5,630				
Grant/Oracle Circle K, Ground lease, Pima County, AZ (10.89 percent interest)	132,730				
St. Mary's & Silverbell Road, Ground lease, Pima County, AZ (10.89 percent interest)	180,000				
Investment properties:					
Casas Adobe Vistas, Lots 17 & 18, vacant land, Tucson, AZ	100,000				
1122 S. 6th, vacant land (formerly Victory Outreach), Tucson, AZ	25,000				
Rancho Sin Vaca, Lot 64, vacant land, Tucson, AZ	86,000	50,000	8,000	10	1995
12th & Michigan, vacant land (Serrano land), Tucson, AZ	52,000				
12th & Ajo, Nat'l City Annex, Lot 23, Block A, behind Circle K, vacant land, Pima County, AZ	13,200				
Commercial properties:					
Action Suds & Circle K, 3812/3816 S. 12th, Tucson, AZ	106,440				
Drachman Building, 2345 E. Broadway, Tucson, AZ	150,000				
L & L Furniture, 1140-1150 S. 6th, 1133-1135 S. Russell, Tucson, AZ	112,000				
Tijuana Taco, 615 S. 6th Avenue, Tucson, AZ	100,000				
Pizza Hut 12th & Ajo, 605 W. Ajo, Tucson, AZ	162,850				
39 cent Hamburger, 625 S. 6th Avenue, Tucson, AZ	125,000				
Residential properties:					
Canyon View Apartments, 381 Cedar Lane, Sedona, AZ	340,000	338,078	3,602	10.25	2018
House: Alta & San Carlos Street, Carmel By The Sea, CA	300,000				
House: 5686 Dolphin Street, La Jolla, CA	600,000				
House: 1901 N. George Mason Drive, Arlington, VA	150,000	100,920	934	10.5	2117
Condo: 303 Helopen, Rehoboth Beach, DE	200,000				
Salem Court Apartments: 705 Salem Court, Mission Beach, CA	800,000				
Sunset Cliff Apartments: 1961 Sunset Cliff, Ocean Beach, CA	322,500	41,194	554	9	1992
Total	4,477,975	910,732			

Annual payment plus interest.

Note 5—Monterey Water Co.: 30 shares of a total of 430 shares outstanding (7%) were owned as of December 31, 1989. The Company primarily holds real estate investments. The estimated current value is based upon appraisal. Net income of the Company for 1989 was \$284,399. The balance sheet of Monterey Water Co. at December 31, 1989 is prepared on the accrual basis and is summarized below.

Cash	\$183,579
Other current assets	2,666
Notes receivable	118,536
Investment, partnership	627,541
Depreciable property	122,777
Accumulated depreciation	(7,891)
Land	481,943
Other assets	16,310

Total assets 1,545,461

Other current liabilities	240,463
Stockholder loans	413,624
Notes payable	270,111
Other liabilities	10,810
Capital stock	41,300
Capital in excess of par	10,750
Retained earnings	558,403

Total liabilities and equity 1,545,461

Note 6—Partnerships, closely held: Interests in the listed partnerships are as a general partner. Partnership activities are primarily in the area of real estate. The estimated current value of the partnerships is based upon their assessed value for property taxes, or inquiries of realtors familiar with similar properties in similar areas, or acquisition price of recently acquired properties and appraisals of some properties. Following are the condensed historical cost balance sheets and the net income (or loss) for the year ended December 31, 1989 for each partnership. The income tax method of accounting is used by the partnerships.

	2-D Properties	3-D Properties	4-D Properties	Total
Cash	\$5,016	\$(4,264)	\$88,178	\$88,930
Receivables/loans	99,224		125,167	224,391
Other current assets		223,110	339,271	562,381
Investments		88,661	6,403,383	6,492,044
Depreciable property	41,524	2,085,484	6,912,017	9,039,025
Accumulated depreciation	(15,455)	(717,934)	(2,074,331)	(2,807,720)

	2-D Properties	3-D Properties	4-D Properties	Total
Land	21,726	168,320	9,937,466	10,127,512
Intangibles		41,465	194,835	236,300
Accumulated amortization		(8,040)	(54,612)	(62,652)
Other assets		10,272	42,391	52,663
Total assets	152,035	1,887,074	21,913,765	23,952,874
Other current liabilities	143	28,252	480,396	508,791
Loans		1,205,089	10,244,750	11,449,839
Deferred gains	86,969		60,018	146,987
Other liabilities		6,439	28,516	34,955
Capital	64,923	647,294	11,100,085	11,812,302
Total Liabilities and equity	152,035	1,887,074	21,913,765	23,952,874
Net income (loss) for the year ended Dec. 31, 1989	149,892	7,249	166,216	323,357
Percent ownership of Dennis and Susan DeConcini	50	33	20	NA
Estimated current value of Dennis and Susan DeConcini's partnership interests	165,196	394,429	5,014,221	5,573,846

Note 7—Partnerships and S-corporations, not closely held:

Haras Sonoita, Ltd.—25 percent interest in an S-Corporation owning a race horse. Managing officer estimated the net realizable value of the horse	\$2,500
Pinacle Peak North Investors—2 percent interest in a real estate general partnership. Estimated current value was based upon the managing partner's estimated value of the undeveloped land	183,600
Roadrunner Radio & Television—4.07 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note	15,323
Southwest Radio & Television, Ltd.—2.44 percent interest in a limited partnership collecting a note receivable. Estimated current value based upon percent ownership of the note	23,165

Tonopah Partners I General Partnership—16.67 percent ownership in a real estate general partnership. Estimated current value was based upon a realtor's estimated value of the undeveloped land	82,312
Tonopah Partners II General Partnership—same as Tonopah I	12,090
W.M. Investments Partnership—13.33 percent ownership in a real estate general partnership. Estimated current value was based upon the general partner's estimated value of the apartment and commercial buildings owned by the partnership	12,663
Total	331,653

Note 8—Life insurance: The face value of thirteen whole life policies is \$604,494. These policies have a cash surrender value of \$100,527.

Note 9—Residence/personal property: The estimated current value was determined by the good faith estimates of Dennis and Susan DeConcini. The residence mortgage is payable in monthly installments of \$906 including interest at 8.5 percent through 2006.

Note 10—Income taxes: Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provision will probably differ from the amounts of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal or realization and

the tax laws and regulations in effect at the time of disposal or realization.

Note 11—Other related party disclosures: Other family members and closely held businesses had the following amounts receivable from or payable to the following entities at December 31, 1989:

	3-D Properties	4-D Properties
Individuals:		
Receivable	\$25,000	
Payable	40,974	\$338,554
Closely held business:		
Receivable	22,757	
Payable		22,757

Note.—The notes all bear interest at prevailing interest rates.

Note 12—Future interests: Remainder interests in trusts have not been presented because the rights are not fixed or determinable amounts.●

PUERTO RICO PROCLAMATION OF EQUALITY

● Mr. SIMON. Mr. President, I rise today to bring to the attention of our colleagues a proclamation in support of Puerto Rican equality of rights, opportunities, obligations, participation, privileges, and responsibilities. This proclamation, initiated by former Puerto Rico Governors Luis Ferre and Carlos Romero Barcelo, was signed by a number of distinguished citizens and residents of Puerto Rico at Ponce on March 10, 1990.

Since being granted U.S. citizenship 73 years ago, the people of Puerto Rico have enjoyed most but not all of the honor, liberties, and freedoms associated with being U.S. citizens. However wonderful those freedoms are, the Puerto Rican people are deprived of voting representation in the U.S. Congress. They are subject to Federal laws which govern trade, commerce, labor relations, wages, and the environment. But they are denied representation in the development and implementation of these laws.

Puerto Ricans have a strong sense of loyalty to the United States and to democracy. They have fought alongside their fellow U.S. citizens in wars and have sacrificed their lives to serve democracy and to serve their Nation even while they have not had a vote or voice in congressional declarations of war and in foreign policy.

Mr. President, they have earned their right to political equality. Equality of rights, obligations, privileges, responsibilities, opportunity, and partici-

pation are what the Puerto Rican people actively strive for. We are "one nation, indivisible," committed to "liberty and justice for all." We can do no better to live up to that pledge than by passing S. 712, the Johnston-McClure bill I have cosponsored for a 1991 plebiscite vote on Puerto Rico status. I ask that the proclamation previously referred to be printed in full immediately following my remarks.

The proclamation follows:

PROCLAMATION OF EQUALITY

Four Hundred and Ninety Seven years ago, the first European set foot on our island and soon thereafter we became a colony of Spain;

Ninety Two years ago, as a result of the Spanish American War, we were ceded to the United States and became a colony thereof;

Seventy Three years ago, Congress granted United States citizenship to all the inhabitants of Puerto Rico;

Since then, we have been blessed with many of the Liberties and Freedoms guaranteed to each of its citizens by the world's greatest democracy;

Nevertheless, we continue to be denied representation; we remain disenfranchised citizens who are deprived of equality in our voting rights and our economic rights;

In order to maintain tax privileges which benefit only the wealthiest of corporations and individuals, our poor and our workers are deprived of equal minimum wages and equal economic benefits;

Without representation in their enactment, we are subject to federal laws which govern our trade and commerce, our labor relations, our wages, our environment, and foreign immigration to our homeland; likewise, we are subject to laws which establish crimes and punishments, and which impose customs duties and other federal taxes, even though we lack participation in their adoption and subsequent amendment;

Although called "Commonwealth" we are, undeniably and unequivocally, a colony of the United States. Indeed, ours is the oldest colony in the world!

Yet, in spite of these and other disadvantages, through five centuries of valiant struggle we have formed and forged a People;

A People which has overcome disease, poverty, catastrophe, scarcity of natural resources, and the perennial yokes of civic injustice and political inequality, to create a society of exceptional dynamism, productivity, and promise;

Having overcome so much to achieve so much, we are today a proud People; a People offended by the unequal responsibilities and obligations which ostensibly justify our disenfranchisement and our unequal economic participation;

We have, however, looked beyond the political and economic discrimination: with our faith placed in the true meaning of American citizenship, our People's loyalty to the United States of America and to democracy has steadily intensified throughout Ninety Two years of Federal Sovereignty;

This loyalty has been manifested to the maximum in two World Wars, in Korea, in Vietnam, in Lebanon, in Libya and wherever else Puerto Ricans have been called to sacrifice their lives to serve their Nation;

Our sons have died on battlefields alongside their fellow citizens from the States of the union.

In time of war, we have been equal in death—in time of peace, we want to be equal in life!

We have earned our right to participate as equals in our Nation's democracy;

We have earned our right to political and economic equality;

A century of international torment and violence is at its end, as events in Europe, Africa and Latin America herald the advent of a New Millennium in which tyranny, bigotry and colonialism shall be banished from this Earth.

Just as East Germans tore down a wall of stone which symbolized totalitarianism and repression, so must we, the American citizens of Puerto Rico, tear down a wall of shame—that invisible but insidious wall which confines us in a colonial relationship with our Nation, depriving us of our political rights and shutting us out of the economic mainstream;

Conscious of these Truths, impatient with disenfranchisement and inequality, and with unyielding faith in our Creator, we do now solemnly proclaim—as American citizens assembled at Ponce, Puerto Rico on this Tenth Day of March in the Year 1990—that our lives, our fortunes and our sacred honor are hereby pledged to the cause of Equality for our People—for ourselves, for our children, and for our children's children.

Dignity, Decency and Democracy demand Equality;

Equality of Rights. Equality of Obligations. Equality of Privileges. Equality of Responsibilities. Equality of Opportunity. Equality of Participation;

These fundamental principles of civilization shall apply in full to the United States citizens of Puerto Rico. That is our solemn vow.

Equality now! Equality forever!

CARLOS ROMERO BARCELO,
Former Governor of Puerto Rico.
LUIS A. FERRE,
Former Governor of Puerto Rico.●

FEDERAL LEAVE SHARING PROGRAM

● Mr. DOMENICI. Mr. President, I rise to share with my colleagues some preliminary results of the Federal Leave Sharing Program.

In 1988, Congress enacted the Federal Leave Sharing Act. I consider this program to be the good deed legislation of the 100th Congress because it allows Federal employees to donate vacation leave to fellow coworkers in need—those workers experiencing seri-

ous illnesses or extreme family emergencies.

The concept of leave sharing recognizes that life comes with no guarantees. It takes into account the unpredictable, yet inescapable, fact of life that every once in awhile a coworker is faced with losing his or her job because he or she has used up all of his or her leave time. Often, that person has been a fine employee and, given the opportunity, would add to the work force again.

The Federal agencies have now had a year's experience in administering the Leave Sharing Program, which was implemented in April 1989 on a Governmentwide basis. The Office of Personnel Management is compiling information about leave sharing from all Federal agencies that will be reported to Congress on October 31. I am anxious to see the results of this report, and I am pleased to share information from an informal survey of eight large Federal agencies or installations in New Mexico.

These 8 agencies have approved a total of 122 leave recipients for participation in the voluntary Leave Transfer Program. To date, 2,447 fellow employees have generously donated 44,481 hours of annual leave to these recipients—an average of 365 hours per recipient.

One of the recipients, Carolyn Miller, works as a buying agent at Kirkland Air Force Base buying everything from nuts and bolts to aircraft parts and parachutes. Carolyn is a handicapped employee and is wheelchair bound. In August 1988, Carolyn developed an infection in her hip that led to two surgeries to remove her infected hip bone.

Her accumulated sick leave and annual leave were depleted in the months that she was off work recovering. Carolyn was approved as a leave recipient under the fiscal year 1988 Temporary Leave Transfer Program and then as a recipient of the current Leave Transfer Program in 1989. She received a total of 936 hours of donated annual leave from her fellow employees—enough to cover an absence of almost 6 months.

As Carolyn describes the donated leave, it was "such a godsend, such a big help." Prior to becoming ill Carolyn had just bought a house. The infection hit right after she had moved into her new house. As a single breadwinner, this shared leave kept a medical crisis from also becoming a financial crisis.

I know there are many other such cases where the Leave Sharing Program has benefited valued members of our Federal work force, and I look forward to reviewing the results of the report that the Office of Personnel Management is preparing on the Governmentwide implementation of this program.●

NO MORE GAMBLING

● Mr. SIMON. Mr. President, recently, Mortimer B. Zuckerman, editor-in-chief of U.S. News & World Report, had a column about our fiscal problems and the need to face our problems.

While I do not agree with every sentence in the report, the fundamental call for us to face our problems and do something about them and not continue to drift is an admonition that we greatly need.

I urge my colleagues in the House and Senate to read his comments and consider them thoughtfully.

I ask that they be printed in the RECORD at this point.

The column follows:

[From U.S. News & World Report, July 2, 1990]

NO MORE GAMBLING

(By Mortimer B. Zuckerman)

Are you concerned that the slowdown in the economy may lead to a slump or that the value of your home is diminishing? You are not alone. Sixty percent of the public feels the country has gotten off track. There is no sense of national crisis as in the '70s, but there is a deep unease about the economy and our social ills of drugs and urban crime and rotting infrastructure. The tide is coming in and we are tied to a stake: The budget deficit.

The deficit stems from the Reagan tax cut of 1981, which the then Senate Republican majority leader called "a riverboat gamble." The bet was that tax cuts would bring more savings, investment and productivity, and hence increased federal revenues. We lost the bet. In relative terms, all went down. But up went consumption, the national debt and real interest. An how! Interest absorbs all the taxes of everybody west of the Mississippi. Their money does not go to solving problems. It only pays for past excesses. Reagan's program was a demand-side success, but a supply-side failure.

Five years ago, in the face of the cowardice of both Republicans and Democrats, we had the Gramm-Rudman-Hollings law (GRH) that was supposed to trigger automatic spending cuts if budget targets were not met. Our politicians responded in typical form with every fudge and gimmick imaginable to suggest the deficit was being reduced. Don't believe it. If one excludes money from trust funds like Social Security, the non-trust-fund budget deficit at \$276 billion in 1989 is greater than its counterpart in 1985 when it was \$266 billion.

But now the party's over. The estimated deficit for fiscal 1991, beginning in October, is so far above the \$64 billion target mandated by GRH that congressional inaction threatens calamitous cutbacks. Air-traffic controllers would be laid off, national parks closed, state services slashed, food inspection reduced, the war on drugs abandoned, toxic dumps left as they are.

Everybody in Washington now wakes up every morning hoping that overnight a fairy godmother has left a present on the doorstep, a bundle of budget solutions achieved by immaculate conception and miraculous consensus, all tied up in blue ribbon, so that no one will be blamed for the one essential fact of any serious program—increased taxes. It does not take genius to see that this is the only way out. Every major Western industrial democracy functions with

higher top income-tax rates than our 28 percent and with gas prices at least double our own. Yet countries like Germany and Japan outproduce us, outsave us, outinvest us and outgrow us. No, the paralysis is political.

There is one central fact in any tax program. It will have to be made fairer than it is, and that means that a part of any program will increase taxes on the rich. It was the rich who benefited most from the tax cuts of the 1980s, and it is the rich who made so much money in the '80s that they are going to have to bear a fair share of the burdens of the '90s. As political analyst Kevin Phillips points out in his new book, the share of national income going to the wealthiest 1 percent rose from 8.1 percent in 1981 to 14.7 percent in 1986, and it is still rising. The average after-tax, inflation-adjusted family income of the top 1 percent gained a whopping 74.2 percent over the decade, while that of the bottom 40 percent fell during this period. So here is part of the program.

One. Burst the so-called bubble, whereby the truly rich pay a lower rate (28 percent) than the not quite rich (33 percent). This would raise \$42 billion over five years.

Two. Raise the percentage that retirees earning more than \$25,000 are taxed on their Social Security benefits from 50 to 75 percent. This would raise another \$60 billion over the next five years.

Three. Increase energy taxes so that gasoline costs are the same after inflation as they were in 1981. Every penny raises a billion dollars a year and encourages conservation.

The leadership for a credible multiyear budget reduction to put us on a path of steady economic growth must come from the President. Alas, Bush's entire domestic strategy has been to duck and dodge, to avoid any conceivable risk in popularity. He wants to be known as the Education President and the Environment President. He cannot be either until he is the Balanced Budget President.●

THE 16TH ANNIVERSARY OF THE TURKISH INVASION OF CYPRUS

● Mr. BIDEN. Mr. President, the last year has seen remarkable changes in Central and Eastern Europe, changes that were simply unimaginable just 12 months ago. The nations of Eastern Europe have broken free from Soviet domination. Germany, divided for nearly half a century, will soon be united. Unfortunately, some areas on the periphery of Europe—such as Ireland and Cyprus—remain unaffected by the remarkable changes in the European landscape; on these islands, division, not unity, remains a sad fact of life.

Today I want to take a moment to remind my colleagues about the situation on Cyprus, which 16 years ago—July 20, 1974—was invaded by Turkish forces, an invasion which cost thousands of lives, drove thousands more from their homes, and divided the country in two. For over a decade and a half, Greek Cypriots have suffered this injustice, an injustice which has been exacerbated by the establish-

ment of an illegal government in the northern section of the island.

For 16 years, the United States, the United Nations, and others have worked to bring peace to this troubled land, to little avail. The prospect for the immediate future, unfortunately, is not very bright. U.N.-sponsored intercommunal talks broke down in March, after the Turkish Cypriot leader, Rauf Denktash, worked to frustrate the efforts of the U.N. Secretary-General in creating an outline for a settlement of the Cyprus issue.

The President's Special Coordinator for Cyprus, Ambassador Nelson Ledsky, recently traveled to the region in an effort to restart the peace process. He is a very able diplomat, and I wish him well. But quite frankly, I am not very hopeful that his efforts will succeed unless the administration elevates this issue on its foreign policy agenda. In April, 23 Senators, including myself, wrote the President and urged him to direct Secretary of State Baker to take a personal role in seeking a Cyprus settlement. Regrettably, our plea seems to have fallen on deaf ears.

Fortunately, the heads of state in Europe have paid close attention to this cause. At the European Community summit in June, the European Council declared that "the Cyprus problem affects EC-Turkey relations," a signal to Ankara that Turkey's application to join EC will be linked to the resolution of the Cyprus question.

Mr. President, as chairman of the Subcommittee on European Affairs, I have consistently worked to pressure the Turkish Government to end its illegal occupation. Although my colleagues and I have had some success at passing measures to send strong signals to the Turkish Government—the 7 to 10 aid ratio between Greece and Turkey is now a fixture of our foreign aid bill—we have had no success in extinguishing the illegal presence on the island of Cyprus.

That does not mean we should abandon our effort. The stakes are too high. At stake are the very basic issues of international law and morality, which a series of U.N. resolutions have underscored. At stake is a small country's right to govern itself—free from outside pressure and occupation. At stake is the relationship of two NATO allies, Greece and Turkey.

And at stake, as the Senate considers foreign aid and military assistance levels, is my belief that American aid should serve American interests, values and principals—none of which are served by the illegal occupation of Cyprus.

Mr. President, for 16 years, the people of Cyprus have waited for an end to the unnatural division of their island. We must continue to do whatever we can to bring an end to this horrible tragedy. ●

ADMIRALTY ISLAND NATIONAL MONUMENT LAND MANAGEMENT ACT

Mr. MITCHELL. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 666, the Alaska Native Claims Settlement Act.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 666) entitled "An Act to enroll twenty individuals under the Alaska Native Claims Settlement Act," do pass with the following amendments:

Page 1, after line 2, insert: Title I

Page 1, line 3, strike out [That notwithstanding], and insert: Sec. 101. Notwithstanding

Page 2, after line 13, insert:

TITLE II

SECTION 201. TITLE AND PURPOSE.

(a) TITLE.—This title may be cited as the "Admiralty Island National Monument Land Management Act of 1990".

(b) PURPOSE.—The purpose of this title is to improve Federal management of lands on Admiralty Island, Alaska, as provided herein.

SEC. 202. FINDINGS.

The Congress hereby finds that—

(1) Admiralty Island National Monument, Alaska, is an area of unparalleled natural beauty containing multiple values including but not limited to, fish and wildlife, forestry, recreational, subsistence, educational, wilderness, historical, cultural, and scenic values of enduring benefit to the Nation and the Native peoples residing therein; and

(2) land management and Federal administration of Admiralty Island National Monument may be enhanced by Federal land acquisitions, through land exchanges or otherwise, and by cooperative agreements between the Federal Government and the indigenous residents of the island, the people of the city of Angoon and the Native Village Corporation, Kootznookoo, Incorporated.

SEC. 203. LAND ACQUISITION AND EXCHANGE.

(a) Section 506(a) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended) is hereby amended by adding at the end thereof the following new paragraph:

"(9)(A) The Secretary is authorized and directed to enter into such cooperative agreements and agreements for land acquisitions, through exchange or otherwise, with Kootznookoo as are deemed necessary by the Secretary to carry out the purposes specified in section 101 and 503 of this Act and to improve the management of Federal lands on Admiralty Island.

"(B) The Secretary shall make every effort to complete agreements within eighteen months of the date of enactment of this paragraph.

"(C) The Secretary shall report to Congress before the end of such eighteen-month period on the status and results of negotiations with Kootznookoo. The report shall include, but not be limited to, any Kootznookoo properties proposed to be acquired by the United States, any Federal land or other compensation to be offered in exchange, and the text of any proposed or executed agreements.

"(D) Any lands on Admiralty Island acquired by the United States pursuant to this paragraph shall be added to and incorporated within the Admiralty Island National Monument.

"(E) The inability of the Secretary and Kootznookoo to reach agreement shall not preclude subsequent negotiations at any time for the purposes of land exchanges or other matters.

"(F) Enactment of this paragraph shall not create any right or cause of action by Kootznookoo, Incorporated, or any other party against the United States."

SEC. 204. LAND SELECTION CONSOLIDATION.

(a) Section 506(a)(5) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended) is hereby amended by adding at the end thereof the following new subparagraphs:

"(C) In order to consolidate Federal land ownership and improve management of all land and timber resources in the area, the lands between such sale area and lands lying to the east of such sale area which have been or may be conveyed to Kootznookoo pursuant to this paragraph shall be made available by the Secretary for an exchange between the Federal Government and Kootznookoo, Incorporated, pursuant to the terms of section 1302(h) of this Act. If such sale is voluntarily terminated, or is canceled or forfeited in accordance with applicable law and regulations, then the lands within the sale area shall also be made available for exchange. The availability of the lands within the sale area for exchange shall continue for one year following the date the sale is completed and closed, or for one year following its termination, cancellation, or forfeiture, whichever is later. Nothing in this section shall affect valid land selections which the State of Alaska has filed with the Federal Government pursuant to Public Law 85-508, nor shall this section cause these lands to be removed from entry pursuant to the Mining Law of 1872.

"(D) Subject to lode mining claims, known as KAEI 1-216 inclusive, and valid existing rights, the subsurface estate in the lands conveyed to Kootznookoo, Incorporated, pursuant to subparagraph (C) shall be granted to Sealaska, Incorporated."

SEC. 205. ADMINISTRATIVE PROVISIONS.

(a) Section 703(a)(1) of the Alaska National Interest Lands Conservation Act is amended by deleting the words "Admiralty Island National Monument Wilderness" and inserting in lieu thereof "Kootznookoo Wilderness".

(b)(1) All rights, title, and interests to that portion of the approximately seventeen and thirty-four one-hundredths acres comprising the Angoon Administrative Site which, pursuant to paragraph (b)(2) of this section, the Secretary dedicates for uses related to the administration of the Tongass National Forest, are hereby confirmed in the United States, said parcel being a valid existing Federal administrative site as referenced in section 506(a)(3)(A) of the Alaska National Interest Lands Conservation Act (Public Law 96-487, as amended). Said administrative site is located on Admiralty Island in township 50 south, range 68 east, section 31, Cooper River Base and Meridian and township 50 south, range 67 east, section 36, Cooper River Base and Meridian.

(2) Within one year of enactment of this paragraph, the Secretary of Agriculture shall adjust, and resurvey as necessary, the boundaries of the Angoon Administrative

Site to include only that portion of the site described as follows:

(A) Those lands which lie within the following described boundaries, comprising four and sixty-eight one-hundredths acres more or less:

Beginning at corner 1, also corner 9 of United States survey numbered 8756;

Thence north 45 degrees 30 minutes west, 540.79 feet to corner 2;

Thence north 45 degrees 00 minutes east, 876.60 feet to corner 3;

Thence south 45 degrees 30 minutes east, 540.79 feet to corner 4;

Thence south 45 degrees 00 minutes west, 876.60 feet to corner 1, also corner 9 of United States survey numbered 8756, the point of beginning.

(B) Those lands which lie within that area adjoining the northeastern boundary of the four and sixty-eight one-hundredths acre tract and the mean high tide line of Kootznoowoo Inlet, subject to a perpetual public easement for the existing Angoon-Killishnoo Road.

(C) An easement for road and utility access to the four and sixty-eight hundredths acre tract from the western or southern boundary of the seventeen and thirty-four one-hundredths acre site. To the maximum extent feasible, the Secretary shall locate said easement to connect and follow the existing right-of-way for Relay Road, which lies between lots 1 and 6 of the Samuel G. Johnson subdivision. Said easement shall be at a precise location and of dimensions which the Secretary determines are reasonably necessary for present and projected Federal uses of the site related to administration of the Tongass National Forest. Said easement shall be subject to any valid existing rights except those of Kootznoowoo, Incorporated. *Provided*, That the easement shall not be located on any lands conveyed by Kootznoowoo, Incorporated, to a third party prior to June 1, 1988, without the express consent of such party. *Provided further*, That the Secretary shall exclude from the lands so retained those lands which were occupied on June 1, 1988, by structures and improvements that were not constructed by or for the United States including easements related thereto, or which were constructed by or for the United States but which the Secretary determines are not reasonably necessary for present or projected Federal uses related to the administration of the Tongass National Forest. *Provided further*, That the Secretary shall not exclude from the four and sixty-eight one-hundredths acre tract any lands occupied by existing power or utility lines or poles, and the lands so occupied shall be subject to an easement to allow for their continued use, maintenance, and repair.

(3) Title to all lands within the seventeen and thirty-four one-hundredths acre administrative site which are not included by the Secretary in the adjusted area provided by paragraph (b)(2) shall be conveyed by the Secretary of Agriculture by quitclaim deed to Kootznoowoo, Incorporated.

(4) The provisions of paragraphs (b)(2) and (b)(3) are subject to the condition precedent that Kootznoowoo, Incorporated, executes an appropriate written agreement acceptable to the United States attorney for the District of Alaska to dismiss, with prejudice, the pending litigation entitled Kootznoowoo, Incorporated, versus United States Department of Agriculture, Forest Service, Civil Numbered A84-575, in the United States District Court for the District of Alaska, and agrees therein that Kootz-

noowoo, Incorporated, and the United States shall each bear their respective costs of said litigation, including attorneys' fees.

TITLE III

Section 301. Subsection (d) of section 37 of the Alaska Native Claims Settlement Act is amended by—

(1) inserting the words "and such resolution is not validly rescinded pursuant to paragraph (2)(B)(ii)" before the period at the end of paragraph (1)(A);

(2) by redesignating paragraph (2)(B) as paragraph (2)(B)(i); and

(3) by adding the following new clauses to paragraph (2)(B):

"(ii) In lieu of approving the amendment to the articles of incorporation described in clause (i) and submitting such amendment to a vote of the shareholders, at any time prior to January 1, 1991, the board of directors of a Native Corporation that has approved a resolution described in paragraph (1)(A) may approve a new resolution rescinding that prior resolution. Upon approval of the new resolution rescinding a resolution described in paragraph (1)(A), the latter resolution shall be void and alienability restrictions on the Settlement Common Stock of such corporation shall continue subsequent to December 18, 1991, until such time as the alienability restrictions are terminated pursuant to the procedure described in subsection (b)."

"(iii) Notwithstanding any other provision of law, a civil action that challenges the constitutionality of any provision in clause (ii) shall be barred unless it is filed within one year after the date of the vote of the board of directors approving a resolution to rescind a prior opt-in election under paragraph (1)(A). Any such civil action shall be filed in accordance with section 16(b) of the Alaska Native Claims Settlement Act Amendments of 1987 (101 Stat. 1813-1814)."

AMENDMENT NO. 2334

Mr. MITCHELL. Mr. President, I move that the Senate concur in the House amendments with an amendment which I now send to the desk on behalf of Senator JOHNSTON.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for Mr. JOHNSTON, proposes an amendment numbered 2334.

Mr. MITCHELL. 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 2, line 22, strike "101" and insert "201".

On page 5, after line 2, insert the following new sentence:

"Nothing in subparagraphs (C) or (D) shall create a right or cause of action by Kootznoowoo, Incorporated, or any other party against the United States."

On page 5, lines 19 and 20, strike the word "Cooper" each time it appears and insert in lieu thereof, "Copper".

On page 6, line 5, strike "8756;" and insert "3756;"

On page 6, line 9, strike "876.60" and insert "376.60".

On page 6, line 13, strike "876.60" and insert "376.60".

On page 6, line 14, strike "8756," and insert "3756,".

Mr. JOHNSTON. Mr. President, with the addition of several minor amendments which I will offer to this legislation, I strongly support the enactment of S. 666 as amended by the House of Representatives. The additional provisions added to this bill by the House will help to resolve several longstanding issues regarding the management of certain lands on Admiralty Island and also fix a problem with the legislation the Congress enacted in 1988 dealing with the ownership of lands and corporate stock by Alaska Natives pursuant to the Alaska Native Claims Settlement Act. I commend the House for its action on this measure and am pleased that this bill gives us an opportunity to deal with these issues.

Mr. President, I am offering 7 amendments to the House-passed version of S. 666. Six of these amendments are technical and correct a section cross-reference, erroneous survey identification numbers and incorrect distances contained in a land description in title II regarding the Kootznoowoo, land consolidation provisions. The other amendment adds a provision, also in title II concerning Kootznoowoo, which will help to ensure that any exchange which might ultimately result from negotiations between Kootznoowoo and the Forest Service is one mutually agreed upon by both parties.

Mr. President, I urge my colleagues to join with me in approving this important measure.

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

The motion was agreed to.

Mr. MITCHELL. 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.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration en bloc of Calendar Nos. 682 and 686; the bills be deemed read a third time and passed; the motion to reconsider the passage of these bills be laid on the table and any statements relating to these items appear in the RECORD at the appropriate place and the consideration of these bills appear individually in the Record.

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

TUMACACORI NATIONAL HISTORICAL PARK

The bill (H.R. 2843) to establish the Tumacacori National Historical Park

in the State of Arizona, was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CONWELL F. ROBINSON AND GERALD R. ROBINSON

The bill (S. 2606) for the relief of Conwell F. Robinson and Gerald R. Robinson, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2606

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

SECTION 1. RIGHT OF USE AND OCCUPANCY OF A CERTAIN LAND TRACT IN GLACIER NATIONAL PARK.

(a) **RIGHT OF USE AND OCCUPANCY.**—The Secretary of the Interior (hereinafter referred to as the "Secretary") shall grant Conwell F. Robinson and Gerald R. Robinson a right of use and occupancy for the property described in subsection (c) for a term ending on the date of the death of Conwell F. Robinson or Gerald R. Robinson, whichever is later.

(b) **TERMS AND CONDITIONS.**—The right granted pursuant to subsection (a)—

(1) shall be for the reasonable use of the property;

(2) shall be subject to such terms and conditions as the Secretary may prescribe (including termination) to insure that such right does not unreasonably diminish the scenic, historic, and other values for which Glacier National Park was established; and

(3) shall vest upon payment of an administrative fee of \$941.13.

(c) **DESCRIPTION OF PROPERTY.**—The property described in this subsection is parcel of land containing approximately 3 acres, in Government Lot 7, Section 9, Township 35 North Range 21 West, and more particularly described in the United States Department of the Interior Special Use Permit numbers 2-117-59, 2-117-110, and SP1430-9-0068.

REREFERRAL OF S. 15

Mr. MITCHELL. Mr. President, I ask unanimous consent the Calendar No. 551, S. 15, Emergency Medical Services and Trauma Care Improvement Act, be referred to the Senate Commerce Committee for a period of 24 hours in order for the committee to review sections 5 and 6(b) which are under its jurisdiction; and that the bill

then be automatically discharged and returned to the calendar.

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

ORDER FOR STAR PRINT—S. 2465

Mr. MITCHELL. Mr. President, I ask unanimous consent that bill S. 2465 be star printed to reflect the changes which I send to the desk.

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

ORDERS FOR TUESDAY, JULY 24, 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m. on Tuesday, July 24; that following the prayer, the Journal of the proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that upon reservation of the two leaders' time there be a period for morning business, not to extend beyond 9:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; that during the period for morning business, Senator NUNN be recognized for up to 15 minutes; that upon resuming the farm bill at 9:30 a.m., there be 1 hour for debate on the Bradley amendment No. 2314 with the time controlled in the usual form and no amendments be in order to the Bradley amendment; that at 10:30 a.m., the Senate proceed to vote on or in relation to the Bradley amendment.

I further ask unanimous consent that immediately following the vote on the Bradley amendment, Senator COHEN be recognized to offer an amendment relating to restrictions on flexible acres; that the Cohen amendment be considered under a 40-minute time limitation, equally divided in the usual form; that no amendments to the Cohen amendment be in order; that upon the use or yielding back of time, the Senate proceed without any intervening action or debate to vote on or in relation to the Cohen amendment.

I further ask unanimous consent that the Senate stand in recess from

12:30 p.m. to 2:15 p.m. tomorrow in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The request propounded by the majority leader is agreed to.

Mr. MITCHELL. Mr. President, for the information of Senators, then, there will be a vote on the Bradley amendment at 10:30 a.m. Following that, there will be 40 minutes of debate equally divided on the Cohen amendment, and a vote on that, therefore, should occur at about 11:30 a.m.

I thank my colleagues, particularly the managers, for their assistance in this regard.

I now yield the floor.

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECESS UNTIL 9 A.M. TOMORROW

Mr. MITCHELL. Mr. President, if the distinguished acting Republican leader has no further business and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 9 a.m. tomorrow, Tuesday, July 24, 1990.

There being no objection, the Senate, at 8:30 p.m., recessed until Tuesday, July 24, 1990, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 23, 1990:

FARM CREDIT ADMINISTRATION

THE FOLLOWING-NAMED PERSONS TO BE MEMBERS OF THE FARM CREDIT ADMINISTRATION BOARD, FARM CREDIT ADMINISTRATION, FOR THE TERMS INDICATED:

FOR THE TERM EXPIRING OCTOBER 13, 1994:
BILLY ROSS BROWN, OF MISSISSIPPI, VICE JIM R. BILLINGTON, RESIGNED.
FOR THE TERM EXPIRING MAY 21, 1996:
JOHN C. DATT, OF VIRGINIA, VICE MARVIN DUNCAN, TERM EXPIRED.