

sugar. In addition, the full committee participated in 2 days of lengthy debate in late September prior to final approval of the bill.

SUGAR PROGRAM PASSES THE REFORM TEST

In closing let me briefly review the significant reform submitted as a result of the thorough committee process and recently approved by the Congress in section 1107 of the Balanced Budget Act.

The sugar program of the future is definitely not the sugar program of the past. Consistent with the other ag policy changes, the sugar program contributed to deficit reduction and was rewritten to more closely respond to market signals.

Sugar program reform included the removal of marketing allotments, a shift to recourse loans, an increased assessment, and a penalty that effectively lowers the loan rate by a penny.

In past years, sugar production was controlled by a system of marketing allotments. This bill removes those production controls. The Government will no longer tell farmers where and in what quantity they can raise sugar. This major reform signifies the end of sugar-supply management.

A recourse loan provision will now apply to the sugar program. Other commodities, and previously sugar, utilized a nonrecourse loan program. This meant the Government had no means of recovering a defaulted loan except collection of the commodity used as collateral. The new sugar program will not allow that risk to the Federal Government. This is significant to farmers, because it eliminates any guarantee of previous minimum payments.

The most significant reform provision is a new penalty on any sugar that is forfeited to the Government. This 1-cent penalty effectively lowers the loan rate by a penny. That occurs because the loan holders will lower the sales price of their sugar to avoid paying the newly instated penalty.

There are significant real life effects of a 1-cent decrease in the sugar loan rate. The average Idaho farmer raises 128 acres of sugar beets according to the latest data. The USDA says they will average 25 tons of sugar beets per acre this year and, given the national average extraction rate, this means they will produce 6,924 pounds of refined sugar on each acre they harvest in Idaho.

In Idaho, like most of the rest of the areas where sugar beets are grown, the farmer has a contract with the company that processes the sugar beets and it provides that the farmer will get 60 percent of the value of the sugar he produces.

Thus, the farmer's share of 1-cent reduction is 60 percent. Six-tenths of a cent a pound times 6,924 pounds per acre equals \$41.55; \$41.55 loss per acre times the average Idaho farmer's 128 acres equals \$5,318.40.

Let me repeat, a 1-cent reduction in the value of sugar per pound will cost the average Idaho farmer \$5,318.40.

That \$5,318.40 is very often the difference between profit and loss for many farmers even during prosperous, let alone difficult, economic times in rural America.

Unfortunately, there is no guarantee that the loss to producers would be passed on as savings to consumers.

A 1-cent reduction might seem minimal to those not familiar with the program, but it is not.

Mr. President, in closing, I ask that my colleagues consider my words carefully and come to appreciate the reforms that have been made to the domestic sugar program. I also want to commend the other members of the Senate Agriculture Committee that combined to craft sugar policy that this Congress can be proud to point to as an example of market driven reform. Most importantly, I offer my gratitude to the farmers and ranchers from across this country that continue to produce a bountiful, safe, and reasonably priced food supply.

The text of the letter follows:

DEPARTMENT OF AGRICULTURE,

Washington, DC, October 24, 1995.

Hon. PATSY T. MINK,

House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSWOMAN MINK: Thank you for your letter of July 26, 1995, concerning the General Accounting Office (GAO) report that stated that the U.S. sugar program costs domestic users and consumers an average of \$1.4 billion annually and GAO's July 1995 analysis that the sugar program cost the Government an additional \$90 million in 1994 for its food purchase and food assistance programs.

In my opinion, GAO's April 1993 report was flawed in its estimates. Some data were used incorrectly and important data and sugar market issues were not considered. Based on GAO's methodology, but by selecting prices in different time periods, the results are more ambiguous. Depending on the time-frame, one may contend that the domestic sugar program either costs or benefits U.S. users and consumers.

GAO's estimate of \$1.4 billion annually was based on an assumption of a long-run equilibrium world price of 15.0 cents per pound of raw sugar if all countries liberalized sugar trade. GAO added a transportation cost of 1.5 cents per pound of raw sugar to derive a landed U.S. price (elsewhere in the report GAO stated that the transportation cost adjustment should be 2.0 cents per pound.) To derive a world price of refined sugar of 20.5 cents per pound, GAO added a refining spread of 4.0 cents per pound.

GAO compared its constructed U.S. sweetener price with its derived world price. However, GAO constructed the U.S. price for the 1989-1991 period during which 1989 and 1990 were unusually high price years for U.S. refined sugar. This exaggerated the difference between the so-called world derived price and the U.S. sweetener price. By selecting a period of world price spikes, such as 1973-1975, GAO's analysis would show an annual savings to domestic users and consumers of \$350 to \$400 million.

Clearly, the expected world price of raw sugar with global liberalization is critical to any analyses of the effects of the U.S. sugar program. In 1993, the Australian Bureau of Agricultural and Resource Economics (ABARE) estimated that sugar trade liberalization in the United States, European Union, and Japan alone would result in an

average world price of 17.6 cents per pound of raw sugar—2.6 cents per pound higher than GAO's derived world price.

Based on the ABARE analysis and using a transportation cost of 1.75 cents per pound, which more accurately reflects global transportation costs to the United States, plus a refining spread of 4.27 cents per pound (Landell Mills Commodities Studies, Incorporated), a world price of refined sugar is estimated at 23.6 cents per pound. Based on this world price estimate and an average U.S. sweetener price over 1992-1994, a more normal price period, it can be shown using GAO's methodology, that there are no costs to domestic users and consumers.

The estimated effects of the U.S. sugar program are highly sensitive to expected world prices if global sugar trade is liberalized. GAO's analysis, in my judgment, does not adequately consider the complexities and dynamics of the U.S. and global sugar markets.

With respect to the effects of the U.S. sugar program on Government costs of its food purchase and assistance programs, an independent analysis by the Economic Research Service (ERS) estimates the cost at \$84 million based on the difference between U.S. and world refined sugar prices in 1994. However, just as for the GAO analysis, different effects could be estimated by using other time periods when the price gap between U.S. and world prices was smaller. Moreover, with global liberalization, the price gap would narrow because of the dynamics of adjustment which were not considered in the ERS analysis.

Sincerely,

EUGENE MOOS,
Under Secretary for Farm and
Foreign Agricultural Services.●

TRIBUTE TO ISRAEL COHEN

● Ms. MIKULSKI. Mr. President, I rise today to pay tribute to a great man and a great friend. Late last Wednesday, Israel Cohen, the chairman of Giant Food, passed away at 83.

Izzy Cohen was more than simply a successful businessman. He was a leader. He understood the complicated relationship between labor and management as well as, if not better than, anyone I can remember. He knew that the success of his business was directly related to the health and well-being of his employees. He was a man who always had time to visit with his employees, no matter how busy he may have been. He worked as hard for them as they did for him.

Mr. President, the Washington Post ran a story about Izzy on Friday, November 24. The story tells of employees waiting around after putting in a full shift to meet and shake hands with him. It tells how he created a family atmosphere with his employees, refusing to be called Mr. Cohen, but insisting on Izzy. It stresses his most fundamental philosophy: to recognize the value and importance of every single worker at his stores, from the President of the company to the high-schooler who bags groceries on Saturday afternoons.

It tells of his dedication to providing the best service possible—even if that meant he had to jump in behind a cash

register and bag a customer's groceries himself. This is a lesson from which every American should learn.

But Izzy Cohen was more than just a businessman. He was a good friend. He never hesitated to share his feelings and insights with me, to help me get a better perspective on whatever issue was foremost on my mind.

There is a lesson for all of us in Izzy Cohen's life: The most successful businesses are the ones in which workers and management act as a team. He proved that when management takes care of its workers, the workers will take care of management.

Mr. President, the two groups are inextricably linked. Each relies on the other to succeed. And when the workers feel that they are getting a fair shake, that the boss is looking out for them, they will do everything they can to ensure the vitality of the business.

It is my hope and belief that those who take over for Izzy Cohen will continue his work. I would also like to see workers and managers all across America learn from Izzy's example so that both groups, working together, achieve the success he and his employees have realized over the past 60 years.●

THE AFTERMATH OF THE ASSASSINATION OF YITZHAK RABIN

● Mr. D'AMATO. Mr. President, I rise today to comment briefly on the aftermath of the assassination of Israeli Prime Minister Yitzhak Rabin.

Following this tragedy, there was a great hue and cry as to who was responsible for the assassination. I would like to state that this is not a time for finger pointing, it is a time for investigating all those responsible for this murder and then, and only then can we accurately ascribe blame. At any rate, we must concur on one point: reasonable people can disagree, but murder is not a recourse or solution to a problem.

In light of this, I would ask that the text of a message of thanks from the Conference of Presidents of Major American Jewish Organizations to all those who offered their condolences be printed in the RECORD at the conclusion of my remarks.

The text of the message follows:

[From the New York Times Nov. 21, 1995]
THANK YOU TO ALL WHO JOINED IN SAYING
"SHALOM CHAVER"

(By the Conference of Presidents of Major American Jewish Organizations, Leon Levy, Chairman, Malcolm Hoenien, Exec. Vice Chairman)

We deeply appreciate the outpouring of condolences and solidarity from the bipartisan leadership of our country led by the President and our fellow Americans of all faiths, races and walks of life following the tragic assassination of Israel's Prime Minister Yitzhak Rabin.

This was a remarkable demonstration of the American spirit and the bonds of humanity that link us all. It also reflects the special relationship with the state and people of Israel and support for the peace process.

The countless expressions of concern and caring will be a lasting remembrance and an inspiration for the future.

This ad made possible by a grateful Jewish American.●

ORDERS FOR TUESDAY, NOVEMBER 28, 1995

Mr. THURMOND. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10:30 a.m. on Tuesday, November 28; that following the prayer, the Journal of the proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that there then be a period for morning business until the hour of 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each, with the following exceptions: Senator DORGAN or designee, 45 minutes; Senator THOMAS or designee, 45 minutes.

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

Mr. THURMOND. Mr. President, I further ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. for the weeklong vote on the Bosnia Dayton Accords. Without objection, it is so ordered.

PROGRAM

Mr. THURMOND. Mr. President, for the information of all Senators, at 2:15 on Tuesday, it will be the leader's intention to begin consideration of S. 1396, the ICC sunset bill. Rollcall votes can therefore be expected during tomorrow's session.

ORDER FOR RECESS

Mr. THURMOND. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senator GLENN.

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

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

THE SITUATION IN BOSNIA

Mr. GLENN. Mr. President, I followed with great interest the comments made on the floor today, and on previous days, regarding the President's speech this evening on the situation in Bosnia and our potential participation in that effort.

I have said all along that I thought the odds were stacked against a peace agreement that we could work on and that had sufficient detail to enhance the likelihood of doing some good in that troubled area of the world.

We do, however, have an agreement that has been hammered out in Day-

ton. We should look at several things with regard to the agreement and what happens after the agreement. I said all along—and I say again today—the agreement must be specific in its detail. You cannot draw a line that is not exact. We cannot go over there and put our people in harm's way and find out later that something was not agreed to or that a line was not agreed to, or was not marked out closely enough. We must know precisely what we are protecting and who we are keeping apart. That kind of detail appears to have been worked out in Dayton.

Today we got a copy of the Proximity Peace Talks. In this, they specify that we will use 1,000 to 50,000 scale maps and charts. This will define the lines down to within 50 meters. Local commanders enforcing the truce within those areas will get together with the local people to define it even down below that 155 or 160 feet that would be the 50 meters. That is a pretty good definition of road intersections and road routes, and all are listed here; they are well defined. We want to see this carried out. It appears that we are well along the way toward defining the agreement in its initial phases.

The final agreement that will be signed in Paris—not just initialed—will even go into more detail, as I understand it. So the first requirement of a peace over there, and for our participation in it, or even considering American participation in it, is to see that we do have that agreement signed with as much detail as possible.

Now, a second requirement is a tough one. That is, a cease-fire has to have taken place and be in effect. That sounds great. Some may think that the military commander puts out word and the cease-fire occurs and that is it. That is not the way it works in that Balkan area. We were briefed on our trip there several weeks ago. One of the big problems over there is that 20 to 50 percent of the people in combat over there are not the regular troops that receive commands down the military chain of command. They are what are called the "irregulars," those who have a village they have been used to defending. They may have a rifle, and one man may be mowing hay one day and he decides it is his turn to protect whatever they are protecting. He then relieves another fellow and maybe takes the same rifle. That other man then goes back and cuts hay for a while. They take turns.

Those irregulars that have interests in particular local areas have been the primary reason why the more than 30 cease-fire agreements have failed in the last couple of years. Over 30 agreements have failed because the irregulars are not really taking their orders from anyone. Once they start firing, other firing starts, and the whole thing breaks down again.

So these two things must be in place before we can even consider sending Americans in there. One, the agreement must be worked out defining