

The Chair recognizes the Senator from New Mexico.

USE THE DISASTER RESERVE OF GRAIN

Mr. BINGAMAN. Mr. President, I will try to talk for a few minutes here to alert my colleague and anybody watching about the importance of a Senate resolution which I submitted, along with Senators DASCHLE and DOMENICI and PRESSLER and LEAHY. That is Senate Resolution 259. It was agreed to by unanimous consent. I call on the Secretary of Agriculture to give that resolution very serious consideration.

The resolution simply states that it is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve of grain, which is under his authority, to alleviate the distress of livestock producers. This should be done in the most efficient manner practicable, including cash payments from the sale of commodities that are in the disaster reserve.

The disaster reserve currently has about 44 million bushels of grain. The Secretary of Agriculture has two choices, essentially, as to how to proceed in compliance with the resolution. He can transport the grain from the Midwest, where it is currently stored, to the southwest, where that grain is needed.

Of course, this kind of an option would be time consuming; it would be inefficient. The other alternative, and that is what we urge in our resolution, is that he could sell the grain on the open market and use the proceeds from the sale as cash payments to livestock producers who are in the most distress. This action would provide significant relief to ranchers in New Mexico and in many other States.

Mr. President, the resolution I have referred to represents one of several efforts that we have made to provide immediate assistance to livestock producers. Those in the livestock industry cannot wait for the normal period that it takes to pass legislation in this Congress.

Many people have had to sell their cattle because they could not afford to feed those cattle. To bring a calf to market today, to get it up to the weight where you can bring it to market, a rancher is required to spend about \$350 on grain. Under the present circumstances, he could be expected to sell that calf for \$200 or less. That, of course, does not make sense. Many ranchers have had to sell their entire herds now, at this point, when the price of cattle is at a near all-time low.

A rancher from Quay County in my State on the east side of New Mexico reported that semis loaded with cattle have had to wait up to 18 hours to be unloaded at the slaughterhouse in Hereford, TX. The cattle that remain on the range are in poor health.

Twenty-two of the thirty-three New Mexico counties have been declared disaster drought areas. Farmers in

these counties, in many cases, have had to plow their fields into large clods to keep the wind from blowing precious topsoil away.

Without question, the current hardships affect the entire community. In certain areas of New Mexico, banks are having to let ranchers and farmers pay only interest on their loans.

This drought has also started an early fire season with very devastating results in my State. As of May 5, fires had burned 162,000 acres of Federal land in the two States of Arizona and New Mexico. This figure is twice the area burned in the entire year of 1995. As a result, in our State, fireworks have been banned statewide.

Part of my State did receive rain in the last 2 days. However, as welcome as that rain is, it is clearly not enough. We have talked to various extension offices around New Mexico, and the indications are that the amount of rain received was very sparse and widely distributed. In Chaves County, the extension office indicated that they received one-tenth of an inch of rain in areas that are usually farmed, and even less than that in grazing areas.

The normal rainfall from January until the present time is about 2 inches. In Eddy County, in the southeast part of our State, they reported they had a few drops of rain a few days ago. Roosevelt County, on the east side of New Mexico, had one-half inch in the town of Portales, but less out in the county. Lincoln County indicated that there was some rain in Carrizozo, none out in the rest of the county.

Mr. President, let me show a chart which I think makes the case much better than a description by me could make. This is the Palmer drought index, which is the primary way in which people in the weather predicting business and weather analysis business determine the extent of the drought that is being experienced.

This is a map as of May 25 of this year. It is the most recent map. Though the map was made on June 4, it is valid for the period up through May 25.

This shows that the blue, or turquoise areas on the map are those which are considered moist, by normal standards.

The yellow areas—and you can see much of the Northeast is having a moist season so far this year—the yellow areas are normal.

The tan areas are moderate.

The reddish areas are severe drought. And then the purple areas are listed as extreme drought.

You can see the very large area throughout the Southwest that is listed as experiencing extreme drought conditions under this map. Most of my State, most of Arizona, much of California, much of Nevada are listed in extreme drought conditions. Mr. President, this is not a modest problem; it is a very serious problem for the State.

We have seen some measures taken to deal with this hardship, but they are

not enough. The President has announced some actions, but I believe we must pursue all avenues available. For this reason, I continue to encourage the Senate to take up and to pass a bill that I introduced on May 13, S. 1743, the Temporary Emergency Livestock Feed Assistance Act of 1996. We requested the Secretary of Agriculture to give us his comments on that bill, and I have a letter from him, which I ask unanimous consent be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, let me read two or three sentences from that. The Secretary of Agriculture, in this letter dated the 12th of June, says:

The Department of Agriculture supports the concept and intent of the proposed legislation as a means to provide some form of assistance to livestock producers who cannot receive assistance under either crop insurance or the Noninsured Crop Disaster Assistance Program, as the administration proposed in legislation submitted to Congress last year in formulating the 1996 farm bill.

He goes on to say:

The extension proposed in S. 1743 could be operated through the current LFP policy and procedure with very limited changes. Therefore, if the legislation were enacted, it could be implemented in a very short timeframe.

Under the bill, Mr. President, the producers who have suffered at least a 40-percent loss of feed production would be able to apply for assistance through their local farm service agency. The livestock eligible would be cattle, sheep and goats.

The old program was funded through the Commodity Credit Corporation. This bill changes that funding mechanism. S. 1743 targets \$18 million from the Cottonseed and Sunflower Seed Oil Export Assistance Program. If market conditions remain the same, we are informed that these funds will go unspent this year unless we use them for the purpose that we have designated in S. 1743.

Mr. President, we now have 16 cosponsors for this legislation. It is a very impressive bipartisan group of cosponsors: Senators DASCHLE, DOMENICI, BAUCUS, GRAMM, DORGAN, GRASSLEY, EXON, HATCH, HARKIN, INHOFE, JOHNSTON, KYL, FEINSTEIN, PRESSLER, HUTCHISON, and KASSEBAUM are all cosponsors of the legislation with me. I urge other Senators to join us in this legislation.

This bipartisan bill will give immediate relief to the livestock industry. I know there are some in this body who hesitate to resurrect a program that was eliminated in the recently enacted farm bill, but let me point out that S. 1743 addresses many of the reasons that the program was eliminated and corrects the problems.

Several provisions have been placed into the bill to guard against some of the abuses that had been pointed out in the program previously. For example, a rancher must have owned or leased the livestock covered in our proposed legislation for at least 180 days. If the

rancher has not owned or leased the livestock for the required time, there are certain exceptions that the Secretary would have to approve. This will ensure that additional livestock are not purchased for the sole purpose of benefiting from this program.

Also there is language that allows the Secretary to determine the quantities of forage sufficient to maintain livestock based on the normal carrying capacity of the land. The language is intended to discourage anyone from overstocking the land above the carrying capacity and receiving assistance for that effort.

Further, S. 1743 would not revive the program indefinitely. This bill proposes to allow the program to exist only through 1996. That year, of course, is essentially half over. The practical effect of S. 1743 is that it would provide short-term assistance for the livestock industry until adequate rain does come.

S. 1743 differs significantly from the livestock feed program in regard to how it is funded. We have identified \$18 million that will go unspent this fiscal year. The old program was funded through the Commodity Credit Corporation. We do not upset any of the funding mechanisms created in the newly enacted farm bill. Instead we spend money that otherwise would be returned to the Treasury.

As I have stated, Mr. President, the livestock industry in my State and in much of the Southwest needs immediate relief. Until the livestock industry receives some immediate assistance, I ask the Senate to continue moving ahead with Senate bill 1743. Given the choice of whether this \$18 million is to be used for drought emergency or returned to the Treasury, I believe the choice is clear, given the crisis that we face.

Mr. President, as I indicated a week or so ago speaking on the floor on this same subject, we cannot legislate rain. But we can legislate some measure of relief during this time of crisis. We should do so. I urge my colleagues to join me in doing so. Mr. President, I yield the floor.

EXHIBIT 1

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, June 12, 1996.

Hon. JEFF BINGAMAN,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR JEFF: This is in response to your request for comments regarding S. 1743, a bill "To provide temporary emergency livestock feed assistance for certain producers, and for other purposes."

S. 1743, basically mirrors the Livestock Feed Program (LFP) that was suspended, for crop years 1996 through 2002, by the Federal Agriculture Improvement and Reform Act of 1996, signed on April 4, 1996, with two exceptions: (1) eligible livestock, which the proposed legislation limits to cattle, sheep, and goats; and (2) funding. Funds for the expired program originated in the Commodity Credit Corporation, whereas the proposed legislation specifies that the Secretary of Agriculture shall use not more than \$18 million

that otherwise would have been made available to carry out the cottonseed oil and sunflowerseed oil export assistance programs established under section 301(b) of the Disaster Assistance Act of 1988.

The Department of Agriculture (USDA) supports the concept and intent of the proposed legislation as a means to provide some form of assistance to livestock producers who cannot receive assistance under either crop insurance or the Noninsured Crop Disaster Assistance Program (NAP), as the Administration proposed in legislation submitted to Congress last year in formulating the 1996 Farm Bill. The extension proposed in S. 1743 could be operated through the current LFP policy and procedure with very limited changes. Therefore, if the legislation were enacted, it could be implemented in a very short timeframe.

The long-term Palmer Index, as of May 11, 1996, indicates that extreme drought currently is occurring in parts of Arizona, California, New Mexico, Nevada, Texas, and Utah. The Palmer Index also shows that severe drought is occurring in parts of Arizona, Colorado, Kansas, New Mexico, Oklahoma, Texas, and Utah.

USDA would support S. 1743 if it were modified so that benefits under the proposed legislation would be made available only to those producers who are not eligible to receive assistance under NAP or crop insurance. If careful consideration is not given to eligibility criteria, the \$18 million funding provided for the legislation will be inadequate. NAP assistance on privately-owned land is available for seeded forage and for native forage. On Federal or State-owned lands, NAP assistance is available only for seeded forage. Vegetation occurring naturally without seeding is considered native forage. Seeded forage is defined as acreage which is mechanically seeded with grasses or other vegetation at regular intervals, at least every 7 years, in accordance with good farming practices.

Because LFP benefits may fluctuate frequently during the feeding period, it would be advisable to provide for a 30-day sign-up period in order to make an early determination of potential expenditures and to issue advance payments accordingly.

The requirements in section 6, of the proposed bill, Report on Use of Disaster Reserve for Livestock Assistance, are extraneous, and need not be included. The Administration is quickly developing a mechanism for distributing the Disaster Reserve stocks and will announce it very soon.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DAN GLICKMAN,
Secretary.

Mr. KENNEDY addressed the Chair.

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

Mr. KENNEDY. Mr. President, I understand that the leader has some 20 minutes of time?

The PRESIDING OFFICER. The Chair advises the Senator from Massachusetts that is correct.

Mr. KENNEDY. I yield myself 12 minutes of the leader's time.

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

Mr. KENNEDY. I thank you.

MEDICAL SAVINGS ACCOUNTS

Mr. KENNEDY. Mr. President, the House and the Senate Republican compromise on medical savings accounts is a capitulation to House Republicans who are more interested in creating an issue and serving a special interest constituency than in passing a bill.

I listened with interest to speeches this morning that accused the Democrats of blocking health reform by not agreeing to the appointment of conferees. This kind of claim cannot pass the truth-in-advertising test. Let us look at the record. Medical savings accounts was defeated by the full Senate. The health insurance reform bill passed the Senate by 100 to 0 without medical savings accounts—100 to 0 without medical savings accounts.

When the majority leader attempted to appoint conferees, he proposed a stacked conference—a degree of tilting unprecedented in the last three conferences. His only goal was to assure the bill that came out of the conference included this bill-killer provision. The Democrats will not consent to this abuse of congressional procedures. And we will continue to fight to pass a bill the President can sign, a bill that will improve health insurance, not ruin it.

We are ready to talk to the Republicans anywhere, any time. We do not need a conference to work out this legislation, if the Republicans are willing to compromise. But we will not agree to a conference that has the sole goal of assuring the death of this bill by including in it an unacceptable provision rejected by the Senate.

Let us be clear about who is blocking health reform. Health reform passed the Senate 100 to 0. It was a clean, bipartisan bill. If it were passed by the House today it would be signed by the President tomorrow. The American people are tired of partisan bickering. They want us to pass the bill that passed the Senate with unanimous support. The American people deserve to have insurance reform enacted. The House Republicans should not be trying to kill it by insisting on an extreme partisan agenda.

Medical savings accounts have become the Trojan horse that could destroy health insurance reform. This untried and dangerous proposal does not belong in the consensus insurance reform bill. It has already been rejected by the Senate. A bill containing it cannot be enacted into law and signed by the President.

Democrats and the White House have offered a fair compromise which would provide for a controlled and limited test of the MSA concept to see if it should be expanded. But the House Republican leadership has said that it will be their way or no way. As Majority Leader ARMEY said yesterday, "I will not give up [on] medical savings accounts," and he dared the President to veto the bill. The latest Republican proposal clearly reflects this partisan strategy.