

continuous session period provided for in section 123 d. shall commence.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 9, 1999.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

PACKERS AND STOCKYARDS ACT AMENDMENTS

Mr. COMBEST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 169) to amend the Packers and Stockyards Act, 1921, to expand the pilot investigation for the collection of information regarding prices paid for the procurement of cattle and sheep for slaughter and of muscle cuts of beef and lamb to include swine and muscle cuts of swine, as amended.

The Clerk read as follows:

H.R. 169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. EXPANSION OF MANDATORY DOMESTIC REPORTING PILOT INVESTIGATION UNDER THE PACKERS AND STOCKYARDS ACT, 1921.

(a) INCLUSION OF SWINE; REFERENCE TO FORWARD CONTRACTING.—Section 416 of the Packers and Stockyards Act, 1921 (7 U.S.C. 229a), as added by section 1127 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, (as contained in section 101(a) of division A of Public Law 105-277), is amended in both paragraphs (1) and (2):

(1) by striking “beef, or” and inserting “beef,”; and

(2) by inserting after “lamb,” the following: “or domestic or imported swine for immediate slaughter and fresh muscle cuts of swine.”.

(b) TECHNICAL CORRECTIONS.—Such section is further amended by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively.

(c) DURATION OF SWINE PILOT INVESTIGATION.—Such section is further amended by adding at the end the following new subsection:

“(d) POSSIBLE EXTENSION OF PILOT INVESTIGATION.—If the pilot investigation required by this section is implemented before the date on which the pilot investigation is expanded to include swine, the Secretary of Agriculture shall continue the pilot investigation beyond the 12-month period referred to in subsection (a) so that price information regarding the procurement of domestic or imported swine for immediate slaughter and fresh muscle cuts of swine is collected under the pilot investigation for 12 months.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. COMBEST) and the gentleman from Minnesota (Mr. PETERSON) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 169 is a simple bill and would simply add hogs and pork product to the pilot investigation on beef and lamb prices that was authorized last fall as a part of the omnibus appropriation.

I would like to thank and commend my colleague on the Committee on Appropriations and on the Subcommittee on Agriculture who is very instrumental in agriculture policy, the gentleman from Iowa (Mr. LATHAM), for introducing this legislation and for calling for its swift adoption.

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Many of our colleagues are aware that livestock prices, particularly those received by lamb and beef producers, have been distressingly low for some time. The pilot investigation that was included in last year's omnibus appropriations bill is a relatively non-intrusive way to shed some light on the workings of these complex markets.

Last fall, when the omnibus bill was being crafted, the pork producers declined to be included in the USDA pilot investigation. However, recent and drastic declines in live hog prices have led pork producers to reconsider and ultimately reverse that decision. Thus, H.R. 169 will simply include pork in the ongoing pilot investigation.

Tomorrow, the House Committee on Agriculture will conduct a hearing on livestock prices during which we will consider testimony outlining the current market conditions for beef, lamb and pork.

I hope that in this hearing we will be able to illuminate trends, dispel myths and come to a common understanding of how these livestock markets operate so that we can responsibly consider many proposals currently being discussed in the agricultural community. In the same way, I am hopeful that H.R. 169 will aid our deliberation of these issues by providing needed information and insight into the hog market.

I ask that Members support this legislation as a constructive step in this ongoing policy discussion.

Mr. Speaker, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as ranking member of the Subcommittee on Livestock, Dairy, and Poultry and a representative from northwestern Minnesota, I have been acutely aware of the downturn in many sectors of the farm economy. In particular, the U.S. livestock industry has been hard-hit with sustained low prices. Beef and lamb markets have been depressed for several years and, more recently, historically low prices have plagued the pork market.

The economic explanation for low prices is a complicated mix of supply,

demand and other factors such as trade. Legislative proposals have been pursued in an effort to return viability to the industry. However, I believe that we must be cautious in our approach. Whatever legislative actions are taken should not impede or wrongly dampen one aspect of the industry to benefit another. We need to ensure that we move carefully toward the combined goal of a stable and viable livestock industry.

To this end, I believe that H.R. 169 is a prudent use of our authority. Building on last fall's effort to initiate a pilot study of comprehensive mandatory price reporting for beef and lamb, the bill simply seeks to add pork to that study. One of the unknown factors in the low price story is the impact of price information. It is unclear whether or not a full and open price reporting system operated through the Federal Government would allow producers to operate more effectively to market their products. A complete study of the impacts of price reporting with a quick turnaround on the results would help direct any future action in this area.

Obviously, the passage of this bill and the resulting study will not cure the ills that are facing the livestock industry at this time. But it is a small piece that can answer an important question: Can greater price information aid livestock producers? The information obtained from the study should help us proceed in a logical and effective manner.

Therefore, I ask that my colleagues join me in support of our livestock producers and support H.R. 169.

Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. LATHAM), the author of this proposal, and again, one of the strong advocates of American agriculture.

Mr. LATHAM. Mr. Speaker, first of all, I want to express my thanks to the chairman of the full committee. He has done such a great job working for American agriculture, the gentleman from Texas (Mr. COMBEST) and his cooperation in working out a few technical difficulties we had, but I appreciate it very, very much. Also, I appreciate the comments of the gentleman from Minnesota (Mr. PETERSON), who has worked so hard for all of agriculture.

Mr. Speaker, on January 6, I introduced H.R. 169 in an effort to level the playing field for embattled American pork producers. I think the Speaker is acutely aware of the problems that pork producers have experienced in recent months with the prices dipping down to under \$10 per hundred. Currently, they moved back up to close to \$28 per hundred, but certainly well below any level of profitability. We have experienced prices well below Depression Era prices, and it is so important that we do as much as possible

and as quickly as possible to help our pork producers.

My legislation amends the Packers and Stockyards Act of 1921 to include swine in a 12-month pilot investigation of live cattle and lamb prices that was included in last year's omnibus appropriations bill. This legislation contributes to our efforts to revive a farm economy that is in bad shape. The difficulties associated with low grain prices have been compounded by low livestock prices.

At the very least, America's farmers want to know if they are receiving fair compensation for their very hard work. It is important that accurate information be available to the livestock industry in order for competitive markets to function properly. Without this pricing information, we risk supporting a business environment that gives too much control to too few.

H.R. 169 will assist farmers by examining how we can best preserve the competitive nature of the farm economy. We cannot allow our Nation's farmers to be left without the tools for them to use to make sure they receive the best possible price for their livestock. It is important to consider that the four largest meat packers in this country process 57 percent of all of the hogs. As a result, the industry is looking to Congress to find out if this increase in packer concentration had a direct effect on the recent decline in live hog prices.

If we can find methods in which accurate and timely pricing information can provide producers with the tools needed to make the best possible business decisions for their farm, we will be making a positive contribution to agriculture. It is my hope the results of this investigation will help Congress and the administration formulate additional policies that will be a result of more fair, effective market prices so that we all know what the real price of pork is.

Mr. COMBEST. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. GUTKNECHT), a very valued member of the Committee on Agriculture.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support today of H.R. 169, the Competitive Pork Pricing Act. This is a very modest first step in terms of providing some transparency in terms of the pricing of pork.

Mr. Speaker, 5 years ago, 80 percent of the finished hogs were sold at auction markets, and I know a little bit about the auction business. When people went to the auction ring, they could see what hogs were actually selling for. In fact, 5 years ago, 87 percent of the hogs being purchased by large packers were bought on a spot basis. Today, that situation is reversed, and with the increase of contracting, we now have big pork producers and large packing concerns who have worked out long term contracts for hogs.

Contracts in and of themselves are not necessarily inherently evil, but they have had a profound impact on what is happening to smaller pork producers throughout the United States. What this has done out in farm country is created a tremendous amount of distrust. There is distrust among producers, because we may have one farmer on one side of the road who is being paid one price for his pigs, and another farmer who is paid a different price, and they could be in a situation where neither would know what the other one is actually receiving for their hog. This has caused distrust among producers, but it has caused intense distrust among the producers with the packers, and the packing industry itself has become the villain in this story, and perhaps there is some truth to that.

But as we move inherently towards a much more market-oriented agriculture, it seems to me that we at the Federal level have some responsibility to make certain that those markets are orderly, and that the participants in those markets at least have equal access to information. As I say, this is a very modest step in the right direction in terms of providing some transparency to all producers as far as what prices are actually being paid.

Now, we cannot guarantee here at the Federal level that everyone is going to make a profit, but we must guarantee that every producer gets better and more accurate information.

A good example would be the New York Stock Exchange. We created the Securities and Exchange Commission many years ago, and that is an ongoing auction every day, and one can, on line, literally see every transaction and know what the price of a particular stock is at any moment in time. Such is not the case in the livestock industry. It seems to me we ought to create a system whereby producers have better access to better information.

Mr. Speaker, it has often been said that America's farmers are like the ultimate gamblers; they sit down at the casino every day. I think the best way to think about this particular legislation is it is the first step to making certain that all of the cards in that casino are dealt face-up, and everybody knows that all the cards are on the table.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. WATKINS), who has a very intensive interest in agriculture and is always very helpful on agricultural issues.

(Mr. WATKINS asked and was given permission to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, I would like to first and foremost extend my special thanks to the gentleman from Texas, the chairman of the Agriculture Authorizing Committee, for bringing forth this legislation and technical amendments.

We know that agriculture is changing in this world, and we truly are in a

global competitive world that our vast commodities must compete against. We must do as much in the global marketing area as we have in the production area. I have two degrees in agriculture, and basically when I was taking agriculture at Oklahoma State University, our study centered a lot on production. We had maybe some various electives that we could use in marketing, but marketing must in the 21st century be centered on beating the competition in a global economy. Anything less and we are selling out the farm families of this great United States.

Yes times have changed, and there has to be changes in policies that meets or beats the production and marketing policies of other countries. I will say bringing to light the fact that our beef industry is hurting and our cattlemen and ranchers are having deep problems. Our lamb industries have been involved in this study, and I know adding the swine industry and allowing the pork producers to have a great deal more input into this study, the problems must be addressed before it is too late.

Mr. Speaker, I thank the chairman for his leadership in moving this forward.

Mr. BEREUTER. Mr. Speaker, this Member rises in reluctant opposition to H.R. 169, a bill which expands the pilot investigation into livestock price reporting to include pork.

This Member would like to begin by stating his strong support for meaningful mandatory price reporting legislation. Pork producers throughout Nebraska consistently stress the need to have this vital information. It's time that we ensure that it's provided to them.

Unfortunately, this Member is not convinced that H.R. 169 will accomplish that goal. This Member appreciates the efforts of the distinguished gentleman from Iowa (Mr. LATHAM) in introducing this bill and seeking to assist pork producers. However, the problem is that H.R. 169 simply builds on the watered-down price reporting provisions included in last year's omnibus appropriations bill. Livestock producers see the study as an excuse or cover for the lack of action on imposing mandatory reporting. This Member was very disappointed that mandatory price reporting requirements were eliminated during the conference. In some respects, the provisions which survived were worse than none at all. In passing the flawed one-year pilot study last year, it needlessly delayed confronting the real issue, suppressed timely price reporting and lessened the pressure to take meaningful action.

Although well-intentioned, H.R. 169 does nothing to overcome the underlying defects in the current price reporting pilot study. It offers convincing proof that you can't make a silk purse out of a sow's ear.

A great many of this Member's pork-producing constituents (and cattlemen

too) believe that it is time to stop studying this issue and start instituting mandatory price reporting, numerous Nebraska pork producers have expressed concern that this well-intended legislation, in fact, could delay meaningful price reporting.

This Member intends to again support comprehensive and mandatory livestock price reporting legislation in this Congress that will offer transparency and a level playing field for all producers. That legislation should be enacted as soon as possible.

Mr. STENHOLM. Mr. Speaker, the last few years have been very difficult for the U.S. livestock industry. In addition to the recent drought, an epidemic of low prices has further erased producer equity. During these years, producers of beef, lamb, and more recently, pork have all experienced prices that are simply too low to endure.

Livestock products account for more than half the value of all our domestic agricultural production. Consequently, if we are to maintain a viable and stable rural America, we must pay particular attention to the livestock producers who help sustain those rural communities. When livestock producers suffer, their losses spill over to all the small, rural businesses that depend on their patronage.

Reflecting on this economic difficulty, many have questioned whether the prices currently paid to livestock producers reflect the true market-value of their products. As more and more animals are sold in "closed" trades, which are not included in reported average prices, the actual value of those remaining animals sold in open, "cash" markets has been cast into some doubt.

With this in mind, language was added to last year's Omnibus Appropriations bill, requiring a one-year pilot study of comprehensive, mandatory price reporting for beef and lamb. Now, this bill before us, H.R. 169, would simply add pork to that one-year study. Given the recent disastrous drop in pork prices, it is not difficult to understand why pork producers are anxious to have insights into the curious behavior of their markets.

While this pilot study does not begin to solve the problems facing U.S. livestock producers, it is a small step in the right direction. I hope that the information from this study will help us to decide if permanent price reporting would in fact result in more accurate markets for beef, lamb, and pork. It is logical and reasonable to settle that question once and for all, so we can consider whether further action is warranted. I encourage all members to support our livestock producers by voting for H.R. 169.

Mr. PETERSON of Minnesota. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. COMBEST) that the House suspend the rules and pass the bill, H.R. 169, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 391, SMALL BUSINESS PAPERWORK REDUCTION ACT AMENDMENTS OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-13) on the resolution (H. Res. 42) providing for consideration of the bill (H.R. 391) to amend chapter 35 of title 44, United States Code, for the purpose of facilitating compliance by small businesses with certain Federal paperwork requirements, to establish a task force to examine the feasibility of streamlining paperwork requirements applicable to small businesses, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 436, GOVERNMENT WASTE, FRAUD AND ERROR REDUCTION ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-14) on the resolution (H. Res. 43) providing for consideration of the bill (H.R. 436) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 437, PRESIDENTIAL AND EXECUTIVE OFFICE FINANCIAL ACCOUNTABILITY ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-15) on the resolution (H. Res. 44) providing for consideration of the bill (H.R. 437) to provide for a Chief Financial Officer in the Executive Office of the President, which was referred to the House Calendar and ordered to be printed.

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MICROLOAN PROGRAM TECHNICAL CORRECTIONS ACT OF 1999

Mr. TALENT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 440) to make technical correc-

tions to the Microloan Program, as amended.

The Clerk read as follows:

H.R. 440

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 "Microloan Program Technical Corrections Act of 1999".

SEC. 2. TECHNICAL CORRECTIONS.

Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(i) by amending paragraph (7)(B) to read as follows:

“(B) AVAILABILITY OF FUNDS.—Subject to appropriations, the Administration shall ensure that at least \$800,000 of new loan funds are available for each State in any fiscal year. All funds are to be made available subject to approval of the Administration. If, at the beginning of the third quarter of a fiscal year, the Administration determines that the funds necessary to comply with this provision are unlikely to be awarded that year, the Administration may make those funds available to any State or intermediary.”;

(2) in paragraph (8)—

(A) by inserting “and providing funding to intermediaries” after “program applicants”; and

(B) by inserting “and provide funding to” after “shall select”.

SEC. 3. LOAN LOSS RESERVE.

Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended to read as follows:

“(D)(i) IN GENERAL.—The Administrator shall, by regulation, require each intermediary to establish a loan loss reserve fund, and to maintain such reserve fund until all obligations owed to the Administration under this subsection are repaid.

“(ii) LEVEL OF LOAN LOSS RESERVE FUND.—

“(I) IN GENERAL.—Subject to subclause (III), the Administrator shall require the loan loss reserve fund of an intermediary to be maintained at a level equal to 15 percent of the outstanding balance of the notes receivable owed to the intermediary.

“(II) REVIEW OF LOAN LOSS RESERVE.—After the initial 5 years of an intermediary's participation in the program authorized by this subsection, the Administrator shall, at the request of the intermediary, conduct a review of the annual loss rate of the intermediary. Any intermediary in operation under this subsection prior to October 1, 1994, that requests a reduction in its loan loss reserve shall be reviewed based on the most recent 5-year period preceding the request.

“(III) REDUCTION OF THE LOAN LOSS RESERVE.—Subject to the requirements of subclause IV, the Administrator may reduce the annual loan loss reserve requirement to reflect the actual average loan loss rate for the intermediary during the preceding 5-year period, except that in no case shall the loan loss reserve be reduced to less than 10 percent of the outstanding balance of the notes receivable owed to the intermediary.

“(IV) REQUIREMENTS.—The Administrator may reduce the annual loan loss reserve requirement of an intermediary only if the intermediary demonstrates to the satisfaction of the Administrator that—

“(aa) the average annual loss rate for the intermediary during the preceding 5-year period is less than 15 percent; and

“(bb) that no other factors exist that may impair the ability of the intermediary to repay all obligations owed to the Administration under this subsection.”.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the rule, the