

Jefferson was right. The kind of agriculture we choose affects the kind of communities we have and the kind of nation we are going to be. A nation that tries to divorce the processes of production from larger social concerns—as policy experts do—eats its own seed corn. Neglect the social product of private enterprise, and we create the conditions for our own decline.

#### SMALL FARMS ARE EFFICIENT

Against this, we have to ask what's to gain by displacing family-based farming with corporate agribusiness firms. The answer is, very little.

The supposed efficiency of corporate-scale operations has a large dose of hype. Farms can reach peak efficiency at well within the range of a family operation. Michael Duffy, an agricultural economist at Iowa State University, has found that corn and soybean producers in that state reach the low point on the production cost curve at between 300 and 500 acres. The top 10 percent of pig producers, based on cost of production, averaged 164 sows.

Wheat farmers reach lowest costs at a somewhat larger scale, but still well within a family-sized operation. The belief that bigger corporate operations mean more productive agriculture is just a "bunch of crapolla," Duffy says.

The claims of efficiency, moreover, ignore the costs that sprawling agribusiness operations impose upon the rest of us. Partly these costs are social. When there are no neighbors to drive Aunt Ella a hundred miles to the clinic, she has to use a taxpayer-funded van instead. But the biggest costs may be environmental. Corporate pig factories, for example, have become a nightmare for their neighbors. They foul local water supplies and emit a colossal stink into the air.

A county in Illinois actually had to reduce property assessments by 30 percent in the vicinity of such a plant. In North Carolina, which has emerged as a pig factory haven in recent years, Hurricane Floyd caused massive flooding of the huge lagoons that hold the wastes. The sludge spread over the countryside and leached into the groundwater. Residents were advised to drink bottled water and even to have their wells redrilled. That might be efficiency for the corporation. But it's not for the neighbors, nor for the society as a whole.

I see an economist scowling in the back row. If people want social product, he mutters, then they would demand it in the market.

But that's precisely the problem. Americans can't speak through the market unless the market gives them an effective choice, and under current arrangements they don't have one. When we buy pasta or pork chops at the supermarket there's nothing on the label to tell us the kind of farm it came from.

Markets are the best means we have for allocating resources, when people have both information and choices and when all costs are accounted for. But they don't work so well when information and choice are lacking—the costs get shifted into others, and that's what happens with agricultural production today. Farmers aren't getting full compensation for their production, including social product. They should. The question is how.

#### THE BRANNAN PLAN

After his improbable reelection in 1948 President Harry Truman introduced a farm bill that had a truly far-sighted provision to limit federal farm supports to the family-sized unit. Farmers could become bigger if they wished. They could produce as much as they thought they could sell. But they couldn't expect the federal government to support all their ambitions.

The Brannan Plan as it was called—after then Secretary of Agriculture Charles Brannan—would have made it the policy of the United States that scale and social impact matter, in agriculture at least. Not surprisingly, the larger farm interests opposed the Brannan Plan (thought mostly on other grounds) and it died a quick legislative death.

In the 50 years since, the farm program has gone from one extreme to the other—from supporting everything in sight to hitching the nation's farmers to a market ideology in a world that doesn't always buy it. We've shed crocodile tears over family farmers while promoting their demise. Now the congressional majority is in a quandary. Republicans know they have to do something. But many on that side can't bring themselves to face the implications. So they heap more blame on government, rail at the Federal Reserve Board and the government's failure to open more foreign markets, and hope the problem will just go away.

To be sure, the Federal Reserve Board is a deserving target. When you hand the management of the economy over to money center bankers, then farmers, who rely heavily on credit, are going to get shortchanged. But it's not enough to rail at the Fed. We need to put someone on the Fed who understands the value of family-based farms and who can provide some balance to the economists and bankers who run the place now.

It is good too that Republicans want to open up foreign markets, but we've also got to develop new domestic markets. Since people can eat only so much, that means new uses for farm products. Ethanol barely scratches the surface. There are many materials, from plastics and building materials to paper and inks, that are being made from crops. In Minnesota, farmers are getting from \$20 to \$50 an acre for selling the right to capture the wind energy from their land. David Morris of the Institute for Local Self Reliance has sketched out the possibilities in a report called, suggestively, "The Carbohydrate Economy."

Farmers need more bargaining power in the market too, not just more points of access to it. Senator Paul Wellstone of Minnesota and I have proposed a moratorium on mergers in agriculture-related industries, and a complete review of the antitrust laws as they affect this part of the economy. The measure failed to pass this fall, but we will introduce it again.

But by far the most important issue is the economic safety net. No matter what else you do, farmers are going to confront bad years. There has to be a support structure of some kind, and it should advance the social values of this country rather than undermine them. Harry Truman had the right idea. There should be a support price for an amount of production that is within the range of a family-scale operation. (This would vary by crop and region of the country, of course.)

Beyond that, producers would be on their own. If they wanted to exceed the support range and take their chances in the world market, then more power to them. But we wouldn't ask the taxpayers to support a scale of operation from which there is no social benefit and for which there is no economic need.

This approach would not encourage overproduction, since there would be built-in limits on the amount of production that was supported. The caps would be enough to sustain a family-sized operation in bad years, but they would not make anyone rich. This approach would begin to compensate farmers for their contribution to rural communities—a form of production for which the global market provides no monetary return.

It would recognize that the efficient destruction of community in America is not the kind of efficiency the government should encourage.

If this country can subsidize a public-housing program for millionaire athletes and billionaire owners called pro-sports stadiums, then surely it can provide a safety net for the family-scale agriculture that contributes so much to this nation. Anyone who thinks big corporations are less likely than small enterprises to ask for government help hasn't been paying much attention. Big companies, not little ones, get bailed out in America. Already, the corporate pig factories in North Carolina have asked for millions of dollars from Congress to help upgrade their waste lagoons.

An economy is supposed to provide for human need. At a time of material abundance but social scarcity, shouldn't we encourage forms of enterprise that meet the needs of our dwindling communities? If we truly believe in traditional family values, shouldn't we support the forms of enterprise that embody those values, including the family farm?

The crisis in the Farm Belt is one problem America knows how to solve. We have both the means and the resources; the question is whether we will use them.

#### THE NORTHERN MARIANA ISLANDS COVENANT IMPLEMENTATION ACT

Mr. DASCHLE. Mr. President, I rise to express my whole-hearted support for S. 1052, the Northern Mariana Islands Covenant Implementation Act, which the Senate considered and passed on Monday, and to recognize Senator AKAKA, Energy Committee Chairman MURKOWSKI, and Ranking Senator BINGAMAN for their determined efforts to shepherd this bill through the Senate. During the recent recess, I had the opportunity to travel with Senator AKAKA to South Asia. Once again, I was reminded why Senator AKAKA is one of the most respected members of the Senate. As we met with leaders from India and Pakistan, Senator AKAKA's humanitarian focus was evident time and again. Yesterday, Senator AKAKA's concern for those without wealth and privilege was on display once more. I wish I could have been here, yesterday, to celebrate his legislative victory.

Senator AKAKA's special interest in the welfare of the residents of the Northern Mariana Islands dates back to WW II when he served with the U.S. Army Corps of Engineers and spent time on both Saipan and Tinian. In 1996, he and Senator MURKOWSKI traveled to the Commonwealth to investigate reports of the horrible working conditions first hand. Senator AKAKA returned with confirmation of those reports and worked quickly to introduce legislation, with Chairman MURKOWSKI, to improve the often horrific conditions faced by alien workers in the Commonwealth of the Northern Mariana Islands. Since then, Senator AKAKA has come to the floor repeatedly to draw attention to this problem and he has worked tirelessly behind the scenes to build effective bipartisan support for this measure. Senator AKAKA's

dedication to this issue reminds us that our work here is not confined to the headline grabbing issues of the day but extends to the quiet pursuit of humane working conditions everywhere.

S. 1052 is a bill to amend the legislation enacted by Congress in 1976 through which the Northern Mariana Islands became a Commonwealth of the United States. This bill provides for a transition period during which the Commonwealth will be incorporated into our federal system of immigration laws. The 1976 covenant enacted by Congress extended U.S. citizenship to CNMI residents, but it exempted the Commonwealth from the Immigration and Nationality Act. Over the years it has become clear what a mistake that was.

Today the immigration situation in the Commonwealth contributes to some very grave social problems. Over the past twenty years, the number of citizens of the Commonwealth has doubled, while over that same period of time the number of alien workers has multiplied twenty-fold. This huge demographic change, and the absence of effective immigration control, has led to deplorable conditions for many of these alien workers.

Senator AKAKA addressed the Senate in October to describe the tragic circumstances in which many alien workers are held as virtual prisoners and are not permitted to leave their barracks during non-working hours. He reported that the Justice Department's Civil Rights Division had obtained criminal convictions of defendants who had forced alien women into prostitution and held them in what has been described as "modern day slavery." I was personally moved by his report. This bill will immediately help to change the circumstances that contribute to these terrible conditions while at the same time minimizing any negative effect on the Commonwealth's legitimate businesses in the local tourism industry. In fact, the bill calls for the Secretary of Commerce to provide the kind of technical assistance that will help to encourage the growth and diversification of the local economy and promote the Northern Mariana Islands as a tourist destination.

This is a first step toward ensuring that every man and woman who works under the U.S. flag works in conditions we can all be proud of. As Senator AKAKA knows, we should do more. We should also guarantee the minimum wage for workers in the Commonwealth, and if the Democratic minimum wage proposal is passed, we will do just that. But we should not let what we know to be the best solution forestall our resolve to implement a good solution, and so I am very proud that the Senate passed this much needed legislation and I thank Senators AKAKA, MURKOWSKI and BINGAMAN for their fine work in this important endeavor.

#### CIVILIAN PLUTONIUM AGREEMENT

Mr. DOMENICI. Mr. President, a front page article in yesterday's New York Times announced an agreement that will halt Russia's production of plutonium from spent fuel used in its civilian power reactors. In exchange for a Russian moratorium on plutonium reprocessing, the United States will provide a \$100 million joint research and aid. I strongly support these efforts and believe that this proposal will help to reduce the threat of proliferation from nuclear materials in Russia.

However, as we pursue new initiatives to better safeguard Russia's civilian plutonium, we must not waver in our support for the more urgent task of disposing of their weapons plutonium. The 50 tons of military-grade plutonium that Russia has agreed is surplus could fuel more than 6,000 modern weapons. I'm pleased that the Administration is also recognizing that the lower-grade, civilian, plutonium presents some risk—but we must continue to place our highest priority on their military materials, which represent a significantly higher risk.

Currently, Russia possesses 30 tons of separated civilian plutonium at Mayak and continues to accumulate 2 tons per year from reprocessing at that facility. This is in addition to the 150 or more tons of weapons plutonium in the Russian complex.

First, we must ensure that these materials are safeguarded. Second, any burn capacity Russia has should be committed to first eliminating military-origin plutonium as mixed-oxide (MOX) fuel. Until the threat from weapons plutonium is eliminated, Russia has no use for this reprocessed fuel, and its continued production represents a proliferation risk, albeit less than the risk from weapons-grade materials. This agreement will help address immediate needs.

As part of this agreement, the United States will contribute \$45 million to improve control and accounting of civilian-grade plutonium already stored at the Mayak site and build an additional large dry storage facility elsewhere in Russia. Another \$30 million will ensure adequate safeguards—protection, control and accounting—on the existing materials. The balance of U.S. contributions—\$25 million for research on proliferation-resistant fuel cycles and permanent geological storage—is conditioned on Russia ending its sales of nuclear technology to Iran.

Mr. President, while I support this new initiative to temporarily halt Russian extraction of plutonium from their spent nuclear fuel, I want to be sure that my enthusiasm is not interpreted as support for stopping reprocessing on a global scale. Some nations, like Japan and France, have decided that reprocessing of spent fuel is key to their nuclear power plans. By this reprocessing, they not only recycle plutonium back into reactors, they mitigate the hazard associated with their nuclear wastes.

In contrast, the U.S. has stuck to an old, 1977, decision to simply bury our spent fuel—plutonium and all. That not only increases the health risk from our spent fuel relative to that in France or Japan, it also means that we are proposing to bury a significant energy resource that our own future generations may need. The origin of the 1977 decision, fear of proliferation of reactor-grade plutonium, is certainly not without validity. But reprocessing can be done, as the French and British have demonstrated, with sufficient care to ensure that proliferation does not occur.

Reprocessing is not something that the U.S. should embrace today—it really wouldn't be economical with today's cheap uranium prices. But I've worked with Senator MURKOWSKI to introduce provisions into his current Nuclear Waste bill to require that we study advanced reprocessing and transmutation systems that would both minimize proliferations concerns related to spent fuel, and also study technologies that minimize hazards from spent fuel for the public and for workers. I will encourage that Russia continue to study these same technologies, because they have great expertise in these areas. Sometime in the future, we may need to use reprocessing to regain use of the energy content in spent fuel.

Thus, I believe we should keep future options for civilian fuel reprocessing open even as we focus attention in Russia on burning military-origin plutonium. Certainly for now, any attempt to burn civilian-origin plutonium in Russia only delays progress in decreasing Russia's excess weapons plutonium stockpile.

Let me return briefly to the more urgent matters associated with military-grade plutonium. As the Chair of the Senate Plutonium Task Force, I have pushed hard for completion of a U.S.-Russia agreement on military plutonium. In 1998, I led the charge to appropriate \$200 million for implementation of such an agreement.

I understand that negotiations for this plutonium agreement are very near completion. This agreement will outline a framework within which the U.S. and Russia will dispose of 50 tons of excess weapons plutonium. This framework will address timetables for progress, rates of disposal, and reciprocal verification of compliance. This agreement will turn the U.S. and Russian political commitments regarding irreversibility into a physical reality.

However, I've been dismayed that the Administration has recently chosen to remove \$49 million from the \$200 million set aside for disposition of weapons-plutonium to fund other priorities. That is very short sighted reasoning. The full \$200 million has served to keep pressure on the negotiating teams to finalize the disposition protocols. We send a completely inappropriate message when funds are withdrawn from that account. I intend to work in the next few months to restore this \$49