

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 482 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4101.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New Mexico (Mr. SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR) each will control 30 minutes.

The Chair recognizes the gentleman from New Mexico (Mr. SKEEN).

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I get into the floor statement I would like to pay my respects to the members of my committee and particularly to the ranking member, the gentlewoman from Ohio (Ms. KAPTUR), and all the members of the committee and the staff and the rest for the fine work that they have done.

Mr. Chairman, I want to thank all my colleagues that have been on the committee on the minority and majority sides, and particularly the staff, the Members' staffs that have work with us and the committee staff, and I certainly am indebted to all of them.

And, Mr. Chairman, I am pleased to bring before the House H.R. 4101, which makes an appropriation for Agriculture, Rural Development, and the Food and Drug Administration and related agencies.

Mr. Chairman, this bill meets our discretionary allocation of \$13.587 billion in budget authority and \$14.002 billion in outlays, and the total spending in the bill includes mandatory programs of \$55.9 billion, an increase of about \$6.4 billion over last year, which mainly reflects the increased spending from Commodity Credit Corporation funds.

Our discretionary allocation is about \$130 million less than last year, and this situation is made more difficult because the administration has proposed about \$800 million in new spending in the bill that is paid for through user fees, and these user fees all require authorization in law. However, the administration sent up this legislative package only 3 weeks ago.

The reality is that enactment of user fees will not occur. Therefore, any new spending must be offset from existing programs. The committee has tried on a bipartisan basis to construct a bill that funds our highest priorities and deals fairly with the very diverse programs that this bill pays for.

The bill provides an additional \$20.5 million for the Food Safety Inspection Service, the third year in a row that meat and poultry inspection have received a major increase. There is also an additional \$15.5 million for the food safety initiatives scattered throughout several accounts.

Farm operating loans have been increased by about \$200 million, and this program is important to the administration's efforts to end discrimination against minority farmers.

We have increased the Rural Community Advancement Program by \$93 million, with most of the increase going to rural water and sewer programs where there is a \$3.5 billion backlog of applications for this particular funding.

We have also cut a number of programs, and many are being held to the fiscal year 1998 level.

For the first time in many years we have not provided an increase in the Women, Infants and Children, known as the WIC program, and this bill funds the WIC program at \$3.924 billion, the same as fiscal year 1998. Our reason for doing that is the USDA's fiscal estimate of the WIC fiscal year carryover is \$180 million, and we believe that number will grow. We also believe that carryover gives the program a very large cushion of support.

Mr. Chairman, I know many of my colleagues are unhappy that some of the programs are not funded at higher levels and that we have to tap mandatory programs just to get us to where we are now. During the course of the past five months we have received about 600 requests from Members, only one of which suggested program reduction. The rest wanted level or increased spending.

I would also like to do more, but the money is just not there. Unlike the Office of Management and Budget, we cannot engage in phony accounting schemes with user fees. We must work in the reality of a very tight budget.

Mr. Chairman, this bill pays for programs that benefit every American every day. It supports food safety and nutrition, whether in rural America or in our largest cities, and it supports agricultural production and research that enables less than 2 percent of our population to feed 270 million Americans and millions more overseas. It supports conservation programs to protect watersheds and the environment, and it supports rural development programs that bring affordable housing and clean water to rural America.

I would say to my colleagues that when they vote for this bill they vote for programs that benefit all their constituents, no matter where they live in this great country, and, Mr. Chairman, I ask my colleagues for their support.

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

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I wanted to rise today and commend my good friend, the chairman of our Subcommittee on Agriculture and Rural Development, for his leadership in helping put this bill together, and all the members of our subcommittee who have worked so very, very hard over the last several months.

There are other provisions in this bill that we also need to acknowledge many of our members. We want to thank the Committee on Rules for allowing several provisions to be included in the base bill that are self-executing concerning the civil rights provisions as well as lifting the sanctions in terms of food for Pakistan. We want to thank the gentleman from Washington (Mr. NETHERCUTT) in that regard, as well as the gentlewoman from California (Ms. WATERS), who worked so very hard along with the gentleman from New York (Mr. SERRANO) York on the civil rights provisions in the bill, along with the gentlewoman from North Carolina (Mrs. CLAYTON) and the gentlewoman from Georgia (Ms. MCKINNEY). We are grateful to all these members and so many more who helped us craft a good bill.

I want to state that without question this particular measure helps keep our Nation at the leading edge for food, fiber, fuel and forest production as well as research, trade and food safety. The jurisdiction of this subcommittee is very broad. There is no question that agriculture is America's leading industry and that our farmers and our agricultural industries remain the most productive in the world, and they well understand, as we do, how difficult it is to maintain our nation's commitment to excellence in agriculture in these tight budgetary times.

Our bill contains \$56.1 billion for 1999 in total budget authority, of which \$13.6 billion is for discretionary programs and \$42.5 billion is in mandatory programs which we have very little ability to influence. Our bill is \$2.2 billion below the administration's budget request, and in fact over two-thirds of our bill's spending is directed in the mandatory area, largely the nutrition programs like our school lunch and breakfast programs as well as the Food Stamp Program. Those comprise nearly two-thirds, 70 percent, of what is in this bill.

We believe this bill is as balanced a bill as we could get to try to accommodate our farmers, the needs of food and drug safety, the needs of rural development in communities across this country as well as protecting the safety of consumers and those in our population who are most nutritionally and medically at risk.

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Our committee has fashioned a bill that is the best possible bill within the

allocation it has been dealt, and I want to thank our chairman, the gentleman from New Mexico (Mr. SKEEN) for being gracious and treating both sides of the aisle evenhandedly. I appreciate his bipartisanship and his sensitivity to balancing the burden of these tight funding levels between various constituencies served by this bill.

I would be remiss if I did not point out, however, that the funding levels are simply inadequate for several of our most critically important programs in the bill, beginning with food safety, but also including WIC, the Women, Infants and Children's feeding program, all of our rural conservation programs, our youth tobacco prevention initiative and our rural water and sewer, as well as the temporary emergency feeding programs serving so many of our food kitchens and food banks. Without an additional allocation of resources, we continue to betray our commitment to American farmers, and to all consumers who benefit from the bounty that they produce.

For example, let us go through some of these shortcomings. As hard as we tried, we were unable to fully accommodate the requests for food safety in this bill, which provides only \$15 million of the additional funds requested by the President, who asked for \$95 million additional funds for the food safety initiative.

In the WIC program, so important to pregnant women and children across this country, the funding level is frozen in the bill at the 1998 level of \$3.9 billion, which is \$157 million below the President's budget request. This freeze level could mean the reduction of up to a few hundred thousand additional women, infants and children who will not be able to be served by WIC.

In the youth tobacco prevention area, the bill includes \$34 million for the President's tobacco initiative. However, the President had requested \$100 million over that level, a level of \$134 million for the Food and Drug Administration. We could not accommodate that full request.

On the important conservation programs for our farmers, the primary source of technical assistance to producers and landowners are funded at \$784.4 million, but this is \$5 million below last year's level and \$51.9 million below the President's budget request.

This bill makes further reductions in critical mandatory conservation programs such as the Wetlands Reserve Program, the Environmental Quality Incentive Program, which is called EQIP, and the Wildlife Habitat Incentive Program.

In addition, this bill includes no funding for the farmland protection program, because it has not been authorized. These lands are absolutely irreplaceable as a world resource, and it is really sad that in this measure we cannot include continuation of appropriations in that program because the authorizers have not brought that bill forward.

In terms of TEFAP, the Temporary Emergency Food Assistance Program, there is a \$10 million reduction in this mandatory program compared to last year. It is under this program that we distribute commodities to individuals greatly in need of assistance. Demand for food assistance at our food banks and soup kitchens is increasing due to the implementation of welfare reform, and I would hope as we move toward conference, that we might be able to find a way at least to keep this program at last year's level, fully aware that the increased demand is occurring in food banks across this country.

In terms of rural water and sewer, while we appreciate the increase of \$39.5 million for direct water and sewer loans, we are concerned that this amount simply is not enough. The U.S. Department of Agriculture has told us that over \$2.5 billion in backlog remains in the water and sewer program, and we must be able in future years to find additional funding to meet these critical needs for affordable water and sewer necessary to improve the life in our rural areas.

Mr. Chairman, those who serve farmers and work with agriculture are taught over and over again that there is a big difference between money and wealth. Our job on this Committee on Agriculture is to help create the wealth of America through the investments we make in food, fiber, new fuels and forestry production, all essential components.

Market-oriented farm policy means farming for the market and not the government, and requires investments in research and conservation and sustainability, in education and technology transfer, which will keep our agriculture competitive as we move into the new century.

Traditional farm programs under this bill and in the past continue to receive a decreasing portion of Federal support and, in my view, we should be targeting our scarce agricultural dollars to family farmers, especially those who are smaller, to assure competition in an industry now dominated by megagiants.

In recent decades, we have slowly eroded the historic base of American agriculture, the family farmer, moving more in the direction of giant corporate farms. It is kind of interesting to look at the numbers in the area of agriculture trade. We have to work hard to keep our edge in the international marketplace.

As American agricultural exports grow and weather the volatile global markets, foreign agricultural exports are being shipped to the United States in greater magnitude. Since the early 1980s, U.S. agricultural exports initially declined from a level of about \$43 billion to a low of \$26 billion in 1986, and then hit a record level of \$60 billion in exports in 1996. While that looks great in terms of overall dollar value, the fact is that the price per bushel to the average farmer has not really gone

up, but in fact they are having to sell greater volumes and try to farm greater acreage in order just to meet the income levels they were able to achieve in the past. In many cases, products that our own farmers grow and process are being replaced by imports coming into our shores.

Mr. Chairman, in closing, I want to express my appreciation again to the gentleman from New Mexico (Mr. SKEEN) for putting together the best bill that we could under the circumstances that we were dealt.

Let me remind our colleagues that the agriculture portion of Federal spending has taken more than its fair share of cuts in these past several years. Discretionary funding for this coming year is \$130 million below comparable spending of last year, but total amounts provided under this bill, both in the mandatory and discretionary accounts, have declined by almost 30 percent, by one-third, since 1994. It is clear that agriculture, rural development and nutritional programs continue to bear more than their fair share of overall budget reductions.

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

Mr. SKEEN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. WALSH).

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

Mr. WALSH. Mr. Chairman, I rise in strong support of the bill crafted by the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR), the ranking member.

Mr. SKEEN. Mr. Chairman, I yield 6 minutes to the gentleman from Washington State Mr. NETHERCUTT, a member of the committee.

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

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I am delighted to support this agriculture appropriations bill and to salute the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from Ohio (Ms. KAPTUR), and, most especially, the people on our subcommittee, but also in addition the great professional staff that has assisted in putting this bill together, which been such a good resource for all of us who serve on this committee.

In particular, we have had a rather arduous undertaking to work through the issue of sanctions exemption that appear in this bill, as the gentlewoman from Ohio (Ms. KAPTUR) mentioned in her opening statement. Fundamentally, this sanctions language is going to be of great assistance to the agriculture community in this country.

The industry, the economy of agriculture, has never been more important with regard to low wheat prices in the West and across the country for

other commodities. It is insane that our country would impose unilateral sanctions on the industry that is there to provide food and fiber and assistance to people who are hungry, not only in our country but in all countries of the world, not the least of which are Pakistan and India, which deal very prominently with my State of Washington, in the export of wheat products and wheat to Pakistan. It is a huge market for us, and for the law to impose unilateral sanctions seems to me wrong-headed.

What we tried to do on the subcommittee was to provide the fastest method possible to get the sanctions exemption under the Arms Export Control Act, so we added it to the agriculture appropriations bill, and, through a bipartisan effort, not just within our committee, the subcommittee and the full committee, but outside the committee, the gentleman from Oregon (Chairman SMITH), the gentleman from North Dakota Mr. POMEROY, the gentleman from Kansas Mr. MORAN, the gentleman from my own State of Washington Mr. HASTINGS) on the Committee on Rules, the gentleman from Montana Mr. HILL, the gentleman from Illinois (Mr. LAHOOD) and many others, who got involved in saying we must exempt these sanctions from agriculture.

It is in the bill, it is a very important measure, and I am delighted it was able to stay through the assistance of a lot of people.

Other than that, this is a bill that funds agriculture research very, very effectively. It goes above the President's request for budget approval of agriculture research and it restores the facilities that were reduced in the budget by the President to Prosser, Washington, and Mandan, North Dakota, which are two very important facilities that will very much help agriculture and agriculture research.

One of the things we passed when we adopted the farm bill two years ago was that we assured the farmers that we must have a strong agriculture research component if the freedom to farm concept was going to be successful. Not only research, but tax relief and exports. Those three components were the most important, as well as regulatory reform.

This bill restores some of that agriculture research funding that is so critical to agriculture research and the success of the agriculture economy across the country.

Mr. Chairman, I want to speak in favor of the special grants. I know it is nice to say "Let's have everything peer-reviewed," but there are some areas of the country that have unique disease programs or yield problems that need a special grant. So I am here to argue very forcefully in favor of special grants, some of which benefit my Pacific Northwest region of the country, but other regions of the country as well. That is a very important component of this bill.

One other thing that I think is very important that is not precisely agriculture-related but affects the welfare of people around the country has to do with diabetes. In the bill we have language that would provide for a pilot demonstration project to rural residents of Hawaii and Washington. They will get access to state-of-the-art health technology and education related to diabetes and diabetes complications through the existing Extension Service county office structure and communications system.

Josslin Diabetes Center, located in Boston, Massachusetts is recognized as the world leader in diabetes research and clinical care. It is going to lend its technology and advanced care pilot program not only through the Department of Defense and Veterans Affairs, but through the Department of Agriculture. It is going to help Native American people all over this country if we can have this diabetes demonstration project undertaken.

Remember, diabetes affects all races and religions. It especially hits our minority populations, and through this Extension Service assistance, diabetes research will be advanced and people will be helped.

We are going to restore PL 480 programs in this bill. We are going to restore the market access program. We are going to have food distribution program language through the Department of Agriculture that is going to greatly help Native American children. We now give fatty foods through our program under the Indian reservation distribution program, and, with the language that we have imposed here, the Department of Agriculture will be working with the Indian Health Service in trying to work through and make sure we give good food to these Indian children, who are the beneficiaries of this food program, all be they laudable, but we want to be sure these kids are not unnecessarily treated to diabetes.

So, overall, this is a great bill. The gentlewoman from Ohio (Ms. KAPTUR), the gentleman from New Mexico Mr. SKEEN) and all the professional staff and the full Committee on Appropriations looked very carefully at this bill, and we very much support it. I urge all of my colleagues to resist many of these amendments that would change this bill. Let us pass it today and really assist American agriculture to the greatest extent that we can.

Ms. KAPTUR. Mr. Chairman, I yield 3 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I also want to rise in support of this bill and to commend the gentleman from New Mexico (Chairman SKEEN) and the ranking member, the gentlewoman from Ohio (Ms. KAPTUR) for the very fine, persistent and diligent work they have done to bring this bill to the floor.

This is a comprehensive bill. It affects a wide range of constituents, so there are different sectors of our communities who are concerned about its success or its failure.

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I want to tell the Members, this bill does bring some unique opportunities. It is an opportunity to right a wrong. In the self-executing rule that was just passed was a provision of opportunity, removing a stumbling block that thousands of minority black farmers have had in not being able to have their case adjudicated before the courts or administrative remedies. So I want to thank both sides of the aisle, but particularly the gentleman from New Mexico (Mr. SKEEN) and the gentlewoman from Ohio (Ms. MARCY KAPTUR) and the leadership for bringing this to the floor.

It also has the opportunity to make sure we do not use food as a sanction in the cases of India and Pakistan. I think those are obviously commendable areas.

I also want to raise the issue of providing new opportunities for inspection of food and quality of food, new resources for conservation and clean water. Many of our farm areas are impacted and need this additional assistance to make sure they have a continuous opportunity for providing those resources to keep their environment clean.

However, there are some shortcomings to this bill. We just signed the bill on research over at the White House a few minutes ago, and this bill, by this act, will now zero out what we have just said. I think that is a mistake. It removes the infrastructure for water and sewer and some of the housing initiatives that rural areas had. Also, we reduce, in my judgment below the need to do it, both the WIC and nutritional program and the emergency food program. I hope at least we have an opportunity to look at the amendment.

All in all, this is a good bill. It is a bill that not only does a fair appropriation of our scarce resources for a wide range, but we have an opportunity to right a wrong. Righting that wrong is to afford all Americans the opportunity to use our resources for agriculture and growing. The black farmers who have been denied that opportunity want to say, through me, they certainly appreciate this opportunity to have that remedy in court.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon (Mr. SMITH).

(Mr. SMITH of Oregon asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in support of H.R. 4101, the agriculture appropriation bill. I wanted to, indeed, thank the gentleman from New Mexico (Chairman SKEEN) and the gentlewoman from

Ohio (Ms. KAPTUR) for bringing up this very important legislation. I wanted to commend both of them and their staffs for their hard work in achieving balance with limited resources.

I want to particularly commend the gentleman from Washington (Mr. NETHERCUTT) for his hard work to eliminate an immediate threat to America's farmers. The Nethercutt amendment included in the bill fixes a problem that was created by, I think, an erroneous interpretation of the Arms Export Control Act.

The Nethercutt amendment clarifies that USDA credit, credit guarantees, or other financial assistance for the purchase or provision of food or agricultural commodities are not included in the sanctions provided for in section 102 of the Arms Export Control Act.

Mr. Chairman, this bill, as reported by the Committee on Rules, also deals with an issue that has directly concerned me and other members of the Committee on Agriculture for the past 2 years, providing access to judicial and administrative remedies to hundreds of black farmers who have been the victims of racial discrimination in the operation of the Department of Agriculture programs.

Because of a statutory limitation, these farmers have been barred from seeking appropriate relief. An amendment worked out by the Committee on the Judiciary and other interested parties, and that is contained in this bill, would allow persons who have filed complaints of racial or other discrimination to seek redress in the Federal court system.

Mr. Chairman, Congress passed a monumental reform to our Nation's agricultural policy in 1996. At that time we eliminated depression-era production controls and subsidies. Congress promised American farmers that we would replace these outdated programs with a new emphasis on research, on risk management, and regulatory reform. Three weeks ago Congress passed the Agricultural Research, Extension, and Education Reform Act of 1998 in which we voted overwhelmingly to shift spending from bureaucracy to the cutting edge of research.

Just a short term ago, today, the President signed that bill into law. Due to tremendous resource constraints and competing priorities, the Committee on Appropriations was forced to offset the cost for existing programs and other new initiatives by eliminating this new and vital research program.

Mr. Chairman, I would like to strongly encourage my friend and colleague, the gentleman from New Mexico (Mr. SKEEN) to work with his counterparts in the Senate to reprioritize programs so they can restore these important funds. I understand that this will be a difficult challenge, but it is essential that this program be funded.

Mr. Chairman, I would ask to enter into a colloquy with the gentleman from New Mexico, Mr. SKEEN.

I would say to the chairman, as he knows, on June 14 the House passed the

conference report on S. 1150, the Agricultural Research, Extension, and Education Reform Act of 1998, by a vote of 364 to 50. The House vote overwhelmingly to shift spending from the bureaucracy to cutting edge research, and allocated \$120 million for that purpose.

Unfortunately, the bill before us provides no funding for this program, while the Senate measure includes full funding.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, due to tremendous resource constraints and competing priorities, the Committee on Appropriations was forced to offset the costs for existing programs and other new initiatives by eliminating this new and vital research program.

Mr. SMITH of Oregon. Mr. Chairman, many of our colleagues representing the agriculture community ask that you give funding consideration to this important function when again you meet with the Senate in conference.

Mr. SKEEN. The Committee on Appropriations is often faced with the difficult task of striking a balance among competing and worthy initiatives. Research has always been a priority of mine. I can assure the gentleman that it will be a priority during the conference negotiations. I appreciate gentleman's adherence to it.

Mr. SMITH of Oregon. I indeed thank the chairman for his assistance in this matter.

Ms. KAPTUR. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I would like to engage in a colloquy with the ranking member.

Mr. Chairman, I say to the chairman of the committee and the ranking member, first of all, let me commend them for the outstanding work they have done on bringing this bill to the floor, and also especially for recognizing the unique problems and needs of African-American farmers.

I would like to bring to the Members' attention and to the attention of the floor a project that has significant support but was not included for funding in this bill.

The AGD project is a plant genome sequencing project being undertaken by Loyola University of Chicago, in conjunction with the University of Illinois at Chicago. This is an important project that has positive implications for agriculture and agribusinesses, both in the United States and abroad.

Back on March 16 Members of this body, both Republicans and Democrats, even members of the Committee on Appropriations, requested that specific funding be made available for this project. However, it is my understanding that except in very limited circumstances, no new projects were funded under the research and educational activities account.

I would ask the gentlewoman, is that correct?

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Illinois. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. That is correct.

Mr. DAVIS of Illinois. While I understand that not every project that is requested can be funded, the AGD project is an extremely important one. Congress has already recognized the critical role plant genomic research plays in the improvement of crop production and increased productivity.

I am hopeful that projects like the AGD, which received such vigorous support for funding from so many Members of this body but were not specifically funded in this bill, be given special consideration for funding as we move to conference.

I would appreciate a response, Mr. Chairman.

Ms. KAPTUR. If the gentleman will continue to yield, Mr. Chairman, I want to thank the Congressman for being so vigilant on this particular request for plant genome sequencing at Loyola University of Chicago. No one has been a stronger advocate in this Congress than has the gentleman from Illinois (Mr. DAVIS).

We will work with him as this legislative process moves forward, and urge the gentleman to also consider pursuing funding in the National Science Foundation plant genome initiative. But we will continue to work with the gentleman.

Mr. DAVIS of Illinois. I thank the gentlewoman very much.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. RADANOVICH).

Mr. RADANOVICH. Mr. Chairman, I seek to enter into a colloquy with my chairman, the gentleman from New Mexico (Mr. SKEEN).

Mr. Chairman, I would like to take just a moment to address the issue of funding for the Agriculture Quarantine Inspection Program that prevents the entry of exotic animals and pests into the United States.

Funding for AQI is of great importance to my district, which includes the two largest agriculture producing counties in the Nation. As we know, the authorized funding level for AQI is \$100 million. However, the FY 1999 appropriation for the program was set at \$88 million.

Does that mean that the committee believes that the annual appropriation for AQI should only be at \$88 million per fiscal year?

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. RADANOVICH. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I thank the gentleman for his concern and his strong support of American agriculture. The committee strongly supports the AQI program, but our budget situation will only allow us a level of \$88 million in user fees. There is, however, an additional \$30 million in appropriated funds for this program. I

thank the gentleman again, and look forward to working with him.

Mr. RADANOVICH. I appreciate the clarification, Mr. Chairman, and look forward to working with the gentleman and all the members of the committee next year in seeking full funding for AQI in the next fiscal year.

Mr. SKEEN. I thank the gentleman.

Ms. KAPTUR. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise today in strong opposition to this bill as currently drafted. I would urge my colleagues today to support the amendments that will be offered that will strip the dairy provisions from this bill.

More specifically, Mr. Chairman, section 736 was added to this annual agricultural appropriations bill. It allows Congress to delay reforming the Federal milk marketing ordering system for another 6 months. It also allows the ill-advised Northeast Dairy Compact to remain intact for an additional 6 months.

In the 1996 Freedom to Farm bill, Mr. Chairman, Congress was unable to find a legislative remedy for the regional dairy policy which has been in existence for too long that has pitted producers in various regions of this country against one another. That bill instead authorized the Department of Agriculture to develop a market-oriented system.

Now some Members of this Congress, through a back room deal, have decided that reform should be delayed another 6 months, which would also extend to the New England Dairy Compact. Who knows how much longer it is going to be delayed beyond that point?

Mr. Chairman, the Secretary's office has informed me that they are on track for passing the final rule this fall and implementing it early next year. They have had public hearings, they have accepted public comment. They are ready to go forward with this market-oriented reform of dairy policy. This legislation would set that effort back.

I would say, let us stop delaying the inevitable. Instead, let us allow a fair market-oriented dairy policy to take effect. The 1996 farm bill held out the promise that farmers could produce for the marketplace, rather than for a government program. Today dairy farmers and consumers should not be subjected any longer to a Depression-era dairy policy in this country.

Let us let the Department of Agriculture do its job, Mr. Chairman. I would encourage my colleagues to support the amendments that are going to be offered a little later this afternoon that would strip the dairy provisions and allow the Department of Agriculture to move forward on a more market-oriented, fairer system for our dairy producers throughout the entire country.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, as the gentleman knows, Congress debated the issue of national organic standards in 1990 by passing the Organic Foods Production Act, requiring the USDA to implement a national organic program.

The proposed rules, however, did not represent the intent of the Organic Foods Production Act, the recommendations of the National Organic Standards Board, or consumer expectations. Organic foods should be grown and processed without synthetic pesticides or chemicals, and organic livestock should be treated humanely and not medicated with steroids or antibiotics.

Over 200,000 people, including 38 Members of Congress, showed their support for high standards during the public comment period. I would like to ask the chairman if he supports further revision of the proposed rule for organic standards, in collaboration with the NOSB and within the guidelines of the OFPA, and if he supports providing adequate resources for the national organic program and the NOSB.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I would tell the gentleman that Congress has shown its commitment to high organic standards, and that commitment will continue.

□ 1230

The USDA is committed to developing organic standards that everyone will accept, and the rulemaking procedure should continue with the help of public comments and the NOSB recommendations.

Mr. KUCINICH. Mr. Chairman, reclaiming my time, I applaud USDA for revising the rule. And I hope the gentleman agrees that a second draft be released in a timely manner. I thank the gentleman from New Mexico (Mr. SKEEN) for his time, and I look forward to working with him on this issue in the future.

Mr. SKEEN. Mr. Chairman, I too look forward to reviewing the second draft of the proposed rule soon.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have no further requests for time. I want to acknowledge the hardworking members of our staff, certainly Mr. Tim Sanders, Sally Chadbourne, Bobbie Jeanquart, and John Ziolkowski have served us so very well during this process and we want to thank them very, very much for doing the very best job they could for our country.

Mr. Chairman, I yield back the balance of my time.

Mr. SKEEN. Mr. Chairman, I thank the gentlewoman from Ohio (Ms. KAPTUR) and I would to follow her lead on those remarks and the appreciation

that we have for the folks that work with us day after day.

Ms. DELAURO. Mr. Chairman, I would like to thank Representative SKEEN and Representative KAPTUR for all of their hard work. I know it has been difficult to balance the many important priorities that this bill must fund, especially given the funding constraints that Congress faces.

I am, however, very concerned that we could not do more to support vital programs that improve the day-to-day lives of American families. I am concerned that the real and urgent needs of this country—to reduce smoking among young people, to protect the safety of our food, and to ensure high-quality nutrition for mothers and their children—could not receive the full attention that they deserve.

One of the most serious issues before this nation is tobacco use among America's youth. For years, the tobacco industry deliberately targeted children. Now, an astounding 4.5 million 12–17 year-olds smoke. Three thousand young people under the age of 18 become regular smokers each day. And when children this young take up smoking, they do not shake the habit easily. Almost 90 percent of adult smokers began by age 18.

This year, the President requested a \$100 million increase to expand FDA enforcement of laws prohibiting tobacco sales to minors and to expand the FDA's national public education campaign to get the word out to Americans across the country that these laws are being enforced. Sadly, this bill does not provide this important investment.

I also am disappointed that, while this bill includes an additional \$15 million over current spending levels for the President's food safety initiative, additional resources are not available for both the FDA and USDA to ensure the safety of our food supply. Americans need to be able to sit down together at the table and know that everything possible has been done to ensure that their meals are free from contamination.

But each year, an estimated 9,000 Americans die, and another 5 million get sick, from food-borne pathogens. If we are truly going to protect the health of American families, we must commit greater resources to assure the safety of their food and produce. Americans deserve better safeguards, stronger enforcement, and greater research and understanding of how our food supply becomes contaminated.

Furthermore, I am disappointed that the WIC program could not be funded to reach more mothers and their children. WIC currently guarantees that 7.4 million young women and their children receive adequate nutrition and health advice—preventing future illnesses and other health problems in their lives.

WIC dollars are excellent long-term investments in America's future. Each dollar spent on WIC yields more than three dollars in savings to the government through reduced spending on programs such as Medicaid.

I am pleased that this bill requires WIC to streamline its program and eliminate waste, providing more services to more deserving people, yielding higher returns on the dollar.

Thank you again Representative SKEEN and Representative KAPTUR for crafting this bill under such difficult funding restrictions. But, I must emphasize that, as members of Congress, it is our responsibility to invest in programs that ensure the long-term safety and

security of Americans and their families. The Tobacco Initiative, WIC and the Food Safety Initiative do exactly that. They deserve our commitment to the highest levels possible.

Mr. HILLEARY. Mr. Chairman, I rise today in strong support of this important agriculture bill. I want to thank the distinguished Chairman of the Agriculture Appropriations subcommittee for his hard work in bringing a solid bill to the floor in which our agricultural community so desperately relies on.

Additionally, I would like to say that I am in support of the Horse Protection language that is included. As we know, there has been a sizable uproar over the USDA's Animal and Health Inspection Services' (APHIS) implementation of the Horse Protection Strategic Plan.

I have been actively involved with USDA, APHIS, the horse show industry and my constituents on this important issue, trying to strike a common ground on a fair and just plan. I have attended many public and private meetings with all sides and have worked with other Representatives to try and gage USDA's position.

The Horse Protection Act of 1976, protects show horses from injury and abusive training practices. Since 1976, this Act has authorized the establishment of industry inspection programs to assist the Department with its enforcement efforts at more than 1000 Walking Horse shows annually. Six industry regulatory organizations and inspection programs currently have been certified by the Department to conduct inspections and otherwise carry out the regulatory responsibilities of the Act.

In December of 1997, APHIS released its Strategic Plan for Horse Protection outlining several proposals for industry self-regulation. Unfortunately, the Plan does not adequately address all of the issues which need to be resolved. The Committee has included important report language that will assist the USDA and the horse show industry, in reaching fair and universal practices, procedures, penalties and guidelines. There is still a sizable amount of disagreement on who is qualified to regulate and how they are trained to execute inspections. Furthermore, examination procedures outlined in the Strategic Plan do not properly reflect appropriate equine medical principles.

For these reasons, I feel that the Department needs to work closely with the six industry regulatory organizations, as well as Congress, to further develop the proper framework for industry self-regulation.

Although this language does not go as far as I would like in an attempt to iron out all the differences between the Department of Agriculture and the Walking Horse Industry, I am pleased that the Committee has shown its concern for an industry that is vital to Tennessee.

Mr. Chairman, Congress needs to remain engaged in our agricultural oversight function and regain control of the situation surrounding the enforcement of the Horse Protection Act. In that regard, I think we have come one step closer with the language included in this bill.

I hope my colleagues on both sides of the aisle will join me in supporting this important horse protection language, as well as this critical agriculture bill.

Mr. PACKARD. Mr. Chairman, I rise in support of H.R. 4101, The Agriculture Appropriations Act of 1999. I want to specifically acknowledge the provision which allots \$1 million

for pesticide and crop disease research. This will directly benefit Southern California floriculture and nursery crop producers.

With over 20 percent of the total agriculture share, California farmers rank first in the nation in overall production of nursery products. I want to make sure California farmers have every tool available to continue leading the nation. The research this legislation provides is truly what every California grower can support; higher production that's environmentally friendly.

This research can positively impact rural and suburban economies, and increase international competitiveness by helping prevent the spread of pests and diseases among nursery and floriculture crops. Growers in my community made the need for this research very clear. Much of their own success has been a direct result of similar research.

Mr. Chairman, I would like to commend Mr. Skeen for once again producing an Agriculture Appropriations bill that is beneficial for the American farmer. He has done a fabulous job meeting the needs of our nation's agriculturalists.

Farming is still one of the toughest jobs in America. Our nation's farmers can put in a 40 hour work week by Tuesday noon and I want to make sure that is not forgotten here in Washington.

Mr. BONILLA. Mr. Chairman, I rise in support of the Agriculture Appropriations bill. I know the Chairman has worked very hard to bring a balanced bill to the floor today that addresses all of the challenges that face American Agriculture, whether it be the pests that damage our crops to competing in the world market.

I believe that this bill works to balance the needs of agriculture from Texas to Washington to California to Connecticut. It was a very difficult task to balance all of the important competing interests, but the bill before you today does just that and still meets the needs of a balanced budget. This bill provides money to fund vital agriculture research to help our farmers and ranchers become more competitive and improve production, it supports food safety and conserves our natural resources while improving the lives of those who live in rural America.

More specifically the bill provides funding for the boll weevil eradication program which is vital to cotton producers across the cotton belt. The boll weevil is the primary cotton pest and it has cost our economy billions of dollars. Currently five states has passed referenda and are planning for program initiation. This program is at a pivotal point and the money in this bill will allow for full implementation of the program across the cotton belt.

This bill also contains funding to support a variety of research projects for both plants and animals. One example is a research project that enhances cancer fighting agents that occur naturally in vegetables. A super carrot has already been developed and now they are working on other foods.

The Committee has also made a significant commitment to food safety. The bill increases spending on food safety by \$20.6 million.

Not only will our producers be growing more food that is better for you we will be able to maintain our outstanding record on food safety. These are just a few examples of very important projects that are in this bill. The list is certainly much longer.

Americans enjoy the world's safest and most abundant food supply. This bill goes a long way to ensure that Americans will continue to enjoy this privilege in the future. The bill supports the people who keep Americans fed and clothed, our food supply safe and I urge my colleagues to support this bill.

Mr. FAZIO of California. Mr. Chairman, I rise in support of H.R. 4101, the Agriculture Appropriations bill for Fiscal Year 1999.

Although this is only my second year of service on the subcommittee, it is also my last year of service due to my retirement, and I want to congratulate and thank my chairman, JOE SKEEN, and the ranking Democrat, MARCY KAPTUR, for their work and assistance this year. I have enjoyed participating in our budget oversight hearings and offering the perspective of California agriculture, the largest agriculture-producing state in the nation.

H.R. 4101 is not a perfect bill, but it is probably the best bill that could come forth after receiving a budget submission from the Administration based on over \$750 million of user fees which have not been enacted by Congress. Based on our allocation, our bill is \$130 million less than the fiscal year 1998 appropriations. That meant that many difficult decisions had to be made in putting together a bill that would sustain the types of USDA and FDA activities that Americans expect in the areas of food safety, rural development, research, conservation, market promotion and the many other activities in our bill.

The most controversial part of our decision-making stemmed from using savings from mandatory programs—the Fund for Rural America and the new research program in the agricultural research bill—to avoid a set of across-the-board cuts in virtually every program in the bill. Even so, we have held WIC, the Supplemental Nutrition Program for Women, Infants and Children, to last year's appropriations, the first time in many years when we have been unable to provide an increase that would serve additional beneficiaries.

However, we have made some important progress on food safety by adding \$15 million to support increased inspection of imported fruits and vegetables by the Food and Drug Administration, as well as new activities of the Food Safety Inspection Service, and new food safety research activities by the Agricultural Research Service and the Cooperative State Research Extension and Economic Service. And \$34 million has been provided to continue the President's important initiative to prevent youth smoking.

I have particular praise for several items of importance to California agriculture and to my district.

First, the bill provides funds mandated by the Agriculture Committee for the Market Access Program (MAP). This is a program that traditionally has come under attack on the House floor, but has been supported strongly by the House membership. I am pleased that perhaps this will be the first year that opponents come to their senses and understand both the value of the program and the deepseated support for it.

There is probably no more important tool for export promotion than MAP. In California, where specialty crop agriculture is the rule, export promotion is extremely important.

Agriculture exports climbed to \$59.8 billion in fiscal year 1996—up some \$19 billion or

close to 50 percent since 1990. In an average week this past year, U.S. producers, processors and exporters shipped more than \$1.1 billion worth of food and farm products to foreign markets, compared with about \$775 million per week at the start of this decade.

The overall export gains raised the fiscal year 1996 agricultural trade surplus to a new record of \$27.4 billion. In the most recent comparisons among 11 major industries, agriculture ranked No. 1 as the leading positive contributor to the U.S. merchandise trade balance.

As domestic farm supports are reduced, export markets become even more critical for the economic well-being of our farmers and rural communities, as well as suburban and urban areas that depend upon the employment generated from increased trade.

Agriculture exports strengthen farm income.

Agriculture exports provide jobs for nearly a million Americans.

Agriculture exports generate nearly \$100 billion in related economic activity.

MAP is critical to U.S. agriculture's ability to develop, maintain and expand export markets in the new post-GATT environment, and MAP is a proven success.

In California, MAP has been tremendously successful in helping promote exports of California citrus, raisins, walnuts, prunes, almonds, peaches and other specialty crops.

We have to remember that an increase in agriculture exports means jobs: A 10% increase in agricultural exports creates over 13,000 new jobs in agriculture and related industries like manufacturing, processing, marketing and distribution.

For every \$1 we invest in MAP, we reap a \$16 return in additional agriculture exports. In short, the Market Promotion Program is a program that performs for American taxpayers.

Second, the committee has continued to provide the greatest possible funding for research in two main forms: through the agricultural research stations of the Agricultural Research Service, and through the special grants and competitive grants in the Cooperative State Research Education and Extension Service.

I am particularly grateful that funds have been provided in support of our nutrition research centers. These centers will play an important role in the food safety research that will be a vital part of the food safety initiative. Funds have also been provided to complete the move of the Western Human Nutrition Research Center to the campus of the University of California at Davis. I believe its location there, along with one of the preeminent nutrition programs in the nation as well as our ag and medical schools, will provide the synergy necessary to make important research strides in the years to come.

There are other research areas of importance to California, including alternatives to the use of methyl bromide, PM-10 particulate air quality research, sustainable agriculture practices, and alternatives to rice straw burning. Viticulture research has received a boost in ARS, and that is in keeping with its growing importance to the U.S. economy. The U.S. grape crop, now grown in over 40 states, has doubled in the last decade from \$1.35 billion in 1987 to \$2.7 billion in 1997. Grapes are now the highest value fruit crop in the nation and the seventh largest crop grown. Long-term research on rootstocks will assist this burgeoning industry.

Another new initiative that has received attention is a special research grant regarding floriculture and nursery crops. Floriculture and nursery crops represent more than 10% of total U.S. farm crop cash receipts, and I believe this research which will be coordinated with the University of California—Davis and will examine environmental, pest and biodiversity issues, is vital to that component of our country's agriculture. Certainly our future success in agriculture, especially market-oriented agriculture as envisioned by the 1996 Farm Bill, will require an on-going commitment to research if we are to maintain the U.S. lead.

I also appreciate the assistance of the committee in resolving a problem that co-ops in California and elsewhere were experiencing with regard to USDA's commodity purchase program. In the committee's view, USDA was using too restrictive an interpretation about small business set-asides which worked not just against co-ops, but against competitive bidding when USDA conducts surplus commodity buys for the school lunch program and other feeding programs. Language included in the bill directs USDA not to prohibit eligibility or participation by farmer-owned cooperatives, essentially recognizing that they are simply associations of small businesses equally deserving of consideration in these competitive bids.

In short, I support the bill and I think JOE SKEEN and MARCY KAPTUR have done a good job under difficult circumstances. I'll look forward to working with them as we see this bill through conference and into enactment.

Mr. POMEROY. Mr. Chairman, I rise in strong support of the Agriculture Appropriations Act and to commend the good work of the chairman of the subcommittee, Mr. SKEEN, and the ranking member, Mrs. KAPTUR.

I am especially pleased that the bill includes the legislation introduced by Representative NETHERCUTT and myself to clarify the status USDA export credit programs under the Arms Export Control Act. Following the nuclear tests conducted by India and Pakistan last month, a serious question was raised as to whether the GSM program, which provides guaranteed financing for American agriculture exports, would have to be suspended for India and Pakistan. The resolution of this issue is vitally important to American wheat farmers since Pakistan is the third largest wheat market in the world, accounts for 10 percent of all U.S. wheat exports, and relies on the GSM program for nearly all of its U.S. wheat imports.

The Nethercutt-Pomeroy bill provides needed statutory clarification by specifically excluding USDA export programs from the Arms Export Control Act. I commend Mr. NETHERCUTT for his leadership, and I would also like to thank the Administration for endorsing the legislation. Just this morning, the President personally expressed his support for the Nethercutt bill during the White House signing ceremony of the Agriculture Research bill. With all parties firmly behind the legislation, I am encouraged that it will be swiftly adopted and that market disruption will be held to a minimum.

Mr. Chairman, farmers on the Upper Great Plains are already struggling with miserably low market prices, adverse growing conditions, and devastating crop disease. The crisis in farm country demands a multi-faceted response from Congress, including improvements in crop insurance, an enhanced marketing loan, and an expansion of foreign markets.

At a minimum, we should not surrender hard-fought and hard-won foreign markets through unilateral sanctions. The Nethercutt-Pomeroy bill ensures that we will not make that mistake.

I urge my colleagues to support the Agriculture Appropriations Act.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of H.R. 4101, the Agriculture Appropriations bill for fiscal year 1999.

This Member would like to commend the distinguished gentleman from New Mexico (Mr. SKEEN), the Chairman of the Agriculture Appropriations Subcommittee, and the distinguished gentlewoman from Ohio (Ms. KAPTUR), the ranking member of the Subcommittee for their hard work in bringing this bill to the Floor.

Mr. Chairman, this Member certainly recognizes the severe budget constraints under which the full Appropriations Committee and the Agriculture Appropriations Subcommittee operated. In light of these constraints, this Member is grateful and pleased that this legislation includes funding for several important projects of interest to the State of Nebraska.

First, this Member is pleased that H.R. 4101 provides \$475,000 for the Midwest Advanced Food Manufacturing Alliance. The Alliance is an association of twelve leading research universities and corporate partners. Its purpose is to develop and facilitate the transfer of new food manufacturing and processing technologies.

The Alliance awards grants for research projects on a peer review basis. These awards must be supported by an industry partner willing to provide matching funds. During its third year of competition, the Alliance received 16 proposals requesting \$627,968 but it was limited to funding 10 proposals for a total of \$348,700. Matching funds from industry partners totaled \$780,052 with an additional \$158,869 from in-kind contributions. These figures convincingly demonstrate how successful the Alliance has been in leveraging support from the food manufacturing and processing industries.

Mr. Chairman, the future viability and competitiveness of the U.S. agricultural industry depends on its ability to adapt to increasing world-wide demands for U.S. exports of intermediate and consumer good exports. In order to meet these changing world-wide demands, agricultural research must also adapt to provide more emphasis on adding value to our basic farm commodities. The Midwest Advanced Food Manufacturing Alliance can provide the necessary cooperative link between universities and industries for the development of competitive food manufacturing and processing technologies. This will, in turn, ensure that the United States agricultural industry remains competitive in an increasingly competitive global economy.

This Member is also pleased that this bill includes \$200,000 to fund a drought mitigation project at the Agricultural Meteorology Department at the University of Nebraska-Lincoln. This level of funding will greatly assist in the further development of a national drought mitigation center. Such a center is important to Nebraska and all arid and semi-arid states. Although drought is one of the most complex and least understood of all natural disasters, no centralized source of information currently exists on drought assessment, mitigation, response, and planning efforts. A national drought mitigation center would develop a

comprehensive program designed to reduce vulnerability to drought by promoting the development and implementation of appropriate mitigation technologies.

Another important project funded by this bill is the Alliance for Food Protection, a joint project between the University of Nebraska and the University of Georgia. The mission of this Alliance is to assist the development and modification of food processing and preservation technologies. This technology will help ensure that Americans continue to receive the safest and highest quality food possible.

This Member is also pleased that the legislation has agreed to fund the following ongoing Cooperative State Research Service (CSRS) projects at the University of Nebraska-Lincoln:

Food Processing Center—\$42,000.

Non-food agricultural products—\$64,000.

Sustainable agricultural systems—\$59,000.

Also, this Member is pleased that H.R. 4101 includes \$125 million for the new Section 538, the rural rental multi-family housing loan guarantee program. The program provides a Federal guarantee on loans made to eligible persons by private lenders. Developers will bring ten percent of the cost of the project to the table, and private lenders will make loans for the balance. The lenders will be given a 100% Federal guarantee on the loans they make. Unlike the current Section 515 direct loan Program, where the full costs are borne by the Federal Government, the only costs to the Federal Government under the 538 Guarantee Program will be for administrative costs and potential defaults.

Mr. Chairman, this Member appreciates the Subcommittee's support for the Department of Agriculture's 502 Unsubsidized Loan Guarantee Program. The program has been very effective in rural communities by guaranteeing loans made by approved lenders to eligible income households in small communities of up to 20,000 residents in non-metropolitan areas and in rural areas. The program provides guarantees for 30 year fixed-rate mortgages for the purchase of an existing home or the construction of a new home. The loan amount may be up to 100 percent of a home's market value, with a maximum mortgage amount of \$86,317.

Mr. Chairman, in conclusion, this Member supports H.R. 4101 and urges his colleagues to approve it.

Mr. SKEEN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule. The amendment printed in House Report 105-593 is adopted.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any proposed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, \$2,941,000: *Provided*, That not to exceed \$11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service, shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: *Provided further*, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$5,973,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, \$12,204,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, \$6,120,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$5,551,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, \$4,283,000: *Provided*, That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Admin-

istration to carry out the programs funded in this Act, \$636,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, \$132,184,000: *Provided*, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, \$5,000,000, to remain available until expended; making a total appropriation of \$137,184,000.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961, \$15,700,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, \$32,168,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), \$3,000,000, to remain available until expended.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch,

\$3,668,000: *Provided*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations: *Provided further*, That not less than \$2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry out services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, \$8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, \$67,178,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed \$95,000, for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98: *Provided*, That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, \$30,396,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, \$560,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$67,282,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, in-

cluding crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), the Census of Agriculture Act of 1997 (P.L. 105-113), and other laws, \$105,082,000, of which up to \$23,141,000 shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25% of the total value of the land or interests transferred out of Federal ownership, \$755,816,000: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$250,000, except for headhouses or greenhouses which shall each be limited to \$1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center, including an easement to the University of Maryland to construct the Transgenic Animal Facility which upon completion shall be accepted by the Secretary as a gift: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law. None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In fiscal year 1999 the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities

(including land and facilities at the Beltsville Agricultural Research Center) issued by the agency as authorized by law, and such fees shall be credited to this account, and shall remain available until expended, for authorized purposes.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, \$61,380,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including \$168,734,000 to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a-i); \$20,497,000 for grants for cooperative forestry research (16 U.S.C. 582a-a7); \$27,735,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); \$49,273,000 for special grants for agricultural research (7 U.S.C. 450i(c)); \$15,048,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); \$99,550,000 for competitive research grants (7 U.S.C. 450i(b)); \$4,775,000 for the support of animal health and disease programs (7 U.S.C. 3195); \$700,000 for supplemental and alternative crops and products (7 U.S.C. 3319d); \$3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); \$4,350,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); \$1,000,000 for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); \$3,000,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); \$3,880,000 for aquaculture grants (7 U.S.C. 3322); \$8,000,000 for sustainable agriculture research and education (7 U.S.C. 5811); \$9,200,000 for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b); \$1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382; \$200,000 for teaching grants for public secondary education and 2-year postsecondary education (7 U.S.C. 3152(h)), to remain available until expended; and \$10,733,000 for necessary expenses of Research and Education Activities, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109; in all, \$431,125,000.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 103-382 (7 U.S.C. 301 note), \$4,600,000.

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative

extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, \$268,493,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), \$2,000,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$56,147,000; payments for a pesticides applicator training program under section 3(d) of the Act, \$300,000; payments for the pest management program under section 3(d) of the Act, \$10,783,000; payments for the farm safety program under section 3(d) of the Act, \$3,000,000; payments for the pesticide impact assessment program under section 3(d) of the Act, \$3,214,000; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), \$8,549,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, \$908,000; payments for a groundwater quality program under section 3(d) of the Act, \$10,061,000; payments for youth-at-risk programs under section 3(d) of the Act, \$9,000,000; payments for a food safety program under section 3(d) of the Act, \$3,500,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$3,192,000; payments for Indian reservation agents under section 3(d) of the Act, \$1,672,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,309,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326 and 328) and Tuskegee University, \$25,090,000; and for Federal administration and coordination including administration of the Smith-Lever Act, and the Act of September 29, 1977 (7 U.S.C. 341-349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$7,571,000; in all, \$416,789,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR
MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, the Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, \$642,000.

ANIMAL AND PLANT HEALTH INSPECTION
SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by

law, \$424,500,000, of which \$4,105,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1999 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1999, \$88,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, \$5,200,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE
MARKETING SERVICES

For necessary expenses to carry out services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$90,000 for employment under 5 U.S.C. 3109, \$46,567,000, including funds for the wholesale market development program for the design

and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$60,730,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS,
INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than \$10,998,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,200,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS
ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, \$27,542,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

LIMITATION ON INSPECTION AND WEIGHING
SERVICE EXPENSES

Not to exceed \$42,557,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses of the Office of the Under Secretary for Food Safety and to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, \$609,250,000, and in addition,

\$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102-237: *Provided*, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, \$597,000.

FARM SERVICE AGENCY
SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, \$724,499,000, of which not less than \$10,000,000 is for purchases of equipment or studies related to the Service Center Initiative Common Computing Environment: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5101-5106), \$2,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of: (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer; or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968 (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, \$450,000, to remain available until expended (7 U.S.C. 220(b)): *Provided*, That none of the funds contained in this Act shall be

used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

AGRICULTURAL CREDIT INSURANCE FUND
PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations of the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, \$500,031,000 of which \$425,031,000 shall be for guaranteed loans; operating loans, \$1,976,000,000 of which \$1,276,000,000 shall be for unsubsidized guaranteed loans and \$200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$1,000,000; for emergency insured loans, \$25,000,000 to meet the needs resulting from natural disasters; for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$100,000,000; and for credit sales of acquired property, \$25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, \$17,986,000 of which \$6,758,000 shall be for guaranteed loans; operating loans, \$62,630,000 of which \$11,000,000 shall be for unsubsidized guaranteed loans and \$17,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, \$153,000; for emergency insured loans, \$5,900,000 to meet the needs resulting from natural disasters; for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$1,440,000; and for credit sales of acquired property, \$3,260,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$219,861,000 of which \$209,861,000 shall be transferred to and merged with the "Farm Service Agency, Salaries and Expenses" account.

RISK MANAGEMENT AGENCY

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), \$64,000,000: *Provided*, That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND
REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1999, such sums as may be necessary to reimburse the Commodity Cred-

it Corporation for net realized losses sustained, but not previously reimbursed (estimated to be \$8,439,000,000 in the President's fiscal year 1999 Budget Request (H. Doc. 105-177)), but not to exceed \$8,439,000,000, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11).

OPERATIONS AND MAINTENANCE FOR
HAZARDOUS WASTE MANAGEMENT

For fiscal year 1999, the Commodity Credit Corporation shall not expend more than \$5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

Mr. SKEEN (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 29, line 26 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR
NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, \$719,000.

NATURAL RESOURCES CONSERVATION
SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the programs administered by the Natural Resources Conservation Service, including the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, \$641,243,000, to remain available until expended (7 U.S.C. 2209b), of which not less than \$5,990,000 is for snow survey and water forecasting and not less than \$7,825,000 is for operation and establishment of the plant materials centers: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: *Provided further*, That when buildings or other structures are erected on non-

Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2).

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001-1009), \$9,545,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$110,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, \$97,850,000, to remain available until expended (7 U.S.C. 2209b) (of which up to \$15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a)): *Provided*, That not to exceed \$47,000,000 of this appropriation shall be available for technical assistance: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a-f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$35,000,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C.

2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, \$611,000.

RURAL DEVELOPMENT

RURAL COMMUNITY ADVANCEMENT PROGRAM (INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, and 1932, except for sections 381E-H, 381N, and 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), \$745,172,000, to remain available until expended, of which \$35,717,000 shall be for rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act; of which \$658,955,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; and of which \$50,500,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: *Provided*, That of the amount appropriated for rural utilities programs, not to exceed \$20,000,000 shall be for water and waste disposal systems to benefit the colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; not to exceed \$15,000,000 shall be for technical assistance grants for rural waste systems pursuant to section 306(a)(14) of such Act; and not to exceed \$5,400,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amounts appropriated, not to exceed \$20,048,000 shall be available through June 30, 1999, for empowerment zones and enterprise communities, as authorized by Public Law 103-66, of which \$1,200,000 shall be for rural community programs described in section 381E(d)(1) of such Act; of which \$18,700,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; of which \$148,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: \$3,930,600,000 for loans to section 502 borrowers, as determined by the Secretary, of which \$3,000,000,000 shall be for unsubsidized guaranteed loans; \$25,001,000 for section 504 housing repair loans; \$125,000,000 for section 538 guaranteed multi-family housing loans; \$20,000,000 for section 514 farm labor housing; \$100,000,000 for section 515 rental housing; \$5,000,000 for section 524 site loans; \$25,000,000 for credit sales of acquired property, of which up to \$5,001,000 may be for multi-family credit sales; and \$5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional

Budget Act of 1974, as follows: section 502 loans, \$112,700,000, of which \$2,700,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, \$8,808,000; section 538 multi-family housing guaranteed loans, \$2,900,000; section 514 farm labor housing, \$10,406,000; section 515 rental housing, \$48,250,000; section 524 site loans, \$17,000; credit sales of acquired property, \$3,492,000, of which up to \$2,416,000 may be for multi-family credit sales; and section 523 self-help housing land development loans, \$282,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$354,785,000, which shall be transferred to and merged with the appropriation for "Rural Housing Service—Salaries and Expenses".

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, \$583,397,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than \$5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 1999 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$26,000,000, to remain available until expended (7 U.S.C. 2209b).

RURAL HOUSING ASSISTANCE GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For grants and contracts for housing for domestic farm labor, very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service as authorized by 42 U.S.C. 1474, 1479(c), 1486, 1490e, and 1490m, \$41,000,000, to remain available until expended: *Provided*, That of the total amount appropriated, \$1,200,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103-66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, title V of the Housing Act of 1949, and cooperative agreements, \$57,958,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$520,000 may be used for employment under 5 U.S.C. 3109.

RURAL BUSINESS—COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, \$17,622,000, as authorized by the Rural Development Loan

Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of \$35,000,000: *Provided further*, That through June 30, 1999, of the total amount appropriated, \$3,345,000 shall be available for the cost of direct loans for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, \$7,246,000.

In addition, for administrative expenses to carry out the direct loan programs, \$3,499,000 shall be transferred to and merged with the appropriation for "Rural Business-Cooperative Service—Salaries and Expenses".

RURAL ECONOMIC DEVELOPMENT LOANS
PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$15,000,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, \$3,783,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 1999, as authorized by section 313 of the Rural Electrification Act of 1936, \$3,783,000 shall not be obligated and \$3,783,000 are rescinded.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), \$3,300,000, of which up to \$1,300,000 may be available for cooperative agreements for the appropriate technology transfer for rural areas program.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; \$25,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$260,000 may be used for employment under 5 U.S.C. 3109.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, \$71,500,000; 5 percent rural telecommunications loans, \$75,000,000; cost of money rural telecommunications loans, \$300,000,000; municipal rate rural electric loans, \$295,000,000; and loans made pursuant to section 306 of that Act, rural electric, \$700,000,000 and rural telecommunications, \$120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and

guaranteed loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of direct loans, \$16,667,000; cost of municipal rate loans, \$25,842,000; cost of money rural telecommunications loans, \$810,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, \$29,982,000, which shall be transferred to and merged with the appropriation for "Rural Utilities Service—Salaries and Expenses".

RURAL TELEPHONE BANK PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1999 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), \$4,638,000.

In addition, for administrative expenses necessary to carry out the loan programs, \$3,000,000, which shall be transferred to and merged with the appropriation for "Rural Utilities Service—Salaries and Expenses".

DISTANCE LEARNING AND TELEMEDICINE
PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., \$10,180,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, and the Consolidated Farm and Rural Development Act, and for cooperative agreements, \$33,000,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; \$9,218,647,000, to remain available through September 30, 2000, of which \$4,170,497,000 is hereby appropriated and \$5,048,150,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That up to \$4,300,000 shall be available for independent verification of school food service claims.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM
FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as

authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), \$3,924,000,000, to remain available through September 30, 2000: *Provided*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That up to \$12,000,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels: *Provided further*, That notwithstanding sections 17(g), (h), and (i) of such Act, the Secretary shall adjust fiscal year 1999 State allocations to reflect food funds available to the State from fiscal year 1998 under sections 17(i)(3)(A)(ii) and 17(i)(3)(D): *Provided further*, That the Secretary shall allocate funds recovered from fiscal year 1998 first to States to maintain stability funding levels, as defined by regulations promulgated under section 17(g), and then to give first priority for the allocation of any remaining funds to States whose funding is less than their fair share of funds, as defined by regulations promulgated under section 17(g) unless the Secretary has published a revised funding formula regulation prior to the allocation of fiscal year 1999 funds: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966: *Provided further*, That State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996, only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than five percent.

AMENDMENT NO. 5 OFFERED BY MR. HALL OF
OHIO

Mr. HALL of Ohio. Mr. Chairman, I offer an amendment.

Mr. SKEEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from New Mexico reserves a point of order.

Is the gentleman from Ohio referring to his amendment that was printed in the RECORD?

Mr. HALL of Ohio. I am, Mr. Chairman.

The CHAIRMAN. The amendment that the gentleman is offering is printed on page 13 of the bill. Is there objection to the amendment of the gentleman from Ohio (Mr. HALL) printed on page 13 being considered at this point?

Mr. SKEEN. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The Clerk will report the amendment pending the reservation of objection.

The Clerk read as follows:

Amendment No. 5 offered by Mr. HALL of Ohio:

Page 13, line 14, insert "(reduced by \$8,000,000)" after the dollar figure.

Page 14, line 24, insert "(reduced by \$8,000,000)" after the dollar figure.

Page 15, line 18, insert "(reduced by \$9,000,000)" after the dollar figure.

Page 17, line 4, insert "(reduced by \$9,000,000)" after the dollar figure.

Page 48, line 9, insert "(increased by \$10,000,000)" after the dollar figure.

Mr. HALL of Ohio. Mr. Chairman, I ask unanimous consent to offer this amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. SKEEN. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Mr. HALL of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am offering an amendment which the gentleman from New Mexico was very much aware of. I suggested that I would be offering this amendment on the floor. I had not realized when I was in my office in a meeting that the agriculture bill was being called up and the discussion on the bill would go so quickly.

My amendment was in order. It was printed in the RECORD. It has been in the RECORD since last night. The problem is that the Reading Clerk went beyond the section. Therefore, I had to ask for unanimous consent. I would just ask for the gentleman's indulgence and that he would accept the amendment so that we could have a colloquy, if we could go back and I could offer this out of order.

It is not because we did not try. It is because the gentleman moved so quickly in the whole process here on the floor. This is a very important amendment.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I understand the gentleman's predicament and I would offer him this; that we will work with him in conference on this particular matter. But at the present time, it is out of order and I will maintain that objection.

Mr. HALL of Ohio. Mr. Chairman, I will take the time that I have. I am sorry that the gentleman does not see fit to accept this amendment. I do not know what the threat is.

The amendment essentially restores \$10 million that has been cut from the emergency food assistance program, it is called TEFAP, in the fiscal year 1999 agriculture appropriations bill. This additional \$10 million is needed to fully fund this critical antihunger program at the authorized level of \$100 million.

□ 1245

There is no question that more and more Americans are hungry and they are turning to food banks throughout our Nation for help. Study after study, Second Harvest, the U.S. Conference of Mayors, my own study shows that there has been countless news reports of more and more people asking for food. If Members have any doubts, visit the local food banks in their own districts.

I hate to be here cutting good programs, but hungry people ought to come first. The United States has the strongest economy in a generation, and yet hunger remains a serious problem for many people. The cuts that I propose still leave these programs with funding levels that have increased over the past year, and they keep funding for food banks flat.

When we cut food stamps by \$23 billion to pay for welfare reform, we committed to paying \$145 million to cover the increased demand on food banks. That is nowhere near enough to do the job. But cutting food banks even further in a year of increased need is unconscionable.

Food is the least expensive, most effective ingredient in a successful welfare reform. People cannot work on empty stomachs.

We are blessed in this country. There is no question about it. This bill is approximately \$55 billion. I realize that the chairman and ranking minority member are under a difficult task of trying to find money for all these different programs, but if we cannot find an additional \$10 million out of existing programs, especially programs that have been increased, there is something the matter with us.

If we are considering a \$60- to \$100 billion tax cut and we cannot give \$10 million extra to TEFAP, I cannot believe it. I cannot believe that the chairman is denying my amendment here when, about as fair as I could be, I offered that amendment, told the gentleman I was going to offer the amendment. The fact that it went too quickly, that we cannot consider this. I have to take the gentleman, though, at his word, since he objected to the amendment being offered, that he will try to restore this money of \$10 million. It is vitally needed. If anybody doubts me on this floor, call their food banks and their soup kitchens in this country. I guarantee them they will find out there are hundreds of thousands of extra people, mostly working poor and senior citizens, that are asking for food all over this country.

It does not seem possible that at a time when this country has a balanced budget, tremendous employment, the most wealthy Nation in the world, that we have 25 to 30 million people asking for food at soup kitchens and food banks. These are not people on welfare. These are people that are hurting.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I understand the gentleman's feelings and his fervor for this, because we have had a discussion on this topic. I am going to maintain the rule, but I will, as I offered before, work with the gentleman in the conference to see if we cannot come to some solution on this thing either one way or the other. I take the gentleman at his word and I understand how dedicated he is.

Ms. KAPTUR. Mr. Chairman, I move to strike the last word.

I would like to say to the gentleman from Ohio (Mr. HALL) that I do not think that there is a Member of this institution on either side of the aisle and in either Chamber who is more dedicated and more fervent and more committed to serving the needs of hungry people in our country and in other countries than is the gentleman from Ohio (Mr. HALL).

We have tried very, very hard and done the best that we could to the moment in this bill we are bringing to the floor to deal with the emergency needs across this country in our feeding kitchens. We know that they are there, and the gentleman from Ohio (Mr. HALL) has made us more aware of these needs. I could not let the moment go by without recognizing him and his dedication to this cause.

On the merits, he is absolutely correct. I know that this is the case in our State of Ohio, with all of the changes made in welfare reform, and I understand the pressures that our chairman was under as we tried to mark and cut and trim and do everything we could to produce a bill that satisfied across the board.

I would say to the gentleman from Ohio (Mr. HALL) that I will work very hard, as we move toward conference, with him and with our chairman and with the conferees to try to see if we cannot do better than we have done to this point.

One of the changes that we did make in the bill was to provide greater administrative flexibility to the States in the administration of the \$135 million that is in the measure for these programs. This should free up some commodities to food banks. It is still not enough, but we would hope that the States and the Governors would pay particular attention to these changes. That does not solve the gentleman's problem, which is the gross amount included for this account. I wanted to give the gentleman an opportunity to expand on his earlier statements, if he wishes at this point.

Mr. HALL of Ohio. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from Ohio.

Mr. HALL of Ohio. Mr. Chairman, I thank the gentlewoman for yielding to me and certainly thank her for her very kind words. I want to thank the gentleman from New Mexico (Mr. SKEEN) as well.

I know it seems that we can be lulled asleep in this country thinking that everything is going so well. The fact is that we do have a budget that is balanced. We have people that are working. We have very low unemployment across this country. But at the same time, according to the U.S. Conference of Mayors, according to Second Harvest, according to a survey that I did with 200 food banks across this country, we have somewhere between 15 percent and well over 100 percent in

some parts of our country of the increase of people asking for food in the last six months, and it is staggering. It does not seem possible.

These people are not people that are on public assistance. These are not people that qualify for any help. These are people, somewhere in the area of about 25 to 30 million people, that are two or three, sometimes four days a month, they go to bed, and their children, without food.

What happens is, after they pay their rent and they pay for the utility bills, they run out of money. These are the working poor and, in many cases, senior citizens. It is this group of people that find themselves going to food banks and soup kitchens. This is up in the last six months to the last year, not only at a minimum of 15 percent but it is up well over 100 percent increase.

What is happening at the same time is that a lot of the food chains and food markets and groups that give food are getting so much better in their estimate of not only food collection but inventories, and what is happening is that a lot of the food that they would normally donate is not coming into food banks and soup kitchens. So we find ourselves in a situation in which last year, under the welfare reform bill, \$23 billion was cut over the next four or five years out of food stamps. So money was increased to the tune of about \$100 million last year to the TEFAP program. But now I find that we are cutting back on the program.

What my amendment is trying to do is restore \$10 million, period. I realize that there are so many sections of this bill that are important. And when I have to cut one area to give to another, it is not a question that the area that is being cut is a bad area or a frivolous area, it is a good area. It is question of what is the priority.

Mr. BOEHLERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support for the conservation programs in this bill. But in doing so, I want to express my deep disappointment that their funding has been cut. So I guess this might fall under the heading of a qualified endorsement.

Conservation programs were an integral part of the farm bill in 1996, and they are crucial to safeguarding our supply of clean water. Programs like the Environmental Quality Incentives Program, the Wildlife Incentives Program, the Wetlands Reserve Program and the Consolidated Farm Option help protect our environment by assisting farmers.

These programs help farmers protect water quality by installing buffer strips along streams and rivers to prevent soil and pollution run off. They help farmers develop innovative waste treatment projects to control the growing impact on water quality by animal feedlots. And they help farmers restore and protect vital wetlands, continuing the goal of no net loss of wetlands first announced by President George Bush.

And what is more, the programs accomplish these goals without the threat of regulation. They are completely voluntary. They are incentives based, and they have the overwhelming support of the Congress, as was demonstrated by the 372-37 vote for the conservation title of the 1996 farm bill, probably our single greatest environmental achievement in the 104th Congress.

So, Mr. Chairman, I support this bill, but I want to draw attention to the shortfall in these vital programs. The Senate committee has taken a somewhat different approach, giving a higher priority to these important conservation environment programs. I hope that when all is said and done, these programs will emerge from conference with more funding than is in the House bill, more like those funds provided in the Senate bill.

It is important for American agriculture. It is important for the environment. It is important for America.

Mr. STENHOLM. Mr. Chairman, I move to strike the last word. I do this for purposes of entering into two colloquies with the chairman.

Mr. Chairman, it is my understanding that the reason for the inclusion of report language directing that the cost of providing technical assistance to the EQIP program will be fully funded within the EQIP, as provided in the Federal Agriculture Improvement Act of 1996, was to help ensure that other areas of technical assistance, such as grazing land improvement and ensuring water quality would not suffer.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I tell the gentleman that that is correct. The subcommittee is concerned that the NRCS has undertaken and has been asked by Congress to carry out a number of functions complicating their ability to fulfill their longstanding role of delivering technical assistance in the field in partnership with the conservation districts.

Mr. STENHOLM. Mr. Chairman, I thank the chairman for that response.

The chairman is aware that the Office of Management and Budget has directed that the agency will only receive a reimbursement of 10 percent for carrying out the EQIP program in fiscal year 1999 as opposed to the 19 percent level received in 1998. Would the chairman agree that the OMB should reexamine this decision?

I ask this question, particularly in light of the greatly increasing work the NRCS is doing with livestock producers and water supply districts to protect the quality of our water supply. As the gentleman is aware, the Environmental Protection Agency is going to be placing increasing regulatory demands on livestock producers. I would hope that we could do more to help install the best management practices available to stave off enforcement

actions that may come about because of these proposed regulatory actions.

Mr. SKEEN. Mr. Chairman, if the gentleman will continue to yield, the gentleman's concerns are not unwarranted. I will work with him to ensure that our farmers and ranchers will have the needed assistance to meet present and future environmental demands. I would also hope that OMB would reexamine the impact of their decision on reimbursement levels as we complete the work on this legislation.

Mr. STENHOLM. Mr. Chairman, I thank the chairman for that response. I assure him that I will work with him and with OMB to see that they may reexamine those decisions.

Second colloquy, I know the chairman is aware, again, of the tremendous regulatory burdens facing many of our Nation's livestock producers. In light of these burdens, there is a tremendous need to develop innovative, market-based solutions for livestock-related water quality concerns.

A project to do just that has been proposed by a broad coalition of dairy producers, local governments and researchers in the Bosque watershed of central Texas. This project would facilitate evaluation of promising waste utilization technologies and would work to develop markets in order to enhance the value of these by-products.

□ 1300

Unfortunately, because their project necessarily involves both research and actual market development, they have found it rather complicated to secure funding under either the research or the rural development categories.

I believe this is a worthy project deserving funding from USDA rural development and hope the gentleman from New Mexico would look at this as we go to conference.

Mr. SKEEN. I will respond to the gentleman by saying I am aware of the project the gentleman is referring to, and I share his concern regarding the challenges of such innovative efforts. I would certainly encourage the Department to give serious consideration to this project when evaluating rural development priorities. In addition, I will happily work with the gentleman from Texas should any other appropriate research funds become available during this conference.

Mr. STENHOLM. I thank the gentleman from New Mexico for that response.

Mr. SERRANO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first of all, I would like to offer my thanks both to the gentleman from New Mexico (Mr. SKEEN), chairman of the subcommittee, and the gentlewoman from Ohio (Ms. KAPTUR), ranking member, as well as the leadership of the committee, the gentleman from Louisiana (Mr. LIVINGSTON) and the gentleman from Wisconsin (Mr. OBEY) on the work that has been done on this bill.

These days it is not easy to put a bill like this together with all of the cuts

that we are facing in this Congress and throughout our government. So when, in fact, we set out to try to help the very people who need help, and we move on the road to accomplishing that, it is something that we have to be commended for.

While it is a difficult bill to put together, I think the final result, with yet some minor changes, may, in fact, address the needs of so many people in this country.

Most importantly, I would like to thank the leadership on both sides for accepting into the rule an amendment that I worked on for many months this year and which many people were working on which would deal with the issue of African American and minority farmers.

This action was necessary because the Justice Department had determined that the statute of limitations prevents the USDA from providing compensatory damages to individuals who allege discrimination in USDA programs if those individuals did not file a complaint in Federal district court within 2 years of the alleged discrimination, even if they had filed a complaint in USDA's administrative process.

In fact, a Civil Rights Action Team report, issued in February, 1997, concluded that USDA had not been effectively resolving civil rights complaints from 1993 to 1996. Since then, USDA has new civil rights leadership and, with the help of Congress, has rebuilt the civil rights investigatory and settlement infrastructure.

USDA now has in place a process where each case is investigated, compensation claims are subjected to independent economic analysis, and officials from the office of civil rights and the office of the new associate general counsel for civil rights issue written findings of investigations and prepare and review settlements.

But without addressing the issue that is addressed in this bill, USDA would not be able to effectively resolve discrimination complaints filed against it by a group of farmers who deserve our attention. So it is important to understand what we have accomplished here today.

I think it is also most important to understand that it was done on a bipartisan fashion. We have for so many years wanted very much to move in the direction of being fair with everyone. These farmers had been treated unfairly, and, yet, there was no way to deal with this issue.

So today I think we have accomplished a lot, and it is a great day. We have solved, and we are on the road to a very serious solution of this problem. I know that this issue will come up again in conference, but I wanted to thank the gentleman from New Mexico (Mr. SKEEN), the gentlewoman from Ohio (Ms. KAPTUR), and the leadership of the committee for allowing this amendment to be part of the final product.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), \$22,591,806,000, of which \$100,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That funds made available for Employment and Training under this head shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act, as amended.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) and, the Emergency Food Assistance Act of 1983, \$131,000,000, to remain available through September 30, 2000: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note), and section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a), \$141,081,000, to remain available through September 30, 2000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services and of the domestic food programs funded under this Act, \$108,311,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law and of which \$2,000,000 shall be available for obligation only after promulgation of a final rule to curb vendor related fraud: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$140,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$135,561,000, of which \$3,231,000 may be transferred from the Export Loan Program account in this Act, and \$1,035,000 may be transferred from the Public Law 480 program account in this Act: *Provided*, That the Serv-

ice may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, and 1731-1736g), as follows: (1) \$182,624,000 for Public Law 480 title I credit, including Food for Progress programs; (2) \$14,890,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985; (3) \$837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) \$25,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit agreements under said Act, \$158,499,000.

Mr. SANDERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to enter into a colloquy with the gentleman from New Mexico (Mr. SKEEN), if I might. I had planned to offer an amendment to increase funding for the rural community advancement program by \$10 million in order to fund a national pilot program to promote agritourism.

The purpose of this program is to provide another means of income for America's struggling family farmers. I think the plight of the family farmer in America is well documented, and I do not need to get into it right now. But as I said before, I am impressed with the work done in New Mexico with the rural economic development through tourism program.

I know the gentleman from New Mexico (Mr. SKEEN) has been very active in that program. I think it would be very useful to expand this general concept into a national program. I think it is working well in New Mexico, and I think it could work well throughout rural America.

However, I understand that the funding authority for the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies has decreased significantly

for fiscal year 1999, and I would, therefore, like to get a commitment from the gentleman from New Mexico to work with me in the future to fund a pilot national agritourism program for fiscal year 2000.

Mr. SKEEN. Mr. Chairman, will the gentleman yield to me?

Mr. SANDERS. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I want to tell the gentleman that he has picked on a good program, because it has been very, very good in its operation in New Mexico. I hope that we could extend that. I will pledge to the gentleman that I will work with him to help develop this program into a nationally recognized program.

Mr. SANDERS. That is really good. I think farmers, dairy farmers, and others need additional sources of income. Agritourism has proved successful in New Mexico and other States. I look forward to working with the gentleman in the future to consider it a national concept.

Mr. SKEEN. The gentleman should consider it done.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 480 are utilized, \$1,850,000.

COMMODITY CREDIT CORPORATION EXPORT
LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, \$3,820,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed \$3,231,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed \$589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency.

EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than \$5,500,000,000 in credit guarantees under its export credit guarantee program extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202(a) and (b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

EMERGING MARKETS EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than \$200,000,000 in credit guarantees under its export guarantee program for credit expended to finance the export sales of United States agricultural commodities and the products thereof to emerging markets, as authorized by section 1542 of Public Law 101-624 (7 U.S.C. 5622 note).

TITLE VI

RELATED AGENCIES AND FOOD AND
DRUG ADMINISTRATION
FOOD AND DRUG ADMINISTRATION
SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental

of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed \$25,000; \$1,003,772,000, of which not to exceed \$132,273,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended; and of which \$500,000 shall be available for development of the systems and regulations necessary to implement the program under section 409(h) of such Act: *Provided*, That fees derived from applications received during fiscal year 1999 shall be subject to the fiscal year 1999 limitation: *Provided further*, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, \$11,350,000, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act, \$88,294,000, including not to exceed \$5,428,000 to be transferred to this appropriation from fees collected pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act and credited to the Food and Drug Administration Salaries and Expenses appropriation: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE
PAYMENTS TO THE FARM CREDIT SYSTEM
FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized, \$2,565,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed \$25,000 for employment under 5 U.S.C. 3109; \$62,140,000, including not to exceed \$1,000 for official reception and representation expenses: *Provided*, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia

to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

FARM CREDIT ADMINISTRATION

LIMITATION OF ADMINISTRATIVE EXPENSES

Not to exceed \$35,800,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249: *Provided*, That this limitation shall not apply to expenses associated with receiverships.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1999 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 440 passenger motor vehicles, of which 437 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621-1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed \$2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, and integrated systems acquisition project; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American Institutions Endowment Fund in the Cooperative State Research, Education, and Extension Service; and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose

of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1998 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 711. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 712. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97-219 (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 713. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1999 shall remain available until expended to cover obligations made in fiscal year 1999 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service; Grain Inspection, Packers and Stockyards Administration; and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service, the Grain Inspection, Packers and Stockyards Administration or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 717. None of the funds in this Act may be used to retire more than 5 percent of the

Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided*, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.

SEC. 718. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

SEC. 719. Of the funds made available by this Act, not more than \$1,400,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.

SEC. 720. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104-127, the Federal Agriculture Improvement and Reform Act.

SEC. 721. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

SEC. 722. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

SEC. 723. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a

reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 724. Funds made available to the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Development agencies may be used to support a staff office established to provide common support services, including the common computer system for use by such agencies.

SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the provisions of section 793 of Public Law 104-127, the Federal Agriculture Improvement and Reform Act of 1996, as amended.

SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a wildlife habitat incentives program authorized by section 387 of Public Law 104-127.

SEC. 727. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives program authorized by sections 334-341 of Public Law 104-127 in excess of \$174,000,000.

SEC. 728. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 130,000 acres in the fiscal year 1999 wetlands reserve program as authorized by 16 U.S.C. 3837.

SEC. 729. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out the emergency food assistance program authorized by section 27(a) of the Food Stamp Act if such program exceeds \$90,000,000.

SEC. 730. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998.

SEC. 731. Notwithstanding any other provision of law, the City of Big Spring, Texas shall be eligible to participate in rural housing programs administered by the Rural Housing Service.

SEC. 732. Notwithstanding any other provision of law, the Municipality of Carolina, Puerto Rico shall be eligible for grants and loans administered by the Rural Utilities Service.

SEC. 733. Notwithstanding section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009), the definitions of rural areas for certain business programs administered by the Rural Business-Cooperative Service and the community facilities programs administered by the Rural Housing Service shall be those provided for in statute and regulations prior to the enactment of Public Law 104-127.

SEC. 734. None of the funds appropriated or otherwise made available by this Act shall be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

SEC. 735. Meaning of "Antibacterial". Section 512(d)(4)(D)(iii) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.

360b(d)(4)(D)(iii)) is amended by inserting before the semicolon the following: “, except that for purposes of this clause, antibacterial ingredient or animal drug does not include the ionophore or arsenical classes of animal drugs”.

Mr. SKEEN (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 67, line 15 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. Are there amendments to the portion of the bill just read?

If not, the Clerk will read.

The Clerk read as follows:

SEC. 736. In issuing the final rule to implement the amendments to Federal milk marketing orders required by subsection (a) of section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253), none of the funds appropriated or otherwise made available to the Secretary by this Act, any other Act, or any other source may be used to issue the rule other than during the period of February 1, 1999, through April 4, 1999, and only if the actual implementation of the amendments as part of Federal milk marketing orders takes effect on October 1, 1999.

AMENDMENT NO. 7 OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. OBEY:
Strike out section 736.

Mr. OBEY. Mr. Chairman, this will take a little time because I need to go back into some history to explain what is happening here today.

In 1938, the Congress passed legislation which established a series of milk marketing orders which, in essence, had the government setting prices for fluid milk based on where that milk was manufactured in the country. That made sense in 1938 when we did not have refrigeration, we did not have quality highways; it does not make sense today. It simply encourages overproduction, and it costs the taxpayer, and it hurts the consumers, and it hurts a lot of farmers in a number of regions around the country.

In the 1985 farm bill, Congressman Coehlo was instrumental in making a legislative change to that provision in law, first time that the Congress had interfered up until that time. Whatever differentials were provided for a Class I pricing were provided by administrative decision on a neutral basis. But that 1985 law added to the differential, and it raised the cost of milk products in a number of sections around the country.

As a result, today a farmer in Florida is required by law to receive \$3 more per 100 pounds of milk than a farmer from my neck of the country is. A farmer from New York for fluid milk is required by law to be paid \$2 more per 100 pounds on average than farmers in my section of the country.

We tried to change that in the farm bill that passed 2 years ago. Our efforts culminated in the amendment being offered that was offered at that time by Mr. Gunderson who was, at that time, the Republican chair of the Subcommittee on Livestock, Dairy and Poultry, and he tried to offer an amendment which would in a wholesale way reform that system.

He was rebuffed. He was told by the leadership of the House, no, there will not be any ability to offer an amendment to change this on the House floor. We are going to block you in the Committee on Rules. The only remedy that you will have is administrative.

Proceeding under authority in the farm bill to review the situation, Secretary Glickman has reviewed the seven options that he had before him for reforming this monstrosity, and he has proposed two for consideration by farmers. One is called Option 1-A. The other is called Option 1-B. The agency prefers 1-B, which is a tiny modest reform of the existing system. The status quo is represented by Option 1-A.

What is happening is that the very people who told us that we could not have a legislative remedy are now saying we cannot have an administrative remedy either. What they are saying is they are, in essence, delaying the ability of the Secretary to produce a reformed recommendation.

What that means is the Congress is saying, Mr. Secretary, Mr. Glickman, do not bother to even think about changing the milk marketing order system, because we will override you legislatively. That is why they have this delay in allowing the Secretary to propose his amendment.

I think that is illegitimate, and that is why I have a simple motion to strike that provision of the bill. Under the normal rules of the House, I should have been allowed to simply strike the section on a point of order because this section of the bill is clearly legislating on an appropriation bill. It is illegal under the rules of the House. It is not under the jurisdiction of the Committee on Appropriations.

I should have been allowed to strike that. I was not allowed to do so because that illegitimate section was protected by the rule. So now this is the only opportunity we have to have any discussion whatsoever of this proposal.

There is one other problem associated with what is in the bill. It also, by indirection, extends what is known as the Northeastern Dairy Compact. I do not blame representatives from any region of the country for trying to get a better deal for their farmers, but it should not come at the expense of farmers in other sections of the country, and it should not come at the expense of consumers.

What this provision in the bill provides is that it also allows for another 6-month extension of the Northeastern Dairy Compact. That will continue to raise prices for consumers in that re-

gion. It will continue to fence out from that region all dairy products produced in any other section of the country.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, I find it ironic that some of the same people in this House who have lectured us on the need to open trade barriers internationally are now saying, oh, but we should proceed to erect trade barriers within the Continental United States. That is exactly what the continuation of the Northeastern Dairy Compact would do.

So this amendment is very simple. It simply strikes the provision in the bill which extends the existing milk marketing order system and prevents the Secretary from offering reforms to it until he has waited another 6 months. It would also follow the original intent of the Northeastern Dairy Compact and end that compact at the same time.

If we believe in bringing dairy into a free market system rather than having government dictate the price that farmers are paid, we will vote for this amendment. It will be fair to consumers. It will be much fairer to the farmers in many sections of the country than the existing situation is. It will certainly be fairer to my farmers.

I think if anyone votes against this amendment and claims with a straight face to be a free marketer, he has been looking at a different dictionary than I have.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I am delighted to see my friend, the gentleman from Wisconsin, my good friend, suddenly defending the free market theory when on so many issues we have stood together and said that it is absolutely appropriate to protect working people, to protect family farmers against the changes in the free market.

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Mr. OBEY. Reclaiming my time, I have no objection to protecting people from the unfair aspects of the free market, provided that you protect everybody. But the way this works is you are protecting your farmers at the expense of farmers in every other section of the country, and I do not regard that as a legitimate way to proceed.

Mr. PETRI. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Wisconsin.

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

Mr. PETRI. Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. SOLOMON. Mr. Chairman, I move to strike the last word.

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

Mr. SOLOMON. Mr. Chairman, let me just rise in the strongest possible opposition to the motion to strike this extremely important provision in this bill. This provision is vital to the long-term livelihood of the dairy farmers throughout this entire country.

I am about to show my colleagues a chart that shows dairy farmers all across America. It does not matter whether you are from the Northeast, the Southeast, the Southwest, anywhere except in Wisconsin, they would lose and they would lose badly. Our farmers would be out of business. There would not be a farm left in Massachusetts, in New York, in New England, anywhere in New England, in Vermont if this legislation were to be defeated here today.

Let me take a moment to correctly characterize the dairy provisions of the 1996 farm bill as I was the author of those provisions just over 2 years ago along with the gentleman from Louisiana (Mr. LIVINGSTON), the chairman of the Committee on Appropriations; and also the gentleman from New Mexico (Mr. SKEEN), the chairman of the subcommittee.

The 1996 farm bill calls for reform in dairy, government purchases of product are phased out, eliminating the Federal budget outlays to dairy, marketing orders are consolidated and pricing adjustments are to be made. However, it was made explicitly clear in the deliberations over the 1996 farm bill that the basic pricing structure of the Federal dairy program that is so vitally important to the dairy men and women across this Nation would be maintained, without question. That is what the legislation says.

Some would argue that the Federal dairy program divides our Nation's dairy farmers into regions of haves and have-nots. The facts simply do not support that claim, Mr. Chairman. The Class I differentials that are such a popular target of the sponsors of this amendment in reality do not translate to higher producer pay prices.

As the USDA mailbox prices indicate, the Upper Midwest consistently receives higher farm-gate prices than all other regions with the exception of Florida. Over the last three years Wisconsin milk prices have averaged \$0.39 per hundredweight higher than the prices received by my New York dairymen.

Mr. Chairman, the federal milk marketing order system is the life blood of the dairy farmers of this country.

Taking money out of the pockets of dairy farmers as USDA proposes is not the intent of this Congress and it will only accelerate dairy farm attrition and reduce local supplies of fresh fluid milk.

No one—not dairy farmers, not consumers—benefits from depressed farm milk prices.

In February, dairy producers in my district came to me and explained how the proposed USDA plan would in one fell swoop annihilate the already tight margins challenging their family businesses today.

Other Members, many other Members, from the many diverse dairy producing heard similar messages and we came together to publicly criticize the USDA plan regions—238 Members in this House and 61 in the Senate.

The dairy program may be complex and many Members today will claim they don't understand it, but please know—your farmers understand very well the impacts these policies have on their livelihoods.

Let's step back and look at this provision for what it truly is. The provision provides a 6-month across the board extension to all the dairy reform provisions of the Farm Bill to ensure that our nation's family dairy farmers are treated fairly under the federal milk marketing order reform.

It ensures that the damaging USDA proposal cannot be implemented while Congress is out of town and cannot respond to a rule that levy heavy costs on producers around the country to the clear benefit of one region.

Under the proposal, nearly 50 cents is taken away from my New York producers when they already receive 40 cents less per hundredweight than Wisconsin producers.

That is what I call unfair.

Support the extension, support Congressional oversight and oppose the Obey amendment to strike.

Mr. Chairman, in upstate New York in the Hudson Valley, we have farmers that have farmed that land for generations. These people have probably a net income between the husband, the wife and one child, in other words, gross income of about \$31,000, if they are lucky, and most of them are less than that. How do they get that? If they are lucky, under the present milk marketing order system, which is a price support, not paid for by the Government, not one nickel paid for by the Government, but, in other words, the farmer might make \$8,000, with all that work that goes into this over the course of a year. In order to maintain the farm and to maintain even a standard of living, the wife has to go out and she has to work for a catheter firm where she might make 12 or \$13,000; and the one son who gets up at 4 o'clock in the morning when it is 30 below zero up there, the one son gets up, helps to milk the cows, then he goes to work in some other area, and in total they have an income of \$31,000 and they barely are able to pay the taxes and keep that farm going. That is why we are losing farms by the hundreds, because people from New York City with all their money come up and then when they see the farmer no longer can make it, his son decides not to be the 16th generation, in other words, to work on that farm, and they no longer can make it, then somebody comes up there, they buy this farm, they renovate this farmhouse, and these wealthy people live happily ever after. But the farm is gone. They are gone by the hundreds and hundreds and hundreds.

Milk price supports, regardless of what the gentleman is going to say, simply guarantees that in every part of the country, you are going to lose money if we do not maintain those milk price supports. Take a look at

this chart. Every single State in the union, except Wisconsin, loses money. Wisconsin makes money.

Let me just clarify for the last time what happened in 1996. I had just gotten out of a hospital, 30 days, where I had cancer, came on this floor and got into an argument with the gentleman from Rhode Island (Mr. KENNEDY), which I probably should not have been here, over guns; and the next day we took up this bill. The explicit bill said that we will maintain milk marketing orders, we will let the Secretary of Agriculture shrink those orders from 34 or 35 down to a workable 13 or 14. That was the order we gave.

Now, we have over 238 Members of this Congress coming from New York City, from the rural areas like the gentleman from Vermont who have signed this letter to Mr. Glickman saying, "You have to live up to the law. The law says we will maintain milk marketing orders."

The gentlemen from Wisconsin, this gentleman from Wisconsin (Mr. OBEY), they want to abolish it. They want to abolish it because they know their farmers will make more money if it is abolished, but all the rest of us will lose and lose badly.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLOMON) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. SOLOMON was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Wisconsin, someone I respect greatly.

Mr. OBEY. Let me simply ask the gentleman, outside of the fact that his State has 31 Members in this House and our State has 9, is there any other reason why his farmers should be required by law to receive \$2 for every 100 pounds of fluid milk, \$2 more for every hundred pounds of milk than my farmers are allowed to receive under the law?

Does the gentleman not believe that the market should determine what the price is rather than which State has the most votes on the floor of the House?

Mr. SOLOMON. That is exactly why we need the Northeastern Compact. It is why they need a Southeastern Compact. Because what it does, it guarantees that 8 million people in New York City and another 10 million upstate are going to get fresh milk, not coming from Wisconsin or someplace else; produced in the Hudson Valley of New York State.

Now, let us clear it up one more time. There is an overproduction of milk in the Northeast. Do you know how much we overproduce? I mean all these farmers that we are talking about. Two percent.

Do you know where the real overproduction comes? It comes from the area of the gentleman from Wisconsin

(Mr. OBEY). You know it, the whole country knows it, and you want to make even more money for your farmers. I do not begrudge you that, but do not put ours out of business. That is what you are doing.

Mr. OBEY. If the gentleman will yield on that point, let me simply ask, does the gentleman really believe that we should be establishing internal trade barriers to milk products in this country while we are being told that we should abandon trade barriers internationally?

Mr. SOLOMON. Did the gentleman ever live or work on a dairy farm? I grew up on a dairy farm in Okeechobee, Florida.

Mr. OBEY. You bet I did.

Mr. SOLOMON. Let me tell you something. Fresh milk means everything. We cannot abolish small dairy farms from across the country and depend on 5,000 herd of cattle owned by people that do not even belong in the dairy business, these international conglomerates. We do not want to depend on them. We want small dairy farmers in America.

Mr. OBEY. If the gentleman will yield further, the average farm in my district is 50 cows. That is already a giant. The gentleman makes the best possible argument for the worst case that you have on the merits.

Mr. SOLOMON. I plead with the gentleman to join us.

Mr. PETRI. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the dean of the Wisconsin delegation the gentleman from Wisconsin (Mr. OBEY) and his amendment.

Mr. Chairman, the fact of the matter is that the Federal milk marketing order system has been gradually strangling the dairy producers of Wisconsin. There is no doubt about it. Before the Federal Government got into this business, Wisconsin was known as America's dairyland. We were by far number one in dairy production.

Since the Federal Government got into this in the Depression and then it has been extended, what we have seen is the pattern where gradually the producers of Wisconsin have been squeezed out of business. I will yield to no one in the country in their concern about dairy producers, but I would question them being concerned about dairy producers just because they happen to be next door rather than across the United States. The fact of the matter is the effect of the Northeast Compact and of the milk marketing order system has been to put hard-working dairy farmers out of business net in the United States.

The reason really that the impact is disproportionate on Wisconsin is due to the different structure of our dairy industry historically from many other areas of the country. Most of the areas of the country were historically fluid milk producing areas of the country for urban consumers. In Wisconsin, 90 percent of our milk on average histori-

cally has gone into value-added processed products, cheese, butter and the like, and then shipped all across the United States.

Over years as people learned how to manipulate the milk marketing order system, what has happened is that they have used the price supports to help them produce fluid milk for their local consumers, they have used that to subsidize excess production, and then manufactured that excess production into butter and cheese and so on, driving Wisconsin producers out of business.

The fact of the matter is we are no longer America's dairyland in Wisconsin. We are number two, both in milk production and now, for the first time in several generations, in the number of cows, to California. That is because, not that Wisconsin farmers do not work hard, not that they are relatively inefficient but because of the discrimination against the upper Midwest that is inherent in the Federal Government milk marketing program. The time has come to end that program and not keep it alive.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, let me simply observe that all through the debate last year, we were told, "You guys aren't going to get the opportunity to offer an amendment on this floor because we're going to prevent you from doing that by a special rule in the Rules Committee, so you aren't going to get a legislative remedy. You are going to have to rely on the USDA to come up with an objective reevaluation through their analysis."

Now that USDA has done so and the Secretary of Agriculture has indicated clearly that this system needs some reform, even though the reform he has proposed is the most minimal of the options offered outside of the status quo, we are now being told, "No, sorry, guys, don't bother. Mr. Secretary, don't bother, because if you try to adjust it, we're going to hammer you down legislatively."

That is what that provision is about in the bill. We are offering this amendment so that we finally get an opportunity to deal with this issue the way we should have been allowed to get an opportunity when the bill was originally before us.

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. PETRI. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, as the gentleman from Wisconsin knows very well, this is June Dairy Month back in Wisconsin. We have got 72 dairy breakfasts going on. Twenty-four thousand family farms are celebrating June Dairy Month right now. Since 1980 alone, because of this antiquated Depression-era Federal milk marketing order system, we have suffered half,

half of the family farms that have gone out of business in the last 18 years. Roughly five or six family farms a day are going out of business because of this price differential that is pitting region against region.

This is a golden opportunity for this Congress to finally come together, bring the competing regions together, finally hammer out one coherent national dairy policy that will get rid of these trade barriers that are now existing from region to region and start positioning our dairy producers for the 21st century so we can compete internationally. Rather than subsidizing inefficient dairy operations at home, we should be looking beyond our borders in how we can gain access to these opening markets overseas. We are not going to do that as long as we perpetuate this discriminatory form of dairy policy that works by and large to the disadvantage of farmers in Wisconsin. I have got 9,000 of those family farms in my district alone.

Eau Claire, the city, has been the epicenter of this discriminatory policy. That is what has to change. I thank the gentleman for yielding.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin. Indeed I feel a little bit like an exhibit in an SAT question, "What doesn't belong in this sequence?" because I find myself in among all the Wisconsinites, and I am not motivated similarly to them. I bid them all a happy June Dairy Month. I was previously unaware of its existence and I probably will not celebrate it other than today. I am speaking for the consumers in favor of the amendment. Let me address the free market question.

□ 1330

I have generally believed that we should, when we are dealing with production, rely on the powerful pro-production, pro-efficiency mechanism of the free market. I differ with some of my colleagues here in believing that the government then has some responsibility to provide safety nets. So I want to see these dairy farmers who are not doing well get the benefit of health care. I differ from some of my colleagues maybe in that. I do think, however, we make a distinction. The free market is the best way to govern production. Then the government intervenes to deal with people who may not be doing well.

What I am struck by are the number of my colleagues who are ordinarily supporters of the free market who trash it in this regard. My friend from New York, who I had always thought of as a great conservative, says that there are people who do not belong in the dairy business. Apparently we have a new function now. We in the Congress will decide who belongs in the dairy business and who does not belong in

the dairy business. I do not think we belong in the business of deciding who belongs in the dairy business, and therefore we ought to get to this amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, no, I did not mean that at all. What I meant was, I say to the gentleman from Massachusetts, we went through an S&L crisis, as my colleagues know, a number of years ago. And I know, and I will get the gentleman from Massachusetts some more time; okay?

But as my colleagues know, what happened was when we changed the guaranteed deposits, as my colleagues know, everybody got into the banking business. My colleagues and I decided we were going to be bankers, and we jumped in because it was all going to be federally guaranteed. Now we have got the same kind of people jumping into the dairy business.

Mr. FRANK of Massachusetts. Mr. Chairman, let me say I apologize for responding to what the gentleman said rather than what he meant, but my psychic powers are not as strong today as they have been.

I differ with the analogy. In the S&L business we did try very hard to put the S&L owners out of business. Those who were, in fact, culpable, we protected the depositors but not the owners.

But this is the issue, and I have all these free market people on the other side. I mean, maybe I am a sloppy reader. I thought I was familiar generally with the works of Milton Friedman, Friedrich Von Hayek, Ludwig Von Mises and Daffy Von Duck and whoever else the gentleman is citing. I must have missed the footnote that said none of this applies to farming. Somehow apparently in this whole body of intellectual activity that the friends of the free market, there is an exception for farming.

What are we told? There is overproduction, my friend from New York says. Too many people are producing, there are people who can barely make it. And what is the solution? It is that the government step in and protect that overproduction, let us have government rules that guarantee that people can continue to overproduce.

It is the role of the market to deal with this in a fair way. If there are people who will then suffer, I am for health care for them, I am for better education programs for their children, and I am for trying to protect them. What this does is artificially keep prices high in the parts of the country so that poor consumers have to pay higher milk prices.

Let us also understand that there is no magical source of money here. If we are going to pay some farmers more money than they would otherwise get because of government rules and it is not coming from the taxpayer, it must

be coming from the consumers. And indeed I am, I guess, in the minority in my region in opposing the dairy compact because that is another example of mercantilism to protect a small number of people who apparently would not make it in a free market system. We require others to subsidize them.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield again to the gentleman from New York.

Mr. SOLOMON. As my colleagues know, I just do not quite understand this because I have got some strange allies, too. The Liberal Party in the State of New York; we have a Republican, a Democrat, a Liberal, a Conservative Party; the Liberal Party of the State of New York, which are consumer-oriented, support my position.

Mr. FRANK of Massachusetts. First of all, Mr. Chairman, let me say two things to the gentleman.

First of all, I am somewhat familiar with the political history of New York, and there is less justification for the continued existence of that Liberal Party, which is a vestige, as the gentleman knows, than there is for some of these dairy farms that cannot make it on their own. The Liberal Party in New York is a patronage farm, and my colleague wants to subsidize them. But beyond that, what the gentleman is saying is that the consumer should be willing to subsidize this because the consumer will get fresh milk.

Mr. Chairman, I think I will let the consumer make that decision. I do not think the United States House of Representatives has to say to the consumer, "Look, we're going to make this choice for you. We will set rules that make you pay higher because you'll be getting fresh milk."

Consumers are capable of making that decision. If in fact people are not willing to pay enough of a premium to buy the extra milk, then we will not have it.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. FRANK) has expired.

(By unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield first to the gentleman from Vermont.

Mr. SOLOMON. Why does the gentleman not yield to me first?

Mr. FRANK of Massachusetts. I yield first to the gentleman from Vermont because I have not yielded to him yet at all. It is the same side, it is equity. They are both against the free market. We are talking about socialist economics, one versus the other. That is okay. I yield to the gentleman from Vermont.

Mr. SANDERS. What we are talking about is six States, among other things, and the legislatures and the Governors of six States and the people

of six States coming together and saying, yes, it is terribly important that we save family farmers today and in the future.

In terms of consumers, I say to the gentleman from Massachusetts (Mr. FRANK), let me suggest this: that family farms in the weeds around this country go out of business, and if dairy is controlled by a handful of multinational agribusiness corporations, if my colleagues think the consumers are going to get a good deal, they are wrong.

Mr. FRANK of Massachusetts. Mr. Chairman, excuse me, I am taking back my time. I only have 2 minutes.

No, I do disagree with the gentleman on exactly that. It is always the argument on behalf of the people who are less efficient that efficiency will lead to price increases. I understand there are people who do not believe the market works. I disagree with that. In the first place there is no danger, in my view, of the milk production business being dominated by three or four or five entities. There will continue to be competition.

Secondly, as for preserving the family farms, I would like to try to preserve family farms, but I would like to preserve family plumbers, family small grocery stores. One of the problems we have here is that we are singling out one occupation, small farming, which is not well served apparently by current economics and saying, "We'll preserve you with subsidies and with extra consumer funds and not anyone else."

As far as the sick States are concerned, yes, I know all States have voted for that. I have seen times in my life which States have voted incorrectly. I believe, as a representative of one of those States, that in fact the people I represent are poorly served by a mechanism which increases the price because we make the choice for them if they pay more.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I will yield once more to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I also am concerned about consumer prices, and the question we have to ask is, in the last 20 years, at least in my State, the real price that farmers have gotten for milk has declined in real price by 50 percent.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. FRANK) has again expired.

(On request of Mr. SANDERS, and by unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 1 additional minute.)

Mr. SANDERS. Mr. Chairman, if the gentleman will yield, the issue here to think about, if we are concerned about consumers, is why, if the real price that family farmers have received has gone down by 50 percent and farmers all over this country are being driven off of the land, why in the super-markets the prices have gone up.

Mr. FRANK of Massachusetts. Let me respond. I would say to the gentleman, Mr. Chairman, that the price paid to the farmer is not the only price. There are processing costs, there are trucking costs, there are costs in having the store, and I know the gentleman is much more critical of the market than I. I would point out to many of my colleagues on the other side that the view of the market he is taking, he is being consistent, is not one they usually take. They are the ones that are making a very blatant exception for this one favored profession. I differ with the gentleman from Vermont about this. I understand that is his view. I do believe the market generally works, but the price paid to the producer is by far the only element.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would simply like to point out the problem with the gentleman from Vermont's argument. It is that he intervenes only in support of some of the farmers in this country. Many other farmers are driven out of business by the very action that is being defended on this House floor today.

Mr. SMITH of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, now that the entertainment is over, we ought to be talking about the issue that is before us and the amendment before us, and having survived these dairy wars in the past, I thought it was possible that we might get by one more time, but of course that did not happen.

Frankly, I became involved because I believed that this was not the time or the place to debate again the finality of what is going to happen to dairy. It was my understanding that my colleagues in 1996 passed a bill called the Freedom to Farm bill which ends subsidies, and I thought that was the process that we were going through.

But that did not occur, and in an effort to assist the people in the Midwest I offered a program to merely extend for 6 months the existing issue, all in a manner to keep the peace. Well, obviously the people in the Midwest are now suggesting that that is not enough, but it was a compromise, and it was agreed to by the gentleman on this side and ladies and gentlemen on that side. We thought it was an agreement.

Now what is wrong with allowing the authorizers and the appropriators another session, since this is late in this one and since, thank God, I will not be here to have to enlist in this argument again, what is wrong with allowing the next Congress, authorizers and appropriators, to deliberate and debate this issue in depth? I thought I was offering a reasonable amendment. I was congratulated, by the way, by some Members on their side and my side on reaching a reasonable agreement.

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, just from a personal point of view, one of the concerns I have is even if this amendment fails and we get the 6-month extension, we are merely delaying the inevitable. We have been in touch with the Department of Agriculture. They have been having hearings, they have been receiving public comment. They propose two options right now. They are ready to move forward on issuing a rule this fall and implementing that rule early next year, just as the Freedom to Farm bill authorized them to do just 2 short years ago.

Let us get on with it right now. We do not want to have another big dairy fight on this House floor now.

Mr. SMITH of Oregon. Reclaiming my time, Mr. Chairman, I understand the gentleman's point. My point is simply this. We have reached an agreement and a compromise, I thought. Now keep it. Vote this amendment down.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. SOLOMON. Let me just clarify one thing because, as my colleagues know, we are trying to have some comity here, but, as my colleagues know, this gentleman now who is retiring, he is chairman of the Committee on Agriculture, has gone, bent over backwards to try to compromise so that we could work this issue out over the next 6 months or so. I will not be here either. But let me tell my colleagues what he did.

I went out and got 250 signatures in support of ramming through an order on the Secretary of Agriculture to implement 1-A. We could have done that. We could have rubbed their noses in it. The gentleman from Oregon came to me and said, "You shouldn't be doing that." He came to the gentleman from Louisiana (Mr. LIVINGSTON) and said, "You shouldn't be doing that."

Incidentally, we already had 61 Senators. As my colleagues know, that is more than we even need to force something on the floor over there in support of our position.

So we all backed off and we all sat down because of the chairman of the Committee on Agriculture and said, "All right, if you want a 6-month extension, we'll agree to it." It is part of an agreement that we all made, and that is why we should not even be going through this debate right now. We should have gone perhaps the other way and settled it once and for all.

But I for one commend the gentleman because he was acting in good faith, and we all went along with him.

Mr. SMITH of Oregon. Mr. Chairman, I yield to the gentleman from New York (Mr. BOEHLERT).

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

Mr. BOEHLERT. Mr. Chairman, I rise in strong opposition to the amendment and in support of the gentleman's enlightened position.

Mr. Chairman, I rise in strong opposition to the amendment.

The amendment would eliminate the extension of the current milk marketing rules and the Northeast Dairy Compact by an additional 6 months, from April 1999 to October 1999. This extension is necessary to ensure that Congress is able to fully understand and properly oversee the Department of Agriculture's efforts to reform the federal milk marketing rules.

Why is this necessary? Because when Agriculture Secretary Dan Glickman announced the proposed rule for the reform of the federal milk marketing order system, he outlined a "preferred" plan, known as "Option 1-B", which would dramatically reduce dairy farm income in almost all regions of the country. Option 1-B will reduce annual dairy farm income by approximately \$365 million nation-wide at a time when many dairy farmers are barely able to hold on to their farms and their way of life. I think it is fair to expect that Option 1-B would put many farmers out of business.

In response, 238 Members of this body sent Secretary Glickman a letter criticizing the Secretary's "preferred" option and voicing strong bipartisan support for the other option outlined in the proposed rule—a fair and equitable option, known as "Option 1-A."

Despite the overwhelming support for Option 1-A, USDA appears to be moving forward with efforts to implement its preferred plan, Option 1-B, early next year.

This is why the next Congress, the 106th Congress, must have adequate time to review and act on USDA's final rule. The extension provision in the bill does not mandate any specific reform of the federal milk marketing rules. It merely ensures that Congress will have the opportunity to properly oversee USDA's rulemaking on behalf of the American people and dairy farmers, in particular.

With that, I urge my colleagues to oppose the amendment and any other amendment which would delete or weaken the extension provision.

Mr. SMITH of Oregon. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, I just wondered why, when extending for 6 months the Secretary's marketing order determination, they include in the extension for 6 months the New England Dairy Compact, since the two are not related.

Mr. SMITH of Oregon. Mr. Chairman, the gentleman has an amendment in which we will have plenty of time to discuss that, and I will be happy to. I think it was to extend the total program compacts that were involved. That is the reason, and frankly it was not debated at length. We will debate the gentleman's amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. BALDACCI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment that has been offered, that would eliminate this extension as

it was negotiated by the chairman of the committee, and I commend the chairman of the committee and the ranking member, the gentleman from Texas (Mr. STENHOLM) for being able to come to some reasonable judgment in terms of how this should continue on for an additional 6 months until the department and the affiliated groups can come to some resolution of this.

□ 1345

The extension applies to all the provisions of dairy reform and would ensure that Congress will have that time to review and respond to a rule that would not hurt the dairy farmers around the country.

I ask my colleagues not to be misled by the extravagant claims of the industrial cartel organized in opposition to the compact of dairy farmers. I think it is important to clarify some points. I think the most important thing that all of us recognize is the importance of small family farms, small dairy farms, not only in terms of economic dollars and sense, but what they provide to communities, whether it is the participation in the 4-H program, and there are 35,000 young people in our State of Maine that are part of those 4-H programs, or whether it is part of Future Farmers of America program.

A lot of the agricultural policies that have been established have benefitted large agri-businesses and forced a lot of the small farmers to get into larger businesses. We want to preserve this heritage and this culture in the compact, and the issues that are being dealt with by the department is a compact between the consumer and the farmers because of the importance of both.

I believe today, when we are talking about the values and we are talking about culture and passing it on from one generation to the next, I think it is very important to maintain at least this glue which holds communities together.

When you are talking about surpluses and the fact that it is felt that maybe in the Northeast they have contributed to that surplus, the facts do not bear that out. In fact, it was the West and Midwest that produced 99.8 percent of all the surplus purchased this year; it was not the Northeast.

The compact has not increased the cost to the government for nutritional programs. In fact, WIC and the school nutrition programs have been exempted from increases associated with that compact. The compact does not cost the USDA any money, and the compact commission contracts with the market administrator and pays for the services provided.

So I ask my colleagues to oppose the amendment that is being offered by the gentleman from Wisconsin, which eliminates this extension and would allow for a true debate to continue on.

In my first session on the Committee on Agriculture there was an attempt to basically turn dairy policy on its head,

because at that time the chairman of the subcommittee happened to be from the part of Wisconsin that is under discussion today. What came out of that discussion was that all regions of the country have the same interests. I would submit to Members here, what is happening in the Northeast is happening in the Southeast, is going to happen in the West and all over, because of the same very underlying issues that are impacting in the Northeast.

So I ask my colleagues to both oppose this amendment and the additional amendment that is being offered in this session.

Mr. WALSH. Mr. Speaker, I rise to strike the requisite number of words.

Mr. Speaker, the debate that we have heard thus far points out fairly clearly the issues that are at stake. There was a lot of discussion regarding the dairy compact. That is not the issue here. The issue here is an extension of all existing dairy legislation under this appropriations bill for 6 more months. It treats everyone equally. It treats the States involved in the compact, it treats the State of California, and it treats Wisconsin all equally. This is merely an extension of the existing law.

As the gentleman from New York (Mr. SOLOMON) pointed out, there are 250 Members of this House who are on record in support of Option 1-A. There are 61 Senators who are on record in support of Option 1-A.

We believe that we have the votes to win this. We still believe that. But out of deference to the chairman of the Committee on Agriculture, he said "Let's compromise on this, this is not an authorizing bill, this is an appropriations bill, we will merely extend the law," that is what we propose to do here.

Now, fairly clearly, you have seen members of the State of Wisconsin's delegation standing up doing their level best to protect their farmers as they see it. The reason is because they believe that Option 1-A hurts their farmers and helps the rest of the country at the expense of their farmers. All the economic data shows Wisconsin farmers are not harmed by this legislation; they just do not do as well as they would under Option 1-B.

The problem with that is Option 1-B does harm our farmers, the rest of the country's farmers. So what we are asking is that we extend this law further so that Secretary Glickman can get a better read on what exactly is going out there in the country. The professional people on his staff recommended Option 1-A, the law that we believe that the rest of the country believes would be good for the dairy industry.

The political appointees and Secretary's staff recommended Option 1-B, I am sure out of deference to the very distinguished ranking member of the Committee on Appropriations who hails from the State of Wisconsin. He has done a very good job in protecting his farmers.

But, it is very clear, the lines are drawn. There is Wisconsin and Minnesota, and then there is the rest of the country. But we are not even choosing here between the upper Midwest and the rest of the country. We are merely saying give us the opportunity to let this law extend out over a period of another 6 months from when it is scheduled to finish up, and give us, the Members of Congress, an opportunity to work with the Secretary, and we hope to help him to see the light that Option 1-A is the best direction to travel in. But this treats the compact States, the upper Midwestern States, the State of California and the rest of the country, equally, by merely extending the law.

So I would urge strong rejection of the gentleman's amendment.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment basically just asks this Congress to stick to its original deal, the deal that was made here a couple of years ago, and that is why I vigorously rise today to support this amendment.

What it does is just restore order to the underlying bill, that continues to punish not just the dairy farmers in Wisconsin, but a lot of them in the Midwest.

If we put the situation in perspective, we are working under what I think most people agree is an outdated dinosaur that we call our dairy policy. It disregards the advance of time, the advance of transportation and technology, and, as was referenced here earlier today, in spite of all the talk about the global economy and competing in the rest of the world, we continue to want to put up artificial barriers within our country.

We have spent 60 years rewarding dairy farmers with higher prices based on the distance that the cows are located from Eau Claire, Wisconsin. As a result, just some farmers, and it has been pointed out they are in Eau Claire, but that is how the original dairy policy is based, in Wisconsin, on the distance from Eau Claire. So the farmers who live there and work in America's dairyland have struggled, while dairy producers elsewhere have thrived.

That was not punishment enough. Two years ago Congress made a deal and gave the freedom to farm to farmers who produce commodities other than dairy, giving those producers new opportunities. Meanwhile, they delayed the freedom to farm and reform for dairy farmers until April of 1999. If that was not punishment enough, Congress in the same bill created the Northeast Dairy Compact, the subject of some of the debate today.

What happened as a result? It cost taxpayers money. We produced surplus milk at twice the rate of the rest of the Nation. It cost consumers money in the grocery store, raising the price of milk in that area, and it gives unfair leverage to farmers in the Northeast at the expense of the Midwest.

It further divides the country. It pits region against region, farmer against farmer, and what we are trying to do here is have a level playing field. What we asked for in other countries, we are asking for that in our country.

Today what we have before us, as was pointed out, this is an appropriations bill. It is supposed to be absent of legislative language. Now it would further delay the implementation of what has been called for 2 years ago, reform in the dairy pricing policy. It would further extend the harmful Northeast Dairy Compact.

Now Congress wants to tell Midwest farmers to wait longer for freedom. We have wandered for 60 years under a policy that still relates to the distance the cows are located from Eau Claire, Wisconsin. We do not want to wait any longer.

In speaking of agreements, this bill is a giant leap backwards. It is a return to the stone age of dairy policy. Congress 2 years ago put a process in place that would reform dairy prices, and that was the deal by April of 1999. It may not be perfect, but it was a deal. Now, today, we want to turn our back on our deal.

I think that is an outrage. Everybody in this House who talks about the free market system ought to be outraged. Everybody in the House who champions less government interference ought to be outraged. Everybody who praises less government spending also ought to be outraged.

I urge my colleagues to join in support of the gentleman from Wisconsin (Mr. OBEY), to support this amendment that is before us, to reject the back door legislative tricks and support the fairness and dairy price reform.

I know we will have a further amendment from the gentleman from Wisconsin (Mr. PETRI) and the gentleman from Minnesota (Mr. PETERSON), but I think this amendment is one that will serve us well, that will stick to the original deal that we had to change and really reform the dairy policy, and yet let the USDA do it by April of 1999.

We said let USDA make the decision. Let us let them make the decision on the schedule that was originally intended. I support and ask for support for this amendment.

Mr. KIND. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Chairman, I would like to ask my friend a question. The gentleman represents the Eighth District of the northeastern part of Wisconsin. As the gentleman is traveling around his district, meeting with family farmers and dairy farmers in his area, is the gentleman hearing from them that they are looking for any special handout or privilege as producers of dairy products, as compared to the rest of the Nation?

Mr. JOHNSON of Wisconsin. Mr. Chairman, reclaiming my time, our farmers are not looking for a special

deal. They are concerned about dairy farmers all across the country. The problem is we do not want to have artificial barriers, more compacts created all across the country. We need this amendment to move on with the process of dairy reform.

Mr. NEUMANN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to take this debate from where it is, with a bunch of people out here in ties and suits, and bring this discussion back home to what it really means back in Wisconsin.

My first job was on a dairy farm. I used to get to that farm at 7 o'clock in the morning. I was a teenager at the time. By the time I got to that dairy farm, the farmer had already milked the cows and was headed in to breakfast.

Dairy farmers are hardworking individuals in this country. My wife's family had dairy cows, and I would like the authors of this amendment to hear these words, because they are very real. There are no cows on that farm where my first job was. My wife's family, dairy farmers for years, for generations, there are no cows on that dairy farm any more.

There is a good reason that the dairy farmers in Wisconsin are going out of business. It is the advantage, the unfair advantage, that is being given people around this country, because people out here in this Congress wearing suits are taking away the opportunity for our people to compete on a level playing field.

Where are all the free-traders? Where are all the people that say we should have a fair marketplace to produce our products and to market our products? Where are all those people in this debate?

Then I hear we are protecting the Wisconsin farmers. Come on, we are not protecting the Wisconsin farmers. We are asking that those farmers be given a fair shake across this country, and they are not being given that right now. I personally think it is a tad unfair when the government steps into the picture and credits \$3 per hundredweight in one part of the country, and then goes to Wisconsin and says if you happen to live close to Eau Claire, Wisconsin, you are not eligible for that \$3 per hundredweight.

What happened to all of those people that I hear on the floor of the House regularly saying we want a fair level playing field on the world marketplace? What about the United States of America? Why do we not get a fair level playing field for our dairy farmers here?

Then I hear, well, we ought to just extend this thing for 6 months. Shoot, I am beginning to think we are treating this like the notch problem, and every time I bring up the notch victim problem in this country, everybody laughs and says it is going to go away. Well, that problem is not going to go

away either, and those people are being mistreated too.

But the point is we are now starting to treat the dairy issue in the same way as we are treating the notch problem. If you wait long enough, I am convinced there are Members in this Congress that believe our dairy farmers in the Midwest are all going to be out of business, and shoot, if you think about it, if you have got a \$3 per hundredweight advantage in one part of the country, it is likely to put them out of business.

I think they believe if they wait long enough and we stall this issue off far enough, that it is going to put enough farmers out of business that we will no longer have to deal with the problem.

□ 1400

I think it is time Congress gets out of the way. I think it is time we return to a competitive atmosphere, so that dairy farmers in this country can compete not only with each other, but can compete in the world markets.

The government cannot step into these pictures and control the price of these products around the country, giving unfair advantages to certain parts of this country, if we wish to restore this.

I just conclude my remarks by saying the concept of pricing a product based on how far you happen to have your herd of cows located from Eau Claire, Wisconsin, is a situation that I have yet to hear anyone in this city reasonably explain to me why we would come up with that kind of a solution in the first place, much less why we would let it stay in place for this large number of years.

Mr. Chairman, I strongly support the OBEY amendment. It is time we make a decision and create a level playing field in this country for our dairy farmers, and it is something that should be done sooner rather than later. The right idea is not to stall off the decision.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to my friend, the gentleman from Pennsylvania (Mr. HOLDEN).

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

Mr. HOLDEN. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Wisconsin.

Mr. OLVER. Mr. Chairman, I just want to say here that there is no one in this room, whether they are on one side or the other side of this issue, who can claim that the family dairy farmers in dairy farms in their part of the country are somehow prospering under the present system of milk marketing orders that we are using, not if they happen to live in upper New York State, where the gentleman who chairs the Committee on Rules comes from; not if they happen to live in Wisconsin, where the ranking member comes from; not if they happen to be the

chairman of the Committee on Appropriations, coming from Louisiana; or the gentleman from Vermont, in an exporter State; or myself, in an importer State, in Massachusetts.

Mr. Chairman, in the agriculture authorization bill in 1997, we authorized a limited set of changes. After looking at a number of different options, the Secretary of Agriculture has come up with two favorite options, two options, really, 1(a) and 1(b); under 1(a), which is the more moderate of these, a small number of changes, nearly the status quo; and 1(b), which is a pretty radical change, at least as viewed by farmers, as viewed by farmer cooperatives all over the country.

More than a majority of Members of both the House and Senate, more than a majority of both parties in both branches have written to the Secretary of Agriculture asking him to choose option 1(a), there is no question, from all parts of this country, except, by the way, from the area within a couple of hundred miles from Eau Claire, Wisconsin, which somehow is the center of the universe as far as milk is concerned.

From other parts of this country, that is where that majority comes from, from States all over this country. They do that because they believe that it will slow, at least slow if not prevent, because I do not think it will be prevented, the move to milk monopolies. They believe that it protects the capacity to have consumers have access to a fresh and local supply of milk. They believe that option 1(b) would accelerate the loss of family dairy farms in places all over the country except for those within a short distance from Eau Claire. It is no wonder the Members from Wisconsin are getting up, given that option 1(b) clearly changes the playing field.

Who is to know in this arcane system whether we have a level playing field or not, if it may be slightly tilted; but this amendment, as it has been offered by the gentleman from Wisconsin, would tilt that whole system very heavily in the direction of accelerating the loss of family dairy farms in other parts of this country; also because the majority believes it is unfair to then impose a system which clearly then has relative beneficial effects for one portion of this country at the expense of every other portion of this country.

So this is a carefully crafted proposal to extend by 6 months, so that the appropriators and the authorizers can see exactly what it is that is put forward as a milk marketing system by the Secretary of Agriculture, and so they can respond within the fiscal year that that goes into effect. That is what this extension is about.

I think the chairman of the Committee on Agriculture, the gentleman from Oregon (Mr. SMITH) said it quite well, that that is what this is about, making certain that the appropriators and authorizers for all of these issues can look at it within that fiscal year that we would be in.

I certainly hope that the amendment will not be adopted.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. OLVER. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would just like to point out one thing. The gentleman indicated that what we were trying to do is to tilt the system in favor of our region of this country.

I would point out that right now the law requires farmers in the gentleman's region of the country to be paid several dollars per hundred pounds of milk more than ours. The option favored by the Secretary simply eliminates 25 percent or less of that unfair advantage.

Mr. GILCREST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been a great deal of talk this afternoon about free markets. There has been a great deal of talk about one region over another region having a benefit. That certainly is a discussion that we need to have.

I think the House floor at this point is not the place to discuss whether the Northeast Dairy Compact has an advantage over the Wisconsin or Midwest dairy farmers. We are going to disagree on it. I strongly urge a no vote on this amendment. This can be taken up. We can extend it for 6 months. This is a discussion we need to have.

Mr. Chairman, we should not be discussing ending a program that is unfair to one part of this country and then transfer that problem to another part of this country. That is going to be the result of this vote if it passes.

I would like to take this to a slightly different perspective. This country was founded on four things, and that is why we are very successful: democracy, which is what we see here; character, which for the most part is what we see here; an abundance of natural resources; and an endless frontier.

Our endless frontier is virtually gone. Our open space is becoming gobbled up by a lot of things, including development. Our natural resources are diminishing quickly. So what we have left to keep this country going, to keep the prosperity and the quality of life that people want for generations to come, is our ability to discuss in an intellectual fashion how we manage what we have left for future generations.

The idea of a free market is what this country is founded upon, for the most part. General Motors prospers, Westinghouse prospers, industry prospers, but agriculture is different in some ways. General Motors can still work if it rains. Westinghouse can still work if there is a drought. If there is a severe drought in certain parts of this country, they prosper, and agriculture suffers and sometimes becomes eliminated.

So unless we understand the mechanism of agriculture, and I know the gentleman from Massachusetts may not be here, but he talked about a free

market system. A free market system is fine if we had an endless frontier, because we would have thousands and thousands and thousands and thousands of acres in excess. But what we have is thousands and thousands and thousands of acres being developed every single year. Millions of acres are lost from agriculture to development in one form or another.

So the idea that this country must continue to manage, yes, and the Congress needs to be engaged in that process, about how we can make it fair across the board.

I think a 6-month extension is the right thing to do. I think Wisconsin and the Northeast Dairy Compact, the people in California, need to continue to debate and discuss over that period of time what they can do to ensure that the family farm, which is another issue of discussion here, and the family farm is different than the export farm by a long shot.

The corporate farm turns farmers into employees. It does not take farmers and continue to allow them to be farmers, it turns them into employees. We can see that in the poultry industry. A poultry grower, for the most part, in this country, is not a farmer. He or she is an employee. We want to reverse that, if we can. We want to make sure that that does not happen in the dairy industry.

One last comment. This is a complicated issue. People are talking about, let the prices take care of it. Let free markets take care of it. The price of a bushel of corn today is the same as it was, given the season, 40 years ago. The price of a bushel of corn that the farmer grows to feed his cow is the same as it was 40 years ago. The price of a combine that harvested that corn 40 years ago was about \$25,000. Today it is well in excess of \$100,000, and it is closing in on \$200,000, so the small family farm is being squeezed.

The gentleman from Wisconsin is talking about that, that the Wisconsin farmers are having a difficult time, but so are the farmers in Maryland and New York and Massachusetts and all over this country.

We have to stop arguing bitterly with each other and make sure that we understand that the foundation upon the food source of this country is not corporate agriculture that will get out of it as soon as the profits are gone, but those who love the culture, those who love farming. That is the family farm.

So I would urge a no vote on the amendment, with all due respect to the people from the Midwest and Wisconsin, and let us get together as soon as we can this summer, with those who represent the small family farms from all across this country, and discuss this problem.

Mr. SANDERS. I move to strike the requisite number of words, Mr. Chairman.

I would like to pick up on some of the points the gentleman from Maryland (Mr. GILCREST) made, because in

truth, this is a very sad debate. I will not forget several years ago when farm families from Wisconsin and Minnesota came to my office. They were here for some national meeting. They knew that I was concerned about the preservation of the family farm. I will not forget the women farmers weeping in my office as they fought desperately to keep their farms going in Wisconsin and in Minnesota.

The family farmers in Wisconsin and in Minnesota are being hurt, that is true, but I want the Members to understand that the farmers in Vermont are also being driven off the land. Some of the best people in our State who have worked year after year, they love the land, they want to produce a good, healthy product, they want their kids on the land, they are also being driven off the land.

It is a sad State of affairs that we have to fight against each other. We should be working together. We talk about the issue of preserving the family farm, as the gentleman from Maryland (Mr. GILCREST) pointed out. This is an issue of food security. If anyone believes that it is a good thing for this country that thousands of farmers in Wisconsin, in Vermont, and all over this country who produce what we eat get driven off the land, and that we are reduced to dependency on imports from abroad, or we are reduced to being dependent on a handful of large corporations to charge us any price they want, if people think that is a good idea, they are dead wrong. It is not a good idea.

As the gentleman from Maryland (Mr. GILCREST) pointed out, preserving the family farm is not just about food, it is protecting our environment. Do we really want to see our open space in rural America converted into malls and parking lots? I do not think so. It is about preserving our rural economy and our way of life, in part.

The free market does some things very well, but it does not do everything very well. I think there should be a commitment to preserving the family farm all over this country.

As the gentleman from New York (Mr. SOLOMON) has pointed out and others have pointed out, there is a letter that has been circulated that has over 250 Members of the House in support of that. Let me just briefly quote some of the sections from that letter relevant to this debate.

I quote from the letter:

"Option 1(b) would further reduce the price of milk received by farmers in almost all regions of the country. It will be reducing local supplies of fresh, fluid milk, and increasing costs for consumers."

I continue: "According to USDA's own analysis, option 1(b) would reduce dairy farmer income. It will be accelerating the already disturbing trend of American dairy farms being forced out of business. Many of the farms affected will be small family farms."

The point we are making here is that, as the gentleman from Maryland

(Mr. GILCREST) indicated, we need to come together to preserve dairy farms in the Northeast, in the Midwest, and in the West Coast. One of the things we have done in New England that people throughout the country are beginning to look at is the concept of the dairy compact.

If some people think we are going to be able to preserve family farms who are struggling too hard to exist through the market economy, when we can import cheap milk from Mexico or New Zealand, I beg to differ. I think it is appropriate to say that in our democratic society, for those of us who believe in dairy farming, in family farming, that it is appropriate for the government to intervene with the support of the people.

I would reiterate that in New England six States have come together, six State legislatures have come together, Democrat, Republican, Independents, in Maine; six Governors with different philosophical leanings have come together. This idea is spreading around the country.

□ 1415

I would hope that perhaps the Midwest might think of the idea of a compact. I think if it does end up costing the consumer a few cents more on the gallon, consumers all over this country know how important it is to preserve the family farm. I would love to work with my friends from Wisconsin in protecting the family farms in that region of the country as well.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I do not disagree with a single thing that the gentleman has said. I would simply make the point that despite his best intentions, and mine, we are now operating under a set of laws which in essence, as far as trade is concerned, is a pretty good deal for grain farmers but is a disaster for dairy farmers, because Canada has not been required to live under the same rules that we are required to live under. And so we have been told, "Sorry, boys, you're on your own."

It just seems to me that if we in fact are going to be abandoning dairy farmers to the marketplace, then that marketplace—

The CHAIRMAN. The time of the gentleman from Vermont (Mr. SANDERS) has expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. SANDERS was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, then it seems to me that that market ought to at least be a real market. Despite everything that has been said here today, no one can tell me yet why it is fair, why it is in the tradition of equal treatment under the law, for the law to require farmers in one section of the country, in Florida, for instance, to

pay farmers \$2 more or \$3 more per hundred pounds of milk than they get in our region. That is just not fair.

Mr. SANDERS. Mr. Chairman, reclaiming my time, there are 250 signers to a letter in support of 1-A. There are 60 supporters in the Senate on the same concept. I urge a "no" vote on the Obey amendment.

Mr. GUTKNECHT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been said that if one appreciates law or good sausage, he should watch neither being made. And today maybe we ought to add cheese to that description, because this is really kind of an ugly display of region against region.

Several years ago we all cheered when the Berlin Wall came down. And not too long after that the flag over the Kremlin came down for the last time. And when it did, one of the business newspapers ran an editorial. I thought it was the Wall Street Journal, but it was not. They ran an editorial and the headline said, "Markets are more powerful than armies."

If we look at the Soviet experiment, for 70 years what they tried to do was hold back markets. What they found was it cannot be done. It will not work. And it is true of milk. It is true of our commodities.

The gentleman from Maryland (Mr. GILCREST), I agreed with much of what he said. But let us just examine. He said what the dairy farmers, and what the farmers in his area or the farmers around the country today, what they are paying for a combine is enormously different from what they were paying 20 years ago. And what they receive for their commodities, whether it is corn or soybeans or wheat or milk or whatever they produce, is different today than it was 20 years ago.

In many respects, farming is a tougher business today than it has ever been. If we talk to our farmers, and I have as well, they will tell us that. What they will also tell us is that the price of corn is the same whether it is grown in Iowa or Minnesota or Vermont or anywhere else. We do not have different price for corn. We do not have different prices for soybeans. It is the same, whether it is grown in one area of the country or another.

The entire milk marketing order system is Byzantine. It is antimarket. It may have made some sense back in 1935, but it makes no sense today in the day of the interstate transportation network, in the day of advanced refrigeration so that the milk can be produced on a farm in Minnesota or Wisconsin one day and literally be in a bottling plant in Washington, D.C. the next.

Mr. Chairman, the whole idea of this one region against the other is anti-American. One of the reasons that the colonists came together and organized this country was so that we would not have States setting up barriers against

other States. The idea of a dairy compact is un-American.

It really is not just about dairy; it is about if we really care about free trade. We will probably have several debates here in the next several months about free trade and opening up markets, whether it is in Asia or the European Union. Many of us want to have fast track so that we can negotiate more trade agreements with our trading partners.

Would it not be great if we had fast track between Minnesota and Vermont so that dairy products could move back and forth across State borders? This whole concept is crazy.

Let me just finish with this. For people to stand on the House floor with a straight face and say that we must defend to the end this dairy policy, which incidentally has cost us 152,000 dairy farmers over the last 10 years. Let me say that again. The system we have today that many are up on the floor of the House today defending has cost us 152,000 dairy farmers. It is an abysmal failure. It is Byzantine. It is anti-American. It is what the colonies came together to fight against and it should be stopped.

One of the reasons we are so aggressive today in fighting the extension is because we have fought it so long. This fight has been going on for 60 years and now they are saying is all we want is another 6-month extension. We fear, and I think we have reason to fear, that then there will be another 6-month extension.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I appreciate the differences that we have in the Northeast Dairy Compact, but it is really not appropriate to call it un-American. In fact, it is the essence of what America is about.

Six States at the grassroots level, people came together and they went to their legislatures and they went to their governors and they came forward to do what they thought was best for the people in their own State.

So I understand the gentleman's differences, but he should not refer to it as un-American. It is democracy at work.

Mr. GUTKNECHT. Mr. Chairman, reclaiming my time, the commerce clause of the Constitution, and in fact we ought to have some debate within the Committee on the Judiciary, I think the gentleman from Illinois (Chairman HYDE) has a much different view of what this is all about. For States to come together and put up trade barriers around those States in my opinion, and I stick with my term, is un-American and it is unconstitutional in my view. But worse than that, it is bad economics. It makes no sense.

Let me close with this. Some may know that I am also an auctioneer. And this is one thing I understand about auctions. Markets are much

more powerful than anything we can do. We can suspend the law of supply and demand only so long, but we cannot repeal it. Ultimately, the markets will prevail. They will prevail over the Northeast Dairy Compact and any other compacts that ultimately are created.

Mr. MCHUGH. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield to the gentleman from New York.

Mr. MCHUGH. Mr. Chairman, I would be interested in the gentleman's description of the Northeast Dairy Compact that apparently leads him to believe—

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. GUTKNECHT) has expired.

(On request of Mr. SOLOMON, and by unanimous consent, Mr. GUTKNECHT was allowed to proceed for 2 additional minutes.)

Mr. MCHUGH. Mr. Chairman, if the gentleman would continue to yield, I think this is an important question that creates some differences in this debate and it should be resolved. But I would be interested to hear what leads the gentleman to believe that the Northeast Dairy Compact as currently construed, number one, puts trade barriers that prohibits the importation of milk, whether it comes from his State or any other, into the region; and, number two, on its face apparently leads him to believe that it is unconstitutional, assuming that unconstitutionality is consistent with being un-American.

Mr. GUTKNECHT. Mr. Chairman, reclaiming my time, first of all let me say I am not a Supreme Court Justice. I only have one opinion. But in my opinion, any time that States come together to try and create trade barriers, and I might just yield back to the gentleman to ask what is the purpose of the dairy compact if it is not to keep out other dairy products from other parts of the country?

Mr. MCHUGH. Mr. Chairman, there it is absolutely no prohibition, implied or explicit, in this or any other compact that, by the way are constitutionally authorized, that prices the importation of product. What it affects is the price of that product paid by the developers and paid by the processing plants once the milk is there. It has nothing to do with the importation of the milk from the farm gate.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GUTKNECHT. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, the compact acts as a tariff barrier because processors have to pay the higher price to any farmer, whether that farmer lives in the New England region or not. That means if a Minnesota farmer or Wisconsin farmer can produce the product for less price, they have to add to their price before they can sell in that region. That is why it serves as a trade barrier.

Mr. MCHUGH. Mr. Chairman, if the gentleman would again yield, what the gentleman just said by his very words proves the points. He said it treats all producers equally. That is absolutely correct, and I appreciate the gentleman clarifying that for me, because I think there is a lot of misunderstanding here.

Mr. OBEY. Mr. Chairman, it requires one to ignore price.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words.

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

Mr. LIVINGSTON. Mr. Chairman, a lot has been said about this "Byzantine" procedure, as described by my friend who preceded me. The fact is we are dealing with an arcane set of laws that go back to the 1930's. They may have had great wisdom and sense back then in a different age, and perhaps they have lost their rationale since all of that time has gone under the bridge.

The fact is, as I understand the original intent, Wisconsin was the center of the universe. Eau Claire was the primary designated place for the production and pricing of milk. And, for whatever reason back in those days, they decided that the farther we get away from Eau Claire, pronouncing it correctly this time, the more could be added on to the price of milk for transportation.

So obviously the objective was to get fresh and clean and safe milk in the hands of the consumers all over America. If the center of production was in Wisconsin, by the time it got to Florida the price of milk was substantially higher. By the time it got to New York, it was substantially higher. By the time it got to California, perhaps it was substantially higher.

That trend is represented in this particular chart, presented according to figures of the USDA. At any rate, there is no real consensus that can be drawn from this chart except to show that at Wisconsin begins the trend, and as we get farther and farther away, the prices through 1996 when the farm bill took place went up as we got away from Wisconsin.

So the farm bill came along and they said, look, make some sense out of this program. We in the Congress told the Secretary of Agriculture come up with a plan that simplifies it, that hopefully reforms the program, that moves towards the goals of a freer market. Come up with a plan that provides some continuity for the milk farmer.

Now, bear in mind, whether the dairy farmer is in Wisconsin or Minnesota or in New York or in Maryland or in Louisiana, where I used to have 500 dairy farms and now have about 370 because they were forced to go out of business, the dairy farmer is probably one of the hardest working people on earth. He gets up early in the morning; goes out to milk his cows; goes about the rest of his chores. By the end of the day, goes

out to milk his cows and goes to bed, because there is no time left in the rest of the day. And come hell or high water, rain or storm, freezing or heat, he has got to milk those cows. His family chips in, his wife, his children. And they participate in trying to make a living, a very meager living, whether it is in Wisconsin or otherwise.

In Wisconsin and Minnesota, 80 percent of what they produce goes to hard products which is not fluid milk, butter fat or to powdered milk or cheese. But this argument is about fluid milk. Wisconsin and Minnesota only put less than 20 percent of their product in fluid milk.

But these are farmers in New York and Maryland and the Southeast and Louisiana. Most of their product goes to fluid milk. They are getting squeezed. They are getting squeezed to the point that they cannot meet the costs of production and they are getting thrown out of office, or rather thrown out of work. Excuse me. That is us that get thrown out of office. They get thrown out of work. They lose their farms. We can find another job, but they can only find one farm.

So, the Secretary of Agriculture was given the responsibility of coming up with a plan that would simplify this procedure. Well, according to the milk marketing order reform proposed rule, again the USDA's own figures, this is an analysis of the option 1-B plan that Secretary Glickman was coming up with.

□ 1430

In case Members want to find waves and continuity here, I do not think they will be able to do it. Numbers all over the lot.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has expired.

(By unanimous consent, Mr. LIVINGSTON was allowed to proceed for 2 additional minutes.)

Mr. LIVINGSTON. Mr. Chairman, that looks to me to be one of the most complex charts available known to man. That is supposed to simplify the situation. In effect, what it does is create a situation described by my friend from New York in his chart. The only people that survive under Secretary Glickman's proposal are the people in Minnesota and Wisconsin. Everybody else loses money and ultimately goes out of business.

If you have the 1-A section, it is somewhat more simple than this, but at least there is reform. What we propose here and what the gentleman from Wisconsin proposes to strike is language which does not say that this (option 1-B) is impossible, although it looks impossible to me. It does not say that 1-A is impossible. It does not say that dairy compacts in the Northeast or the Southwest or anywhere else are automatic.

It simply puts a moratorium on it from April 4 to October 1 of 1999 so that any rule that the Secretary of Agri-

culture comes up with can be reviewed by Congress and, yes, can be reviewed by the State legislatures in order to determine that if it is too dictatorial. And if it does not make sense like this, it can be reversed legislatively and we can go back to a plan that makes sense. Is that too much to ask?

Evidently it is, because my friend from Wisconsin has offered up a motion that would strike this provision, strike this simple one-case-serves-all moratorium, prevent an illogical plan from being put into place for 6 months, put a hold on existing law until we can study it a little bit further. I do not think that is well taken.

For that reason, I urge the rejection of the motion by the gentleman from Wisconsin, rejection of this amendment, maintenance of the status quo for 6 simple months.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has again expired.

(On request of Mr. OBEY, and by unanimous consent, Mr. LIVINGSTON was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply put that chart in context. That chart represents as far as the Secretary is allowed to go under the law in simplifying milk marketing orders. What we wanted to do in our region legislatively, and we were denied that opportunity by the House leadership, we wanted to create a situation under which, under the Gunderson amendment, the colors on that entire map would be the same because there would be only one milk marketing order. You are attacking us for the limits which you yourself have imposed on the agreement. That is the fallaciousness of the argument.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. LIVINGSTON) has again expired.

(By unanimous consent, Mr. LIVINGSTON was allowed to proceed for 1 additional minute.)

Mr. LIVINGSTON. Mr. Chairman, the chart depicts 1-B that Secretary Glickman intended to move us toward. This chart, which I withheld for no particular reason except that I do not understand it either, but it is a heck of a lot easier than the other one, this is 1-A. It looks better.

Mr. OBEY. Mr. Chairman, if the gentleman will continue to yield, the gentleman needs to understand that within both options there are variations within the State which neither of those charts demonstrate. The existing system is far worse than you show on either one of those charts.

Mr. LIVINGSTON. I would suggest that before we leap into the fire from the frying pan, let us maintain the existing system, keep it simple and come up with a better plan than option 1-B.

Mr. PETERSON of Minnesota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not going to speak, but I just think it needs to be pointed out that a lot of this debate is centered on something that really is not at the heart of the problem. Everything we are talking about here today basically has to do with fluid milk.

Fluid milk is only 40 percent of the milk that is produced and consumed in this country. So this debate really does not get at the heart of the problem that we have with dairy. I think it just needs to be pointed out.

Up in the Northeast where they have the compact, as I understand it, 60 percent of the milk up there goes into fluid and 40 percent goes into manufacturing. And I further understand that they are right now taking comments up in the Northeast Compact to talk about exporting their excess milk that has been created by this compact because it is hurting the premiums that they are getting for their manufactured milk. That points out the whole fallacy of this whole situation, where we are trying to somehow or another legislate dairy policy by impacting fluid milk.

I think the gentleman from Minnesota (Mr. GUTKNECHT) made a good point when he said that we cannot really repeal economics.

Mr. MCHUGH. Mr. Chairman, will the gentleman yield?

Mr. PETERSON of Minnesota. I yield to the gentleman from New York.

Mr. MCHUGH. Mr. Chairman, the point the gentleman just made about exporting in the Northeast, I am assuming he is speaking of the entire Northeast dairy production region. I have heard this mentioned before. I would be interested where the statistics are that show that the Northeast region is a producer of surplus. I have heard that several times and, quite honestly, as someone who has been involved in dairy policy at the State and Federal level for 20 years, I have never seen it.

Mr. PETERSON of Minnesota. I said manufacturing milk that goes into cheese and powder and manufacturing purposes. One of the reasons that we have a problem with the compact and why we are into this 1-A, 1-B debate is that in Minnesota, 86 percent of our milk goes into manufacturing. Only 14 percent goes into fluid. A compact does not help us. We do not have enough fluid milk to make any difference in material effect for our farmers.

The Northeast Compact, if you took Boston out of the Northeast Compact, it would not work. The only reason it works is you have jacked up the price in Boston where you have a big market, and you are shipping the money out to Vermont. And it works because you have got a way that you can artificially set this price.

The only thing that I am saying about this, what we are concerned about is, if you artificially jack up the

price of fluid milk over and above the class 1 differentials, which you are doing with these compacts, what you are going to do is you are going to invariably create more milk that is going to have to go into manufacturing. What that does in the end is, it reduces the prices in Minnesota and in Wisconsin.

That is why we are concerned about this. If you would keep all of your milk up there in the Northeast and if you would not impact the rest of our market, we would not care what you did. The problem is that you are right now taking comments in the Northeast to figure out how to get that extra milk that would go into manufacturing, that is lowering your manufacturing prices into other parts of the country, and that is why we have a concern about it.

I just wanted Members to understand that to have a debate about fluid milk misses the whole point. The problem in this country is the way we price manufacturing milk. We have not had a debate about that up to this point.

Mr. McHUGH. Mr. Chairman, if the gentleman will continue to yield, I do not disagree with everything the gentleman said, particularly the very, I think, succinct point that this debate does not get to the heart of the challenges facing dairy policy in this country across the board. The gentleman, my friend, and I have had discussions about this. I know that his heart is in the same place mine is, and that is trying to do something that affects the benefit of every dairy farmer.

But a couple of points of clarification. First of all, I want the gentleman to understand that when he says "you in the Northeast," New York State that I represent is not in the dairy compact. Darn it. I wish we were, but that is another story.

The second is, traditionally, currently New York State, and it is not just the gentleman's comments that caught my ear but others have said today, the Northeast is a deficit region, has been, is now and is likely to be. He speaks about his concerns of the future. If I could tell the future, I would be at OTB right now. The gentleman may join me.

The fact of the matter is, we can paint any kind of terrorist scenario. The reality is that the compact has not been the force that has produced excess milk. The Northeast is still a deficit region. And honestly, I do not see when you are creating a compact where you can take the largest municipality out of it and say, "if that were not there." It is there. And as much as I love the Yankees over the Red Sox, I hope Boston is going to be there for a long time.

I thank the gentleman for yielding.

Ms. KAPTUR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the Obey motion to strike this language. I came to the floor with a somewhat open mind, not having been active on this particular provision, but being

concerned about it, as we moved through the appropriations process. I underline "appropriations process."

I think about some of the other authorizing language on this appropriations bill and how we have arrived at that language. For example, when the gentleman from Washington (Mr. NETHERCUTT) brought up the proposal that is now incorporated in the bill that dealt with lifting agriculture from the sanctions mandate in Pakistan, there was give-and-take on the committee. Members did not agree, but ultimately, by the time we got to the floor, we were able to work out our concerns on that authorizing language on this bill.

The same is true with the civil rights provisions in this bill. We technically should not have those provisions in this bill. We recognized a national need. There were differences of opinion. We had problems finding the money, shifting accounts, but we did it together on a bipartisan basis.

What is troubling to me, in a bill that is very, very broadly acceptable in this Chamber, is we now have a provision that was incorporated as authorizing language dealing with a very, very important subject where thousands and thousands and thousands of livelihoods are at stake. And a Member like myself, who comes from the State of Ohio, where many of our dairy farmers have already been wiped out, so in a sense we are more neutral than other places because we are not as impacted directly as some of the others that are still struggling in their regions, but what troubles me is, when I see charts by our chairman of the full committee, the gentleman from Louisiana (Mr. LIVINGSTON), who has some piece of the truth, and someone else has a piece of the dream over here from Wisconsin and maybe another one from Massachusetts, that we are really not doing our best legislatively to present a bill here that has accommodated the differences in bringing it to the floor.

So though I like some of what I hear in the way that the compact works to the advantage to preserve farming in the northeastern part of the country, this is really, thus far, the only part of the bill that has come before us here where there is this kind of major disagreement. It makes me concerned about the manner in which this particular provision was put into this appropriations bill. That is not how we work.

We had a couple amendments offered in the committee at the subcommittee level. But truly, we did not have the working relationship that we did on the other issues. I just wanted to put that on the record because it is too important to ignore.

Frankly, it should come through the authorizing committee, not the Committee on Appropriations, because this thing is extremely complicated and delicate. And no matter what we do, if we are not careful here, somebody, lots of somebodies are going to be hurt,

whether it is directly farm families, whether it is consumers. And I guess I feel, as ranking member on this subcommittee, extremely uncomfortable that we could not have handled this particular measure in the same way as we did the other authorizing language that has been put on our bill where differences were worked out.

This is extremely controversial. And because of it, because I am sensing that a major set of interests around our country feel that they have not been properly accommodated, I will support the Obey amendment.

I would beg of the chairman of the full committee, in view of what he has said here, and the chairman of the Committee on Rules, to exercise their will in the same way as was done on some of the other issues that are in this bill, because no part of this country, no set of working people, no farmers, no consumers should be harmed by what we do here.

I have grave doubts as I have listened. And therefore, I will support the Obey amendment.

Mr. SOLOMON. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, let me say to the gentlewoman from Ohio, for whom I have the greatest respect, as she knows, she and I have worked on many issues together, this is a part of a compromise. If we go back to the grain sales that were involved with India and Pakistan, we worked out a compromise when we came to the floor.

The CHAIRMAN. The time of the gentlewoman from Ohio (Ms. KAPTUR) has expired.

(On request of Mr. SOLOMON, and by unanimous consent, Ms. KAPTUR was allowed to proceed for 1 additional minute.)

□ 1445

Mr. SOLOMON. When it came to the disadvantaged farmers, we worked with the administration. The administration wanted the monies paid for out of school lunches. We objected to that. So we worked out a compromise. We brought it to this floor. Everybody was satisfied.

On this issue, the chairman of the Committee on Agriculture stood his ground and worked with everybody to try to get a compromise that we could live with by delaying this for 6 months, giving us the ability for the authorizers to act, the appropriators next year to act. That was all a part of a compromise, I say to the gentlewoman from Ohio. That is really why we are here.

We could have gone about it the other way and been one-way about it. That was not the right way to do it. We were all trying to work together, and we did.

Ms. KAPTUR. Mr. Chairman, I thank the gentleman for that statement, but it appears by this 2 hours of debate now that certain people must not have been

talked to, and we should not have been presenting a bill like this which has such a controversial provision in it.

I would hope that, in listening to what has happened here, that perhaps some of these other interests could be accommodated and listened to down the road. But this is atypical of the rest of the bill.

Mr. KIND. Mr. Chairman, I move to strike the requisite number of words.

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

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SOLOMON. Mr. Chairman, did the gentleman not speak?

The CHAIRMAN. The gentleman from Wisconsin has not been recognized on his own time.

The gentleman from Wisconsin (Mr. KIND) is recognized for 5 minutes.

Mr. KIND. Mr. Chairman, I want to associate myself with the remarks of the gentlewoman of Ohio. I do not think there was a meeting of the minds as far as the compromise that is being discussed right now on the House floor; otherwise, we would not be having this debate for over 2 hours.

I appreciate what the chairman of the Committee on Agriculture was attempting to do. I also appreciate the comments of the gentleman from Maryland (Mr. GILCHREST) about this is not the proper place to have the debate. If not now, when?

Of course we need to have this debate. We need to have this discussion in front of the American people because this is very serious legislation that we are talking about.

I am deeply troubled by the fact that this authorizing language is coming into the appropriations bill. This is something that, again, all the regions of the country and the representatives and the interests that are being affected by this legislation should come together at the same table and try to hammer out one coherent national dairy policy.

That is not what is being done. Instead, we are going to go back to this old antiquated Federal order system that pits region against region. We are going to perpetuate that who knows when. There is a 6-month extension right now, but who knows what is going to come when that 6 months is concluded. This is an opportunity for us really to come together.

I think we can all stipulate that farming and being a dairy family is a very noble, very honorable occupation. All of us could stand on the House floor and tell story after story of the plight of dairy farmers throughout the country. There is no question about it. But what this really comes down to is a question of fundamental fairness.

Just a little history. Sixty years ago, back in 1935 when the old order system was established, there were some sup-

ply problems in various parts of the region. In order to encourage getting the production of dairy products to those regions, this Federal order system was established.

Anyone who has had a business understands that not only do we need to produce the product, but we have to get that product to market. Perhaps 60 years ago there was difficulty in doing that, but the circumstances have changed. The market has changed.

As my friend from Minnesota (Mr. GUTKNECHT) pointed out, we have got an interstate highway system right now, refrigeration means, in order to transport fluid milk around the country. That is not the problem.

What we need to do right now is be thinking forward on this issue, thinking creatively on how we are going to be able to avert a crisis that is impending in the dairy industry, not region against region but internationally. Because other dairy industries in other countries are now starting to position themselves to start taking advantage of market opportunities as they open up overseas.

We are still having the 60-year-old debate today talking about removing the trade barriers within our own borders. What we should be talking about is how do we position the dairy farmers today in order to compete tomorrow in the international market. Until we are able to get to that issue, we are going to leave our dairy farmers at a distinct disadvantage starting early next century.

By this prop-up price differential system that we have right now, that discriminates against producers the closer they are to a city in my district, Eau Claire, Wisconsin, what we are going to end up doing is encouraging inefficient dairy operations to continue to exist, and we are going to encourage other operations outside our borders to start moving their product into the United States at an unfair competitive advantage to our dairy farmers because of this old system that we refuse to come to grips with. That is the discussion that we really should be having today.

Everyone is going to stand up and defend their interests and their regions, and good representatives, they will do that. I never thought I would be on the House floor hearing my good friend, the gentleman from New York (Mr. SOLOMON), associate himself with the liberal economic interests in the upper Northeast, but that is in fact what he did today.

We need to be thinking more creatively than what we are doing right now. This discussion should go on. This debate should go on. But so should the process that was put in place just a couple of short years ago under the Freedom to Farm bill where the Department of Agriculture was given the authority to take a look at the Federal order system and to come up with some options of where we go from here.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Mr. KIND. I am happy to yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Chairman, I would just like to ask a question. Can we treat an industry like agriculture or the dairy industry in the same way we treat an industry such as General Motors, Westinghouse, Wal-Mart, in the same frame of understanding as we refer to as a free market system? Can we treat both those industries the same?

Mr. KIND. Mr. Chairman, reclaiming my time, I think we can. I think we have to. I mean, really, is there any philosophical difference between the dairy family who wakes up in the morning to go milk the cows as compared to the family on Main Street with a small business trying to make that business survive and be very competitive in an international market that they are expected to be able to compete in? That is really what it comes down to. It comes down to basic economic principles.

Mr. GILCHREST. Mr. Chairman, will the gentleman continue to yield?

Mr. KIND. Sure. I am happy to yield to the gentleman from Maryland.

Mr. GILCHREST. Is it the same? Wal-Mart or General Motors can operate if they have 11 or 15 or 20 days of rain, but if you have 11 or 15 or 20 days of rain during the haying season, you lose a large crop, or you cannot plant our corn.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time because I have just spent a good part of the past weekend in dairy country in east central Minnesota in my district talking with dairy farmers who were beginning to have some hope that their lot might be improved, that the Department of Agriculture is moving along in its study, as directed by the Congress, to complete the analysis of the milk marketing orders. USDA might come up with some proposal that would establish fairness and fair treatment for these true family dairy farmers who average 50 cows, like the gentleman from Wisconsin mentioned a moment ago, a few that have 100 milking cows.

In the course of that discussion, I recalled a study completed about a year ago by the University of Minnesota Ag Extension Service which documented that there were more dairy cows and more dairy farmers 2 years before Minnesota became a State than there are today in that region of Minnesota, thanks to the whole herd buyout program and thanks in part to the Freedom to Farm Act of 1996. They are fed up with it.

There are some tragedies out there in rural America. I listened painfully to Harold Eklund, whom I consider one of the best dairy farmers I have ever known, runs the farm himself, has a few hired hands, tell the tragedy of a neighbor who had some health problems—a dairy farmer—the milk check

is not big enough to pay the bills. He came home from the hospital, went out to the shed, put some blasting caps on his body, set them off, and blew the top half of his body off.

He is a victim, too, of this policy that favors one region of the country over another, a failed policy that looked good and was good at the time that it was implemented in the 1930s, but today has gone way out of control.

That milk marketing order policy says that the farther away you farm from Eau Claire, Wisconsin, the more you get for your milk. If you really believe in freedom to farm, then let us abolish the milk marketing orders, let us remove the domestic barriers to trade as we did with foreign trade in NAFTA, as we did in trade with Canada. Let us remove the barriers among the States and let the Minnesota—Wisconsin milkshed farmers sell their milk wherever they can, as far away as they can. Let us see how well they compete with those 5,000 cow farms in the southeastern United States, in the southwestern United States, in the desert area where God never intended farming to happen or He would have made it rain there.

Let us not artificially impede the Department of Agriculture from proceeding with the rulemaking that is on track, on milk marketing orders, and which, hopefully, may provide some opportunity, some encouragement for not only the older, established farmers but also for the younger ones who are working their way into farming, who want a future in farming, who are the heart and soul and fiber and fabric of rural America and small town America. Let us vote for the Obey amendment.

Mr. SENSENBRENNER. Mr. Chairman, I rise today in opposition to the dairy provision in this bill which delays the implementation of the federal milk marketing order reforms and perpetuates the Northeast Interstate Dairy Compact.

I believe that the current federal milk marketing program is the most egregious and unfair aspect of federal dairy policy. The current federal milk marketing orders were created in the 1930s and were designed to ensure that all regions of the country were adequately supplied with fresh milk. This is obviously not the 1930s and fresh milk is available nationwide. Federal orders need to change to reflect the numerous changes that have taken place through technological advances at every level of dairying—from production to processing; distribution to transportation.

When Congress wrote the 1996 Farm Bill, we look at the rapidly changing agricultural landscape and realized that the old practices of government intervention were no longer working and mandated the USDA reform the program. With the 1996 Farm bill we set a course for greater market orientation in dairy policy, including the phaseout of the dairy price support system. The process for reform is underway. Secretary Glickman has indicated his support of steps toward a more market-oriented milk pricing system. We should not rescind our commitment to reform the federal dairy program by delaying the implementation of this much-needed reform.

Furthermore, the existence of the Northeast Interstate Dairy Compact is a completely discriminatory aspect of the current federal dairy policy. Last year I introduced legislation, H.R. 438, to rescind the consent of Congress to the Northeast Interstate Dairy Compact. To date, there are twenty-six cosponsors. I oppose such compacts because they run counter to the intent and spirit of the U.S. Constitution for free trade between the states. The legal authority for the Northeast Dairy compact was never considered by the House of Representatives but was slipped into the conference report to the 1996 Federal Agriculture Improvement Act, even after failing in the Senate. This is one of the main reasons I voted against this conference report. Nonetheless, one of the conditions of the existing law is that the Northeast Interstate Dairy Compact would terminate concurrent with the Secretary of Agriculture's implementation of the federal milk marketing order consolidation and reforms, currently set at no later than April 4, 1999. Any simple extension of this implementation date would also prolong the existing Northeast Interstate Dairy Compact.

The Compact is detrimental to consumers because the higher milk prices paid to farmers under the compact have been passed on to milk purchasers at the retail level. The Compact is also reducing milk consumption in the region while milk production in New England is increasing, raising the specter of a return to the days of dairy purchases at taxpayer expense. Let the Northeast Interstate Dairy Compact sunset.

I will support the amendments to be offered today by my colleagues Mr. OBEY and Mr. PETRI to remove the provision which delays dairy reforms and perpetuates the anti-competitive dairy pricing cartel, known as the Northeast Interstate Dairy Compact.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The amendment was rejected.

AMENDMENT NO. 8 OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. PETRI:

At the end of section 736 (page 68, line 2), add the following new sentence: "Notwithstanding section 147(3) of the Agricultural Market Transition Act (7 U.S.C. 7256(3)), congressional consent for the Northeast Interstate Dairy Compact shall terminate on April 4, 1999.

Mr. SOLOMON. Mr. Chairman, I reserve a point of order on the Petri amendment.

Mr. PETRI. Mr. Chairman, this amendment removes a provision in the bill that extends the Northeast Dairy Compact for 6 months. The amendment thus takes us back to current law and allows the compact to sunset as originally intended on April 4 of next year.

This compact, as we know from the legislative history, was inserted in the 1996 farm bill in conference and has never been reviewed by the Committee on the Judiciary or stood for a vote on the floor of the House.

This unprecedented use of the interstate compact provisions of the U.S.

Constitution should not be extended, at least without careful review by the Committee on the Judiciary; but even with such review, in my opinion, should not be extended.

The compact established a cartel to raise milk prices in New England, and it has done so. Retail fluid milk prices were raised about 8 percent in Boston. Guess what? Farmers have raised production by three times the national average in Vermont, consumers have lowered their consumption, and mounting surpluses are being turned into milk powder and sold to the U.S. Department of Agriculture.

Calculated properly, the cost of these surplus purchases is actually more than the farmers gained from higher prices. If the farmers actually pay these costs as they are supposed to under the terms of the compact, even they will be net losers from this price-fixing scheme.

If, through some kind of political manipulation, they do not pay for the surplus, the taxpayers will get stuck with the bill. Meanwhile, the existence of this surplus depresses manufactured milk prices and ultimately all milk prices in the rest of the United States.

Seventy years of experience in the Soviet Union should have taught the world that this kind of central planning and market manipulation is doomed to failure. It must be allowed to sunset as intended.

This amendment is supported by over 400 organizations spanning the complete political spectrum, including the National Taxpayers Union, Public Voice for Food and Health Policy, Citizens Against Government Waste, Consumer Alert, the International Dairy Foods Association, Farmers Union Milk Marketing Cooperative, the Milk Industry Foundation, the Competitive Enterprise Institute, Foremost Farms USA Cooperative, Citizens for a Sound Economy, and many, many others.

I urge all of my colleagues to vote for sensible market-oriented policy and to remove an onerous special milk tax from poor consumers by supporting this amendment.

POINT OF ORDER

Mr. SOLOMON. Mr. Chairman, I will not bother to get into a debate. We have already debated my good friend and classmate's amendment, so I will not get into that now.

But I would make a point of order at this time against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and, therefore, violates clause 2 of rule XXI. The rules states, in pertinent part, "no amendment to a general appropriation bill shall be in order if changing existing law." This amendment does, and I press my point of order.

The CHAIRMAN. Does the gentleman from Wisconsin (Mr. PETRI) wish to be heard on the point of order?

Mr. PETRI. Mr. Chairman, I certainly do.

Mr. Chairman, the bill before us is legislating on an appropriation bill and

changes existing law. My amendment would not change existing law. It would change the bill before us to protect and maintain existing law, and, therefore, I feel that it is certainly in order. The only reason that this is necessary is that legislating on appropriations was protected by the rule of my friend and colleague, the gentleman from New York (Mr. SOLOMON), chairman of the Committee on Rules.

Mr. OBEY. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Wisconsin may be heard on the point of order.

Mr. OBEY. Mr. Chairman, I would simply like to make the following point. I understand the gentleman from New York is objecting to the amendment being offered by the gentleman from Wisconsin (Mr. PETRI) under clause 2 of rule XXI, which prohibits legislation on an appropriation bill.

□ 1500

I would point out that that is exactly what the bill itself does. If the Committee on Rules had not pushed through a special rule, I would have been able to lodge exactly the same point of order against the underlying bill that the gentleman is now lodging against the gentleman from Wisconsin for his amendment. It seems to me highly unfair to use the rules in one place to enforce the status quo and to use the rules in another place to attack the status quo. It would seem to me that if the chairman of the Committee on Rules, who himself reported out the rule under which I was precluded from offering my amendment, is going to support a rule like that, he would, in the interest of fairness, owe it to the gentleman from Wisconsin to allow the same principle to be applied to his amendment.

Mr. SOLOMON. I am just trying to live up to our agreements.

I press my point of order, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from Wisconsin (Mr. PETRI) explicitly supersedes a provision of the Agricultural Market Transition Act. As such, it constitutes legislation in violation of clause 2(c) of rule XXI. The amendment adds legislation to the bill, and is not merely perfecting. The waiver in House Resolution 482 only covers provisions in the bill. The point of order is sustained.

The Clerk will read.

The Clerk read as follows:

SEC. 737. Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa-1(b)(2)(D)) is amended—

(a) in clause (i) by striking "or" at the end;
 (b) in clause (ii) by striking the period at the end and inserting ", or"; and
 (c) by inserting after clause (ii) the following:

"(iii) to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture for the purchase or other provision of food or other agricultural commodities."

(d) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture before, on, or after the date of enactment of this Act through September 30, 1999.

SEC. 738. Whenever the Secretary of Agriculture announces the basic formula price for milk for purposes of Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, the Secretary shall include in the announcement an estimate, stated on a per hundredweight basis, of the costs incurred by milk producers, including transportation and marketing costs, to produce milk in the different regions of the United States.

AMENDMENT NO. 1 OFFERED BY MR. BEREUTER.

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BEREUTER:

At the end of the title relating to "GENERAL PROVISIONS", insert the following new section:

SEC. . Section 538(f) of the Housing Act of 1949 (42 U.S.C. 1490p-2(f)) is amended by adding after and below paragraph (5) the following:

"The Secretary may not deny a guarantee under this section on the basis that the interest on the loan, or on an obligation supporting the loan, for which the guarantee is sought is exempt from inclusion in gross income for purposes of chapter 1 of the Internal Revenue Code of 1986."

Mr. BEREUTER. Mr. Chairman, I rise today to request approval of this floor amendment and that it be accepted by the Agriculture appropriations subcommittee. It would allow tax-exempt financing to be used in conjunction with the Section 538 housing program of the USDA. The floor amendment is necessary because of an unfortunate OMB ruling whereby tax-exempt financing could not be used in conjunction with the Section 538 housing program of the USDA Rural Housing Service. It is supported by the USDA.

I am prepared and, in fact, do give arguments for it and, in fact, arguments against the decision by OMB. But I understand that the Agriculture appropriations subcommittee chairman and ranking member have seen it.

While, this Member believes that the OMB ruling was an incorrect decision, as will be explained, without the change offered in this Member's amendment, the future success of the Section 538 program and as a result the future of rural housing will be harmed.

This Member introduced the Section 538 Multi-family Loan Guarantee Program legislation which was passed into law as a two-year demonstration project in 1996. The Section 538 legislation was introduced to ensure that the housing needs of rural families could be adequately met by the creation of additional rental units in rural areas (cities with population of 20,000 or less). Under the Section 538 program, a Federal guarantee is provided for loans made to eligible for-profit or nonprofit applicants by private lenders.

The single biggest reason why the Section 538 program is such an important and needed innovation in rural housing is due to its privatization focus. In the Section 538 program, the USDA guarantees the loan for these multi-family housing projects. As a result, the U.S. Government is not directly lending the money to the borrower, instead private lenders in the free market serve borrowers with the full faith and credit of the U.S. Government standing behind the loans. Guaranteed loan programs can save the Federal Government an enormous amount of money and at the same time allow the free market to construct affordable housing for rural residents.

The Floor amendment that this Member is offering today, which would allow tax exempt bonds to be used in conjunction with the Section 538 program, is imperative for the two following reasons:

1. First, tax exempt bonds decrease the cost of borrowing money which is essential to keep the rents affordable for low and moderate income persons.

2. Second, lenders are more likely to lend money if tax exempt financing is involved. This is because lenders finance these loans in many different ways, but one very attractive means for such financing is for the lender to sell tax exempt bonds on the secondary market. Since bonds have a higher demand in the secondary market if they are tax exempt, this increased demand in turn results in more money for financial institutions to lend to individuals who want to build multifamily units.

The Section 538 program was deemed a worthy project by the U.S. Congress in 1996 when it was enacted into law as a two-year demonstration project in 1997. Since its enactment, the Section 538 program in 1997 has guaranteed \$28.1 million for 16 loans in 12 states to build a total of 813 new rental units. (These statistics are provided by the USDA). The success of the Section 538 program has been recognized by the House Appropriations Committee as the bill before us today provides \$125 million in funding for the Section 538 program for fiscal year 1999.

The Section 538 program has come too far to have the foundation of the rural affordable housing program washed away through a tax exempt financing ruling by an anonymous person in the Office of Management and Budget. Tax exempt bonds are essential to the success of this program. This program deserves an opportunity to thrive and give rural residents affordable, and adequate housing, and that is what the amendment this Member is offering today will ensure—an even more successful Section 538 program that can work in conjunction with tax exempt bonds.

In closing, Mr. Chairman, according to the most recent census data, 2.7 million rural families continue to live in substandard housing. The Section 538 program, by utilizing the private market, and if used in conjunction with tax exempt bonds as allowed by this Member's amendment will do much toward reducing the number of rural families living in substandard housing. Therefore, this Member encourages his colleagues to vote for this Member's Floor amendment, which will allow the use of tax exempt bonds in conjunction with the Section 538 program.

QUESTIONS ON CBO ANALYSIS ON TAX EXEMPT BOND ISSUE:

While the Member is pleased to answer any questions from his colleagues regarding this

amendment, there is one question that this Member needs to respond to directly—that of the Congressional Budget Office (CBO) cost assessment on the issue of tax exempt financing. This Member believes that the CBO cost assessment over a five-year period (i.e., \$14 million) is grossly incorrect as there should be either no cost or a very minimal cost to the use of tax exempt financing in conjunction with the Section 538 program. The four following reasons support this analysis:

1. First, when CBO conducted their calculations, they used a questionable \$150 million amount for the yearly funding for the Section 538 program as a beginning point. The \$150 million amount was the amount requested by the USDA to the House and Senate Appropriations Committees for Section 538 funding. However, the House Appropriations Committee, in the bill before us today, provides \$125 million in funding while the Senate Appropriations Committee provides \$75 million in funding for the Section 538 program. Using the House and Senate funding amounts, a more reasonable assumption could be made that a conference compromise in the amount of \$100 million in funding for the Section 538 program will result. The \$100 million figure would have been more suitable to use as a basis point for a calculation as compared to the \$150 million dollar figure that CBO used. It has been estimated that this flaw in the CBO calculation would reduce the CBO estimate by one-third (Note: The calculation correction factor of "one-third" is provided by the Council for Rural and Affordable Housing.)

2. Secondly, the initial CBO assumption that this provision would leverage new investment financial by additional tax exempt debt is in question. CBO used the assumption that 50% of the bonds used in this program will be tax exempt. This Member believes that this percentage is far too high. This Member is not aware of any USDA program that has come anywhere close to this 50 percent tax exempt bond usage rate. For example, during the first pilot program under Section 538 OMB initially permitted tax exempt bonds to be used, only two out of 50 proposals involved tax exempt financing and both of these two were selected among the 10 successful applicants. Based on this information, this Member believes that 25% is a more suitable percentage for a tax exempt bond usage rate. In fact, this 25% figure was suggested by the USDA. This Member estimates that the use of the 25% estimate for tax exempt bond usage would reduce the CBO analysis by another one-third (Note: The calculation correction factor of this additional "one-third" is provided by the Council for Rural and Affordable Housing.)

3. Third, the full use of state volume caps by CBO in its calculation is in question as CBO refuses to reveal the volume cap model it used. Without such information from CBO, it is simply impossible for this Member to determine whether CBO in fact used these volume caps adequately.

4. Finally, CBO's calculation is questionable in that it progressively increases revenue loss by \$1 million for each year of the five scored years culminating in a \$5 million score for the year 2003. Due to the speculative nature of this scoring, especially with the volume cap questions, this Member believes that CBO scoring gets more and more questionable throughout the five-year scoring period.

In conclusion, Mr. Chairman, this Member believes that the above reasons will substan-

tially reduce if not eliminate the C.B.O. scoring of this tax exempt bond usage for the Section 538 program as a revenue loss. Therefore, this Member would again encourage his colleagues to vote for the Floor amendment which would allow tax exempt bonds to be used with the Section 538 program. If anyone has any further questions, I will be more than pleased to answer them.

Mr. Chairman, I yield to the gentleman from New Mexico if he has any comments to make at this point.

Mr. SKEEN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman has been a strong supporter of rural housing programs. He deserves great credit for his work on the new Section 538 program. The USDA advises us that they would like this provision in the bill and we are prepared to accept it on our side.

Mr. BEREUTER. I thank the gentleman very much.

Mr. Chairman, I yield to the gentleman from Ohio (Ms. KAPTUR), the ranking member of the appropriations subcommittee.

Ms. KAPTUR. I thank the gentleman for yielding.

Mr. Chairman, we have no objections to this section and it is acceptable to us.

Mr. BEREUTER. I thank the distinguished gentlewoman from Ohio.

Mr. Chairman, I have had good support, extraordinary support, as a matter of fact, from the Agricultural appropriations subcommittee on trying to move ahead with single-family and multi-unit housing. I appreciate that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER). The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MR. DOOLEY OF CALIFORNIA

Mr. DOOLEY of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. DOOLEY of California:

Add after the final section the following new section:

SEC. _____. The amounts otherwise provided by this Act are revised by reducing the amount made available for the Department of Agriculture for special grants for agricultural research under the heading "RESEARCH AND EDUCATION ACTIVITIES-COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE" and providing an additional amount for the Department of Agriculture (consisting of \$49,273,000 for section 401 of the Agricultural Research, Extension, and Education Act of 1998 notwithstanding section 730), both in the amount of \$49,273,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes, and that the time be equally divided.

The CHAIRMAN. Without objection, the gentleman from California (Mr. DOOLEY) and the gentleman from New Mexico (Mr. SKEEN) each will control 10 minutes.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this morning the President signed into law the Agricultural Research, Extension and Education Reform Act, which was passed by the House earlier this month by a vote of 364-50. This was an exciting event for myself and my colleagues on the Committee on Agriculture who have worked for over a year to develop a comprehensive agricultural research system. One of the most important provisions of this new law is the initiative for Future Agriculture and Food Systems. This new program is intended to provide Federal research dollars to be awarded on a competitive basis to address emerging issues, including agricultural genome, food safety, food technology and human nutrition, new and alternative uses and production of agricultural commodities and products, agriculture biotechnology and farm efficiency and profitability, and natural resource management.

Unfortunately, even before the President had a chance to sign this new law, the Subcommittee on Agriculture zeroed out the new program and used the savings to pay for other programs within its jurisdiction. I certainly recognize the difficulties the chairman had in providing funding to all of the important programs under his jurisdiction. However, I believe that zeroing out of all of the funding in the initiative was misguided.

I am offering an amendment today that would partially restore funding for the initiative for future agriculture and food systems. The amendment is simple. It would delete funding provided under the special grant authority for earmarked projects and use that savings to fund the initiative. In S. 1150, the Congress sent a strong message that earmarked projects should be a thing of the past and that competitive research grants were the model for the future. This philosophy was repeated throughout our bill. In section 406 of the bill, we established a generic authorization for high-priority research projects. In the past, these projects would have been earmarks, but we were able to establish a system whereby all funds would be awarded on a competitive basis and matching funds would be required. In section after section, we repeated the pattern of requiring competition for research money. Now, before the program can even get under way, the bill before us today eliminates funding for this program and resorts to business as usual.

Support for the initiative as a part of S. 1150 was overwhelming. It was supported by all the agricultural organizations, the land grant and nonland grant universities and others. Unfortunately, now they are placed in a difficult position, a position not unlike those of us

in Congress. They would be asked to choose between funding for the initiative and funding for other important agricultural programs. It is unfortunate that we are all in this position, but I believe that redirecting research funding in the form of special grants back to the new competitive program is the right approach.

I understand that many of the projects included in this section of the bill are important, but I believe that the goals of these projects could be reached through a competitive process. The interest of agriculture and the taxpayers would be better served through the competitive awarding of money. We need to ask ourselves whether we should be spending Federal dollars on research that would not be able to withstand a competitive process. We have scarce Federal dollars. No one knows that better than our colleagues who serve on the Committee on Appropriations. But I believe that it is irresponsible for this Congress to earmark funds for programs that are unauthorized.

I know that this is a difficult fight. I ask my colleagues to support my amendment that will allow us to go down the path we voted on just a few weeks ago that ended the earmarking of research projects.

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

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have had these special grants we have developed all through the years. The system has worked very well and been very productive. I do not think at this time that we want to see us to lose that system or the way that we have been handling it. Therefore, I strongly oppose the gentleman's amendment.

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

Mr. DOOLEY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in regard to the comments made by the gentleman from New Mexico, I think that what I am simply proposing is that all the programs that have been earmarked are programs that could well have merit. But I contend that in order to do the best job in meeting the priorities of agriculture and the priorities of farmers in this country and at the same time ensuring that the taxpayers are getting the greatest return on the investment of their dollars that we should be funding agricultural research programs based on a competitive basis, and that many of the programs that are earmarked in the appropriations bill will receive funding on a competitive basis. But why should they not be required to compete with other agricultural research priorities? Why should we identify a set of programs to be funded at the expense of funding other programs when they have not gone through a competitive process?

I am one of the strongest supporters of agricultural research. I think there

are some great projects that are funded in the earmarks section of it. But why do we not do justice to the farmers of this country and justice to the taxpayers of this country to ensuring that the tax dollars that we invest in agricultural research will be done in a matter which ensure that they are meeting the highest priorities of the farmers of this country.

I urge my colleagues to vote in support of this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Chairman, I support the gentleman in his opposition to this particular amendment. I think every single account in agriculture, whether it is research, whether it is conservation, whether it deals with emergency feeding, whether it is WIC, school lunch, we can go down the list, every single account needs more money and wants more money. I think we have been very fair. In the research accounts, I think that we accommodate various interests around the country. We just do not favor one set of perhaps powerful interests that would want to do research. On behalf of the United States of America, I think we have produced a good bill. A lot of this research is continuing research.

It is unfortunate that when additional research dollars were sought and they attempted to make them mandatory, of course, there were no funds, user fees or other sources of revenue that could help us pay for those research projects. I think it would be unfair to try to rearrange the order that we have set now within the bill. I think we have been very fair to the research accounts. Unfortunately if people want more dollars for research, they are going to have to come up with revenue sources to pay for them. I support the chairman in his opposition to this amendment.

Mr. SKEEN. Mr. Chairman, I yield myself such time as I may consume. I would like to remind the gentleman, too, that we have a tremendous amount of competition on the basis of these grants that we are granting now. Because of the lack of funding for all the programs, they are intensely, I think, interrogated as far as how valid they are and how much they will yield to the system. I do not think that this is the way to go. I am still constrained to oppose it. I do not think we need to have a competition board or something like that. We do that every session that we work these over, and we go back and review them as well.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DOOLEY).

The amendment was rejected.

AMENDMENT NO. 6 OFFERED BY MR. NEUMANN

Mr. NEUMANN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. Neumann:

Add after the final section the following new section:

SEC. —. None of the funds appropriated or otherwise made available by this Act may be used to make available or administer, or to pay the salaries of personnel of the Department of Agriculture who make available or administer, a nonrecourse loan to a producer of quota peanuts during fiscal year 1999 under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) at a national average loan rate in excess of \$550 per ton for quota peanuts.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes, and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin (Mr. NEUMANN) is recognized for 15 minutes.

Mr. NEUMANN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to start this debate by just reading a couple of lines out of a Washington Times article of July 7, 1997. It says:

Congress is doing something really nutty. It is making Americans pay 33 cents for every jar of peanuts we buy as part of a continuing effort to help farmers who have been dead for half a century.

Here is what is going on in the peanut program. It was developed back in the 1930s much like the dairy debate that we heard earlier here today, a program that was developed in the 1930s for specific purposes. What they did is they limited the amount of peanuts that could be sold here in the United States. They issued a quota as to how many pounds could be sold here under a certain price structure. The program was designed originally to be temporary. And as with many programs out here in this Congress, the temporary program is still going on. It was developed in 1934 and it is still going on here in 1998.

□ 1500

I have to say that in the building business when we built a company that provided 250 job opportunities, we could not get by on technology and systems that were in existence in 1986 by 1990 when I left the company, much less looking at programs that worked in 1934 and would still be in use today, and that is the case with the peanut program.

Here is how it works:

There is a limited number of quotas that are owned by individuals. Now, if we have this quota, we can market peanuts for consumption here in United States of America. Of course they get \$650 per ton for the peanuts that they

market here in the United States of America. Now, if they market peanuts or grow peanuts outside the quotas, they can still sell them in the world markets. In the world markets the price of peanuts is about \$350 a ton, instead of \$650 that we are marketing for here in the United States.

So what does that really translate into? The consumer here in the United States of America is being asked to pay a subsidy from \$350, which is the market price in the world market, to \$650 a ton, so the consumers here in America are forced to pay this additional price.

What has happened over the years, of course, is that the farmers that were originally intended to benefit from this back in the Depression era, those farmers are now deceased. They are not here any more, so they do not exist. So what they did is, they passed their quota on as part of an inheritance, so it went through generation after generation after generation, and as might be expected, the person that inherited the quota no longer is doing the farming. So we are now in a situation where 68 percent of all quota owners no longer do the farming.

So what we really have, and up until very recently these quotas were owned by people in foreign countries like France and Germany and so on, and what would happen is a farmer here in the United States would buy the right to sell peanuts at this subsidized price at \$650 a ton. They would buy the right to sell the peanuts here in the United States of America at this escalated price, and the quota owner would simply get a check at the end of each year.

This whole program is just plain senseless in today's markets. We should allow the peanuts to be sold at market prices here in the United States of America just like they are anywhere else in the world.

Now I should clarify just for the record that quotas are no longer owned by people in foreign countries, but they are now owned by doctors and lawyers and attorneys and wealthy people in general in the United States of America.

So what happens? A farmer goes to this person owning a quota here in the United States of America. They ask the farmer if they will sell them the right to market peanuts here in the United States of America at this subsidized or at this higher price. So the farmer then goes to work, puts in all the effort, all the time, raises the peanut crop and then sells it at the \$650 a ton, but the farmer does not get to keep the \$650 a ton. The person who owns the quota gets the money for it, and of course the consumer pays the additional price.

I strongly urge that we at last end this 1930's program and bring the United States of America and all the free traders in this country and all the people that say they want a fair and even playing field, let us bring the peanut program and the peanut farmers into the 1990's, just like we are trying to do with the dairy products. It is

time we end this program, and that is the purpose of this amendment.

I would add one more thing under this amendment. We did not try to bring the price all the way down to \$350 a ton. We simply said we are going to take it the next step and bring it to \$550, with the hopes that in future years we can get to an actual free market system. So all the amendment does is bring it closer to market price. It does not even bring it all the way to market price.

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

Mr. WALSH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. EWING) the chairman of the subcommittee of jurisdiction.

Mr. EWING. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, this is an argument that we seem to go through every year, unfortunately, and I think it is too bad that we constantly attack farmers regardless of what their crop may be. This is indeed an attack on peanut farmers and the peanut economy in this country. It is not the place that we should be reforming the peanut program, on the ag appropriation bill. No hearings, no discussions, just come in here and we will slash this program.

The sponsor of the bill, I think, is misinformed or uninformed when he talks about the world price of peanuts. The world price of peanuts is really not the value of peanuts. It is the value of peanuts that are dumped on the world market, a big difference, and the program that we have in effect, a no-cost program to the Federal Government, is there to protect the American peanut farmer from imports of cheap peanuts which are subsidized by the governments of those producers.

My colleagues, this is not a good way to make farm policy. I suggest that we do as we have in the past, that we turn back this amendment and that we live up to our contract with America's peanut farmers.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Neumann amendment to the farm bill which puts a price support level of \$550 per ton on peanuts. This amendment represents a modest step in the direction of reform. It does not end their program or pull the rug out from under peanut farmers. However, it does send a message to the peanut, confectionery and bakery industries in districts and States like mine, Illinois, that they need not continue to pay an inflated price for peanuts as they operate in more than 50 locations, employ over 15,000 people and generate more than \$600 million in annual payroll compensation to workers.

It is difficult to find anything unique or in the national interest which demands that peanuts get special preferential treatment over other commod-

ities such as wheat, corn, grains, sorghum, barley, oats, soybeans, rice and cotton, all of which have been transitioned to the free market.

Mr. Chairman, the area that I come from, Chicago, is the hub of confectionery and peanut product manufacturing. I urge that this amendment be supported. It is good for business, it is good for America.

Mr. SKEEN. Mr. Chairman, I yield 7½ minutes to the gentlewoman from Ohio (Ms. KAPTUR) for purposes of control.

Ms. KAPTUR. Mr. Chairman, I yield that 7½ minutes to the gentlewoman from North Carolina (Mrs. CLAYTON) to control.

The CHAIRMAN. Without objection, the gentlewoman from North Carolina (Mrs. CLAYTON) will control 7½ minutes.

There was no objection.

Mrs. CLAYTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank my colleagues very much for allowing me to control this time, and I tell my colleagues that this is an old argument, an old story, but it is an unfortunate one and it is an appropriate one. Here we go again trying to really make scapegoats of farmers and the rural communities, and here we go again also trying to equate the world market to the lowest common denominator to make sure that our farmers indeed lose.

This is a regional crop. I can tell my colleagues rural communities will be devastated if indeed this amendment is passed.

Mr. Chairman, I note my ranking member from the Committee on Agriculture has come.

Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I thank the gentlewoman for yielding this time to me, and as someone else said a moment ago, here we go again. It seems like every year at this time the manufacturers are never satisfied until the peanut program is eliminated.

But I just did a fascinating amount of research right here in this body. I have in my hand M&M peanuts, which I like both products very well. One has peanuts, one does not. I went into the Democratic cloakroom, and I asked how much are these, and they said 60 cents each, and I said I will take two. Now my colleagues can go out in the store and buy it for 55 cents, but roughly that is the same amount that we were paying for these products last year.

What was fascinating, though, is when I went over into the Republican cloakroom and I said I would like to buy the same M&M peanuts, well, I hate to tell my colleagues on this side of the aisle, but they need to start buying their products over on this side because it costs you 75 cents for the same

two M&M peanut packages. So I think we are going to have a run on business over on our side.

But this just proves the point. With all due respect to my colleagues who are offering this amendment again, this has nothing to do with what consumers are going to pay for peanut products, even the peanut butter argument. It is fascinating. The gentleman from Wisconsin (Mr. NEUMANN) made the argument on peanut butter. The best bargain prices for peanut butter in the world are in the United States, and yet some people, and we can go anywhere in the world and we will pay more for our peanut butter. We can go to Mexico and we will pay \$2.55. Here in the United States it is \$2.10.

What they are trying to do with this amendment today is once again destroy peanut farmers in America. That is what they are trying to do, and they are using philosophical arguments that have no standing whatsoever with fact. When we can take these two products here and see the differences, we should not kid ourselves that we are going to do the consumer any favor by adopting this amendment. We will not.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. SMITH) the chairman of the Committee on Agriculture.

(Mr. SMITH of Oregon asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, unfortunately we have this exercise it seems every appropriation period where we attack the contract that was entered into in 1996 between Members of Congress and farmers in America. This is another attack to violate the agreement reached when we said at that time, passing legislation at that time, that we would continue the subsidy program until 2002 where it would all end.

Now farmers understand that process, the bankers that farmers do business with understand that process, and plans have been made for that purpose. Now to turn our backs, turn this Congress' back on the contract that was agreed to in 1996, is wrong. It should not happen, and it will not happen, and we will not let it happen.

Now for all the tobacco and peanut farmers in the Northwest, I am asking my colleagues, and there are not any by the way, in the name of good sense and common sense and agreement I am asking my colleagues to vote down this amendment. The point is and was made, there are shellers, there are manufacturers, there are farmers. Everybody is coming at this from another angle. This is a no net cost to taxpayers. Vote down this amendment.

Mr. NEUMANN. Mr. Chairman, I yield myself 15 seconds.

I just like to put this argument back in proper perspective. This is about the United States Government stepping into a situation and dictating that the

consumer pay more than market price for a product. That is what this argument is about. It is not about whether it costs 30 cents or 60 or 75.

Mr. Chairman, I yield 3 minutes to my colleague the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Chairman, I would like to register an objection.

I am a guy who loves peanut butter, and I have discovered, my research, it cost me 33 cents more for a 18 ounce jar, and I think that the Members on the other side of the aisle should get together and vote me a subsidy of 33 cents for every jar of peanut butter I consume a year because, after all, why should I not be entitled to be subsidized as the peanut farmer is?

This argument is really an argument. It is bipartisan in nature. There are those on both sides of the aisle that want to support the peanut farmer. If we talk about the peanut farmer, my heart goes out to him, too, except when we look at the reality of the situation, 22 percent of the peanut farmers are deriving 80 percent of the profits from these quotas.

Seventy-five percent or two-thirds of the licensees of these peanut support systems are not farmers. They are owners of land and owners of licenses. Some of them inherit them as a matter of inheritance from father and grandfather, and we are saying here that we are fighting for these poor farmers.

A lot of them live on Wall Street, the holders of these licenses, because this is a negotiated saleable item, a commodity that is sold in this country, and it is just time that, if we are talking about free markets and we are talking about competition, we are not suggesting to go straight to a free market. We are suggesting a simple 10 percent reduction in support costs.

And I just want to remind all the Members how many people would be screaming aloud here if we guaranteed the price of steel that would have to be consumed by auto manufacturers or other users of steel in this country.

□ 1530

What if we said oh, these people have made their investment and always produced steel, they have got to get a fair guaranteed price by the Congress of the United States. What happened to our Congress, our supposedly free marketeers? This is not asking for a free market; it is asking for something nearer to a fairer market. If it does not happen, the hypocrisy we will express in doing this, and when I hear our friends talk about it is going to end in 2002, well, I am not a gambler, but if anyone would want to step to the back of the Chamber, I would make a wager that in 2002 there is going to be an excuse to continue to subsidize licensee holders on Wall Street, New York, with the payment from American consumers to protect the markets of the license holders of peanuts. You will not be wrong. It is going to happen. We know it is going to happen.

All we are saying is maybe let us just give the indication to the American people that we are going to reduce this hard support system for peanut farmers by just 10 percent now. Let us see what the effect is on the marketplace. Let us see how competitive it makes our candy business. Let us not run the risk of encouraging our candy manufacturers to move to Mexico, right across the Texas line, and buy peanuts \$300 cheaper from Texas than they can today.

I urge my friends to support this amendment.

Mrs. CLAYTON. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Mr. Chairman, I rise in opposition to this repetitive, redundant amendment. It seems that we have got to face this every year. But 2 years ago we forged an agreement between the government and our farmers, and investment decisions have been made based on a 7-year farm bill. Now, after 2 years, we are threatening to renege on that commitment.

I think that is absolutely awful. We have made a contract with our farmers. They have relied, to their detriment, on that; and here we come now as a Congress and want to pull the rug out from under them. It is not fair, it is not right, it is un-American, and we just not ought to do it.

Mr. Chairman, I believe we ought to vote this amendment down today, just as we voted it down last year and just as we voted it down the year before that. This is a bad amendment, it does not reflect good policy.

The statistics that the gentleman from Pennsylvania (Mr. KANJORSKI) cited are based on obsolete information. We have a no-net-cost peanut program now. It does not cost the government a thing. What we are trying to do is protect American farmers and make sure they have a level playing field with producers in other parts of the world with whom they have to compete.

This is a bad amendment. It rejects and reneges on the contract we have made with our farmers and it sets bad precedent. We ought to stand up to our agreements and live out this farm bill in a way that our farmers will know that when the Congress speaks, that we can be counted on to keep our word.

Mr. Chairman, I urge the rejection of this amendment, and urge us to pass this bill and get on with the business of this House.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, the peanut program is nuts, just a shell game. It is a hidden tax. It is a hidden tax on American consumers, adding hundreds of millions of dollars to the cost of peanuts.

We have not repealed the law of economics. A jar of peanut butter costs 33

cents more because of the peanut program. These higher prices affect all consumers, but particularly low-income Americans, who often substitute peanuts for higher priced sources of protein. Even the Federal Government is feeling the pinch of higher peanut prices. It has cut its purchases of peanut butter for feeding programs such as school lunches.

In the 1996 farm bill we were promised real reform. However, in my view, this never was realized. We still have a program of fixed peanut prices, government-sponsored peanut shortages, and it is still illegal to grow peanuts without a license.

This amendment is a step in the right direction. It caps the peanut price support at \$550 per ton. This is only a 10-percent reduction in the support price. I urge support for this amendment.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. CHAMBLISS).

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

Mr. CHAMBLISS. Mr. Chairman, the gentleman just got up here and said this is simply a reduction of 10 percent. You know, we reduced the support price on peanuts 10 percent in 1996. You know what happened to the price of that jar of peanut butter you just referred to? The price went up. Explain that to me. Explain that to the farmer down there who gets less than 33 cents out of that jar of peanut butter for the peanuts that go into that jar of peanut butter.

This whole thing makes absolutely no sense at all. The gentleman from Texas walked in here with M&M's that contain peanuts and M&M's that do not; M&M's bought on one side of the aisle and others bought on the other side of the aisle at different prices. Let the market control that, and that is what happens.

The cost of peanuts is so minimal in the manufacturing industry that it is absolutely ridiculous to be standing up here arguing about this. But the real point is, this is not a 1934 program, as my friend from Wisconsin said. The current peanut program is a 1996 program. Real reforms were made in the program in 1996. It became more market-oriented, it became a no-net-cost program. There was a 10 percent reduction in the support price in 1996. Most of all, as the gentleman said, it eliminated these quota holders that do not live in the United States. That simply is no longer an argument on this issue.

Most importantly, Mr. Chairman, when you step up here to vote on this particular amendment, you are voting on whether or not you want to live up to a commitment that was made to the farmers in this country in 1996. A vote for this amendment is a vote to jerk that commitment out from under them. A vote against this amendment is a vote to support what we told the peanut farmers in this country in 1996

we would do, and that is that if they would agree to making real reforms in this program, we would agree to continue this program for 7 years, at \$610 not \$650 a ton.

Mrs. CLAYTON. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. RODRIGUEZ).

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

Mr. RODRIGUEZ. Mr. Chairman, the peanut farmers are family farmers. The average peanut farm is 98 acres, based on the census. It is not a big farm, it is a small farm. I have the luxury of representing some of them, and they are having a great deal of difficulty.

One of the things we need to recognize is that in 1996 we had an agreement, and we brought that price down from \$678 to \$610. I ask you, did you see a price cut on the peanut butter and the candies out there? No, and you are not going to see it either.

The main thing is that we need to begin to support our farmers in order for them to be able to get a good price for their product. Consumers have yet to see any cost savings from those cuts that were made in the previous time. Now they want to cut again, arguing much more that the consumers deserve the savings. In fact, just like before, there are no savings.

Mr. Chairman, I ask that Members vote against this amendment.

Mr. NEUMANN. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. HUTCHINSON), a coauthor of the amendment.

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

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in support of this amendment. This amendment establishes a loan rate that will bring our prices closer to the world market level. This is simply a step towards preventing the government from artificially raising the price of peanuts through production quotas. In the 1996 farm bill, and Members have referred to this, the peanut subsidy was essentially left out, so we must address it now.

This policy that has been adopted is unfair to, first of all, the consumers, the consumers who are affected by the increase in price, the subsidized price of the peanuts. If it is not the consumers, it is the peanut industry. Someone has to absorb a price whenever the price is artificially increased, so it is either consumers are or the industry itself.

But it is also, and I come from an agricultural State, it is also unfair to those farmers who would like to grow for the U.S. market but do not have a license. I think we need to eliminate that.

Fourthly, it is unfair to the rest of American agriculture, who is so dependent upon exports. In Arkansas, my

State, rice and soybeans, we export those worldwide. When you are trying to build an agricultural economy worldwide, we have to defend against the accusation that, well, look at your own country; you are subsidizing, engaging in unfair trade practices. So we need to eliminate those barriers across the board, so that we can increase our exports and so it is fair to all of our agricultural communities.

So I think it is very important that we start reducing this trade barrier, but we also start putting back the free market system into peanut production.

In 1934 the Great Depression led Congress to establish the Federal peanut program to protect the peanut producers and to control the domestic supply. Well, the peanut program is now 64 years old. That is 64 years of price controls, it is 64 years of higher prices for consumers and 64 years of centrally planned economics. It was not remedied in the 1996 farm bill.

Please vote for our amendment today, and end this government program.

Mr. NEUMANN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in support of the Neumann amendment. This amendment attempts to keep our promise to the American people, consumers all, to reform the peanut program, one of a number of inappropriate and outdated subsidies.

While the Farm Act gave farmers of agricultural commodities greatly expanded flexibility, removed the heavy hand of government and reduced government payments to farmers, the peanut program continues to waste taxpayer dollars.

This amendment by the gentleman from Wisconsin (Mr. NEUMANN) follows through with our commitment to reform the peanut program. It will ensure that the Secretary of Agriculture provides the small measure of reform that was promised in the farm bill. It deserves our support.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Alabama (Mr. EVERETT).

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

Mr. EVERETT. Mr. Chairman, this amendment is based on false information, it is poor from a policy standpoint, and it is unworkable from a practical standpoint. How strange it is that while the author of this amendment just a few hours ago on this floor fought for family farms in Wisconsin, he now offers an amendment that would destroy family farms that he has no interest in.

Opponents continue to claim that this peanut program costs families additional money. That simply is not true. The report that they quote identifies the consumer as corporations,

not families. Since the price farmers receive for their peanuts was slashed over 2 years ago, the price of a candy bar has gone up. Not one penny of that money taken from farmers has gone to families, not one penny.

This bill takes money from working farmers and puts it into the hands of greedy corporations.

Mr. Chairman, I yield back what common sense is left in this place.

Mr. NEUMANN. Mr. Chairman, it is my privilege to yield 1 minute to my good friend, the gentleman from Tennessee (Mr. WAMP).

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

Mr. WAMP. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I am asked often in my fourth year here in the House, what surprises you the most? I must say what surprises me the most, without question, is that my party, the Republican Party, took a majority in this institution for the first time in 40 years, yet agriculture somehow escaped the reforms. It is unbelievable to me that we are still, in the name of reform, slow-walking reform, smiling at the American people, and saying we reformed agriculture.

My goodness, we are so deep in the agriculture business, it survives whatever winds blow through this city. They are so institutionally prominent. Whether it is peanuts, sugar, tobacco, whatever, price supports, subsidies, quotas, they make no sense in the free market. The government should not be this involved in the farm business.

Mr. Chairman, I come from a deep farm history in the Sequatchie Valley of east Tennessee and in northeast Alabama, and the farmers in my part of the world want to be left alone. They want to farm all by themselves, without figuring out what the government is doing next.

Mr. Chairman, I urge my colleagues to vote in favor of this amendment on peanuts. There are several reasons why this amendment is appropriate. Perhaps one of the most important reasons comes from a government policy perspective.

The U.S. peanut program stands out as a glaring example of inconsistency with well-established agricultural trade policy and principles supporting fair and free trade. In a new era of U.S. agriculture, where almost every food commodity is produced and exported competitively in the world market, the peanut program especially stands out as completely contrary to the objectives of the rest of agriculture.

In fact, a 1996 NAFTA case involving, dairy, poultry and eggs illustrates the problems the U.S. peanut program creates for other American commodities. In its pleadings before the domestic peanut market. The Canadians even threatened retaliation in the form of a trade case against the peanut program, had there been an adverse panel decision against Canada in the dairy, poultry and egg case.

With exports of U.S. agricultural commodities totalling approximately \$60 billion annually, and many more billions of dollars of ex-

port potential, it is difficult to understand why both-makers and growers of other commodities would jeopardize this export trade in the interests of a relatively small group of peanut quota holders who refuse to compete in world markets. In fact, peanuts represent only one-half of one percent of the total value of all U.S. agriculture commodities.

Almost all U.S. commodity programs stepped up to the plate during the 1996 Farm Bill and agreed to remove restrictions on production. At the same time, peanut quota holders clung to the past and ignored market realities.

The many sectors of agriculture that compete in world markets should no longer allow the peanut program to impair their export opportunities. The future of U.S. agriculture lies in exporting commodities where we have a competitive advantage.

While this amendment does not eliminate the peanut quota program, it begins to move the U.S. peanut quota price support toward the world market price. However, if we want to begin the process of making the peanut program more market-oriented, we should support this amendment.

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Mrs. CLAYTON. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. ETHERIDGE).

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

Mr. ETHERIDGE. Mr. Chairman, I thank the gentlewoman for yielding time to me.

Mr. Chairman, I strongly oppose this amendment. It is amazing to me to listen to people up here who do not farm tell us how farmers make money. It is amazing to me to listen to people who do not have dirt under their fingernails to tell us how we ought to change programs. It is absurd. It is obvious to me they do not really know what it is all about. They have been listening to someone with a textbook. They really ought to go talk to the farmers who are out there right today, in 95-degree weather praying for rain, who have had too much rain, and the peanuts get soggy.

Three years ago this Congress decided it would have a 7-year program. If there is any integrity left in this body, we ought to live up to our commitment and keep this program in place and defeat this amendment.

Mr. SKEEN. Mr. Chairman, I yield 1½ minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. I thank the gentleman for yielding me the time.

Mr. Chairman, I just listened to my good friend, the gentleman from Tennessee (Mr. WAMP), speak a moment ago about subsidies for agriculture, and agriculture never changes. I want to dispel everybody of that notion. This is silly.

I do not know whether the gentleman from Tennessee voted for the farm bill or not, but if he did not, or if he did, and a majority of this House did, it made an agreement with people in wheat and peanuts and sugar and the

rest to change this system gradually. There is nothing wrong with that. The commitment is to the farmer.

It is easy to say, let us cut everybody off tomorrow. That is fine. I am not one for great subsidies, either. But in the farm bill, we said we were going to gradually make an agreement to eliminate any assistance over a period of years. We did it with peanuts, we did it with wheat, we did it with sugar. We should stick with it.

My argument to anybody who wants to object and wants to change the agreement we made in the farm bill that the majority of this House voted upon, and the President signed into law, is stick with the commitment. Stick with the commitment to gradually adjust our thinking in this country relative to agriculture. That does not mean change peanuts or change sugar or change wheat overnight. It is stick with the agreement.

That is what I object to on this amendment is that we are suddenly saying, let us get more pure, and we are going to change this overnight. A commitment is a commitment with the farmers of this country. We ought to stay with it. I urge a no vote on this amendment.

Mrs. CLAYTON. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, just a couple of things to set the record straight. There are no licenses required to grow peanuts. Anyone can grow peanuts. In fact, 120,000 tons of non-quota peanuts found itself into the domestic market over each of the last 2 years.

Here is a list I will put in the record of 10 reforms that were put into the peanut program in the 1996 farm bill, just as the previous speaker was talking about, that have had the result of reducing peanut farmer income by as much as 30 percent.

But that is not enough for our colleagues today on the floor. All commodities have a loan. All commodities have a loan. That is what we are talking about for peanuts today, the loan price for peanuts.

Mr. Chairman, I include for the RECORD the list of 10 points related to the peanut program.

The material referred to is as follows:

THE PEANUT PROGRAM HAS BEEN REFORMED

As a result of changes made to the peanut program in the Federal Agriculture Improvement and Reform Act of 1996, peanut producers have experienced income reductions as much as 30%. Any efforts to further limit the marketing ability of peanut producers will have a devastating effect on peanut production in the United States.

Reforms made to the peanut program:

1. The Peanut program is a no-net-cost program. All taxpayer cost has been eliminated. This represents a 7 year savings of \$378 million.

2. The support price has been reduced by 10%. Grower income has been reduced with no effect on the cost of operating the program.

3. The support price has been frozen for the life of the Bill. Producers will not be protected from increases in the cost of production.

4. Minimum legislated production floor is eliminated. Growers will plant based on marketplace demands rather than a legislated minimum.

5. Undermarketings are eliminated. Producers will no longer be able to carry-forward produced quota resulting from natural disasters.

6. Regulatory rest frictions are eliminated. Many restrictions on the lease and transfer of peanuts across county lines are eliminated.

7. The peanut program is opened to new producers. Access to the program has been made easier for producers desiring to produce peanuts.

8. More production will shift to family farms. Public entities and out-of-state non-producers will be ineligible for participation in the program.

9. Severe penalties for producers who do not market their peanuts commercially have been put in place. Growers who abuse the program and refuse to sell their peanuts on the commercial market will be barred from the peanut program for one year. No other commodity marketing loan program has such a severe penalty.

10. Safety-net provisions protecting against the production of lesser quality peanuts has been reduced. The use of this provision has led to a substantial improvement in the quality of peanuts in the edible market by ensuring that damaged peanuts and peanuts contaminated with aflatoxin are not used for domestic edible consumption.

Mr. NEUMANN. Mr. Chairman, in the interest of being a good sport, it is my privilege to yield 30 seconds to my opponent on this particular amendment, the gentleman from Georgia (Mr. NORWOOD).

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

Mr. NORWOOD. Mr. Chairman, I thank the gentleman very much for yielding time to me. I appreciate the gentleman from Wisconsin (Mr. NEUMANN) giving me this few seconds to say that I hope he has seen a peanut plant since last year, because last year he had never seen one.

Since then, since the gentleman has tried to give the children of Georgia powdered milk today, now they want us to buy Chinese peanuts. They are talking about 16,000 farmers in this country who are God-fearing, church-going, hard-working, taxpaying people and he needs to get off their backs and not be so greedy for the candy manufacturers.

Mr. Chairman, if people like strawberries from Mexico, they are going to love Chinese peanuts.

Mr. NEUMANN. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this is not quite as it was just explained. This is really about whether or not the United States government is going to interfere and mandate higher prices than the market would bear for peanuts. The price those farmers are farming and selling those peanuts, who are not under the quota, is \$350 a ton. Why is it that our American people should pay \$650 a ton when the going price in the world market is \$350?

This program is bad. The United States government should not be in the

business of forcing higher prices. We should have free trade as it relates to peanuts, as we should in many other areas in this country. I would hope all the people that consistently come to the floor of this House and support free and fair trade would come to the floor and support ending peanut subsidies in the United States of America, once and for all.

Mrs. MORELLA. Mr. Chairman, I rise today to support this amendment to ensure that we will achieve the reforms to the peanut program promised in the 1996 Farm Bill. The Neumann amendment would push the peanut industry toward free market policies, and help taxpayers and consumers save millions of dollars. This amendment simply requires the Department of Agriculture to be fair to consumers in establishing the loan level for quota peanuts. The USDA will be required to administer the floor price for quota peanuts at no more than \$550 per ton.

The Federal Agricultural and Improvement Reform (FAIR) Act of 1996 provided "freedom to farm" for just about every agricultural commodity, such as corn, soybeans, and wheat. Peanuts are one of two exceptions. Although freedom to farm peanuts was denied by Congress, advocates of the new farm bill did promise a 10 percent reduction in the loan rate to \$610 per ton.

Unfortunately, even this minor reform in the federal peanut program has been undercut by the Secretary of Agriculture's administration of the program. By setting an extremely low national production level for quota peanuts, he has effectively restricted peanut supplies so that the actual market price for quota peanuts has averaged about \$650 per ton. This is hardly the support level envisioned by Congress. We have not moved the price support for peanuts toward the international market price of approximately \$350 per ton.

This amendment would make sure that the Secretary of Agriculture implements the price support intended by Congress and moves the peanut program towards the world price. Although this is a modest step, it will provide some much-needed relief to American consumers and the U.S. peanut industry.

I urge by colleagues to support this amendment to help protect consumers from the government price-fixing peanut program. The existing quota and price support program for peanuts is anti-consumer, anti-competitive, and inefficient. It needs to be changed. If you are concerned about good government, consumers, and the future of the U.S. peanut industry, I encourage you to vote for this peanut program amendment.

Mr. FAWELL. Mr. Chairman, I rise in support of the amendment offered by my colleagues MARK NEUMANN, PAUL KANJORSKI, and ASA HUTCHINSON, which would provide much needed reform for an out-dated and anachronistic peanut program.

I have long been an opponent of unnecessary agriculture subsidies such as the peanut, sugar, and honey programs. When the House of Representatives considered the 1994 Agriculture Appropriations bill, I offered an amendment to eliminate the notoriously wasteful USDA subsidy to honey producers. By the overwhelming vote of 344-60, the House adopted my amendment, which subsequently became law.

Today Mr. Chairman, we once again have the opportunity to reform an anti-consumer,

anti-market program by reducing the price support level in the peanut program from \$610 per ton to \$550 per ton. This incremental, common sense amendment will move the peanut support price closer to the world market price, benefiting the U.S. taxpayer and consumer.

The current peanut program, which keeps domestic peanut prices artificially high, makes the growing and selling of domestically grown peanuts in the United States illegal without a federal license. That's correct, an American farmer can not grow or sell peanuts without a license, or quota, issued by the United States Department of Agriculture.

Moreover, American peanut users pay nearly double the international price for domestically-grown peanuts as a result of this antiquated depression-era policy. Why are foreign consumers of U.S. peanuts and peanut products paying less than American consumers Mr. Chairman? Because the U.S. Department of Agriculture is keeping peanut prices artificially high by limiting peanut production.

Mr. Chairman, this government subsidy program must be reformed. I see no reason why a handful of quota owners should benefit at the expense of the American consumer. Do not be fooled by the rhetoric of those who contend that the peanut program was reformed in the 1996 "Freedom to Farm" bill: It was not. We still experience a peanut program which is anti-market, anti-consumer, and anti-common sense.

Mr. Chairman, I urge all of my colleagues to support passage of the Neumann-Kanjorski-Hutchinson amendment which will reform this antiquated government subsidy program.

Ms. LOWEY. Mr. Chairman, I rise in support of this amendment, which implements the first step in the Shays-Lowe peanut program elimination bill.

The peanut program epitomizes wasteful, inefficient government spending. It supports peanut quota holders at the expense of 250 million American consumers and taxpayers.

This outdated program is based on a system reminiscent of feudal society. Quotas to sell peanuts are handed down from generation to generation, and two-thirds of the quota owners don't even grow peanuts themselves.

The GAO has estimated that this program passes on \$500 million per year in higher peanut prices to consumers.

And what does this mean to average American families?

Well, as a mom who sent her three kids to school with peanut butter and jelly sandwiches for years, I find it unacceptable that this program forces American families to pay an average of 33 cents more for an 18 ounce jar of peanut butter. That's not peanuts!

This amendment is also good for American jobs. Because the price of peanuts in the U.S. is so high, peanut butter and candy bar manufacturers are leaving the U.S. to open up plants in Canada and Mexico. The peanuts can be purchased there at the world market price—half the U.S. price—and the finished product can be brought into the U.S. and sold here. We must lower the artificially high price of domestic peanuts to save these manufacturing jobs.

I urge my colleagues to stand up for American consumers and support this amendment. It is good fiscal and consumer policy.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. NEUMANN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. NEUMANN. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 482, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. NEUMANN) will be postponed.

AMENDMENT NO. 2 OFFERED BY MR. BASS

Mr. BASS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. BASS:
Insert before the short title the following new section:

SEC. (a) LIMITATION ON USE OF FUNDS.—Not more than \$18,800,000 of the funds made available in this Act may be used for the Wildlife Services Program under the heading "ANIMAL AND PLANT HEALTH INSPECTION SERVICE."

(b) CORRESPONDING REDUCTION IN FUNDS.—The amount otherwise provided by this Act for salaries and expenses under the heading "ANIMAL AND PLANT HEALTH INSPECTION SERVICE" is hereby reduced by \$10,000,000.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The gentleman from New Hampshire (Mr. BASS) is recognized for 10 minutes.

Mr. BASS. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Oregon (Mr. DEFAZIO), for purposes of control, pending which I yield myself such time as I may consume.

Mr. Chairman, this amendment would reduce the Wildlife Service's western livestock protection budget from \$28.8 million to \$18.8 million, a \$10 million reduction.

Basically, this is a program that has been funded for the last 4 or 5 years at approximately \$26 to \$28 million, always a little bit higher than that requested by the administration. It is a program that benefits a relatively few number of cattle and sheep ranchers in the West, and it gives them matching funds, half of which are put up by the State, essentially to shoot animals that may be considered predatory to livestock.

Between 1983 and 1993, quite a bit longer period of time, wildlife services increased by 71 percent. That is adjusted for inflation. The number of coyotes killed was increased by 30 percent. They also succeeded in killing black bears, mountain lions, badgers, and others. Let me just describe, Mr. Chairman, how this goes about.

In 1996, there were 28,575 coyotes killed. The preferred method of killing

was the so-called aerial method. The aerial method is basically a means by which you get up in an airplane and you scatter shot on these poor, innocent animals. The other method was cyanide, poisoning these animals with cyanide.

Yet, over the same period of time, there has been no decrease in livestock lost to these predators. Livestock Services report livestock losses in 1996 were 5.8 million, while spending on the program was \$9.6 million, not exactly a great rate of return.

Mr. Chairman, we ask ourselves, traditionally in the United States, wildlife protection has been designated to the States. Yet, we have this very strange Federal program that gives approximately \$10 million to ranchers to shoot coyotes and other animals that is matched by the State, but goes beyond the way wildlife has traditionally been managed.

Is this really the right level of government to have this program controlled by? Is this really, Mr. Chairman, the best use for Federal tax dollars, to subsidize a few sheep and cattle ranchers? I think not. Does this program work, when we spend almost \$10 million to save \$6 million in livestock losses?

Let me suggest that the losses among cattle and sheep and other livestock are far greater from other diseases, respiratory and so forth. Perhaps the money would be better spent in other areas.

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

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. SMITH), the chairman of the Committee on Agriculture.

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to this amendment. Mr. Chairman, what we have heard is an exaggeration of the issue, exactly. All these predation problems are controlled either by the Oregon Fish and Wildlife Service or the National Fish and Wildlife, and they are only implemented when absolutely essential.

Let me suggest it is far beyond just protecting livestock. Timber resources are sometimes protected against bear and beaver damage; crops such as grass seed production, which is huge in the Willamette Valley in the State of Oregon, from Canada goose damage, and, of course, predation from livestock; protecting the public safety of the Portland International Airport. All of these are issues that this money goes to protect.

Mr. Chairman, to say that a horrible thing is to kill coyotes is from somebody who has never been in coyote country. Let me tell the Members that if they want to make the choice, they either take coyotes or deer and antelope. Which do Members like?

The management of predators is about protecting wildlife, as well, so we

cannot say that we are here in the great name of the coyote, while at the same time saying, but we have to protect deer and antelope. Wrong. Therefore, let the professionals determine how this money is to be spent, as they do today. Let them use it in Oregon and around the country when the predators are too numerous for the other animals that are there.

Mr. Chairman, I urge Members not to support this amendment, and to vote against this amendment.

Mr. DEFAZIO. Mr. Chairman, I yield myself 2 minutes and 30 seconds.

Mr. Chairman, in disagreeing with my colleague, the gentleman from Oregon, first, public health and safety is fully protected under this amendment. Crop protection could go forward. What we are targeting is ineffective, lethal, indiscriminate predator control by what is now called the Wildlife Service, and it used to be called Animal Damage Control.

After 50 years, more than 50 years of their activity, there are more coyotes now than there were 50 years ago, because they are doing the wrong thing with their indiscriminate attack. We also have problems with rodents and ground squirrels and mice and all the other things that coyotes would predate upon, preferably to the larger livestock.

We should follow the example of Kansas. Kansas is not sucking up \$1 million of Federal money, like a lot of our other Midwestern and western States. They have instituted a State program which uses non-lethal methods, education, uses guard dogs, uses a whole bunch of other methods, much more effectively than their neighboring State of Oklahoma, which has a big coyote problem, or Wyoming, which has only half the density of coyotes, but again, much more predation. Kansas is leading the Nation in this, and they are doing it without a large Federal subsidy. This is a subsidy. It is welfare.

In my own State of Oregon, \$403,000 comes from the Federal Government, \$270,000 from the State, and not a penny from the beneficiaries. Not one cent is spent on this predator control program by the beneficiaries. Who should be paying? Should the general fund taxpayers of the United States, should the general fund taxpayers of Oregon, or should those who benefit from the activities?

We are not saying they cannot conduct these activities when they have a problem at their own expense, on their own property. We are saying it should not be indiscriminate, it should not be broadcast all across the West, and it should not be done by Federal agents with a subsidy.

This has become a codependent welfare subsidy where Animal Damage Control, by the Wildlife Service, is forwarding their own jobs and their own prospects by inefficiently controlling the problem and not following the path which has been laid out by the Congress, which is in the past to say, look

at nonlethal alternatives, look at more effective alternatives, because you are losing your so-called war on predators here.

This is a taxpayer issue, it is an environmental issue. I urge my colleagues to support the amendment.

Mr. SKEEN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, I wish to rise in opposition to this amendment, though I think it has some very good intentions, and it will no doubt cause discussion inside the Wildlife Service offices across this country.

Nonetheless, it is the only Federal program that we have to control damage by wild animals, not just to farm property but to individuals.

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I can think in my own State of Ohio, for example, this program, in cooperation with our State and local agencies, has been involved in establishing a rabies-free barrier to stop the western migration of raccoons infected with rabies.

We have seen this program operate hand in hand with the Centers for Disease Control and State health departments in control of other disease such as Lyme disease and other wildlife-borne disease. I know I am amazed myself sometimes, I live in a city, to watch city dwellers try to encourage deer to come up to their back doors, wild animals. Lyme disease all through our part of the country, and yet they do not see a connection between their behavior and the feeding that they are doing of wild animals.

Mr. Chairman, I think this is a very important program. According to Utah State University, their Institute for Wildlife Biology, overall in our country losses from wildlife damage approach \$3 billion annually and fully one-third of that is estimated by the Federal Aviation Administration to be lost by the airline industry from birds.

Today, this particular amendment I think, though it is well-intentioned, would have the net effect of cutting by almost one-quarter the amount of funds we have to spend on animal damage control of our crops and of our populations.

If we take a look at the impact of this program, more than two-thirds of our Nation's farms receive some type of wildlife damage each year. Commodity crops absorb staggering losses from wildlife. These include corn, rice, sunflower, carrots, wheat, sorghum and other seed grain crops.

If we look at ducks and geese who trample, eat, and soil seed and grain crops, young growing crops such as carrots, rice and corn. Deer and smaller mammals eat corn, wheat, decorative shrubbery, sorghum, and garden vegetables.

Black bears damage timber resources by clawing the bark of young trees and

disrupting the flow of nutrients necessary for proper growth. And fish-eating birds such as the great blue heron, cormorants, pelicans, and the black-crowned night heron cause aquaculturists, especially catfish and trout farmers, heavy losses each year.

There is not pure right on either side of this equation. But there is a balance which we are trying to strike here. I think that wildlife services very often provides the only viable assistance in minimizing these losses both to plant life, to other animal life, and to human life.

Mr. Chairman, I think that the gentleman from Oregon (Mr. DEFAZIO) and the gentleman from New Hampshire (Mr. BASS) are very wise in trying to encourage modern practices at the Wildlife Service. If there are better ways to deal with these wildlife populations, we certainly should be taking the best research and information into account.

I think the message has been heard loud and clear and we hope that that message will continue. But I do think that these predator control programs are very, very important. Especially living in an area that is both urban and rural, we see this all the time.

So I would object to this particular amendment and would share the view of the gentleman from New Mexico (Mr. SKEEN) that it is important that we keep the funding in the base bill and that we act responsibly to try to maintain levels for a balanced wildlife services program in our country.

Mr. BASS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I appreciate the points that have been brought forward by the gentlewoman from Ohio (Ms. KAPTUR). I would only point out that all of the good points that she makes are portions of the program that would be totally unaffected by this amendment.

She is talking about the human health issue, about the property issue, about crop issue, about natural resources, forest range, and aquaculture. Those are all portions of the program that are separate from the livestock protection program.

What the gentleman from Oregon (Mr. DEFAZIO) and I are trying to do is cut the part that has to do with predator control on western ranches for cattle and sheep farmers. It is a \$10 million subsidy to this part of the country for this handful of individuals, matched by the State. It is a large program.

Mr. Chairman, I would point out that I live on a farm in New Hampshire. We have coyotes all over the place. I lost two or three chickens last year to coyotes and nobody gave me a dime to try to get rid of them. These problems happen all over the country and we do not need a Federal subsidy to help bail us out.

Mr. Chairman, I urge support for this amendment.

Mr. SKEEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Chairman, I thank the gentleman from New Mexico (Mr. SKEEN) for yielding me this time.

Mr. Chairman, I rise to object to this amendment because it is going to have a negative impact on the Wildlife Services Research Center and the mission of the wildlife services in my State and other Western States.

Let me just explain to my colleagues that reading from a story that appeared on June 22, Monday, in USA Today, it headlines, "Arson Fires Ruin Two Agriculture Department Research Stations." The fires occurred in my State over on the west side of the State near Olympia, Washington. They were reported to cause \$400,000 worth of damage to these two research facilities that are used for animal damage control. They are in the animal damage control buildings.

The buildings were gutted. This are clearly arson and the investigators are looking into the possibility that animal rights or other protest groups were involved.

So my suggestion is that this amendment sort of feeds into that idea that any research that is conducted at the Federal level that looks at animal pest control or animal predatory control is bad money expended. I reject that argument.

About a dozen State and Federal employees out of these two wildlife research centers develop repellents to keep animals such as deer, elk and beaver away from timber in the early stages of growth. So this whole idea that somehow wildlife services are bad or somehow a subsidy for the control of these kinds of problems is just wrong. I urge the rejection of this amendment.

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in response to the gentleman, I support the nonlethal research that was going on at that facility. That is good research. The gentleman's State does not draw hardly any funds from the lethal predator control program. In fact, out of the \$10 million spent in the western United States, his State only took \$106,000. So Washington is being progressive.

Mr. Chairman, I support the nonlethal, but that is not what this debate is about. The gentleman is off the point. This debate is about \$10 million for ineffective, subsidized, indiscriminate lethal predator control, first response by Federal employees on private ranches for private profit. I do not know how to say it any more plainly than that.

It is not about developing alternatives. There is plenty of money left in the budget to develop alternatives. There is plenty of money left to develop the programs that the gentlewoman from Ohio (Ms. KAPTUR) reported. What we cut is \$10 million, the subsidized funds, used for lethal predator control.

Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. Brown).

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I have historically supported this kind of amendment because I feel that the program is not effective, that it is a subsidy, that it does not do the kinds of adequate research that are necessary, and that it uses nonhumane methods. I have said this over and over again.

I am a taxpayer. I contribute to the funding of this program. I will tell my colleagues that I have coyotes, raccoons, badgers in my backyard. To say nothing of the gophers and the squirrels. And I also have raids from egrets and herons that eat up my fish and I do not like it.

Mr. Chairman, I do not get any Federal aid to control that, so it is not fair right there. If it was fair, I would be getting my full share of the funds available for the control of these animals, but it is not.

I think this \$10 million cut proposed by the Bass-DeFazio amendment would be a salutary message to the program that they should begin to think in terms of being more fair or equitable, more humane, more scientific in what they were doing and they would end up being more effective.

I rise in strong support of the Bass-DeFazio amendment that cuts \$10 million from the FY 99 budget for Animal Damage Control program operations. This \$10 million is the amount that would be spent on direct predator control.

The amendment would not require the reduction of any ADC operations affecting human health and safety, nor will it reduce the budget for research toward more effective animal damage prevention and management.

Furthermore, this amendment doesn't even take away the authority of ADC to carry out predator control, but rather it shifts the burden from the taxpayer to the private ranchers who are reaping the benefits of this program.

This amendment even allows other agencies such as Wildlife Services, the Bureau of Land Management, and the Forest Service to cover the costs of ADC's predator control work on problems under the jurisdiction of those agencies.

The Animal Damage Control program was established in 1931 and has never had to undergo the scrutiny of reauthorization. It is obsolete, ineffective, and a perfect example of wasteful government spending.

Besides being economically wasteful, ADC is also contradicting the will of Congress in the way in which it carries out its operations. To this I am referring to ADC's extensive use of lethal controls, such as traps, snares, poisons, and aerial hunting. In 1994, several members of Congress, including myself, requested a GAO study of the ADC program. The GAO report found that ADC used lethal methods in essentially all instances despite the Department's written policies and procedures which call for preference to be given to non-lethal methods.

In addition, ADC's lethal controls are non-selective, killing thousands of non-target animals annually, including rare, threatened, and endangered species.

Even when ADC controls are successful in reducing local levels of coyotes and other large predators, the resulting rise in prey species such as mice and rabbits causes millions of dollars of damage to crops and rangelands, and the increase in mid-sized predator species (earlier held in check by large predator species) harms waterfowl and migratory bird populations.

Some of ADC's activities are valuable, such as controlling bird populations near airports to reduce the risk of collision damage with air planes, and working with the U.S. Fish and Wildlife Service to minimize landowner conflicts in states with recovering wolf populations. These activities would not be affected by this amendment.

However, most of ADC's operations amount to nothing more than federal subsidies for the western livestock industry. We spend millions of dollars every year to indiscriminately kill predators for western ranchers. This subsidy is received by livestock producers who are already receiving other substantial federal subsidies, such as reduced grazing fees on public lands.

Since ADC's costs are borne primarily by taxpayers, not the recipients of these services, there is little incentive for ranchers to improve their husbandry techniques or deter predation.

ADC official policy is to seek cost-sharing whenever possible. ADC also has the authority to levy fees for services. However, these options have not been exercised as they should be and the federal funds are always fully exhausted.

This amendment will demand that there be a more equitable distribution of costs and that these costs be covered by the users, not the American taxpayer.

Mr. SKEEN. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, looking at this amendment, I know that the drafters of the amendment have been arguing against lethal control. But if we carefully examine their amendment, we will see that they are going to cut 53 percent, or a total of \$21 million from the Animal, Plant, and Health Inspection Service for the wildlife services program.

All of this talk about the lethal methods is really immaterial to what this amendment will do. They are going to destroy the opportunity of the Fish and Wildlife Service to control predatory animal problems in almost each of our 50 States if we allow this amendment to pass. We can make arguments about the different amount of control all day. But the fact is that there are various damages to the tune of estimated up to \$3 billion annually that occur and this is going to continue to grow.

We as a society will continue to encroach on wildlife. We as a society will continue to have to promote and support wildlife conservation and we will continue to have to learn to allow the wildlife to live with humans and vice versa. That costs money and it costs money from the Fish and Wildlife Service.

Mr. DEFAZIO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, in conclusion, what we are talking about here is plain and simple. A \$10 million subsidy to private western ranching interests, some in my own district, so I am not cutting something in someone else's district. And to the gentleman from Texas, this is a 30 percent cut in the overall budget and it is only the funds identified by Animal Damage Control Wildlife Services as being used for the ineffective, subsidized, government-agent-run lethal predator control program in the western United States which has given us more coyotes today than when they started spending the money 60 years ago.

Mr. SKEEN. Mr. Chairman, I yield the balance of my time to the gentleman from Texas (Mr. BONILLA), to close debate.

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

Mr. BONILLA. Mr. Chairman, I rise in strong opposition to this amendment. If we support this amendment we are not supporting the safety of children in this country. This would limit our ability to use the wildlife services to protect Americans, specifically children, from predators, to lessen the risk to aviation and lessen the livestock losses sustained by American ranchers.

But more specifically, let us look at some cases where children would be hurt if this money was cut. There have been eight fatal alligator attacks in the last 50 years and three of them have occurred in the last 4 years, including the killing of a 3-year-old. A short while ago, an 18-year-old high school senior was killed by a cougar while out jogging.

Recently in Montana, the Department of Fish and Wildlife captured a cougar on a campus stroll at the University of Montana. And last year, a 4-year-old was mauled by a mountain lion in Colorado.

We have countless cases. Children traveling on aircraft, for example, would be put at risk if animal damage control were not allowed to deal with wildlife that puts aviation at risk near many of the airports in this country.

Mr. Chairman, I urge my colleagues to think seriously about what they are voting for here. A vote for this amendment is voting against the safety of children in this country.

Mr. MILLER of California. Mr. Chairman, I rise in strong support of this amendment. It cuts funding for the animal damage control portion of USDA's "Wildlife Services" Program. These are nice names for an ugly business that needlessly and painfully slaughters wildlife, excusing ranchers and farmers from the responsibility to seek more humane and creative ways to limit damage to crops and livestock from wildlife.

Today, there are a variety of low-cost, humane approaches to controlling wildlife. The trend all across the country is to try to find ways to live with wildlife, on both public and private lands. Yet USDA continues to use leghold traps, poison, and aerial gunning to kill bears, mountain lions, coyotes, and other wildlife. In addition, leghold traps and poisons are

indiscriminate methods that end up killing non-target species, including threatened and endangered species.

It is high time for Congress to stop forcing taxpayers to subsidize this senseless slaughter. This program is a throwback to a happily bygone era when we "managed" bison, wolves, grizzly bears, and other species by nearly extirpating them from the landscape. Shouldn't we clean house before the beginning of the 21st century and repeal this program? I urge the House to support the amendment.

Ms. FURSE. Mr. Chairman, I rise today in strong support of the Bass-DeFazio amendment. In past Agriculture Appropriations bills I myself have led the fight to curtail funds for this wasteful and abusive program. Wildlife Services, formerly known as Animal Damage Control, is an anachronism. It was created in 1931 and except for a cosmetic name change the law hasn't been changed or reformed since. This program is based on poor science, and has virtually no accountability to Congress or the general public. The program focuses excessively on lethal control, despite numerous Congressional attempts and GAO investigations to curb this practice. This program wastes taxpayer dollars and is an unnecessary and ineffective government subsidy.

Consider these facts: In every western state in FY 95, ADC spent more money controlling predators than the value of the livestock allegedly lost to predators by ADC beneficiaries.

Western livestock ranchers and ranching associations contribute less than 14 percent annually to the costs of the program. This subsidy puts livestock producers in other areas of the country at a competitive disadvantage.

Between 1983 and 1993, Federal appropriations to ADC increased 71 percent while the number of coyotes killed increased 30 percent but the number of livestock losses to predators did not decline.

From 1990-1994, ADC killed at least 7.8 million animals. This includes non-target species such as bald eagles and ferrets killed by non-selective ADC methods like poisoning, leghold traps and snares.

This amendment will not touch ADC funding to protect human health and safety or endangered species. What it will do is free taxpayers from having to foot the bill for predator control activities that benefit private ranching operations in the West—these interests are free to contract with ADC and pay for those services themselves.

This amendment is supported by taxpayer, conservation, and humane groups which object to public land subsidies that undercut the competitiveness of livestock producers in other regions of the country. Please join us in ending this inappropriate and inhumane taxpayer subsidy. Vote in favor of the Bass-DeFazio amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. BASS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BASS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from New Hampshire (Mr. BASS) will be postponed.

Mr. SKEEN. Mr. Chairman, I ask unanimous consent that during the further consideration of H.R. 4101 in the Committee of the Whole, that debate on the Miller amendment related to sugar, if offered, and all amendments thereto, be limited to 60 minutes allocated as follows: 30 minutes to the gentleman from Florida (Mr. MILLER), 15 minutes to the gentleman from New Mexico (Mr. SKEEN), and 15 minutes to the gentlewoman from Ohio (Ms. KAPTUR), or her designee.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

AMENDMENT NO. 6 OFFERED BY MR. NEUMANN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. NEUMANN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate this amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This vote will be followed by a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 181, noes 244, not voting 8, as follows:

[Roll No. 258]

AYES—181

| | | |
|--------------|---------------|---------------|
| Allen | Fossella | LoBiondo |
| Andrews | Fox | Lofgren |
| Archer | Frank (MA) | Lowey |
| Army | Franks (NJ) | Luther |
| Barr | Frelinghuysen | Maloney (CT) |
| Barrett (WI) | Galleghy | Maloney (NY) |
| Bartlett | Ganske | Manzullo |
| Bass | Gekas | Markey |
| Berman | Gibbons | Mascara |
| Billbray | Gillmor | McCarthy (MO) |
| Blagojevich | Goodling | McCarthy (NY) |
| Blumenauer | Gordon | McGovern |
| Boehlert | Goss | McHale |
| Borski | Greenwood | McHugh |
| Brady (PA) | Gutierrez | McInnis |
| Brown (CA) | Hall (OH) | McIntosh |
| Brown (OH) | Harman | McNulty |
| Burton | Hayworth | Meehan |
| Campbell | Hefley | Menendez |
| Capps | Hobson | Miller (CA) |
| Cardin | Hoekstra | Miller (FL) |
| Castle | Hooley | Moran (VA) |
| Chabot | Horn | Morella |
| Christensen | Hostettler | Nadler |
| Collins | Hulshof | Neal |
| Cook | Hutchinson | Neumann |
| Cox | Hyde | Ney |
| Coyne | Inglis | Northup |
| Crane | Jackson (IL) | Obey |
| Danner | Johnson (CT) | Olver |
| Davis (IL) | Johnson (WI) | Pallone |
| DeGette | Kanjorski | Pappas |
| Deutsch | Kasich | Pascarell |
| Dickey | Kennedy (MA) | Paul |
| Doggett | Kennelly | Peterson (PA) |
| Dooley | Kind (WI) | Petri |
| Doyle | Klug | Pitts |
| Duncan | Knollenberg | Porter |
| Dunn | Kolbe | Portman |
| Ehlers | Kucinich | Pryce (OH) |
| Ehrlich | LaFalce | Quinn |
| Engel | Lantos | Radanovich |
| English | LaTourrette | Ramstad |
| Ensign | Lazio | Regula |
| Fattah | Lee | Riggs |
| Fawell | Levin | Rivers |
| Forbes | Lipinski | Roemer |

Rogan
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryun
Salmon
Sanford
Sawyer
Scarborough
Schumer
Sensenbrenner

Shadegg
Shaw
Shays
Sherman
Skaggs
Smith (NJ)
Smith, Adam
Smith, Linda
Snowbarger
Souder
Stark
Strickland
Sununu
Tauscher

Tiahrt
Tierney
Upton
Vento
Visclosky
Wamp
Waxman
Weldon (PA)
Weygand
White
Wolf
Yates

NOES—244

Abercrombie
Ackerman
Aderholt
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Barton
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Carson
Chambliss
Chenoweth
Clay
Clayton
Clement
Coble
Coburn
Combust
Condit
Conyers
Cooksey
Costello
Cramer
Crapo
Cubin
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
DeFazio
Delahunt
DeLauro
DeLay
Diaz-Balart
Dicks
Dingell
Dixon
Doolittle
Dreier
Edwards
Emerson
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fazio
Filner
Foley
Ford
Fowler
Frost

Furse
Gejdenson
Gephardt
Gilchrest
Gilman
Goode
Goodlatte
Graham
Granger
Green
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hefner
Herger
Hill
Hilleary
Hinchee
Hinojosa
Holden
Houghton
Hoyer
Hunter
Istook
Jackson-Lee
(TX)
Jefferson
Jenkins
John
Johnson, E. B.
Johnson, Sam
Jones
Kaptur
Kelly
Kennedy (RI)
Kildee
Kilpatrick
Kim
King (NY)
Kingston
Klecza
Klink
LaHood
Lampson
Largent
Latham
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
Lucas
Manton
Martinez
Matsui
McCollum
McCrery
McDade
McDermott
McIntyre
McKeon
McKinney
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender
McDonald
Minge
Mink
Moakley
Mollohan
Moran (KS)
Murtha
Myrick
Nethercutt
Norwood

Nussle
Oberstar
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Paxon
Pease
Pelosi
Peterson (MN)
Pickering
Pickett
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Redmond
Reyes
Riley
Rodriguez
Rogers
Roybal-Allard
Sabo
Sanchez
Sanders
Sandlin
Saxton
Schaffer, Bob
Scott
Serrano
Sessions
Shimkus
Shuster
Siskisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (OR)
Smith (TX)
Snyder
Solomon
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Stump
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Townes
Trafigant
Turner
Velazquez
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wise
Woolsey
Wynn
Young (AK)
Young (FL)

NOT VOTING—8

| | | |
|----------|---------------|----------|
| Cannon | Hilliard | Thompson |
| Clyburn | Payne | Torres |
| Gonzalez | Schaefer, Dan | |

□ 1635

Mr. JOHN and Mr. DAVIS of Virginia changed their vote from "aye" to "no."

Mrs. LINDA SMITH of Washington and Messrs. KLUG, JACKSON of Illinois, MORAN of Virginia, STARK, NEY, DICKEY, DEUTSCH, SMITH of New Jersey, HYDE, GEKAS, COYNE, and COOK changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. KELLY. Mr. Chairman, on rollcall vote No. 258 I accidentally pressed the wrong button and voted "nay." My intent was to vote "aye." I fully support Mr. NEUMANN's amendment, and believe that the peanut program is well overdue for real reform. I request that the RECORD show that on rollcall vote No. 258, my intent was to vote "aye."

AMENDMENT NO. 2 OFFERED BY MR. BASS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from New Hampshire (Mr. BASS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 229, noes 193, not voting 11, as follows:

[Roll No. 259]

AYES—229

| | | |
|--------------|-------------|----------------|
| Abercrombie | Conyers | Frank (MA) |
| Ackerman | Costello | Franks (NJ) |
| Allen | Cox | Frelinghuysen |
| Andrews | Coyne | Furse |
| Baldacci | Cummings | Gejdenson |
| Barcia | Davis (FL) | Gephardt |
| Barr | Davis (IL) | Gilchrest |
| Barrett (WI) | Davis (VA) | Gilman |
| Barton | DeFazio | Goodling |
| Bass | DeGette | Gordon |
| Becerra | Delahunt | Goss |
| Bereuter | DeLauro | Greenwood |
| Berman | Deutsch | Gutierrez |
| Bilirakis | Diaz-Balart | Hall (OH) |
| Blagojevich | Dicks | Hamilton |
| Bliley | Dixon | Harman |
| Blumenauer | Doggett | Hastings (FL) |
| Boehlert | Doyle | Hinchey |
| Bonior | Duncan | Hinojosa |
| Borski | Ehlers | Holden |
| Brady (PA) | Ehrlich | Hooley |
| Brown (CA) | Engel | Horn |
| Brown (FL) | English | Houghton |
| Brown (OH) | Eshoo | Hoyer |
| Buyer | Evans | Inglis |
| Campbell | Farr | Jackson (IL) |
| Capps | Fattah | Jackson-Lee |
| Cardin | Fawell | (TX) |
| Carson | Filner | Jefferson |
| Castle | Forbes | Johnson (CT) |
| Chabot | Ford | Johnson (WI) |
| Clay | Fossella | Johnson, E. B. |
| Clayton | Fowler | Johnson, Sam |
| Collins | Fox | Jones |

| | | |
|---------------|---------------|---------------|
| Kanjorski | Mica | Sanders |
| Kelly | Millender- | Sanford |
| Kennedy (MA) | McDonald | Sawyer |
| Kennedy (RI) | Miller (CA) | Saxton |
| Kennelly | Miller (FL) | Scarborough |
| Kildee | Minge | Schumer |
| Kilpatrick | Mink | Sensenbrenner |
| Kind (WI) | Moakley | Serrano |
| King (NY) | Moran (VA) | Shaw |
| Klecza | Morella | Shays |
| Klink | Nadler | Sherman |
| Kucinich | Neal | Smith |
| Lampson | Neumann | Smith (NJ) |
| Lantos | Northup | Smith, Adam |
| LaTourette | Obey | Snyder |
| Lee | Olver | Stabenow |
| Levin | Owens | Stark |
| Lewis (GA) | Pallone | Stokes |
| Lipinski | Pappas | Strickland |
| LoBiondo | Pascrell | Sununu |
| Lofgren | Paul | Tauscher |
| Lowe | Pease | Taylor (MS) |
| Luther | Pelosi | Thurman |
| Maloney (CT) | Petrey | Tierney |
| Maloney (NY) | Porter | Towns |
| Manton | Poshard | Upton |
| Manzullo | Price (NC) | Velazquez |
| Markey | Ramstad | Vento |
| Mascara | Rangel | Visclosky |
| Matsui | Reyes | Wamp |
| McCarthy (MO) | Rivers | Waters |
| McCarthy (NY) | Rodriguez | Watt (NC) |
| McCollum | Roemer | Waxman |
| McDermott | Rogan | Weldon (FL) |
| McGovern | Rohrabacher | Weldon (PA) |
| McHale | Ros-Lehtinen | Weller |
| McKinney | Rothman | Wexler |
| McNulty | Roukema | Weygand |
| Meehan | Roybal-Allard | Whitfield |
| Meek (FL) | Royce | Wolf |
| Meeks (NY) | Rush | Woolsey |
| Menendez | Sabo | Wynn |
| Metcalf | Sanchez | Yates |

NOES—193

| | | |
|--------------|---------------|---------------|
| Aderholt | Edwards | Lewis (KY) |
| Archer | Emerson | Linder |
| Armey | Ensign | Livingston |
| Bachus | Etheridge | Lucas |
| Baessler | Everett | Martinez |
| Baker | Ewing | McCrary |
| Ballenger | Fazio | McDade |
| Barrett (NE) | Foley | McHugh |
| Bartlett | Frost | McInnis |
| Bateman | Galleghy | McIntosh |
| Bentsen | Ganske | McIntyre |
| Berry | Gekas | McKeon |
| Bilbray | Gibbons | Mollohan |
| Bishop | Gillmor | Moran (KS) |
| Blunt | Goode | Murtha |
| Boehner | Goodlatte | Myrick |
| Bonilla | Graham | Nethercutt |
| Bono | Granger | Ney |
| Boswell | Green | Norwood |
| Boucher | Gutknecht | Nussle |
| Boyd | Hall (TX) | Oberstar |
| Brady (TX) | Hansen | Ortiz |
| Bryant | Hastert | Oxley |
| Bunning | Hastings (WA) | Packard |
| Burr | Hayworth | Parker |
| Burton | Hefley | Pastor |
| Callahan | Hefner | Paxon |
| Calvert | Herger | Peterson (MN) |
| Camp | Hill | Peterson (PA) |
| Canady | Hilleary | Pickering |
| Chambliss | Hobson | Pickett |
| Chenoweth | Hoekstra | Pitts |
| Christensen | Hostettler | Pombo |
| Clement | Hulshof | Pomeroy |
| Coble | Hunter | Portman |
| Coburn | Hutchinson | Pryce (OH) |
| Combest | Hyde | Quinn |
| Condit | Istook | Radanovich |
| Cook | Jenkins | Rahall |
| Cooksey | John | Redmond |
| Cramer | Kaptur | Regula |
| Crane | Kasich | Riggs |
| Crapo | Kim | Riley |
| Cubin | Kingston | Rogers |
| Cunningham | Klug | Ryun |
| Danner | Knollenberg | Salmon |
| Deal | Kolbe | Sandlin |
| DeLay | LaFalce | Schaffer, Bob |
| Dickey | LaHood | Scott |
| Dingell | Largent | Sessions |
| Dooley | Latham | Shadegg |
| Doolittle | Lazio | Shimkus |
| Dreier | Leach | Shuster |
| Dunn | Lewis (CA) | Sisisky |

| | | |
|--------------|-------------|------------|
| Skeen | Stearns | Traficant |
| Skelton | Stenholm | Turner |
| Smith (MI) | Stump | Walsh |
| Smith (OR) | Stupak | Watts (OK) |
| Smith (TX) | Talent | White |
| Smith, Linda | Tanner | Wicker |
| Snowbarger | Taylor (NC) | Wise |
| Solomon | Thomas | Young (AK) |
| Souder | Thornberry | Young (FL) |
| Spence | Thune | |
| Spratt | Tiahrt | |

NOT VOTING—11

| | | |
|----------|---------------|----------|
| Cannon | Payne | Thompson |
| Clyburn | Schaefer, Dan | Torres |
| Gonzalez | Slaughter | Watkins |
| Hilliard | Tauzin | |

□ 1644

Mrs. CUBIN and Messrs. STEARNS, MCINTOSH and ARCHER changed their vote from "aye" to "no."

Mrs. CLAYTON changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WATKINS. Mr. Chairman, I missed rollcall No. 259. Had I been present, I would have voted "no."

Mr. SKEEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. EVERETT) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3605

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the gentleman from Texas (Mr. BRADY) be removed as a cosponsor of H.R. 3605. His name was mistakenly added to the list of cosponsors. I regret the error, and I express my apologies to him.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the 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 4 of rule XV.

Such rollcall vote, if postponed, will be taken tomorrow.

INTERNET TAX FREEDOM ACT

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill