

Let us search, carefully but seriously, for financial reforms that will create a more stable world economy.

Let us push ahead more quickly and globally with food relief, pay our U.N. dues, pass fast track, and, above all, I urge the House to act without any further delay to pass our IMF quota. That is the very least we can do now in exerting responsible American leadership in the world.

AG CRISIS IN AMERICA

Mr. BAUCUS. Madam President, I stand before you today with a heavy heart.

Why? Because I am extremely disappointed and terribly frustrated that despite our best efforts, the Agriculture appropriations conference report has completely missed the mark in responding to the crisis in farm and ranch country.

As I see it, we had four issues that were worthy of bipartisan support in this conference.

Proposals that would have delivered immediate support to our producers suffering from unusually low prices and natural disasters.

Disaster assistance is necessary; uncapping those market assistance loans is necessary; mandatory price reporting; and, improved meat labeling—all would have helped just a little but would still have helped tremendously in view of the depths of the situation.

Perhaps we've come to a meeting of the minds on natural disaster assistance. And, we should. No one can argue that drought, disease, flooding, and now hurricanes have devastated crops across the board and across the country. But what brought us to this point in the first place; that is, the crisis facing rural America? Extraordinarily low prices, prices rivaling the disaster of the 1980s, with no end in sight. And what did our Republican ag conferees deliver? Thirteen cents a bushel for wheat.

To be honest, it is an outrage, it is an insult, it is a slap in the face to every hard-working, struggling, desperate grain farmer. And the so-called "relief" is equally inadequate for every commodity.

The agriculture conference committee looked at the options, including a package offered by Senators DASCHLE and HARKIN that would have lifted loan caps and extended the term of the marketing loan. But they shot it through the heart.

We should have laid aside our partisan politics and done what was right for folks back home—giving them relief enough to make it through the crisis so they don't lose their family farm this year. The Daschle-Harkin plan to lift loan caps would give our producers roughly 60 cents a bushel—not 13 cents but 60 cents—a far cry from the pitance included in the conference report.

I think we can do better. We must do better. In the 1980s we spent nearly \$16

billion in just 1 year to get through that agriculture crisis. Now we are asking for half of that on a one-time, 1-year bases. Is that too much to ask? Too much to ask to help provide some relief?

In Montana, the U.S. Department of Agriculture estimates that the Daschle-Harkin plan would provide Montana producers with \$100 million more than the plan of 13 cents proposed by the other side. Every precious dollar counts to those in Montana's largest industry.

What happened to the other parts of the package that passed the Senate—price reporting and mandatory imported meat labeling? We lost the fight to the House—an easy fight, a bipartisan fight. The result now is that we have a 6-month study on both price reporting and meat labeling—just a study.

You tell me how I can tell folks back home that they have to wait for a report when they already know things aren't right in the market. They see it every day. I hear it every day in telephone calls I make to home. When I go home and talk to producers worried about holding onto the farm, or the ranch, or passing it on to their children, these people aren't complainers, they are hard workers who believe in the land and doing what is best for their community.

If we do not help them, no one will. We don't need to study the problem more. Rather, we need to fix it. What will this conference report send home? It will send home rhetoric, not help them as they need help.

Madam President, we still have time. The clock is ticking. But I say let's get to work. We have to work together on both sides of the aisle to help people in our country, people who are not Democrats, people who are not Republicans, people who are not Independents—people who are America's farmers.

A decent cash influx for bad prices should be part of a bipartisan package; adequate disaster assistance and real price reporting and meat labeling. That is not asking much at all. That is what we should together agree to. Then together we can send a message from both sides of the aisle that we won't go home emptyhanded; that we are here to help our people; that this Congress did something right. It is simple. We should have sent this bill back to conference and crafted a package that would have really done something to halt this crisis. That is no longer an option.

I encourage my colleagues to vote against the conference report which will be before us. If the report is not adopted, that is, the vote is not successful, then I say let's go back to work and do the right thing. On the other hand, if the vote on the conference report is successful, as it may well be, then I expect the President will veto it, as he should. Maybe then we can sit down and roll up our sleeves and figure out a way to adequately help our people.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the report will be stated.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 2, 1998.)

Mr. COCHRAN. Madam President, pending before the Senate at this time is the conference report on the fiscal year 1999 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act. We present this conference report for the Senate's approval this afternoon.

The agreement provides total new budget authority of \$55.7 billion for programs and activities of the U.S. Department of Agriculture—except for the Forest Service, which is funded by the Interior appropriations bill—the Food and Drug Administration, the Commodity Futures Trading Commission, and expenses and payments of the farm credit system. This is \$6 billion more than the fiscal year 1998 enacted level; it is \$1.9 billion less than the President's request level; it is \$192 million less than the House-passed bill, and it is \$1.1 billion less than the Senate-passed bill level.

The changes that were made in conference on mandatory funding requirements account for the overall increase from the fiscal year 1998 enacted level, principally reflecting a \$2.6 billion lower estimate for Food Stamp Program funding requirements, higher Child Nutrition Program expenses, and a \$7.6 billion increase in the payment to reimburse the Commodity Credit Corporation for net realized losses. The conference report also provides an additional \$4.2 billion in emergency appropriations to assist agricultural producers and others who have suffered financial hardship due to adverse weather conditions and loss of markets.

Including congressional budget scorekeeping adjustments and prior

year spending actions, this conference agreement provides total discretionary spending for fiscal year 1999 of \$13.651 billion in budget authority and \$14.050 billion in outlays. These amounts are consistent with the revised discretionary spending allocations established for this conference agreement under the Budget Act.

It was a very difficult conference. As Members may recall, a number of legislative provisions were added to the bill when it was considered in the Senate in July. Not only did the conference committee have to reach agreement with the House on these issues, but it had to resolve funding differences within a more constrained discretionary spending allocation for the conference than originally established in the Senate bill.

Special recognition is due and deserved by the ranking member of the subcommittee, my distinguished colleague from Arkansas, Mr. BUMPERS. In addition, the chairman of the House subcommittee, Congressman SKEEN from New Mexico, and ranking minority member of the House subcommittee, Congresswoman KAPTUR from Ohio, turned in hard work and cooperated with our efforts to make this conference agreement possible.

The report includes credit relief for farmers, a 6-month extension of the Northeast Dairy Compact, sanctions relief for exports to India and Pakistan, a waiver of the statute of limitations for certain discrimination claims filed against the Department of Agriculture, and a number of other legislative provisions that were included in the Senate and House-passed bills.

In addition, at the request of the House and Senate Agriculture Committees, chaired by Senator LUGAR here and Congressman SMITH in the House, the conference report includes a moratorium on the rulemaking authority of the Commodity Futures Trading Commission over swaps and derivatives, as well as language requested by the administration authorizing the creation of an Under Secretary for Marketing and Regulatory Programs position at the Department of Agriculture. That change also had the approval of the legislative committees with jurisdiction over that subject.

During consideration of the bill in the Senate, an amendment was adopted providing increased funding for the President's Food Safety Initiative. A major portion of this additional spending was offset by an "assessment" on the purchasers and importers of tobacco. This was subsequently determined by the House Ways and Means Committee to be a "tax," and therefore off limits to the Appropriations Committee and was not included in the conference report. I am pleased to report to the Senate, however, that the conference report provides increased funding of \$51.9 million for activities and programs which are part of the administration's Food Safety Initiative.

In addition, the conference report provides \$609 million for the Food Safe-

ty and Inspection Service, an agency critical to maintaining the safety of our food supply. That is \$20 million more than the fiscal year 1998 level, and \$460 million more than the President requested in his budget.

As most of my colleagues are aware, one of the major differences between the House and Senate-passed bill was a House bill provision to prevent fiscal year 1999 funding for the new Competitive Agriculture Research Program established by the Agricultural Research, Extension, and Education Reform Act of 1998. I did not support the proposal to remove or prevent the funding going forward as directed in that legislation. However, with a total discretionary budget authority allocation for the conference that was \$64 million below the level we had for the Senate bill, it was a House position that the Senate conferees had little choice but to accept.

Without that offset, drastic cuts would have been necessary in funding for other discretionary programs and activities in the bill. In view of this 1-year delay in funding for the new Agriculture Research Competitive Grant Program, the conference provided increased appropriations for existing agricultural research programs.

Here are some examples: There is an appropriation of \$782 million for the Agriculture Research Service. That represents a \$38 million increase from the 1998 fiscal year level, and it is \$14 million more than was included in the Senate-passed bill.

There is total funding of \$481 million for research and education activities of the Cooperative Research, Education and Extension Service. That is \$50 million more than the fiscal year 1998 level, and it is \$48 million more than was in the Senate-passed bill. Included in this amount is a 7-percent increase from the fiscal year 1998 level for payments under the Hatch Act, cooperative forestry research, payments to the 1890 and 1994 institutions, including Tuskegee and animal and health disease grants.

Also included is a \$22.1 million increase for the National Research Initiative Competitive Grants Program.

In addition, the bill recommends \$434 million for extension activities which preserves the 3-percent increase recommended by the Senate for Smith-Lever formula funds, as well as extension payments to the 1994 and 1890 institutions, including Tuskegee University.

Approximately \$36.1 billion, close to 65 percent of the total new budget authority provided by this conference report, is for domestic food programs administered by the U.S. Department of Agriculture. These include food stamps; commodity assistance; the special supplemental food program for Women, Infants, and Children (WIC); and the school lunch and breakfast programs. The Senate receded to the House-recommended appropriations level for the WIC program because re-

cent data on actual participation rates and food package costs indicate that this amount should be sufficient to maintain current program participation levels in fiscal year 1999.

For farm assistance programs, including the Farm Service Agency and farm ownership and operation loan subsidies, the conference report provides \$1.1 billion in appropriations.

Appropriations for conservation programs administered by the Natural Resources Conservation Service total \$793 million, \$9 million more than the House bill level and \$1 million more than the level recommended by the Senate.

For rural economic and community development programs, the conference report provides appropriations of \$2.2 billion to support a total loan level of \$6.2 billion. Included in this amount is \$723 million for the Rural Community Advancement Program, \$583 million for the rental assistance program, and a total rural housing loan program level of \$4.25 billion.

A total of \$1.2 billion is provided for foreign assistance and related programs of the Department of Agriculture, including \$136 million in new budget authority for the Foreign Agricultural Service and a total program level of \$1.1 billion for the P.L. 480 Food for Peace Program.

Total new budget authority for the Food and Drug Administration is \$977 million, \$11.5 million more than the level recommended by the House and \$24.5 million more than the Senate bill level, along with an additional \$132 million in Prescription Drug Act and \$14 million in mammography clinics user fee collections. Included in the appropriation for salaries and expenses of the Food and Drug Administration is a \$20 million increase for food safety.

For the Commodity Futures Trading Commission, \$61 million is provided; and a limitation of \$35.8 million is established on administrative expenses of the Farm Credit Administration.

Titles XI-XIII of this conference report provide emergency relief to agricultural producers and others who have suffered weather-related and economic losses. As Members will recall, a number of amendments were adopted to this bill when the Senate considered it in July to address disaster-related requirements with the understanding that additional relief would be necessary once actual losses were determined by the Department of Agriculture and a supplemental request was submitted by the Administration. No request was submitted to the Congress until September 23. On September 23, the Administration submitted a \$1.8 billion budget authority request to support \$2.3 billion in emergency agricultural programs. In the interim, the Republicans released a \$3.9 billion relief package to assist agricultural producers. This emergency agricultural relief package is included in this conference report, along with additional

emergency supplemental appropriations, to make a total of \$4.2 billion in emergency assistance available.

A total of \$1.5 billion is made available to assist producers who have been hit by crop losses in 1998, and an additional \$675 million for producers who have suffered from multiple-year crop losses. Also included is \$175 million for emergency livestock feed assistance, and \$1.65 billion to assist producers with market losses. In addition, the conference report provides temporary recourse loans for honey and mohair; \$5 million for cotton indemnity payments; an increase of \$25 million for the Food for Progress program to help move more grain out of the country; and expanded non-insured crop assistance for raisin producers. Additional supplemental emergency appropriations provided by the conference report include the \$40 million to cover additional costs to the Farm Service Agency of administering this assistance, \$10 million for the Forestry Incentives Program; and \$31 million in subsidy appropriations to fund an additional \$541 million in farm operating loans.

Madam President, this conference report was filed on Friday and was passed by the House of Representatives that day by an overwhelming vote of 333 yeas to 53 nays. Senate passage of this conference report today is the final step necessary to send this fiscal year 1999 appropriations bill to the President for signature into law.

I urge my colleagues to adopt this conference report. Many of our farmers and ranchers are facing the worst crisis in agriculture that they can remember. The economic collapse in Asia has resulted in lost markets. Producers in some states have suffered severe weather conditions. Others have been hit hard by crop diseases. The farmers need help now, and it is time to quit playing politics with disaster relief and adopt this conference report.

Madam President, this is the last Agriculture Appropriations bill my distinguished colleague, the Senator from Arkansas, will manage in the Senate after serving on the Appropriations Committee for 20 years and this Subcommittee for 13 years. Senator BUMPERS has been an advocate of American agriculture and a proponent of the programs in this bill to improve the quality of life and help bring jobs to rural areas. His expertise and many contributions to this process and this bill will indeed be missed.

In summary, let me point out, Madam President, that there has been raised the specter of a Presidential veto over this conference report because of the inadequacy of the provision relating to disaster assistance payments. I am very disturbed by that suggestion, and I hope that it is more rumor than promise. I know the President spent some time on Saturday in his weekly radio address speaking to that subject.

I recall that 2 weeks ago, I was asked to deliver the Republican response to

the President's weekly radio address, and my subject was the need for a more aggressive and meaningful disaster assistance program for farmers.

I think everyone can agree that both the President and the Congress have been speaking out and making very clear the fact that we need a helpful, sensitive, generous program of disaster assistance to help deal with the realities of weather-related disasters that have struck many parts of the country, market loss problems because of the Asian economic crisis, and other factors that have worked together to make this a very difficult year for agriculture.

The question is, Are we going to resolve this in a way that is consistent with the legislative process that makes sense for farmers, that serves to establish policies that are thoughtful and consistent with the needs of American agriculture, or are we going to continue to treat this as a political football and just kick it around and have us skirmish every day or every week over this issue, leading to delay, leading to uncertainties, leading to anxieties? Farmers in America certainly deserve better.

I would like just for a moment or two to think back on the date when we had the bill on the floor of the Senate and the subject of disaster assistance was first raised. We adopted in the Senate a sense-of-the-Senate resolution calling on the President and the Congress to work together to come up with a proposal that would meet the needs for emergency action to respond "to the economic hardships facing agriculture producers and their communities." The Senate adopted that on July 15 by a vote of 99 to 0.

The next day, there was an amendment offered by the Senator from North Dakota, Mr. CONRAD, and others who suggested we establish a \$500 million indemnity program to compensate farmers for income losses that had been suffered due to various adverse conditions—weather and otherwise—throughout the country, although mainly the benefits were directed to the upper plains and other selected areas, not countrywide benefits or a program designed to be national in scope.

During my remarks on that occasion, I recall on the Senate floor saying that we needed to have the President and the Department of Agriculture get involved and provide the Congress with a complete and accurate assessment of the funds that were needed for a program of this kind. We hadn't had a proposal from the administration for any specific benefit program for agriculture, although there had been meetings on the Hill with farm groups, with Senators and Congressmen trying to, first, get the facts and get a sense of what the agriculture leadership throughout the country thought would be an appropriate response by the Federal Government.

There was no question at the time we were debating the bill that there was

great interest in developing a disaster assistance program to meet the needs of American agriculture. As a matter of fact, during the discussion, I asked Senators if they had any better ideas, if they had suggestions for anything other than this \$500 million indemnity program, and no one came forward to offer any amendments and no one expressed opposition to adopting that amendment. We checked with the legislative chairman in the Senate, and others, and without objection, we suggested that the Senate adopt the amendment of the Senator from North Dakota on a voice vote, and that is what we did. We accepted the amendment.

After that was done, it became clear that through gathering information, that the situation was more widespread. I remember going to Georgia, for example, with the distinguished Senator from Georgia, Mr. COVERDELL. I had an opportunity to meet with farmers in southern Georgia and became convinced that we had a problem that was bigger than the upper plains and Texas. Everybody knew about the drought in Texas and the severe complications that were resulting from that for agriculture producers and ranchers in that area. But I do not think it was well known that in south Georgia, which had had a series of weather-related disasters over a period of years, the agriculture sector there was really hurting. And the \$500 million indemnity program, suggested by the Senators from North Dakota and others, was not going to be sufficient to deal with that problem and others as well.

I know in my State of Mississippi, for example, when I was home right after we adopted this bill in July—we had a break during the August recess—I had an opportunity to visit some areas of my State that were devastated because of isolated weather patterns that had ruined corn crops in the northwest part of Mississippi, and others had been damaged to the extent that diseases were infesting the crops. Aflatoxin was attacking the corn crops.

There was no provision in any Federal disaster assistance program for yield losses, for crop losses. Those who were suggesting an indemnity program based on lifting loan caps had to realize that was not going to help somebody who had a total crop failure. It would not help them a bit.

So we came back, started working on a new proposal, got with the leadership of the House and Senate, and asked the administration they were going to request supplemental funding. They did come back with a \$1.8 billion supplemental budget authority request to support \$2.3 billion in emergency agricultural programs, without a lot of specificity about how those benefits would be determined, how the eligibility would be determined, who would administer the program. But, nonetheless, it was a step in the right direction, and I applauded the President for responding in that way.

But based on that supplemental request—and working with the knowledge that other Members had generated from their States—we proposed to the conference committee a \$4.1 billion disaster assistance program, and it was accepted in the conference committee with some changes. We accepted some amendments proposed by House Members in conference. We added some money proposed by the Senate in response to specific amendments that were urged in conference to the managers' proposal. So the end result was the conference committee agreed to provide emergency benefits totaling about \$4.2 billion.

So I come to the Senate today very pleased to be able to report that, instead of a \$500 million indemnity program that the Senate adopted as a way to deal with the crisis in agriculture, working with farmers, producers, and ranchers from around the country, and other Members of the Congress, including the House, we now have a conference report that is much more generous, much more responsive to the real needs that exist in our country today in production agriculture, and designed to more nearly bring farmers to a point where they can continue to operate without going broke, without the devastating effects that would have been the reality of the situation had not this package of changes been agreed upon.

We hear now that the Democratic leadership has urged the President to veto the bill. And I got a letter suggesting that he would if the conference agreement on disaster assistance was inconsistent with the proposal just recently made by the Democratic leader of the Senate to remove the loan caps under the current farm program for the commodities that are subsidized, in effect, by the Federal Government—no ifs, ands, but about it.

The letter said—and I took this up with the Secretary of Agriculture to be sure I understood that that was the meaning—that the President said he would veto the bill if the conference report was inconsistent with a proposal made by the Democratic leader to remove the loan caps for those commodities that are subsidized by the Government.

I am very disappointed by that. I certainly hope that there is room for the President to change his mind on that subject, because it seems to me that rather than argue over whether or not this program is really going to do a good job and is thoughtfully crafted to try to put farmers back on their feet who have been devastated by bad weather and market conditions beyond their control, it just seems to me that this is not an appropriate response for the President to be making, given the other opportunities for positive things.

Here are some examples of positive things that I think could be done which are beyond the jurisdiction of this committee today that brings you this conference report. The House of Represent-

atives just passed recently a tax bill making a lot of changes in the Tax Code, but I specifically recall that some of those tax changes are designed to benefit farmers and farm families, and I am told that we are not going to have a chance to vote on that tax bill here in the Senate because we cannot get the bill cleared to bring up. We cannot get the House-passed tax bill cleared.

So in order to bring it up, the majority leader would have to move to the consideration of the bill, the motion would become debatable, and then in order to get the bill on the floor for consideration and debate and passage, 60 votes to invoke cloture would have to be undertaken because the Democrats are promising to filibuster the bill.

Here are the changes that it bothers me we will not even get a chance to approve that would help farmers.

There is a 5-year net loss carryback of losses that you can carry back and set against income for 5 previous years. That is in the House-passed bill. The House-passed bill makes permanent income averaging, which permits farmers and ranchers to average income, high years against low years, and even out the tax burden, which is very beneficial to many.

There is a provision that makes deductible, to 100 percent of the cost, health insurance premiums by those who are self-employed. If you are in agriculture and you have a farm and you are your own boss, under this change you will be able to deduct 100 percent of the cost of your health insurance. That helps farmers. That helps farm families.

There is also an acceleration of the exemption for death taxes and gift taxes. One of the most difficult things facing agriculture today is the obligation to come up with cash money to pay the Federal Government so-called inheritance taxes on the death of a family member who has an interest in the land or the other property that goes into making up the decedent's estate.

We have passed rules that phase in some higher exemptions for small farms and for businesses. What this House-passed bill does is accelerate the phasing in of those exemptions. That would be a big help to many farm families who are going to have to liquidate assets in real estate to pay death taxes.

Another thing that this administration has been slow to react to is the trade problems that we are having in this hemisphere, with Canada, with Mexico, and beyond, barriers to trade so that our farmers and our exporters are having to deal with unfair tariff situations and other difficulties that are erected to keep America from selling what we are producing in the world marketplace and at the same time importing, in violation of some existing rules, I am told, some foodstuffs, live cattle, from other countries.

Finally the administration is beginning to act. We see the Trade Rep-

resentative engaging Canada in trade talks now about steps that can be taken to solve the problems that have developed in that area. But we were hearing this on the Senate floor and urging the administration to take action. Being the chief negotiator in the executive branch, the President has an obligation to assume some leadership. Frankly, there has been a breakdown in leadership on that subject.

We hope we haven't waited too late to make changes and reach agreements and work out problems in the trade area for the farmers who have suffered this year. That is one of the reasons why we felt it necessary to include direct payments that are bonus payments under the transition.

We think the market transition program to compensate producers directly for income losses due to the economic crisis and trade problems that we have is very important. The administration does not propose and has not suggested that as an appropriate step to aid America's farmers.

I make those comments, Madam President, not to pick a fight with anybody here on the floor of the Senate today, but to simply express my concern that we not see this bill held up, delayed, postponed, vetoed, whatever may happen to it, because of an interest in being able to say the Democrats are for a \$7 billion disaster program, the Republican bill is only \$4 billion. I bet it will be the same folks who said we want \$500 million in an indemnity program to help meet the needs of the agriculture crisis. That is what the story was in July. We all agreed at that time that was probably temporary, that more needs to be done. So I am not belittling that suggestion. It was the suggestion on the floor of the Senate at the time and no one had any better idea at that time.

Since then it seems we have been engaged in a show of one-upsmanship. The Republicans then come up with, with Democrat input in many cases, this \$4 billion program of disaster assistance. Now, all of a sudden, that is not enough; we need \$7 billion.

How much has the President requested? I have the exact amount: \$1.76 billion in budget authority has been requested by the President for agriculture producers and ranchers. That will support \$2.3 billion program level. The other suggestion is removing the loan caps. Then CBO is called on to answer the question, what will that cost? The answer is that will probably cost—and it is speculation, it is a guess, nobody knows because nobody knows what commodity prices will be in the future—it is guessed it will be \$5.5 billion.

The proponents of that proposal say we are for spending \$5.5 billion plus \$2.3 billion, so we are for spending almost \$8 billion. So this is a more generous plan. What is not disclosed is the effect that policy change of raising the loan caps will have on prices of those commodities next year or the next. The

fact is there are many who tell us that we are buying into a program that is going to have a continuing depressing effect on market price of these commodities that are covered by the loan programs.

I don't know if that is true or not. I don't think anybody could have guessed that corn and wheat prices would have been as low as they are right now a year ago. So nobody knows what the prices are going to be in the future. I am told they will be lower because of that change in policy. So are we doing farmers a favor by making that policy change?

It is really not a question, in my view, of who is willing to spend more money on farmers, the Republicans or the Democrats. Both are being very generous. That is the fact. Both are being very, very generous in terms of where we started, existing programs, precedent, previous disaster benefit efforts. The fact is the Democrats are in favor of making a policy change and substituting a change for an existing farm bill provision that set up the market transition payments and the phasing in to a market economy. We are in the second year of that farm bill. There are 3 more years left under the authority of the 1996 bill. I am hopeful that we can find a way to provide the benefits to American agriculture producers without rewriting or trying to rewrite portions of the 1996 farm bill. So we have a difference of opinion on that.

Let me simply conclude my remarks by thanking everyone who helped us write this conference report. It has been a very challenging experience. I don't know that we had a more contentious or at least long drawn out conference on agriculture appropriations since I have been in the Congress. I don't recall having any more difficult time putting the bill together. We had a lot of disagreements that were discussed, but we worked them all out. We have a conference agreement. That is the good news. The other body has passed the conference report by a very large vote.

PRIVILEGE OF THE FLOOR

Mr. COCHRAN. Madam President, I ask unanimous consent that the following members of the staff of the Appropriations Committee be granted the privilege of the floor during consideration of the conference report to accompany H.R. 4101, and during any votes that may occur in relation to this measure: Rebecca Davies, Martha Scott Poindexter, and Rachelle Graves. The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

Mr. KERREY. Madam President, first of all, let me compliment the Senator from Mississippi for his usual articulate and persuasive fashion—always a gentleman, always wanting to work with us, regardless of momentary disagreements. I regret to say this is one of those momentary disagreements.

I come to the floor today to offer arguments against this conference re-

port. I had initially intended to offer a motion to recommit the report back to conference, but now that motion would be out of order since the House has reported it. I prefer that it go back to the conference rather than going on to the President.

I appreciate very much the President indicating he will veto this bill. Perhaps if we can dispose of this conference report in a hurry, get the President's veto, the conferees can direct their attention to the objections the President has raised. Those objections are similar to the ones I will offer here this afternoon.

Let me say, first of all, I do appreciate that there is bipartisan agreement that rural America is facing a real crisis. That is very good news. What the Senator from Mississippi said is quite right. There has been, throughout the year, a process of developing proposals, but there has been significant disagreement on one particular point; that is, taking the caps off the loan rate. We voted twice on that. It did not pass here in the Senate. I will talk about that later. I think, unfortunately, that ideological argument is getting in the way of our ability to be able to reach agreement.

This conference report, I believe, fails in two areas: First, it does not achieve the goal of providing support, both to the farmers who grow the crop who are in serious trouble due to the prices, and those who are in trouble as a consequence of weather disasters. For livestock, this conference report fails to put the law on the sides of the producers and take action to make our markets work better.

First, as to the amount of income support for grains, it is simply not enough. It is not targeted as it should be to the people growing our food.

I ask unanimous consent to have printed in the RECORD an editorial that appeared in the Lincoln Journal Star praising Congressman DOUG BEREUTER, a Republican from Nebraska, who represents the First Congressional District. Congressman BEREUTER also objected to the plan in the conference report as not sufficiently generous to meet the needs of agriculture under current economic conditions; that the \$4 billion in aid should be closer to \$7 billion in aid that the budget has requested. I ask unanimous consent that this be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Lincoln Journal Star, Oct. 2, 1998]
BEREUTER PATH ON FARM AID BEST APPROACH

First District Rep. Doug Bereuter has a sound, responsible approach to helping farmers at a time when commodity prices have plunged to lows not seen since the 1980s.

Breaking with his GOP cohorts, Bereuter said this week the Republican plan "is not sufficiently generous" to meet the needs of agriculture under current economic conditions.

House and Senate conferees Wednesday chose the Republican plan, which would provide \$4 billion in aid, over a Democratic plan

which would have provided \$7.1 billion in tax subsidies to farmers.

Agriculture was one of the first sectors of the economy to be buffeted by the Asian financial crisis. Export markets in some Asian nations have virtually evaporated. Now markets in Latin America also are being affected.

In addition to providing a cushion against low prices, the aid package under consideration in Congress is intended to help farmers who have been hit by drought and other adverse weather conditions.

Debate over the size of an aid package for farmers unfortunately has bogged down in partisan rhetoric and a running debate over the five-year Freedom to Farm act approved by Congress in 1996.

The Republican aid package unfortunately also rejects other measures that would provide substantial benefit to agriculture. For example, it does not require mandatory price reporting, which would allow cattle producers to know what packing plants are paying for beef.

It also does not include a provision to require labeling showing the national origin of meat. The measure would allow consumers to select beef produced in the U.S. rather than other countries. While pushing for more financial help for farmers, Bereuter rightly resists a return to previous ag policies that are part of the Democratic approach, which would base subsidies for grain farmers on the so-called loan rate.

Previous farm policy was based on a heavily bureaucratic approach with strict government dictates. Proponents of the Freedom to Farm act left more decision-making to farmers, at the same time leaving them more subject to market pressures.

In the long run, the market-oriented approach under Freedom to Farm will benefit agriculture, although it certainly should be open for modification and improvement.

But now, while farmers are facing a double whammy of record harvests and low prices, is not the time to get bogged down in partisan debate over basic philosophy.

Providing aid under the payment system of the existing farm bill makes sense. But, as Bereuter suggested, the amount should be more generous than Republicans have agreed to so far to preserve the stability and capability of the sector of the economy that feeds the nation.

Mr. KERREY. Madam President, as to the income, the proposal in the conference report would be, approximately, for corn, 7 cents a bushel. That does not get the farmer much closer to either recovering the cost of production nor providing his banker confidence to lend him money again next year, and significantly, of all the tests that I trust as to whether or not the President's proposal should be a part of the conference report or not, economists will come forward and argue on both sides of practically any proposal you come out with. The Independent Bankers of America have endorsed taking the caps off the loan rate, not because it provides more income, and by no means does it provide a sufficient amount of income that we won't still have significant people going broke, but because it is attached to a marketing loan, it increases the chances that farmers who will need operating loans will be able to get them.

Likewise, this conference report is inadequate because provisions were dropped that were passed in the Senate

in July, which were to require price reporting for beef, and meat labeling requirements as well. The conferees have said to farmers and ranchers that they think the livestock markets work just fine. But I am here in a brief period of time to say that the markets are not working.

Cattle feeders and ranchers have lost more than \$2 billion in equity this year, with millions more being lost every week. When I am home—typically every weekend—the people in Nebraska are worried about their financial stability and they believe that this Agriculture appropriations bill, with the disaster package attached to it, will be terribly important for their financial stability. More deeply than just the money, they are worried about their way of life, because, in the final analysis, this debate is about much more than just the size and makeup of a relief package; it is about the future of rural America.

We can see the future of our small towns and rural areas very clearly right now, and it doesn't look good, with prices low and economic conditions as hard as they are on our farms and ranches.

Those who are not driven off the land in this crisis have already found that their children are not interested in the life farming has to offer. Two weeks ago, in Scottsbluff, I held a town hall meeting, and 60 people were in the room who are involved directly in production agriculture. I asked how many of them had children who would take over the farms, and I didn't get a single affirmative answer. Those with grown children had already lost them to the cities. Others said, "There is no opportunity out here."

That is what this Congress has the ability to change, and we can start with this piece of legislation. We need an agricultural sector that offers some opportunity, but first we must bring some stability to that agricultural sector.

Again, I am pleased the President is going to veto it. Let me talk of the differences, specifically to our States. Again, I heard the distinguished Senator from Mississippi talk about economists who are saying taking the caps off of loan rates could have a depressing impact on price. I have not come to the floor and said that Freedom to Farm produced these lower prices. I think the lower prices are clearly there as a consequence of a declining demand in the international marketplace. Nobody is forecasting that demand is going to come back in 1999. Nobody expects the decline in exports to increase. I wish this Congress had been able to pass fast-track legislation. I have supported it in the past. I believe that, long term, it would help. But in the short term, we see substantial declines in income that are there as a consequence of this decline in demand and increased production that has occurred here in America.

This package in the conference report versus what the President asked

for is substantially different. I pointed this out before, and it bears repeating. In Nebraska, the difference is \$434 million of income—this does not go to State government or county government; it goes to individual farm families—versus \$177 million, almost a quarter of a million dollars. In Mississippi, it is \$145 million versus \$71 million. In Minnesota, it is \$483 million versus \$227 million.

I ask unanimous consent that this table, which shows the differences between the package in the conference report and what the President has asked for be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEMOCRATIC VERSUS REPUBLICAN PROPOSALS, BY STATE
(CBO ESTIMATE)
(In millions of dollars)

State	Democratic	Republican	Difference
Alabama	96	64	32
Arizona	39	19	20
Arkansas	194	105	89
California	227	142	85
Colorado	120	53	67
Connecticut	2	1	1
Delaware	6	2	4
Florida	58	47	11
Georgia	218	147	71
Idaho	127	37	90
Illinois	527	186	341
Indiana	277	95	182
Iowa	600	235	365
Kansas	371	176	195
Kentucky	65	30	35
Louisiana	99	84	16
Maine	3	2	1
Maryland	21	7	14
Massachusetts	1	1	0
Michigan	109	47	62
Minnesota	483	227	256
Mississippi	145	71	74
Missouri	205	81	124
Montana	160	71	89
Nebraska	434	177	257
Nevada	1	0	1
New Hampshire	1	0	1
New Jersey	5	1	4
New Mexico	40	27	14
New York	41	12	29
North Carolina	185	115	70
North Dakota	431	316	115
Ohio	197	64	133
Oklahoma	170	109	60
Oregon	74	14	60
Pennsylvania	46	10	36
South Carolina	46	28	18
South Dakota	363	214	149
Tennessee	73	29	44
Texas	896	813	83
Utah	11	3	8
Vermont	26	11	16
Virginia	39	19	20
West Virginia	153	42	111
Washington	12	2	10
Wisconsin	139	60	79
Wyoming	10	4	6
Total	7,546	4,000	3,546

Mr. KERREY. Madam President, again, not only are our grain farmers adversely affected, but cattle producers and cattle processors have been as well. We have met extensively with our ranchers and our feeders, and they say to us two things need to happen, and they need to happen in order to improve our prices and increase the chances that we are going to get a market bid that is higher than what we are getting now.

The first is mandatory reporting of prices, regardless of whether the prices occur in cattle that are owned by the feeder or cattle controlled through formula feeding, or some other contract by the packinghouse. Those prices today are not reported. We had exten-

sive debate here on the floor about that issue. Unfortunately, the conferees dropped that. I believe that provision, all by itself, would increase prices for cattle in the United States, for beef, and would have a very positive impact as a consequence on our rural communities.

Likewise, the meat labeling requirement included in the Senate bill was dropped by the conferees, and it is supported by almost all of the cattle organizations. There is some dispute on price reporting, although I think we can deal with the changes that we had in the conference language. There is almost no dispute, from the standpoint of the producer, on the need to put on the label information that allows the consumer to determine from where that product came. It is allowing the market to work. Rather than saying that the Government is going to impose a solution, we say inform the consumer where the product came from and let them decide.

I hope, as I said in the beginning, that the President's veto of this conference report will lead to the conferees coming back quickly and looking, as no doubt they will, for ways to improve it along the lines of what the President has recommended. Not only are there tens of thousands of farmers who will survive if we can get this legislation passed and on to the President for his signature, as he has asked us to, but it will give us a chance to take a step in the direction of giving our rural communities a chance to survive.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, it is a custom in the Senate to speak well of someone you are about to oppose. So let me speak well of the Senator from Mississippi. We have worked together on a wide range of issues. He is a very effective Senator and somebody I enjoy working with a great deal. He has a very effective staff and we work on a lot of issues together. But I come to the floor today opposing the conference report and to do so as aggressively as I possibly can. I want to explain to him and other Members why I feel so strongly about this.

First of all, it is not the case that all that was offered in July was the \$500 million indemnity program that was introduced as an amendment by Senator CONRAD and myself. It is the case that we also proposed, and had a vote on an amendment to increase the price supports by lifting the caps on the loan rate. We did it then; and we did it a second time. We lost twice in those efforts. We proposed a series of steps, one of which was lifting the loan rate, and another of which dealt with disaster issues.

I want to describe why I feel so strongly about this. I received a letter from the head of the Farm Service Agency in our State. I asked him, "If things don't change, what should we

expect in the next few months in North Dakota with respect to family farms?" He points out that North Dakota in the judgment of the Farm Service Agency, will lose over 3,500 farms by this spring without some significant assistance. That is probably some 14,000 people. I assume there is an average of three or four persons on each of those family farmers, including a spouse and a couple of children. So at least 3,500 family farms will not get credit and will not be able to continue farming this coming year. That means 12,000 to 14,000 North Dakota farm people will be told that their dream is over. They tried, but they failed.

Let me describe the reasons they are not making it. There are two main reasons. One, is the disaster. We had the 500-year flood of the Red River, and people know about that. They remember the flood at Grand Forks. For a number of years we have been in a wet weather cycle in eastern North Dakota. We have had massive quantities of standing water that have inundated acres and acres of farmland in North Dakota. This wet cycle has caused and exacerbated a crop disease known as fusarium head blight, or scab. This combination has devastated the quality of farm life in North Dakota.

I have a chart here. If you are a North Dakota farmer and you are in these red counties on this chart in the eastern part of the State, you have had 5 straight years of disaster declaration. The red counties are not 1, 2, or 3, but every year for 5 straight years that these counties have been declared a disaster. Why? Because of weather-related events, and other events, their production has been devastated. So that is the disaster portion of this problem. You can see that with the orange counties and yellow counties, that these counties have had disasters 3 out of 5 years. In fact two thirds of the counties in my State have been declared a disaster area 3, 4 or 5 years out of 5 years.

Now, in addition to the disaster, what also has happened to these farmers is that Congress passed a new farm bill. The Senator from Nebraska might be right that this might have nothing at all to do with price. The new farm bill might not be related to the collapse in price. But it might be; I don't know. I am not asserting that today, I am just saying that we passed a new farm bill. This chart shows what has happened to the price of wheat since Congress passed the farm bill. It is down by almost 60 percent. There has been a 60-percent drop in the price of wheat since Congress passed the new farm bill. The price of wheat has fallen from \$5.75 a bushel to \$2.36.

Add together the significant disasters year after year and the collapse of prices and here is what you have. In my State, in North Dakota, which is the hardest hit, in 1 year there was a 98-percent drop in net farm income. These are U.S. Government figures. We had a 98-percent drop in net farm in-

come. With respect to this group of North Dakotans, their income has virtually been wiped away.

Is it any wonder they are in deep trouble? We are not a State of big corporate agrifactories. We are a State largely composed of family farms. When they suffer a loss of virtually all of their income, many of them just do not make it.

The current farm bill doesn't provide a bridge across price valleys. The philosophy of the current farm bill is that you ought to operate in the free market. If there is a price valley, the farmer is told, "Tough luck; try and find your way across the valley."

So because we don't have that pricing bridge under this economic philosophy, family farmers certainly don't get to the other side. The head of our Farm Service Agency says 3,500 farms will not be in the field next spring in North Dakota.

I am betting that if any other Member of this body had the same set of statistics in front of them concerning what is happening to their family farmers would also be here. They would be here with as much energy and as much passion as I have to see if we can't change this result and to do whatever we need to do to change it.

The underlying bill has disaster assistance. I am very appreciative of that. We might argue about who provides more. But overall, frankly, I think the underlying bill, and the administration, and virtually everyone who is party to this has offered a fairly decent package with respect to disaster assistance.

The Senator from Mississippi correctly pointed out that he and Senator LOTT accepted the \$500 million indemnity program amendment that we put into in the bill in the Senate in the first instance to deal with the initial estimate of damages from the disaster in the Northern Plains. That amendment was done prior to the almost complete collapse of the cotton crop in Texas and the devastation in Louisiana, Oklahoma and other States. At that time we all understood that the disaster indemnity program was going to have to be increased at some point along the way. The disaster package in this appropriations bill started with the acceptance by the Senator from Mississippi to put in the \$500 million indemnity for the Northern Plains. I appreciate that.

I am not here to argue about which disaster proposal for this bill is better than the other. Both the President and the conference report addressed this disaster issue in a very significant way. But, I am here to say that is not enough.

On top of the disaster provision, as the Senator from Mississippi indicated, the majority party added a 18-cents-a-bushel payment for wheat. This additional AMTA payment really only means that farmers will get 13 cents a bushel for wheat when it is all figured out. That is because AMTA payments

are made on only 85 percent of contract acreage on the frozen historic yields. So the real assistance to deal with price collapse in this bill amounts to 13 cents a bushel for wheat. And it is not enough.

It won't allow farmers enough cashflow. It won't allow their bankers to decide that they will get another loan to go to the fields next spring to plant crops. They simply won't be able to do it. That is the dilemma. This is not enough. And there isn't any way to argue to say that it is enough, or that it will solve this problem.

If numbers are to be believed with respect to the estimates in North Dakota, at least 3,500 farm families are going to be washed away. These farm families are not going to be able to farm next spring. I am not willing to accept that result. It is not a fair result. Family farmers are not getting their share of this country's national income. They should be expected to get a decent share of that.

Let me show you what family farms face. They are told that they should just go ahead and operate in the free market and whatever happens, happens. What is that free market about? Everywhere they look, they confront near monopolies, or at least enormous concentrations of economic power. The top four firms in this country control 62 percent of flour milling. The top four firms in dry corn milling control 57 percent. In wet corn milling, the top four control 76 percent. In soybean crushing, the top four have 76 percent.

If a farmer happens to produce livestock and he markets that cow, he finds that 87 percent of the beef slaughter is controlled by the top four firms. The top four control 73 percent of sheep slaughter. It is 60 percent for pork. Or, if farmers want to haul their grain to market on a railroad—and most of them have to—they stick it on a rail car somewhere in my State, and they get double charged at least because there is no competition.

I have mentioned this before and I will say it again. If you put a carload of wheat on the rail track in Bismarck and haul it to Minneapolis, they charge you \$2,300. If you put it on a car in Minneapolis, and haul it to Chicago, which is about the same distance, it costs you \$1,000. Why do we get double charged? Because there is no rail competition in North Dakota, while there are multiple lines between Minneapolis and Chicago.

So it is not just concentration among processors. It is also the transportation components of the grain trade that are highly concentrated. This isn't a circumstance where there is a free market. Yet farmers are told to operate in the free market. If prices collapse, they are told tough luck, and we will give you 13 cents. If they can't make it with that, tougher luck.

Those want to pass this bill also contemplate tax cuts that they say will help farmers. Tax cuts don't help people without income. The problem in

farm country is lack of income. The first thing we should do is to restore income.

I happen to support most of those tax proposals that I have heard about. In fact, some that the Senator from Mississippi described today have great merit. I support fully deductible health insurance for sole proprietorships and income averaging. I can go down a whole list of proposals that I support. My point is that first we need to restore income to these family farmers. They need to get a fair share of this Nation's income.

The fact is that everybody who touches products produced by these farmers is virtually making record profits. The railroads? You bet your life they are doing fine. They haul the farmers' products. How about the slaughterhouses? Are they doing fine? You bet they have solid profits. They are the ones who slaughter the livestock that is sent to market by those farmers.

How about the cereal manufacturers who put the snap, crackle and pop into a cereal. They take a kernel of wheat, put it in a plant some place, put it in a bright-colored box, ship it to a grocery store, and sell it at \$4 a box. The company that puts the puff in puffed wheat makes far more than the person who gassed the tractor, planted the seed, and harvested that wheat. In fact, the person that harvested the wheat that they planted is going broke. And the people who are puffing it, crackling it, and snapping it are having record profits.

I don't understand the notion that somehow, if we just do nothing, things will work out. When we look at all of the evidence here, we are going to lose tens and tens of thousands of family farmers across this country unless this Congress does what it needs to do now. We need to provide some decent price supports to get farmers across this price valley.

I am not standing here asking that we tip the current farm program upside down. I didn't vote for the current farm program. I am not going to stand here and provide a litany of why I think it is not a good program. I am not suggesting we tip it upside down. I am simply saying what this farm program did in the big print it took away in the small print. This farm program, passed by this Congress, said we would provide farmers 85 percent of the five-year Olympic average price as a price support in the form of a loan rate. That is what it said in the big print. In the small print it said that the 85 percent of the five-year Olympic average price would be capped. The small print says we will put an artificial cap on it to bring the loan rates way down.

All we are saying is that we should take the artificial cap off. Do what the big print said the farm bill will do. Get rid of the small print that took away that help to the family farmers.

In North Dakota it means a \$156 million difference just on the price support

mechanism. The difference for the farmers in my State alone is \$156 million. That could well mean the difference between making it and not making it. It can mean the difference between succeeding and failing.

A young fellow wrote to me recently. I have referred to his letter previously in the last couple of days. His name is Wyatt. He is a sophomore in high school at Stanley, ND. He wrote this plaintive cry for help on behalf of his family farm. He is a young boy who loves to farm. He knows his dad and mom do as well. He wrote me a letter that says, "My dad can feed 180 people. And he can't feed his family." He was describing a circumstance where his family's income has been washed out. Their family farm may not be able to make it and he wonders whether that is fair, and whether that is good economic policy for this country. The answer clearly is no, that is not fair. And clearly it is not good economic policy for our country.

Both the independent community bankers in my State and the North Dakota Bankers Association tell me that if we don't pass some meaningful assistance this year these farmers won't be in the field next spring. That is from the lenders.

This weekend, I was reading some of President Truman's speeches in 1948. I want to read a couple of pieces from President Truman in 1948. Old Harry was doing a whistle stop tour on a train back then. I like Harry Truman. Harry spoke plainly and never minced any words. I thought maybe we would celebrate just a bit of what Harry Truman said about family farmers and what this debate is about today.

Harry Truman said at the National Plowing Match in Dexter, IA, September 18, 1948:

[I] believe that farmers are entitled to share equally with others in our national income. [I] believe a prosperous and productive agriculture is essential to [this country's] national welfare.

He said:

Those who are wilfully trying to discredit the price support program for farmers don't want the farmers to be prosperous. They believe in low prices for farmers, cheap wages for labor, and high profits for big corporations.

And then he said:

The big money [interests look] on agriculture and labor as merely an expense item in a business venture. [They try] to push their share of the national income down as low as possible and increase [their] own profits. And [they] look upon the Government as a tool to accomplish this purpose.

That was 1948, 50 years ago. Isn't it interesting that as we stand here debating agriculture, in North Dakota there are probably 12,000 to 14,000 citizens who will not get into the fields next spring unless this Congress does the right thing. At least 3,500 farms will go belly up. That is 12,000 to 14,000 people, who will lose their livelihood unless we do the right thing. Yet, surrounding those farmers are the bigger economic interests that are all making

money. There are the railroads, slaughterhouses, grain trader, cereal manufacturers, grocery manufacturers, and you can name all the others that are all making record profits.

Does that say something about whether the system is fair? And you might say, well, what business is it of ours? The business for this country is that if we do not act, we will not have people living in the country. We will not have people living out on the land. We won't have yard lights illuminating those family farms. We won't have the Jeffersonian notion of broad-based economic democracy in America if we don't start caring a bit about whether we have family farmers in our future.

Instead, we will end up having big agribusiness in control in rural America from California to Maine. When they do that, the price of food will go way up, and then they will have cornered everything. I guess they can haul it, process it, slaughter it, and make money off of that and then finally they can grow it because they got rid of mom and pop on the family farm. You ask them, would that be good for the country? I don't think so.

So this issue is very simple. Is what the conference committee brought to the Senate floor enough? The answer is clearly no. It is not nearly good enough. Do we have the resources in this country to do better and do what we should? The answer is yes, clearly yes. For those who believe in this as a priority, there are clearly enough resources to make the difference. I hope that if the Congress falls short, the President will veto the legislation as he indicated earlier. He should send it back and say let us do better. We can do better and work together.

We must understand that there are two components, one of which is a disaster component. For that portion I commend the Senator from Mississippi and the entire conference. But the second portion is the price support component. These two components added together must be enough to give farmers some hope and some opportunity. This bill falls far short of that.

As I mentioned in my opening statement, it is not the case that somehow the proposal to increase the price supports that are available to family farmers has just emerged from some mysterious corner of policy making. That is not the case at all. We have already had two votes in the Senate on this issue of raising price supports. We have lost by a handful of votes both times, and we may lose again. But, I will be here through the last breath of legislative effort to see that this Congress is persuaded to do the right thing for these family farmers.

These 3,500 farm families deserve a chance. They didn't cause the Asian financial crisis. They didn't cause the crisis in Asia which means that this country can export fewer agricultural goods to Asia. Family farmers didn't cause crop disease. Family farmers didn't cause the collapse of grain

prices. Family farmers didn't cause the incessant wet cycle in our part of the country that has helped exacerbate crop disease. Family farmers didn't cause these problems. And this Congress should not say to family farmers, "Well, you deal with it. And if you can't, you don't matter."

This Congress ought to extend a helping hand to say to family farmers, "We want to help you over this trouble spot. We want to help you survive because you are important to this country."

Madam President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Madam President, first of all, I would like to start out thanking my colleague from Mississippi, Senator COCHRAN. Above and beyond his ability as Senator, I think probably the best thing about him is his civility, and I wish I wasn't in profound disagreement with my colleague, but I am. I do wish to thank him for some of the good things in this bill. In this appropriations bill, we are talking about farm programs; we are talking about nutrition programs, forestry, and also there is a great deal of research money. In particular, I am very pleased that we are going to see additional funding for research of the scab disease which is a terribly important problem for my State and certainly for North Dakota as well. The faculty at the University of Minnesota is doing some very important research in this area.

Madam President, I talked to our FSA director, Wally Sparby, and he sent me some information that I might just start out with. Mr. Sheldon Erickson from Roseau, MN at Border State Bank is talking about the situation of bankers: 90 percent of his farmers can't repay in 1998; 25 percent he won't be able to lend to in 1999; he says more equity lending is required but less is available. Percy Blake of Bremer Bank in Crookston, MN: 75 percent of borrowers won't be able to meet their obligations in 1998; 50 percent are in jeopardy of not being financed in the coming year; he says that regulators are trying to pressure them away from equity financing.

We have a plea and cry from not just family farmers in our communities, but from the lenders and small businesses and from the citizens, I say to my colleague from Mississippi.

I have here petitions from all over the State of Minnesota. People who signed these petitions did this with some hope. It says:

We, the people of rural Minnesota, exercising our constitutional right to petition the Government for redress of grievances, hereby state and declare: That the exceptionally low prices being paid for farm commodities in the State of Minnesota constitute a dire threat, a crisis imperiling residents, businesses and institutions of rural communities who are demanding an immediate response from our Federal Government; that without action by the Secretary

of Agriculture to increase the support prices for corn, soybeans, wheat, small grains, hogs, cattle and dairy products and to extend loans and increase loan rates and to make crop insurance coverage effective, thousands of families relying on farming and rural businesses will lose their livelihoods; that the 1996 Federal farm bill must be revised this year in order to restore an economic safety net for family farmers and allow them to support rural small businesses and community institutions; that these destructive policies must be reversed to ensure healthy main streets, full schools and full churches in rural communities of the State of Minnesota.

I say to the Chair, I don't know how many signatures there are here, but this is just a sample of the people. Let me show you those who have signed their names to this with the hope that it will make a difference.

Madam Chair, the differences between this bill's \$4 billion package and the \$7 billion package that we proposed are ones that make a difference.

Part of it has to do with the amount of assistance, but the big issue is the price crisis. I am actually not going to speak that long on the floor of the Senate because my colleagues, Senator KERREY from Nebraska and Senator DORGAN from North Dakota, have already spoken about this. In many ways what we are struggling with is not just the wet weather and not just the scab disease, but disastrously low prices. It is hard to believe that we really want to have such a low cap as that in the Freedom to Farm bill—I call it the "Freedom to Fail" bill—at a time when prices are so low.

In our proposal we talked about taking the current cap off the loan rate. As I hear from people in our communities—not just the farmers but the lenders as well—this is the most direct and dramatic way that we can get some income to these families. We would raise the loan rate about 57 cents a bushel for wheat, about 27 cents a bushel for corn, and over 20 cents a bushel for soybeans. That would be what would happen if we would lift the cap.

What was not anticipated—I think my colleague from Mississippi would agree with me on this point—when the Freedom to Farm bill, or "Freedom to Fail" bill, was passed, was that the prices would plummet. I do not think Senators realized that, although I think farmers have always known that prices go up and down. What happened is we basically eliminated the leverage the farmers have in the marketplace—where the loan rate helps them in their dealing with grain companies. In addition there was a safety net that was extremely important. At least it provided some direct assistance to people. We have eliminated that.

I say to my colleagues today, I appreciate their work, but this relief package will not do the job. It is impossible for me as a Senator to come out here and speak for it or to vote for it. It is very important that the President veto this. The President said he will. It is important that we get back to negotia-

tions and work out a package together. It has to be a bipartisan package.

Just in terms of corn growers who currently are receiving \$1.50 a bushel for corn or less, they cannot cash flow on that. The same is going on with our wheat farmers—low prices.

I think surely we will hear from Senator FEINGOLD from Wisconsin. Senator KOHL actually has just come out on the floor. Our dairy farmers in the upper Midwest have been going under. We have a federal milk marketing order system that is absolutely discriminatory, and there is a legislative rider in this appropriations bill which effectively extends that discrimination another half a year. That is completely unsatisfactory, at the very time the Secretary of Agriculture has put a process into effect to examine and reform this system. That reform process is not enough for many of us, but we appreciate it as a positive step, moving forward. Now that reform process will be postponed for an additional 6 months under the provision of this legislative rider, which in addition has the effect of extending for 6 months the Northeast Interstate Dairy Compact, another policy which has a discriminatory effect upon dairy producers and the dairy industry of the upper Midwest.

So, as a Senator from Minnesota, I cannot in good conscience support an appropriations bill that will not provide the needed assistance to family farmers in rural communities in my State. It would amount to betrayal. People are in desperate shape. That is the "why" of all these petitions. That is the "why" of all the meetings I have attended: in Crookston, East Grand Forks, Granite Falls, Fulda, Worthington. That is the "why" of grown men and women crying because they are being driven off their farms. They work there, they live there, it is everything that they have ever worked for.

Nobody can say we are talking about a group of citizens who do not work hard, but this just seems beyond their control. Now we have an appropriations bill that does not deal with the price crisis, that does not get enough relief out there, that is not going to enable these people to stay on the farms. It does not do the job.

I think family farmers in rural America know that. We have to do better. Senator COCHRAN has done all that he can do. I think he has pushed hard for what he thinks is right. But some of the rest of us have to come out here and we have to fight hard for what we think is right. The President has to stay strong, and he has said he will veto this bill. We need to go back to the table and put negotiations on a fast-track to get a farm crisis relief package that will do the job.

For my State, the differences between the two packages amount to a quarter of a billion dollars. That is \$250 million more for family farmers and small businesses in rural communities. This is a decisive moment for the State

of Minnesota, for agriculture and for family farmers.

In many parts of our country we hardly have a family farm structure of agriculture any longer, where the people who live on the land make the investments and work on the land. In the Midwest I think we understand a very sound economic point, which is also, I think, a social message: the health and vitality of our communities are not based upon the number of acres that are farmed or the number of animals that are owned. Somebody will always farm that land or own that land. The question is, Are we going to have family farmers? The health and vitality of our communities are based upon the number of farmers—I say to the Senator from Wisconsin—the number of family dairy farmers.

We have a crisis, and that crisis deserves a strong and effective response from the U.S. Congress. This appropriations bill—and I say this not in a shrill way but in a very determined way—is not an adequate response to that crisis.

Therefore, I will vote against it. I call on the President to veto it. And I call on my colleagues please to work together and do better.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I rise to discuss the conference report that is before us as well. I want to start by acknowledging the efforts of the chairman of the committee, Senator COCHRAN. Senator COCHRAN, I think, is really one of the most decent Members in this Chamber. He is somebody I respect, somebody I like, somebody who has made a real contribution in the Agriculture Committee in previous years as well as being chairman of the Agriculture Appropriations subcommittee. So I acknowledge right up front he is someone, I think, who has the best interests of American agriculture at heart.

But he is not the only one to make the decisions. He has to make the decision, not only in the Senate Agriculture Appropriations Subcommittee, but in a conference committee. It is a conference between the Senate and the House. And what has been brought back to this Chamber is inadequate.

I represent North Dakota. North Dakota has been absolutely devastated by what I call the triple whammy of bad prices, bad weather and bad policy. That triple whammy has washed away farm income.

This chart shows the Government's own figures. From 1996 to 1997, we saw a 98-percent drop in farm income in the State of North Dakota. That is a crisis by any definition. It is a combination of terrible prices—we have the lowest prices in 50 years—coupled with natural disasters—we have had an outbreak of scab and other fungi because of continuing overly wet conditions—and then we have, on top of it, bad policy.

The last farm bill, I don't know how else to say it, is bad policy. It is its

own disaster, because, in previous times, if prices would have collapsed, there would have been an automatic adjustment mechanism. That automatic adjustment mechanism has been taken away, and the result is now, when prices collapse and you have a natural disaster, there is not much there. The result is literally thousands of farmers in our State being forced off the land.

When the Secretary of Agriculture came to North Dakota, his crisis response team told him over the next 2 years we could lose 30 percent of the farmers in North Dakota—30 percent. That would change the face of our State forever.

We have no choice but to fight. We have no choice but to come out and plead with our colleagues to do better and to do more, because if we fail, there will be dire consequences, not only in our State, but in other farm-belt States as well.

It is not just conditions in North Dakota, although we have had the worst conditions. The price collapse is affecting everybody in the farm belt. This chart shows what has happened to spring wheat prices over a very extended period. This shows what has happened to prices from 1946 to 1998, 52 years of prices. You can see we are at an all-time low. In 52 years, this is the lowest they have ever been, adjusted for inflation. This is it. At no time in 52 years have prices been lower than they are today.

It is not just spring wheat prices. We lead the Nation in production of spring wheat, or at least in many years we do. Barley is also a major crop in North Dakota. Again, 52 years of history, and here we are today, the lowest prices in 52 years. When I talk about the triple whammy of bad prices, bad weather and bad policy, the bad prices are abundantly clear. We have the worst prices in 52 years.

We have looked at spring wheat. We looked at barley. This chart shows durum prices. Does it look familiar? It is exactly the same pattern, the lowest prices in 52 years. You can look back on the whole period of 52 years, and prices have never been lower.

When we then look at what our colleagues have brought before us from the conference committee, we can see that the Republican plan does not measure up. The Democratic plan is \$7.5 billion. Some estimates are as high as \$7.8 billion. The Republican plan is \$4.1 billion.

I must say to you, Madam President, and say to my colleagues, honestly, even the Democratic plan will not solve this problem. If you go back to 1986, the Federal Government spent \$26 billion because we were faced with a similar farm economy.

We are not going to be anywhere close to that. We will be less than half of that level of funding this year, even if the Democratic plan passes. Make no mistake, the Democratic plan does not solve the problem, but what our Repub-

lican colleagues are offering is totally inadequate. It is not going to stem the tide. It is not going to prevent literally thousands of family farmers from being forced off the land.

I just had a series of meetings all across my State, and every town I go to, there are large meetings of farmers. It is very interesting because usually when I hold meetings like this, it is just farmers. Not this year. Now it is Main Street businesspeople. The mayors and city councilmen in the cities and the bankers are all coming to these meetings, many of whom have never attended a farm meeting in my 12 years in the U.S. Senate, stopping me afterwards and saying, "Senator, there's something radically, radically wrong, and unless something is done and done quickly, not only is that farmer going to fail, but the Main Street businesses are going to fail and the towns themselves are going to fail."

For the first time ever in my experience, mayors and city councilmen are coming to my meetings and telling me that the cities are going to fail unless something dramatic is done and done quickly.

If we look at the constituent elements of the plan, the first part involves support on the income side. The Democrats call for removing the marketing loan rate caps. The Republicans call for increased transition payments. There is a dramatic difference here. The Democratic plan costs over \$5 billion; the Republican plan, less than one-third of that.

The difference here is the Democratic plan says that the loan rate caps that were put in the last farm bill at a very low level, artificially low level, especially on the commodities that we produce in our part of the country, leave farmers in a circumstance in which if prices collapse, they have no protection.

Some have said, "Gee, you're going to give a loan to farmers who have an income problem? Isn't that just digging the hole deeper?" Let me explain for those who may be listening that a marketing loan in agriculture is not like a normal loan.

A marketing loan in agriculture works this way: A farmer gets a loan—and in the farm bill, on wheat it is \$2.58, but if the price goes below that, if the farmer sells for not \$2.58 but sells for \$2, he doesn't have to pay back the difference between the market price and the loan rate. That is why it is called a marketing loan. He only pays all of it back if prices exceed the amount of the loan level. This doesn't build debt. This is a floor under income. It is to guard against the kind of price collapse that we have occurring now.

Unfortunately, in the new farm bill, the loan rates were capped at an artificially low level. They did that because of a budget consideration. That is why these loan levels were set at such low rates, because, frankly, agriculture was cut dramatically at the same time the

new farm bill was put in place. In fact, much of the problem that we are experiencing with the new farm bill is not the specifics of the farm bill as much as the budget limitation that we were under when the farm bill was written.

In fact, the support for agriculture was cut in half at the time the last farm bill was written. In the previous 5 years, we had been getting about \$10 billion a year to support agriculture. Under the new budget agreement, that was cut in half, to about \$5 billion a year. That is one reason we are in such desperate shape, because our major competitors, the Europeans, are spending almost \$50 billion a year, 10 times as much as we are to support our producers. It is not too hard to understand that the Europeans are on the move, they are on the march, they are gaining market share because they are doing it the old-fashioned way: They are buying these markets.

Madam President, one thing we have to ask ourselves is do we want to roll over, do we want to play dead, do we want to fly the white flag of surrender when our major competitors are spending 10 times as much as we are to support their producers?

I said at the time I thought it represented unilateral disarmament, that the United States was making a profound mistake, because the Europeans have a strategy and they have a plan. And, oh, how well that strategy and plan are working. Their strategy and their plan is to dominate world agricultural trade.

If you look at the trend lines in agriculture, you can see that their strategy and their plan are working very well. They have gone from being major importers to being major exporters in just 10 years. In the United States we are going backwards. If you look at our world position, it is slipping. And it is slipping in part because we are not in this fight. We have ceded it to our competitors.

Why do they have a different view? In part, because they have been hungry twice in Europe. They do not intend to be hungry again. But more than that, they have decided it makes sense to have people out across the land. They do not want everybody forced into the cities. And we have to make a decision in this country. Do we want everybody to go to the cities? Because if that is what we want, we are on schedule. We are right on track because that is what is going to happen. We are going to see the people from the farms move into the cities because you cannot make a living on the farm.

So the first part of the difference between these two plans is on the income side of the house. The Democrats have a plan of over \$5 billion of assistance. The Republicans are offering \$1.6 billion.

If you look at the specifics between the two, you again see that the Republican plan just does not measure up. The Democratic plan on wheat would provide 57 cents a bushel.

When prices are at the lowest they have ever been—prices in my State are down to \$2.50 a bushel on wheat. That is the least they have ever been, at least in the 52 years we have looked at putting these records together—the lowest prices in 52 years. The Democrats have a rescue plan of 57 cents a bushel. The Republican plan would provide 13 cents a bushel on wheat. And 13 cents a bushel is not going to pay many bills, very frankly.

When I tell the farmers back home that the Republican plan would provide 13 cents a bushel, the reaction is a combination of mystification, anger, and disbelief. They cannot believe in this circumstance that the best we can do is 13 cents a bushel.

On barley, the Democratic plan is 23 cents; in the Republican plan it is 6 cents a bushel.

On corn, the Democratic plan is 28 cents a bushel; the Republican plan one-quarter of that, 7 cents a bushel.

And on soybeans, the Democratic plan is 28 cents a bushel; the Republican plan is 2 cents.

Madam President, that is the income side of this proposal to deal with the crisis.

On the indemnity relief plan, that part of the plan that is designed to deal with the natural disasters that are occurring around the country, the Democratic plan is \$2.48 billion of money that would go out to farmers; the Republican plan, \$2.43 billion. And you can see the differences in the two plans.

The Democratic plan has \$935 million for multiyear loss indemnity; \$960 million for the 1998 loss indemnity—that would go primarily to the South, the second part there, because those are folks that have just suffered losses in 1998. In our part of the country, we have multiple-year losses—3, 4, or 5 bad years in a row because of natural disasters.

The third element of the Democratic plan is for noninsurable, uninsured crops, \$250 million. There is a fourth element, \$50 million for flood compensation. These are for folks who do not qualify for anything. Their land is under water. And we have people in North Dakota, northeastern North Dakota whose land has been under water now for 5 years. They have no income—none. The Republican plan is silent with respect to those people. They get nothing. They have been getting nothing; they continue to get nothing. I guess there is at least a consistency to that—nothing; that is what they get.

Those people—I just talked to one fellow who has put in everything he has. He had an insurance settlement—put that in—and his lifetime savings. This fellow used to be a world champion bull rider. He put all his lifetime winnings in. Every single thing his family had he has put into the pot. He is a remarkable, remarkable man. Five years in a row he sees more and more of his land going under water, and his response is really remarkable. He is

just hopeful that something good is going to happen. He is just happy to be alive. But he is really counting on us to do something. The Republican plan does nothing.

Emergency livestock assistance, there is \$200 million in the Democratic plan. There is \$31 million for farm operating loans. There is \$40 million for an FSA increased workload; \$10 million for U.S. Forest Service assistance; \$10 million for tree assistance—for a total of \$2.48 billion. You can see the comparable elements to the Republican plan, which is roughly equivalent.

Madam President, another way to look at this is to look at individual farmers. What happens in these different plans? So we took three examples from North Dakota and looked at individual producers with individual situations and compared what the two plans would provide the individual farmer.

Chart A relates to our first producer. We are not using names here because we thought it would be more appropriate to label them A, B and C. This chart represents a typical North Dakota producer who farms 500 acres of wheat, 300 acres of barley and is suffering only from low prices. He has not been affected by the bad weather. And we look at what he would receive under the Democratic plan, which is \$12,630. In the Republican plan it is about one-quarter of that. This is a circumstance in which somebody has not been affected by bad weather, just the very low prices.

Producer B represents a circumstance that shows a typical North Dakota producer, what they can expect to receive from suffering not only low prices, but also has repeated years of crop loss due to natural disasters, such things as flooding or the crop disease scab. So this is producer B who is suffering from low prices and from natural disaster. And under the Democratic plan this farmer would get \$22,130; under the Republican plan they get \$12,686.

Producer C is somebody who has really got the triple whammy. This producer is not only affected by low prices, he has also had repeated years of disaster and has flooded land. Under the Democratic plan they would get \$28,000 of assistance; under the Republican plan \$12,686.

Madam President, these are specific examples of what people would experience under the two plans. I say to you that neither one of them are going to solve the problem. I mean, that is the truth of the matter. This problem in my State is so deep and so serious that neither of these plans is going to solve the problem. In fact, if we do not do a lot more next year, there are going to be thousands of farmers who never get into the fields because their bankers will not finance them.

If you are looking at what we are doing, we are shoring them up to try to get them to next year, trying to allow them to survive the winter. But the

hard reality is—the harsh reality is if we do not do something dramatically more this year and next year, those farmers are not going to plant because if you look at what the Republican plan does and what the Democratic plan does, it provides money this year.

I guess we are all praying that prices increase. I hope that happens. I hope that happens. But with the collapse in Asia, I think, frankly—the collapse in Russia as well—it is probably unlikely that prices will increase substantially. And that means when the banker looks at the income statement for a farmer, under the Republican plan what they see is that we have moved forward the AMTA payments. We all agreed to do that. Republicans are providing 13 cents more a bushel this year in assistance, but there is nothing for next year. The AMTA payments that are supposed to be paid next year have been pulled into this year.

So when the banker looks at the income payments for the farmer for next year, all he looks at are the price projections for the commodities that are going to be produced on that farm. Bankers are telling me they are not going to be able to extend loans to farmers next year if either one of these packages passes because we are not doing anything about next year. The families are going to their bankers in February and March to get operating money for next year.

I had blown up a letter I got from a constituent back home that explains it very well. This is from Steve and Stephanie Johnson. Stephanie wrote the letter from Luverne, ND:

I am writing in hopes that it will encourage you to quickly push forward the farm assistance program that is in the works.

She goes on to describe that they are farming near Luverne, ND, they have 90 head of cattle, 13 head of horses. They raise corn, wheat, barley, sunflowers, and canola. She works as an RN outside the home, 24 to 40 hours a week, which pays part of their health insurance and most of their bills. Her husband works usually 12 hours a day, 6 to 7 days a week, and he works 24 hours a day during calving time in February or March. He made \$12,000 of farm income this year, of which \$2,000 and an income tax return of \$1,000 went to pay part of the 1997 operating loan balance. So that leaves her husband with \$10,000 for the entire year of 1998. As she points out, that is \$833 a month without benefits. That amounts to \$2.30 an hour. That doesn't include the labor that she and her son have put into the farm either. She says:

The really sad part of this is we didn't have to take operating loans in the 12 years my husband has been farming until 4 years ago.

The cattle and the horses have helped us break even in the past, but in these last few years we can't even do that.

She says in capital letters:

With skyrocketing production costs and plummeting prices it is obvious that you can't quite break even. Something needs to be done quickly.

Madam President, she goes on to say:

We are in no way asking for handouts, only fair prices. We have to pay whatever price the retailers put on our products, but we have no way to set our prices on our products.

She concludes by saying:

We are not sure if we will farm next year, my husband doesn't want to lose everything he has worked for in the past 12 years. Nor do I think either of us can take any more stress. We are losing numerous family farmers in our area, in the past few years, 4 of our neighbors quit or were forced to quit. Isn't it time to do something?

Madam President, it is time to do something and it is time to do something that is much more significant than what is in this conference report. The truth is, it is not going to solve this problem. It isn't even a Band-Aid on the problem. At least a Band-Aid covers a wound. I can say if this is the best we do, then we are consigning thousands of farmers—thousands of farmers—to the auction block, because that is exactly what is going to happen in our State.

Finally, to put this in perspective, this chart shows what we are spending to support our producers and what the Europeans are spending to support theirs. We are spending \$5 billion a year; they are spending nearly \$50 billion a year. If we add \$7 billion to that total, we are still being outspent nearly 4-1. I submit that it is pretty hard to win a fight when the other side is outspending you 4-1, much less the 10-1 that is currently happening.

I hope before we are done with this legislative session that we will go back to the drawing boards and substantially strengthen the package that is before the Senate. It is absolutely critically important to the State I represent, and I think it is fair to say that there are many other States whose farm producers are in much the same shape as the people who are farming in North Dakota. Bedeviled by the triple whammy of bad prices, bad weather, and bad policy—not much we can do about the weather; perhaps not much we can do in the short run about prices; we can do something about the policy that is passed on the floor of the U.S. Senate.

I implore my colleagues to join with others of us who really want to make certain that farmers have a fighting chance, a chance to get through this winter, a chance to be out plowing those fields again next spring.

I thank my colleagues for their attention and their patience.

I yield the floor.

Mr. KOHL. Mr. President, I rise in opposition to the fiscal year 1999 Agricultural appropriations conference report. This bill would delay reform of the current milk pricing system and extend the life of the controversial Northeast Dairy Compact. Both policies would cost consumers and hurt dairy farmers in the Midwest.

Most of the debate on this bill has rightly been about how we can help farmers devastated by drought and low

crop yields. But just as we must act to help them, we should not act to harm the dairy farmers of Wisconsin and other Midwestern states.

It is not as if there is support for the damaging dairy policies in this bill. Twenty-five Senators have signed a letter opposing extension of the current milk pricing system and the Northeast Interstate Dairy Compact. The Judiciary Committee has requested that no action be taken to renew the Compact without their review.

And it is by no means certain that the Compact could survive scrutiny. The higher prices ordered by the Compact are leading to higher consumer prices and a continued decline in fluid milk consumption. Worse yet, these higher prices are primarily benefiting large dairy farms. In Vermont the largest 7 percent of farms receive 30 percent of the Compact revenues.

As for extending the USDA's time to review the milk pricing system, that is unnecessary. By delaying reform, this legislation does exactly what the authors of the 1996 Farm Bill were trying to prevent. Congress deliberately gave the job of reform to the Secretary of Agriculture so it could be done in a more analytical and less political environment. Our actions today put the antiquated dairy pricing system back into the political arena that created it in the first place.

To many of you, this may seem to be an arcane debate with little real impact. But in Wisconsin, and through the Midwest region, the current inequitable pricing system is destroying family farms—not because they are uncompetitive, but because of a system that closes off regional markets and prices milk based on where it is made, not on its quality or its cost. Our actions today punish a traditional and successful industry. We are making the Midwest dairy farmers the victims of regional infighting and inside-the-beltway politics. That is wrong. I urge my colleagues to oppose this legislation.

LONG PARK DAM

Mr. BENNETT. I would like to raise an issue addressed in the Senate report language regarding the Long Park Dam in Daggett County, Utah. Daggett County is the smallest county in Utah, with a population of just over 700 people. It is also the home of the Flaming Gorge Recreation Area, which is host to over 2 million visitors annually.

I appreciate the committee's efforts to provide some assistance in repairing the dam through the water and waste disposal loans and grants program under RCAP. The city of Manila already has acquired a loan for a new treatment plant for Long Park Dam water, which has now been put in jeopardy because of the structural problems in the Long Park Dam. The city has a very limited capacity to assume more debt to repair the dam.

Once the repairs on the dam are completed, the city would use as much as 50 percent of the water stored in Long

Park Dam. Given the size of the communities involved and the limited ability to assume new debt, would it be appropriate to remind the Department of the special circumstances in Daggett County and encourage the Department to consider the community's current financial obligations when it reviews the grant application?

Mr. COCHRAN. The Senator from Utah is correct that here are some unique circumstances in this situation. I hope the Department will take into consideration the impacts of visitation on the local communities and the limited tax base in Daggett County, as well as the current financial obligations of the communities involved. The Department should be as flexible as possible when considering this application in order to provide a safe source of culinary water for the community as well as the visitors to the area.

Mr. BENNETT. I thank the Chairman for his comments.

Mr. ROBERTS. Madam President, I rise today to express my strong support of the conference report on H.R. 4101, which is being discussed on the floor and has been discussed on the floor by my colleagues from the northern plains.

I also rise today to express my serious concerns with President Clinton's threatened veto of this conference report, the agriculture appropriations bill—the bill that contains the spending for all of the essential programs that are of great benefit to farmers and ranchers. I want to pay, as my colleagues have, very deserved tribute to the distinguished Senator from Mississippi, Mr. COCHRAN, who down through the years has been a champion on behalf of America's agriculture producers and basically serves as an oversight commissioner in regard to the spending we desperately need for research and development for our farmers to be competitive. He has done another outstanding job under very, very difficult circumstances, because we are going through some tough times in farm country. So I thank the Senator.

Madam President, it is not my intent to get partisan in this debate. Goodness knows we have enough of that going around in this session. But I do think it is time for a little candor. In so doing, I noticed a report from World Perspectives, Inc., which is a publication that comes out every day that provides Members of Congress and subscribers very pertinent information regarding the global marketplace and worldwide agriculture. There is a young man that writes for them by the name of Gregg Doud. Last week, he pretty well summarized, I think, what this debate is all about. He said this:

On the legislative calendar, Christmas doesn't always come on 25 December. When a sector of the U.S. economy is faltering or votes are up for grabs, it usually means that politicians will come bearing gifts sometime before the November election.

Now, that is a little harsh. I am not too sure I would buy all of that. He went on to say:

This year's low commodity prices, world financial difficulties, and serious drought means that both U.S. political parties are currently in a bidding war over how much to spend in farm country.

Obviously, we are doing that because we think we have severe problems. Those are my words, not his.

In their minds, the votes will eventually go to the highest bidder. As a result, considerations about an appropriate strategy for U.S. domestic farm policy could end up last on the list of a policymaker's priorities.

In other words, if we are going to provide emergency assistance to farmers and ranchers, that is one thing in the short term. But for goodness' sake, let's not turn the firehose on and let it get away and destroy a policy that makes sense over the long term.

Then Mr. Doud pointed out the history of these two proposals that had been discussed on the floor. He said, "The announcement by congressional Republicans of their package came only 2 days after Agriculture Secretary Glickman"—Mr. Glickman of Kansas, my former colleague, and my good friend—"announced that he was reversing his stance to be in favor of lifting the cap on the nonrecourse marketing loan rate"—that is the basis of the Democrat plan—and then stated, "This flip-flop was likely an effort to avoid the appearance of conflicting policy positions within the Democratic Party."

He continues, "Secretary Glickman's announcement was coordinated with an amendment offered by Senator TOM HARKIN"—my colleague and friend in Iowa who is the ranking member of the Senate Agriculture Committee and long a voice in regard to farm program policy advice and counsel to his Iowa constituents and the Nation as well. But, at any rate, that was "... to the Interior Department's appropriations bill."

By my count, I think we debated this—I don't know how many hours had been devoted on the other side, because in the northern plains the situation is much more severe. I don't know if the Senator from Mississippi has tallied up the hours. There must be 50, 75 or 100 hours on this side. We have spoken to the issue probably not as much as we should have. But this is an issue that has been debated. As a matter of fact, I think we have had five votes. I think this is No. 5 in regard to a vote that we are going to have on this issue. So we have done quite a bit of debating.

I will continue with what I think is a candid assessment, and this is in regard to the Democratic plan to raise the commodity marketing loan rate.

Mr. Doud points out, however: "It is not well suited to providing disaster relief. How did the Government make a larger loan deficiency payment to a farmer who hasn't raised a crop?"

That is a good question.

"In addition, this delivery mechanism does not reach livestock producers and other nonprogram commodity producers."

That certainly is a good quote.

Then he goes on to mention one thing, and this is sort of an aside. I am

going to have to skip over here to a point that has been made by some of my good Democrat colleagues, more especially the distinguished Democratic leader, who, to be very candid, has never been too supportive of the current farm bill.

The Senator from North Dakota decried the fact that under the new farm bill, Freedom to Farm, in what he describes as the "Freedom to Fail" bill, "farmers were told to plant fence row to fence row."

As Mr. Doud pointed out, and others of us would like to point out: "... but WPI thought farmers were told to respond to market signals, rather than Federal programs."

Let me point out that in regard to wheat, the farmers made the decision. They made that decision. They responded to the market signals, and we haven't gone fence row to fence row. What happened was we had 11 percent fewer acres planted to wheat under the new farm bill than the old farm bill. That means this fence row to fence row business is not accurate.

What happened, of course, is the farmer put the seed in the ground, and it was better seed. And with better farming practices and precision agriculture, we knocked their socks off. We had great yields.

In the northern plains, they have all sorts of problems, wheat scab, weather, unfair trading practices, across the board, border contagion, you name it, they have had it. Quite frankly, a Federal farm program in regard to sugar makes the land prices a little high and raises their price and cost of production. It is high risk up there. Everybody knows that. But not any of these things have anything to do with the farm bill.

The extra production came that drove the market prices lower—from China, 200 million bushels more in regard to wheat production; the European Union was about 300 million bushels more. I don't know of any U.S. farm law that can restrict China, or the European Union, or, for that matter, Australia that has a record crop. It is not all in yet. We don't know yet. But the global supply situation has changed dramatically.

That has nothing to do with the current farm bill. It has everything to do with our export strategy in regard to being competitive and using all of the tools we would like to have in regard to the administration's conducting an aggressive export policy.

As a matter of fact, the president of the Wheat Growers said we have to quit taking a knife to a gun fight. We have to really get tough. And we haven't done that. That is one of the problems. So I guess that would be an accurate statement.

Let me get back to the article. This is by Mr. Doud, again:

Is the term "crisis" an appropriate way to describe the situation in farm country today?

I will tell you one thing. If you are a farmer and you can't get a loan from

your banker, and the price is about half of what it was several years ago, it sure is a crisis. It is 100 percent.

"At least one question needs to be answered before deciding how serious this situation really is."—I am back to Mr. Doud's comments—"Will prices stay at the current (a 10-20-year low) level into next crop year? If so, next year may bring reopened discussions, leave no stone unturned, on a major overhaul of U.S. farm policy."

I think that is appropriate.

And I will be right in line with the rest of the people who are privileged to represent agriculture States, if, in fact, that is the case.

We have the unfair trading practice. We can't get our exports cracking. We don't pass the trade legislation that we should pass that the President continues to sort of hunker down in the weeds in regard to fast track and other things.

Then he went on to say: "In a Congressional election year, the debate isn't about whether or not money should be allocated to farm country. It's about the delivery mechanism itself."

Then he lists some information that "... suggests that, even in Washington, DC, terms, the amount of Government expenditures in farm country this year is serious money."

"The potential direct U.S. Government outlays to U.S. producers are as follows:

No, it is not the \$5.3 billion that showed up on the chart over there from my colleagues. But, in September 1998, this year, the second half of the transition payments will come to farmers.

Transition payments, called AMTA payments—that is the Agriculture Marketing Transition Assistance payments.

I see the distinguished Senator from Mississippi raising his head. The reason I wanted to point that out is that it has been ignored in the debate. Hardly any Member on the other side mentions that we even have transition payments. Everybody says, "The bridge is washed out. I can't swim. My farmers are on the other side." That is country western music. It has the wrong notes. We have the transition payments here. They ignore that.

"In September 1998, the second half of FY 1998 transition ... payment"—by the way, that transition payment is the highest of any payment during the entire 6-year period of the farm bill. And I know it is the highest as of this year because I helped write the bill. I thought at the end of 2 years that we probably would be going through some kind of a price swing. And I thought that assessment should be the greatest in this particular year, and it is. How much? \$5.7 billion is the total with the first half having already been paid in December of 1997, or January of 1998.

"In October 1998, \$5.5 billion will be made available in FY 1999 transition ... payments."

That is next year. Farmers probably wouldn't want to accept that. I

wouldn't, if I can get by with my lender and I can tighten up, because of the world markets and the situation. I probably wouldn't want to take that. But it is available. And that is \$5.5 billion.

"Emergency assistance programs that are currently being discussed ..."

That is what this debate is all about here. That is in addition to those two transition payments that many of my colleagues are ignoring. That is going to be about \$4.1 billion. You add that up.

Then our Senate Agriculture Committee chairman, the distinguished chairman of the Senate Agriculture Committee, DICK LUGAR, recently put the possible marketing year price tag for the loan deficiency payment.

I am not going to get into a description of that payment. As a matter of fact, I talked about all of these payments. People wonder. My goodness. How many payments are we making to farmers, and what kind and shape and form? But those will be about \$2 or \$3 billion. And then, finally, crop insurance for the entire marketing year is \$2 billion.

According to Mr. Doud, that totals up to \$16.4 billion. That is a lot of money. Yes, the farm crisis is very serious. I understand that. But \$16.4 billion is quite an investment in regard to agriculture.

Let me see if I can find a closer here. In regard to Mr. Doud's article:

Policymakers should not ignore the message this [debate] sends to trading partners and the WTO regarding U.S. domestic farm policy, particularly as it applies to the next round of trade negotiations. Once again, [we want to emphasize] that in an even-numbered election year, the debate isn't about whether or not money should be allocated to farm country. It is about the delivery mechanism and whether or not "Freedom to Farm" will be maintained. U.S. agricultural trading partners will be paying [very] close attention to see if "Freedom to Farm" survives.

Now, as the principal author of Freedom to Farm, I have an interest in this, but I said it didn't come down from the mountain on any tablet saying this was the only farm bill; if the farm bill didn't work, you ought to change it. And I think once this emergency assistance is provided, if we can see what happens in 1999—and I hope the global contagion gets better and I hope all the other factors improve—why, perhaps we won't have to do this. And if we can enact some of the promises we made in conjunction with Freedom to Farm, we shouldn't have to do it. But Congress has not done that and the administration has not done that.

I want to now return to the threat of a Presidential veto.

The President has sent a letter to Congress stating he will not support legislation that does not include agricultural relief provisions similar to the plan to uncap loan rates as proposed by Senators HARKIN, DASCHLE, WELLSTONE, KERREY, CONRAD, BAUCUS, and JOHNSON.

He, as a matter of fact, took time out in his Saturday radio address to talk about two things—well, three; one, we have a serious farm crisis. Right. Second, we need to uncap the loan rates. Wrong, because of what it will do that will be counterproductive to long-term policy to farmers and ranchers. Three, we ought to pass IMF. Yes. Yes, I am for that. And I am just as unhappy with Members of my own party in the other body who oppose that. I think we need IMF. So the President was right about two out of three.

Let me talk about the plan that is promoted by the northern plains' Senators—not trying to pick on them; they have a very legitimate point of view—that would uncap the marketing loan rates and provide approximately \$1 billion in disaster assistance to the northern plains. But the other side of the story is that their proposal provides less than \$500 million for the rest of the United States, from New Mexico to Maryland, which has experienced drought, flooding, or a combination of both.

I really find the President's arguments for his threatened veto rather frustrating and difficult because the administration really threatens to veto this package—I am quoting here.

... if the bill presented to the President includes agriculture disaster provisions that provide inadequate indemnity assistance or are inconsistent with the Daschle-Harkin proposal.

It is obvious the President really believes we need to provide assistance to our producers. I believe that as well. Yet he threatens to veto a bill that provides \$4.1 billion in assistance to our farmers and ranchers.

And as long as we are mentioning vetoes, he has also threatened to veto a House-passed tax bill that also provides very needed relief to farmers and ranchers.

As to the two vetoes, one on the emergency assistance and the tax bill, let me just list all of the provisions that have been passed by the House of Representatives in its tax bill: 100 percent deductibility of health insurance—every farm association I have ever been associated with has passed this in their resolution; permanent extension of income averaging for farmers—God bless CONRAD BURNS, the distinguished Senator from Montana, for putting it in originally with a tax bill; an immediate \$25,000 expense deduction for small businesses; and an additional net operating loss carryback period.

These are steps that, when combined with the \$4.1 billion in income assistance, would immediately put money in the pockets of farmers and ranchers and, most importantly, they are positive answers for the long term as opposed to the Democrat plan which I personally think would be very, very counterproductive.

On several occasions earlier this year Secretary of Agriculture Dan Glickman made the comment that trade is the "safety net" for America's farmers

and ranchers, yet I am concerned that the Secretary and the administration refused to support fast-track legislation when it was considered in the House. I said they were AWOL during the debate. And they even asked, as I recall, some of my colleagues across the aisle in the other body to vote against the legislation. "Not this time," "not the proper time," that was the quote, to pass fast track. Meanwhile, our foreign markets for agriculture products have collapsed and we know that. And, Latin American countries are waiting for fast track to pass before entering into agricultural trade with the United States.

I went with Senate Majority Leader TRENT LOTT to Latin America. Every country we visited asked, "When are you going to pass fast track? The European Union is knocking on our door. And we need this particular provision."

I do not know; I would like to ask the President, if now is not the proper time to open up new markets for our producers, when will the proper time be?

I agree with him on IMF. I do not agree with the decision to hunker down in the weeds with regard to fast track. And I must say the failure to pass fast track holds the potential to become one of the most serious U.S. agriculture foreign policy blunders since the shattered glass embargo policy of the late 1970s and early 1980s. When we withdrew, it may have been a mistake. And when it went down to defeat, it was a terrible mistake.

Consequently, I should also add that I am not very happy with my Republican colleagues over in the House of Representatives who decided not to vote for fast track. That was a very bad mistake as well.

So the President apparently has refused to support these trade and tax and income assistance initiatives that I believe will help our farmers and ranchers in both the short and long term, but he continues to support a proposal that will provide virtually no assistance to producers who have suffered losses in 1998.

We can raise the loan rates as high as we want. As a matter of fact, in the six or seven farm bills I have been associated with, there was always the debate, do you use the loan rate as a market clearing device or income support? And several farm bills ago we agreed that when you raise the loan rate to the degree you really interfere with markets, that is not the proper way to do it. And we used to have deficiency payments to assist farmers during the tough times when their markets would decline due to unfair trading practices or some other reason. We changed those to transition payments.

What will raising a loan rate do for producers in Oklahoma, Texas, Louisiana and Maryland who have lost all or most of their crop to some kind of a weather situation? What about the farmer in Louisiana or Mississippi who lost most of his rice crop due to drought and had his cotton crop get hit

with 16 inches of rain from a tropical storm earlier this year and then was hit by Hurricane Georges in late September? That was incredible. These producers are facing a serious situation. They will receive virtually no assistance from higher loan rates, and the Harkin-Daschle proposal provides less than \$500 million for 1998 losses, but it contains almost \$1 billion for multiple year losses in the northern plains. I am not trying to pick on them. But I think it is skewed just a bit. I don't question the problems suffered by producers in the northern plains in recent years, nor do I question that prices are low. We have heard time and time again about the painful crop losses experienced in the northern plains over the past years, but, "thank goodness, South Dakotans are expecting a good crop this year—that is a welcome change—after the blizzards and flooding of 1996 and 1997, scab disease, and unfair trading practices." That quote comes from a September 1998 edition of the National Farmer Union News. Thank goodness they do at least have a crop.

But let me get back to the plan that is within the Ag appropriation bill and why I think it is the proper course. The plan to be included will provide \$4.1 billion to producers. Of this amount, \$1.65 billion, 29 percent of the transition payments—the infamous transition payments that are ignored and forgotten or somehow have disappeared in the debate on the other side—will be provided to farmers as payments for lost export markets caused by world economic pneumonia, the global contagion, the Asian Flu. Not to mention U.S. sanction policies that shut out our producers, out of world markets, and the inadequate agricultural trade initiatives of this administration—compounded by some in this Congress.

Any farmer who received AMTA payments—the transition payments that do not exist, on the other side of the aisle—in 1998 will receive an additional 29 percent of this amount. Those receiving payments will include southern cotton, wheat, corn and rice farmers who had little or no crop to harvest. The Harkin-Daschle plan leaves them empty-handed. The plan in the agriculture appropriations bill includes \$1.5 billion for losses and \$675 million for multiple year losses.

The Daschle-Harkin plan provides approximately \$1 billion for the northern plains, \$500 million for the south. Again, I am not trying to criticize problems in the north. But the plan does not do much for any grower suffering losses in New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Kentucky, Florida, South Carolina, North Carolina, Virginia and Maryland—and the list goes on.

Senators from those States, wake up. Here is the real issue that is now being debated. The northern plains Senators, and now the President, have stated repeatedly that we have yanked the rug

out from underneath the producer—no safety net.

"Tough luck," I think it was described by my good friend and colleague, the Senator from North Dakota. As they have said, there is no bridge, nothing. But they fail to mention that the Government has provided approximately \$17.5 billion—\$17.5 billion in transition payments since the inception of the new farm bill in 1996 through 1998. It is estimated the old bill, the old supply/demand bill, the old command and control bill where the USDA would tell the farmer what seed to put in the ground and maybe he would qualify for a subsidy—that bill would have provided only around \$10 billion during this time. That is a difference of \$7.5 billion. They are getting more money under the new bill, less money under the old bill, but the new bill is the problem? Hello.

It is estimated, as I said, the old bill would have provided only about \$10 billion during this time. They forget to mention the estimated \$4 billion the producers will receive in loan deficiency payments in 1998. And, what about the \$5.5 billion in advance 1999 payments? Again, if I'm a farmer I'd be mighty careful with that. And if you add these together and include the additional \$4.1 billion included in the agriculture appropriation bill as put on the floor by the distinguished Senator from Mississippi, total funding provided over the 3-year period is \$31 billion. Mr. President \$31 billion; that is nothing? That is tough luck? That is a bridge that has been washed out, \$31 billion?

Still, the Senators on the other side of the aisle from the northern and great plains argue this is not enough. It may well not be, over the long term. I understand that. If things do not improve, with all the things that have gone wrong it may well not be. They say their producers have been forgotten. They even cited this on the floor in a Congressional Budget Office table. This is going to get a little tricky here. The table that is called the CBO study showing a side-by-side comparison of the two plans—we have all seen it in regard to this debate. In addition, I think the CBO plan was sent with a letter attached to numerous State Governors, certainly trying to gain support for their plan. But there was only one problem with these actions and this CBO study. It is my understanding, and I think I am right, it is not a CBO study. In fact, CBO was not even involved in running these numbers. Rather, they were put together by staff members of the appropriate Senators who have proposed the Democratic plan.

I don't want to play this business of, "How much is enough?" I have said before, the problem is very serious in the northern plains, and for that matter all over the country, where we have had these unprecedented problems in regards to farm country. But I thought perhaps we should do some "truth in

spending" and take a look at the level of payments the States of North Dakota, South Dakota, Minnesota, Nebraska and Iowa have actually received under the 1996 farm bill. It may not be enough. But with all of this talk about, "no bridge, tough luck, you are just out of luck, we are not going to support you"—Here we go: North Dakota in 1996, North Dakota farmers and ranchers received \$309.7 million; 1997 \$245.1 million and 1998, \$245.2 million. Total, \$800 million. That is more than nothing.

The yearly State average in Government payments in 1991–1995—the old farm bill which has been defended saying this might be the foundation for the next farm bill, this one is not working—what would have that provided? That average, 1991–1995, \$265.4 million.

In 1996 through 1998 the average was \$266.6 million. In July, the House Agriculture Committee estimated North Dakota farmers will be eligible to receive \$215.1 million in advanced 1999 payments. Again, I am not sure I would take that, but some may have to.

The 29 percent bonus payments for 1998 crops will equal approximately \$71 million. Adding the 1998 payments to the 1998 bonus payments and the advanced 1999 payments together, North Dakota farmers could receive up to \$531.3 million during the calendar year 1998, this year.

South Dakota, 1996, \$161.8 million; 1997, \$183.1; 1998, \$161.3—total, \$506.2 million.

The yearly State average in Government payments in 1991–1995 under the old farm bill, \$149.7. The 1996 through 1998 average was 168.76 million—19 million more per year. In July the House Agriculture Committee estimated South Dakota farmers will be eligible to receive \$160.7 million in advance 1999 payments. The 29 percent bonus payment for 1998 crops will equal approximately \$46.7 million. When you add them all up, South Dakota farmers could receive \$368.9 million during calendar year 1998.

I am going to skip Montana. Nothing personal, I just think we ought to shorten it up.

Minnesota, the Democratic Senator from Minnesota has been on the floor indicating that times are tough in Minnesota. They are. It is a crisis. He is entitled to say that. In 1996, \$261.5 million; 1997, \$383.8 million; 1998, \$322.6 million; total, \$968.1 million—almost \$1 billion. That is not nothing? Is that a double negative?

The yearly State average in Government payments in 1991–1995 under the farm bill—you haven't heard one word on the other side about the failures of the old farm bill and people standing in line waiting on the USDA to issue all the paperwork so they could fill out the paperwork to plant less, not at least respond to market signals but so that they might get a subsidy. Not one word. That was \$270.2 million.

In 1996 through 1998, the average was \$322.7 million—over \$50 million more. In July, the House Agriculture Com-

mittee estimated Minnesota farmers will be able to receive \$336.8 million in advanced 1999 payments. The 29 percent bonus for 1998 crops will equal approximately \$93.5 million. Add them all up, \$753.08 million during calendar year 1998. That is a lot of money. It is, perhaps not enough for the dire situation they face and in absentia of other things that we should be doing. The question is not how much is enough, but the claim, again, by the other side, that we are not providing any assistance.

Nebraska: 1996, \$303.2 million; 1997, \$490.082 million; 1998, approximately \$400 million. Total: \$1.193 billion.

The yearly State average in government payments in 1991–1995 was \$349.9 million. That was back under the old farm bill.

The 1996 through 1998 average was \$397 million; \$349 million to \$397 million, about \$50 million more. I am not going to go through the advanced payments and the 29-percent bonus. I will add them all.

Nebraska farmers, as well as being No. 2 in the Nation in football, could receive up to \$830 million during the calendar year 1998.

Iowa—Senator HARKIN, my good friend on the Ag Committee who has a very honest and sincere difference of opinion about the direction of the farm policy program: 1996, \$350.2 million; 1997, \$680 million; 1998, \$535 million. Total: \$1.566 billion.

The yearly State average under the old farm program was about \$449 million; under the new farm program, \$522 million. Madam President, \$522 million is more; \$449 million is less.

OK. Advanced payments, the bonus payment, add them all up: Iowa farmers could get about \$1.288 billion during calendar year 1998.

Madam President, I apologize to my colleagues for taking this much time and going over all the figures. The facts are clear. The rug has not been yanked out from producers in the northern plains. In fact, these States have fared quite well under the 1996 act's payments. When compared to the old farm bill—I realize we have extenuating and very dire circumstances now—the farmers who need assistance the worst—those without a crop—receive nothing—nothing—from higher loan rates. Yet, this is the situation many southern farmers will face under the proposal that is the alternative to the conference report.

I have made some remarks on the floor on several occasions against the loan rate proposal, uncapping loan rates. I don't disagree with my colleagues across the aisle that we need to provide assistance to farmers; that is a given. But history has shown us that their plan will not work, and I believe several myths should be addressed about their proposal.

Myth No. 1: Higher loan rates will put more money into the pockets of all producers and do not lead to excess stocks and lower prices in the long run. It is also argued that higher loan rates will not eventually lead us back to Government set-asides.

Contrary to these assertions, history has shown us that higher loan rates lead to excess stocks, greater production, a long-run depressing effect on price, and uncompetitiveness in the world market.

In addition, due to the difficulty in predicting budget outlays with marketing loans, it inevitably leads us back to command-and-control policies in an attempt to limit the budget exposure.

Again, some in the House and Senate do not feel we should spend \$4.1 billion in emergency funding. How are we going to pay for \$7 billion? And, more to the point, if you encourage more Government stocks and a tie-up of the transportation system and more production, you are going to extend that loan beyond the 15 months and you are going to get into more expenditures. We have been down that road before and farmers overwhelmingly tell me they do not want to retrace the journey. I think we should look forward and not backwards.

Myth No. 2: There is no safety net.

I have gone over the payment numbers. I have mentioned previously that there is a safety net. How can an extra \$7.5 billion, at a minimum, over the last 3 years, compared to the old program, be hurting farmers and ranchers? I want a safety net that is a trampoline, not a hammock. If we go down this loan rate trail, it will be a hammock—we will sag in the middle.

On the other hand, if we can get our export policy straightened out, our trade policy straightened out, and our tax policy changes and regulatory reform, and get cracking, it may well be a trampoline with this assistance we are providing.

Myth No. 3: New trade markets will not help us get out of this problem.

There are, indeed, some in this body who argue that trade is not the answer to avoiding these problems in the future. How can you discount the importance of trade when we have to export a large proportion of our ag products? We must continue to work toward trade agreements and sanctions reforms that do not continue to shoot our producers in the foot and lock them out of world markets. And we must encourage producers to maintain the flexibility that allows them to plant according to the demands of the world market. Raising loan rates won't achieve these goals.

Several weeks ago, Senator CRAIG—the distinguished Senator from Idaho, who has been a very aggressive and constant champion of the American farmer and rancher and all the commodities and all the producers of those commodities in his great State of Idaho—and I sat down, along with others, in a small group, and we made a list of what we thought would be appropriate to address this farm crisis.

We decided on lost market payments and disaster payments. That is in this

bill. We decided on crop insurance reform. Got some. Not enough. Need to make it better. First order of priority in the next session. Wish we could have done it this year.

We decided on tax relief. I have already mentioned that. It is in the House bill. The President says he is going to veto it. That will be the best long-term—perhaps not the best—one of the best long-term things we could do for farmers and ranchers in 1999, 2000, and the year beyond.

Trade expansion. I have gone over that. Folks, you have to sell it or you are going to smell it, and we are smelling it right now. We need fast track and normal trading status with China, we need IMF, and we need sanctions reform. As I said before, we have to quit taking a knife to a gunfight.

Full enrollment in the Conservation Reserve Program.

The agriculture appropriations bill contains \$4.1 billion in payments and also protects the sanctity of crop insurance. The bill does not include the important reforms that are needed, but I am pleased the protections included in the bill, and we are going to work for that reform next year.

I mentioned tax relief, and Senator CRAIG, who is on the floor now, and I sent a letter to the Secretary requesting full enrollment in the CRP program. This is an administrative action. The Secretary doesn't need any congressional action. We don't need to debate this and delay it. He can undertake it right now. It will provide an important tool to address the problem of marginally productive land that repeatedly suffers from natural disasters or disease problems, land like the northern plains. One of the things he can do right away is enroll the CRP in that part of the country. He can do it with the stroke of a pen.

Madam President, it appears that we will not be able to achieve all of the goals that Senator CRAIG and others of us have proposed in this Congress. However, this agriculture appropriations bill, combined with the House tax bill and the trade tools the administration already has available, will provide an important step in addressing the economic problems throughout our rural areas. But the President must be willing to step up and work with us, if he is serious about helping our farmers and ranchers.

Webster's defines a "statesman" as one who exercises the political leadership at his disposal wisely and without narrow partisanship. I am hopeful that we will see the President and my colleagues across the aisle act as statesmen on this issue and that we will not prevent farmers and ranchers from receiving this much-needed assistance. This agriculture appropriations bill is too important—too important—for our producers. I urge the President to reconsider his veto threat on this bill.

I thank my colleagues for their patience, and I yield the floor.

Mr. COVERDELL. Mr. President, I rise today in strong support of the con-

ference report to the FY 1999 Agriculture Appropriations bill. This legislation includes much needed economic assistance for Georgia farmers. The disaster and market loss assistance proposal, which totals over \$4 billion, includes \$1.5 billion for one time payment to person with a crop loss in 1998, \$675 million for multiple year crop loss and crops impacted by disease, \$175 million for livestock feed assistance, \$1.65 billion for a one time payment to offset financial hardship caused by the loss of markets, and \$10 million for tree farmers through the Forestry Incentive Program.

I would like to thank the Majority Leader, Senator COCHRAN, Senator LUGAR, Senator ROBERTS, and others involved in the crafting of this important legislation. For months I have been stressing the need for Congress to address the current financial crisis facing farmers in Georgia and across the nation. I am pleased that our collective efforts bring us here to discuss this legislation. This disaster package is one step in many that is needed to get these farmers back on their feet.

Under this proposal the Secretary of Agriculture is given broad authority to define and implement these provisions. I am hopeful that when deciding how to distribute these funds, the Secretary does not forget Georgia farmers. President Clinton and Secretary Glickman should not help farmers in one section of the country by neglecting farmers in the Southeast. Georgia farmers have suffered disasters 2 out of the last 5 years and should be eligible for assistance under the multi-year losses program. In addition, the Secretary should include all crops, insured and uninsured, when considering who should be eligible for assistance under this disaster and market assistance proposal. Georgia farmers who produce peaches, onions, blueberries, watermelons, pecans, and other specialty crops, have just as much right to be eligible for this disaster assistance as farmers who produce major program crops such as corn, wheat, and cotton. Those who bought crop insurance should not be unnecessarily penalized and left out of receiving any assistance under this legislation. The current crop insurance program does not work and needs to be completely overhauled by Congress. We need a crop insurance program which is affordable and factors in the cost of production.

Secretary Glickman needs to also look at ways to provide assistance for peanut producers, either through a market loss assistance payment or under one of the other disaster assistance programs. The cost of production for peanuts continues to remain high while income for farmers continues to fall. Disease, weather, government regulations, taxes, increased costs for equipment and supplies, reduction in yields, and other problems have all contributed to this situation.

I look forward to working with Secretary Glickman and the U.S. Depart-

ment of Agriculture in making sure these funds are distributed in a fair and equitable manner.

Mr. FAIRCLOTH. Mr. President, I rise in strong support of the agriculture appropriations conference report.

This bill includes critical assistance for farmers. It helps all farmers, not just Midwestern grain farmers, and that is why I believe that this is the right bill.

I urge President Clinton to withdraw his veto threat and to support this critical disaster relief bill. It is outrageous that the President is playing politics with the fate of American farmers. I was astonished to see Jacob J. Lew, the Director of the Office of Management and Budget, write that the President's "senior advisers would recommend that he veto the bill" unless the House and Senate craft a bill for the Midwest rather than for the whole nation.

I find it incredible that the Clinton Administration can oppose a package that includes \$4.3 billion for increased AMTA payments, weather-related crop damage relief, "multi-year" disasters, livestock assistance, and assistance for tree farmers. This is about farmers, not politics, and it is time for the White House to put policy first.

This is a good bill for North Carolina and for all farmers. I congratulate the Committee for a job well done.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Madam President, I rise to express in part my profound disappointment with the contents of the agricultural appropriations conference report, recognizing that there are many in this body—in particular, that there are numerous instances, thanks to the leadership of the Senator from Mississippi, and others—who have brought together a sense of bipartisanship on some key issues. And there are other issues and other needs that I believe this body needs to address outside of this agricultural appropriations bill, as my very good friend and colleague from Kansas has made reference to a string of extraneous other issues that are urgent.

On the issue of trade, I believe that there is fairly good agreement in this body relative to where we need to go next. There is support in this body for funding for the International Monetary Fund. That is perhaps the single thing we could do that would have the greatest immediate impact on stabilizing currencies and opening markets and stabilizing economies in Asia, and increasingly in Russia and Latin America. Unfortunately, that issue has been held up in the other body, not this one; but it is an issue that should be dealt with before we adjourn for the year.

My colleague raises the issue of fast track. On that issue I share his concern that we ought to have fast-track authority. This body does as well. The House does not. I think in all fairness, though, it ought to be kept in mind

that if we were to pass fast track, that would have a consequence years down the road but not next month, not the next 6 months. It would simply put our trade representative back in at the negotiating table for trade negotiations. That would bear fruit probably years down the road from now, but it would not have an immediate consequence.

Certainly, in the case of relief of unilateral sanctions and the sanctions reform legislation that our colleague, the chairman of our Senate Ag Committee, Senator LUGAR, has championed, we ought to be moving forward with that. Unfortunately, we have not. But I think there is broad-based bipartisan consensus that we ought to do that. And certainly MFN, now having normal trade relations with China as well, is something that we should go forward with.

I think all these issues are concurred upon by this President and by the majority of both political parties in the Senate. Those are issues we should proceed with. We should not use them, however, as an excuse for a lack of action, for inaction on key disaster issues before us today.

On the tax agenda, as well, I think that there is broad-based support in both political parties for tax relief targeted to middle-class and working families, certainly for those in the agricultural sectors of our economy. But again in fairness, it ought to be kept in mind that the tax package that arrived in this body from the other body is funded 100 percent out of the Social Security trust fund surplus. That is unacceptable to a great many of us in this body. It is utterly unacceptable to the President of the United States who has expressed his veto intent if that were to reach his desk. I think there is a great likelihood it will reach his desk, but if he were to veto it, he would do the right thing.

And we talk about statesmanship, that is what we are talking about—doing the right thing, rejecting what seems on the surface to be popular, recognizing that in too many instances the underlying premise that allows that action to go forward is, in fact, simply wrong. Stealing money, raiding, plundering the Social Security trust fund is not acceptable for any of us. Regardless of how great the crisis might be that we have in agricultural today, how much we would like to have tax relief for every sector of our economy, that is not where we need to go.

To his great credit, Senator DASCHLE, with the help of numerous others, has put together a tax package which provides most of the same kinds of relief that my friend from Kansas was making reference to, but is funded exclusively out of efficiencies, out of savings, out of the closure of tax loopholes in the existing Tax Code and budget. So it is not a question of whether we can have tax relief or whether we cannot have tax relief; we can so long as it is carefully targeted, so long as it is focused on those areas where it is most

in need, and so long as it is truly offset by savings, by efficiencies, by loophole closures—other places—and not premised on a raid on Social Security.

So, again, I think we ought to be able to find bipartisan agreement before we leave here on those issues as well.

I want to say that we did reach some concurrence on some important issues in this body. The pain and the hurt that is going on across much of rural America today is too great to allow for the kind of finger pointing and partisanship that too often characterizes the debate in this Congress, especially as we draw near an election as we reach the end of this Congress.

I am pleased that in this body we were able to find bipartisan agreement on my particular amendment that was incorporated in the Senate version of the agricultural appropriations bill on meat labeling. The Senator from Idaho was a champion on the meat labeling issue. And I was pleased that the chairman, the Senator from Mississippi, was supportive of our concern in the conference committee in that regard.

I am disappointed in what turned out to be a party-line vote from our colleagues in the House of Representatives that thwarted the will of the U.S. Senate in that regard—a measure which has the support of the National Cattlemen's Beef Association, the National Farmers Union, the American Farm Bureau Federation, and the American Sheep Industry Association.

The underlying bill, which had the sponsorship of eight Republican Senators and eight Democratic Senators, along with myself—this was a bipartisan effort to, for the first time, allow consumers to know the origin of their food products which they serve their families, much as they do virtually every other consumer item that they purchase. Yet even this commonsense measure was turned down in the conference committee, to my great disappointment. And I want to confirm that this issue simply will not go away. It will be revisited and revisited until it becomes law.

We also found bipartisan support on the Senate agricultural appropriations bill—again, with the support of the Senator from Idaho, the Senator from Mississippi, and a great many others—in a bipartisan fashion, to allow price transparency in the livestock industry to go forward, to put our individual livestock producers on the same footing as the packing industry to give them a better marketing opportunity. And yet even that which would have seemed, again, to be common sense we lost, unfortunately, on a partisan, party-line vote on the part of the House conferees, over the objections of the Senate.

I want to express my disappointment at the loss of both of those provisions which would not have meant night or day, would not have turned around overnight the price crisis that we have in the livestock industry, but we would have contributed, I think, in a very

constructive fashion to lay the groundwork for a long-term recovery, and it would have been a constructive, positive step in the right direction. We reached some bipartisan agreement, I think, in this body early on, again, on the need for disaster relief.

I think we all recognized as time went on, as disasters struck the South and the West, other parts of the country, that the amount of money, the \$500 million we had placed in the Senate agriculture appropriations bill simply was not going to be adequate from anyone's perspective, and that needed to be augmented in a significant way. I think the President is right that if we are going to realistically address the real pain all across rural America, that a final level of disaster relief approximating the funding in the President's recommendation rather than in the House proposal and imposed on the conference report on ag appropriations is more appropriate.

I think we all recognize that there needs to be some give-and-take, that the final version of whatever we do probably will not meet the 100 percent satisfaction of any of us here, should not be 100 percent what the Republican leadership in the House was offering, probably will not be completely what the President is offering; but we need to come together somewhere in the middle in a way which more effectively deals with the disaster that is national in scope and deals with it in a meaningful way, all within the context of, obviously, a balanced Federal budget.

I believe we can do that, but we need to take, I believe, some of the direction that is coming from the White House to moderate the provisions which have been imposed in the ag appropriations bill by our House colleagues.

This should not turn into a bidding war. It has been suggested that could occur. That would be wrong. That is not where we need to go. But we do need to step back, and with some careful deliberation and some care, evaluate the scope of the relief that needs to be made in order to have a meaningful consequence in the context of this national disaster.

One area where we were not able to reach bipartisan consensus in this body—and I certainly respect the views of those who differ with me and with many of my colleagues on this side of the aisle—is on the wisdom of utilizing a strategy which would take the cap off the existing marketing loan provisions in the freedom to market legislation.

Now, it is suggested by some that that is an attack on Freedom to Farm, that this is on the part of those who would go back to the old days of the previous farm bill. I think that simply is untrue. That is a straw man that is easily knocked down but one that does not characterize the goals and the perspective of those of us who believe that it makes a lot of sense to take the caps off the existing marketing loan. Keep in mind, the current bill has marketing loan provisions in it. It is not a turning inside out of that legislation.

The problem with the existing legislation, the existing farm bill, is that the loan rates established in that farm bill are unrealistically low. They are too low to be meaningful given the kind of crisis that we have today. And taking the caps off that loan rate and tying it to a 5-year Olympic average is a moderate but responsible step in the right direction. In fact, if we were to do that—and we are talking about doing this for 1 year only, so it would have no consequence whatever on planting decisions made by others because the crops have already been planted and are about to be harvested—it would have a 57-cent-per-bushel increase for wheat, 28 cents for corn, 28 cents for beans, if we were to follow the proposal in the President's recommendation.

That won't make anyone rich, that won't bring the price back to anywhere near where a lot of us think in an ideal world it ought to be, but it will stave off in so many ways the crisis that is upon us. It will give a decent return. It will treat renters more fairly than alternative proposals would. It will not turn the clock back. It will not abandon the existing farm bill. It will be done within the context of that farm bill and we will preserve the marketing flexibility that I think a great many of us value in that farm legislation.

I think there is room for bipartisan concurrence. This is not a matter of one political party rolling the other or stifling the other or coming away 100 percent victorious. I think in good faith everybody in this body wants to do what reasonably can be done to create the framework whereby family producers can at least survive the current era and emerge from the other side with an opportunity for prosperity in the future.

If we do nothing and if we take steps that are simply wholly inadequate, we are going to see the loss of thousands upon thousands of agricultural producers both in the grain and livestock sectors of our economy. The FSA leadership in my State tells us that we could lose as many as a third of the farmers and ranchers in my home State of South Dakota. That is unacceptable. That has consequences not only for the lives of those families, many of whom have been on the land for 100 years or more, going back to homesteading days, but it has consequences up and down the main streets of every community as well—not just the small farm community but the larger communities—as well as the ripple effect that takes hold, affecting the medium and large communities. I think this has global consequences. We need to recognize that as we address the situation.

I think we ought to avoid the pride of authorship and the temptation to subscribe to partisan warfare and find the middle ground. It makes meaningful, constructive, positive relief a “doable” sort of thing. I am hopeful we can send this conference report back to committee, not to emerge with a radically different approach, but to emerge with something looking more like what the

President has recommended, more like what many of us on this side of the aisle would like to see happen. The veto threat is there and people can argue whether it ought to be there or not. I believe that the President is correct. I believe that the President is doing the responsible thing and doing the statesmanlike thing under these dire circumstances.

In the end, it is going to require both sides coming together. I think that is what our constituents want to see. I think they want to see us during these closing days of this 105th Congress reach that consensus that would allow for some substantially higher level of disaster relief than is currently being posed, utilized in a way that more efficiently gets to the people who need it, which addresses the national nature of the disaster which we face, and which sets a framework for prosperity in future years rather than simply being a Band-Aid for now.

Again, it is my hope that the issue of labeling country of origin on meat products—a compromise version which the Senator from Idaho and I subscribe to and went to great lengths to propose—could be revisited. Secondly, it is my hope that price transparency in the livestock industry can be revisited before we leave at the end of this week.

Much remains to be done. There is too much to be done to fall victim to partisanship and to finger pointing. We need a greater level of statesmanship, a greater level of cooperation than, frankly, has been the case all these past months. We are dealing with the very lives and the very future of thousands of hard-working, honest people in rural America who want nothing more than an opportunity to survive the year and to live by the sweat of their brow and the hard work of their families in years to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, first of all, let me thank the Senator from South Dakota for those kind words. I enjoyed working with him on the meat labeling issue. While the legislation before the Senate advances it only slightly through a study as it relates to the country of origin, I do believe in this country the consumers have a right to know. I believe the consumers have a right to understand whether they are buying foreign or domestic beef. I think the livestock industry deserves, also, that opportunity.

I thank my colleague from South Dakota for his leadership in the area. We will continue to work on this. This is an issue that will not go away. I certainly understand the difficulties of those in the retail industry. We can work those differences out. The compromise the Senator from South Dakota spoke to, that he and I worked on, moved a lot in that direction. I am sorry that they finally, in the end, felt they had to gang up on us a bit during the conference, but we will be back and the issue will be resolved.

I must also tell you that I support a compromise in livestock reporting. I

think there must be a transparency in that market for all the world to see. There isn't at this time. We are going to have to work to get to that. I am disappointed that the bill delays the implementation of a Federal milk marketing order reform that I supported.

Now, while I have expressed my disappointment, I will stop with that because those are the areas that I had some concern about. Let me discuss the positive things that are in this very important bill. First, I thank the chairman of the Agriculture Appropriations Subcommittee of the full Appropriations Committee, the Senator from Mississippi, Senator COCHRAN, for his leniency, his cooperation, his understanding, but most importantly, his dedication to the American farmer—whether in his State of Mississippi or whether in my State of Idaho—in ensuring that there is fair play in the balance of appropriating the Nation's resources, tax dollars, for the purpose of American agriculture.

I do believe that this agriculture appropriations bill contains important funding for America's farm families. I am proud of it. I will vote for it. I ask my colleagues on both sides of the aisle to do the same. It is an excellent effort on the part of the Senator from Mississippi.

Compromise is what we work at. I am disappointed that the President, at the last moment, would send a signal of veto. I am amazed that this is a President who didn't say agriculture twice in his first campaign, but promised to say it three times in his second campaign. He never came with an agriculture policy, and now, in the last minute, after they discovered there was a farm crisis 3 months ago, he wants to veto an effort that has been underway for months to try to not only be sensitive to the issues that are down on the farm at this moment, causing great consternation, but would do so by saying, “let's veto.”

The reason he says “let's veto” is because it is a habitual kind of thing for the President to want to fall backward into old policy that didn't work, that bound America's agricultural producers into a lockstep Government program offering no flexibility to the marketplace, but more importantly, having to ask the producer to turn to Government every year to decide what they were going to produce and what they were going to get in return.

Now, that is not what the American farmer wanted, and even today, while those in production agriculture recognize the importance of some adjustment, some change in the current program, they are still saying leave the new farm bill program in place. Yet, this President is threatening a veto because we will not fall back to the policy of the old.

What does the bill do that we are talking about here on the floor? Let me

tell you what it does and let me tell you what it does for my State of Idaho. I will use it as an example. It funds research at America's colleges and universities in agriculture, at a time when agriculture and yields were dropping nationwide because we weren't investing in the future of American agriculture.

Well, in my State of Idaho, the bill contains \$500,000 for peas and lentils research; \$500,000 for grass seed research; \$500,000 for barley research; \$550,000 for research on canola, a new and important crop in our area of Idaho; \$1.7 million for research in small fruits; and \$1.2 million for research in potatoes and potato disease, the blight that devastated production in the Idaho potato crops last year. Those are all part of a new research initiative the Senator from Mississippi worked to assure that we would get funded so we can invest in the productive future of American agriculture. It funds food stamps and other nutrition programs.

Very little has been said about that today by those on the other side. Yet, that is critically important to America's poor and disadvantaged. It funds conservation and environmental programs, and some very good ones. It contains important biodiesel legislation, a new program for a very important part of a new and emerging market for production agriculture in the oilseed industry. It contains important sanction reform legislation and exempts agricultural products from sanctions on India and Pakistan.

Why, then, if all of these good things are in there, do we have a President that threatens a veto? I have to believe it is because they didn't come with a policy; they don't have one today, and they have this habitual problem of wanting to fall back into the past. Freedom to Farm is everything about the future and very little about the past. That is where we ought to be.

Now, there is a problem in weather-related disasters. There are certainly problems with world markets, as we increasingly tie production agriculture and its profitability to the world markets. Well over 40 percent of everything a farmer in America produces today has to sell in the world market, and we have to be sensitive to that. When those markets go south, prices go south. Does that mean the policy is bad, or does it mean we have a world economic problem? I think it is the latter. We recognize that and we have pumped billions of dollars into that. It won't go to the trader and it won't go to the exporter; it goes right to the bank account of the American farmer—\$2.35 billion in disaster-related programs, weather-related programs.

We turn to the Secretary of Agriculture and say: You have the tools, you implement it. We even gave him money to hire more staff to do so—\$1.65 billion in income assistance directly to the farmer. This assistance will help provide America's farmers with economic stability that they need to talk

to their banker this fall and to talk to their banker next spring, to get a line of credit to put the seed in the ground. And the cycle goes on.

What does it mean in my State of Idaho? I will break it out for you. Today, the price of wheat at the Port of Lewiston, ID, is \$2.75. So in the 1998 crop-year, if you add the transition payment of 65 cents, another transition of 45 cents, a loan deficiency payment of 55 cents, and the aid package I just talked about of \$1.65 billion, that is 19 cents—that is \$1.85 per bushel, Government assistance, to a \$2.78 price at the Port of Lewiston today. That is \$4.62 per bushel, and \$4.62 is, under the current domestic and world market situation, a fair if not a good price in Idaho for wheat.

Idaho wheat hit the bottom in early September when the price hit \$2.26 at the Port of Lewiston—although the price was lower further inland in my State, which is more dependent upon rail traffic. Today, wheat is sold at \$2.78; that is up 50 cents from its low. The market has assessed the production, and it is making its adjustments. We are helping stabilize that. That is probably why the bill that I am talking about, the current legislation, is supported by the National Farm Bureau and a majority of Idaho's farmers. Is it enough? Well, it is enough to get by on, especially when Government should not be the sole provider of the well-being of production agriculture. But it should understand when there is a crisis and respond to the crisis. That is what we are doing. That response is \$1.84 a bushel in assistance.

Now, some keep talking about the loan caps. We voted and voted, and we voted once again on that issue. A majority of Congress said leave the loan caps alone. I believe that the farmers don't want current policy changed. And while some would agree that the loan caps ought to be changed, when I talk to my farmers back home and we walk them through all that this appropriation bill offers, they say: That is fair, Senator. That is as much as we could expect you to do, and thank you for doing it.

We have worked hard on this bill. The Senator from Kansas explained the coalition that came together before the July 4 break. We met with all of the commodity groups and asked, "What do you need?" They said, "Don't change the policy, but we have to have some transitional assistance." Times are tough, and we understood that. Many of us went home in August and listened to our farmers and came back with the mind of putting a package like this together to offer assistance.

The President wasn't listening then and he wasn't focused then. Mr. President, why did you quit your travels and come back this week and say you are going to veto the bill? I don't understand that. I don't understand why you have not been focused on this; yet, all of a sudden, it is time to veto it. You said, "I support Senator HARKIN's pro-

grams"; yet, you offer a supplemental that is billions of dollars less. You have taken two positions on the issue and now you have a third. You say, "I will veto what you send me." I don't understand that. I don't think America's farmers understand that very well. Government isn't the end-all to production agriculture. It should be of assistance when assistance is needed. It should care, and it should be concerned, and that is what this bill is reflective of this evening. We should knock down the political barriers and boundaries to enhanced trade. What has this administration done this year? They have not sold or given away one kernel of wheat in the name of humanity. Yet, they have hundreds of millions of dollars to buy wheat in the world and move it into the world hunger areas. Mr. President, why are you not doing that? Why do you come home from your world travels and political travels and say it is time to veto this effort? I don't understand that, Mr. President. I don't understand it.

What we do understand, what Congress understands, and what this bill is reflective of is that you don't change policy; you work to adjust it. You make it fit the marketplace. When there is a national environmental or weather-directed disaster, when there is a downturn in world markets, you make adjustments, you care about production agriculture, and you darn well make sure the money gets home to the bank account of the farmer.

That is what this appropriations bill offers. That is why the House voted on it 333 to 53. That is a big bipartisan vote for the House. Somehow there has to be some good in this legislation, if it drew that kind of a vote in the House. I hope it draws a bipartisan vote here when we vote on it. It deserves it, because it is reflective of the concerns of the current agricultural situation in our country, and, most importantly, it is reflective of the concern of production agriculture when production agriculture says don't change the policy over some transition, make sure that you are sensitive to what we are concerned about.

But what is important to all of us is that we listen to production agriculture. And we know that there are times when a safety net is necessary. This year, as in past years, we have offered one of the largest safety nets in the history of our Government, and we will continue to do that. But let us not change the policy and drive our Government into the business of being the partner of production agriculture, drive it into the business of not ever determining the acreage that should be farmed, or the amount that should be farmed, but into the business of knocking down political barriers, into the business of working as a partner in selling in the world markets instead of simply sitting back with hands folded saying, "Oh, gee, we have an agriculture problem."

I think we ought to do something about it. We ought to control production. We ought to squeeze down on production in the rest of the nations of the world, save time to gear up and time to increase our acreage. If we are going to pull away, if the United States is going to pull away from its spot in the world market, we are going to fill it. That is what the policies of the past offered, and we had to fight for decades to gain them back.

I hope that in the end, when the rhetoric cools, when the President develops an understanding of production agriculture—and I give him 24 hours to do it—that he will sign the bill, offer up the kind of assistance that this bill recognizes is important for our producers, and get on with the business of being a cooperating partner with production agriculture, and not a barrier, or not a hindrance, or not a Johnny-come-lately.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Yvonne Byrne and Maureen Knightly, members of my staff, be granted floor privileges during the debate of the agriculture appropriations conference report and the vote that is taking place at 5:30.

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

Mr. HARKIN. Mr. President, first, I was listening to what the distinguished Senator from Idaho was saying. He raised one question. He asked the question, What do farmers want? That is a fair question. But there is an answer.

A poll was prepared by Rock Wood Research, a subsidiary of the Farm Journal, Inc.—we are all familiar with Farm Journal—for the Nebraska Wheat Growers Association, the American Corn Growers Association, and the Nebraska Farmers Union. It was a widely disseminated poll. It was done between September 4 and September 10 of this year. And 1,000 farmers, actual producers, were interviewed—500 corn growers and 500 wheat growers.

There were a number of questions. One of the questions asked was whether Congress should lift loan caps and raise loan rates 59 cents per bushel on wheat and 32 cents on corn, and 72.5 percent of the farmers polled said yes, they wanted the loan rates raised; only 19 percent said no.

So if you are asking the question about what farmers want, I have a scientific poll done of 1,000 farmers, a pretty good cross section, and 72.5 percent said they wanted the loan rates raised.

Another question: A farm program should retain planting flexibility, including farmer-owned and farmer-controlled grain reserves; 85.9 percent of the farmers interviewed said they

would support that proposal. Only 9.9 percent opposed it.

Yet the Republicans in this body and in the House would never vote to give farmers a farmer-owned and farmer-controlled grain reserve. We have had that in the past. I, for one, happen to be in favor of reinstituting it. But, obviously, the party in power will not countenance that. So when you ask what farmers want, it is here in this poll; it is as plain as can be. If we were voting on what farmers wanted, we would have lifted the caps from the commodity marketing assistance loan rates and we would have a farmer-owned and farmer-controlled grain reserve.

So much for that question.

It has also been said that our marketing loan proposals are undermining Freedom to Farm. That is not so. What has undermined Freedom to Farm is external events, which is weak export demand from the Asian markets, along with the strong dollar, generally favorable weather and bumper crops in many areas. Those are the factors that have undermined the hoped-for success of Freedom to Farm.

Actually, the proposal that we have made would in some ways help Freedom to Farm. It is kind of odd that I find myself, who was opposed to Freedom to Farm because of its lack of income protection, saying that our proposal probably will help save it more than what is being done in this conference report. But, be that as it may, I still think that, looking at it both in the short and the long term, raising the caps on the marketing loans is the way to go.

One other point that I wanted to raise is that I really take issue with any suggestion that Secretary of Agriculture Glickman has flip-flopped on loan rates. I don't believe that assertion is supported by the facts. Secretary Glickman for some time has talked about the need to restore a farm income safety net. In fact, he said that when the President signed the 1996 farm bill into law. He was not saying that he opposed taking the loan rate caps off; he just said there needed to be a safety net. When a specific proposal to lift the caps on loan rates was made, he endorsed it, as did President Clinton. So I can't see that as any kind of a flip-flop.

A lot has been said here about generosity and how generous the Republican proposal in the conference report is for farmers, for disaster-related assistance. I divide the conference report in this regard into two areas. There is the part that goes for the natural disaster assistance and the part that goes for the income losses related to commodity prices.

On the disaster side, the proposal that we offered in conference would provide \$2.486 billion in disaster assistance. The conference report has \$2.350 billion. Actually, the proposal that we offered would have been more generous overall to farmers suffering from disas-

ters than the conference report in front of us.

Mr. President, having said all of that, I must also say that there are many good features in this conference report. I commend the distinguished chairman and ranking member for their outstanding work under very difficult constraints to pull this conference report together. It has a number of provisions important not only to my State of Iowa but to the Nation that I am pleased to see included. So there are a lot of good things in the bill.

But there is one overriding shortcoming in the bill that will, of course, compel me to oppose the conference report. And that is what we have been speaking about most of the afternoon, those of us who have been on the floor; that is, what I feel to be the lack of adequate assistance to help our farmers—our farm families—deal with the worst economic devastation in over a decade. It is a matter that is simply too important to let go. I regret that I must urge my colleagues to vote against the adoption of the conference report.

Again, just to refresh my colleagues about the seriousness of the crisis facing American farm families and rural communities, in July, when this legislation was last on the Senate floor, 99 Senators voted in favor of a resolution recognizing the severity of the crisis that confronts us in agriculture and calling for immediate action. What was bad then has become even worse since.

Commodity prices have fallen even further. In the period of 11 weeks, corn and soybean prices at Central Illinois Terminal Elevators have declined 39 cents a bushel for corn and \$1.49 a bushel for soybeans. At Iowa Interior Elevators, prices have fallen by similar amounts to about \$1.53 a bushel for corn, and about \$4.65 a bushel for soybeans. And on the livestock side, hog prices have continued at low levels, remaining at or below \$30 a hundred-weight in southern Iowa markets since early September. Country elevator prices are expected to fall even lower as the fall harvest gets fully in swing. Cattle prices remain low. Wheat prices have been depressed for a long time and are expected to continue so.

In addition to the low commodity prices, farmers in several regions of the country have suffered devastating losses from damaging weather, crop diseases, and other natural disasters. There has been severe drought in the South, Southwest, Southeast, and now followed by devastating hurricanes.

In the northern plains, several years of crop disease have put farmers on the ropes. As a result of all of these forces, farm income is falling drastically. It is estimated that this year net farm income will be down by more than \$11 billion from last year.

That is over a 20-percent drop in farm income in 1 year. Again, this loss of income is having a horrendous effect on farm families and their communities. And there appears to be no relief in the market on the horizon.

We are all talking about the market. The theory of Freedom to Farm supposedly was that farmers can plant for the market. Well, there is no market to speak of now. We have too large a quantity of commodities for the market. We have a glut on the market, and our Asian markets and other markets are suffering. I don't know when they are going to come back. So if the response is that farmers can plant for the market, I assume the advice to farmers is not to plant because there is no market.

Well, how can that be when the farmer has his fixed costs. He has land. He has his equipment. He has all this money tied up. He has to plant. He has to plant his crops to try to make something. In fact, economically, that farmer will try to plant more. He will try to get more out of his fixed asset base to make up for his losses. He will try to get more production out of his fixed base to make up for lower prices. Therefore, we look again next year for another bumper crop coming on and continued low prices. The Asian economy is not expected to turn around quickly, the Russian economy is in the tank, and the relative strength of the U.S. dollar means that other exporting countries can offer more competitive prices than we can.

So we are now in what appears to be a prolonged period of low commodity prices. And unless we take some action, action that is truly effective, we are headed into another round of farm foreclosures and families forced out of business and off the land.

A recent Iowa State University study, for example, concluded that 2 to 3 straight years of low prices could push as many as a third of Iowa farmers into restructuring or liquidation with disastrous consequences for Iowa's economy.

I want also to underscore the broad ramifications of this farm crisis on the wider economy. Agriculture is the largest industry in my State of Iowa, as it is in a number of States. When agriculture is in a downturn in Iowa, the entire State economy feels it.

If we consider the drop in corn and soybean prices alone this year, leaving aside the precipitous drop in hog prices, Iowa's economy this year is going to take a hit of about \$1.4 billion. Chopping that much out of Iowa's economy could cost upwards of 26,000 jobs, jobs that we can ill-afford to lose in my State.

Again, I want to make it clear exactly what part of the conference report I disagree with—the part dealing with loss of income caused by low commodity prices.

Again, I am not opposing that part of the conference report dealing with disaster assistance, although I did point out that what we had in our package was a little bit more generous to those farmers hard hit by the disasters than what is in this conference report.

We had worked, Senator DASCHLE and a number of my colleagues and I had

worked on an emergency request sent up by the administration. We made some modifications and additions to the administration's request. We came up with what we considered to be a well-balanced bill. The emergency package that we put together would have provided about \$130 million more in disaster-related assistance than the provisions now in the conference report.

The other essential part of the package, apart from the disaster assistance, is to restore some of the farm income safety net. If we consider those two aspects of the emergency package in tandem, then every State in the United States would have come out better under our proposal than under what is now in the conference report, and that includes the States hard hit by natural disasters.

Let me explain further why what is in this conference report is inadequate to deal with the problem of low commodity prices. The conference report includes \$1.65 billion that would be added to the Agriculture Market Transition Act, otherwise known as AMTA, payments that farmers will receive for fiscal 1999. I understand that these payments would mean an addition of about 19 cents a bushel for wheat and about 11 cents a bushel for corn when considered on the basis of program payment yield.

Keep in mind there are no payments directed for soybeans or oilseeds in this conference report even though soybean prices have dropped dramatically.

Also, keep in mind that actual yields are greater than the program payment yields used for calculating the AMTA payments. So if we consider the actual production on farms, the conference report would provide about 13 cents a bushel for wheat and about 7 cents a bushel for corn. Again, no direct assistance for soybeans.

These levels of assistance are totally inadequate. In fact, a spokesman for one Member of this body said it better than I could. He said the proposal is a "slap in the face" to farmers. Well, it really is. I likened it to giving a person dying of thirst a thimbleful of water; it might relieve suffering momentarily but it really doesn't solve the problem of the person dying of thirst.

The proposal that Senator DASCHLE and I along with others put forward is different. This proposal, which has been talked about by others this afternoon, simply would lift the caps from the commodity marketing assistance loan rates. If that was done, our proposal would add about 57 cents a bushel in added income protection for wheat, compared to 13 cents in the conference report, 28 cents a bushel for corn compared to 7 cents a bushel for corn in the conference report, and about 28 cents a bushel for soybeans compared to zero for soybeans in the conference report. I might also point out it would provide higher loan rates for both cotton and rice.

Our proposal obviously was rejected in conference. That is very unfortunate

because it goes much further than what is in the conference report toward addressing the devastating loss of farm income due to low commodity prices. Again, if we have low commodity prices caused by a glut, bumper crops, combined with the loss of foreign markets we are going to have to enact some reasonable income protection to help farmers make it through this economic disaster—a disaster not of their own making. I know there has been a lot of discussion about fast track as though that is the magical solution to everything that is wrong in the farm economy. If only we had fast track, it is suggested, everything would be beautiful. Let's be honest and let's be real about it. Fast track could help us 5 or 7 years from now, which is how long it took to get the Uruguay Round completed. But fast track doesn't help us now. Not in any way does it help the farm families who face foreclosure in the next few months. I say that as someone who has voted for fast track in the past, who voted for NAFTA and voted for the Uruguay Round agreement. I defy anyone to come to the floor and tell me how, if fast track were passed right now, it could possibly help farmers who are in dire straits this year and next year. So fast track may have some benefits down the pike, depending on what comes out of the negotiations, but none in the immediate future.

Again, I and others who have proposed lifting the caps on marketing loan rates have been accused of going beyond the scope of the farm bill, of reopening the farm bill. Well, the fact is marketing loan are in the farm bill. The bill set a formula for loan rates, but then put an arbitrary cap on the loan rates for budgetary reasons. Taking off the caps and letting the formula already in the bill work, as we are proposing, is not really reopening the farm bill. We are simply taking what is in the farm bill, a tool that is in there, and using the tool to enhance the farm income protections within the basic structure of the 1996 farm bill—simply by removing the caps. That change, combined with extending the loan period, will help farmers well into next year—and next year and the year after if the policy were adopted for the long term as I believe would be desirable. Added AMTA payments will go out this year, and that is it. A lot of the new AMTA payments will go to farmers who will not be farming next year. A lot of that AMTA payment will go to farmers whose landlords will seize the opportunity to increase the rent and take it back in rent payments. So basically the AMTA payment is sort of a one-time payment to farmers, but it really is not going to solve the problem.

Again, I would like to illustrate the difference between the conference report and what the Democratic plan was. For a 650-acre corn and soybean farm in Iowa with 390 acres of corn

base, 260 acres of soybeans, the conference report will provide a \$4,230 payment to that farmer. The Democratic proposal, in removing the marketing loan caps, would provide increased income protection of \$18,455 or a difference of \$14,225 to the farmer with 390 acres of corn and 260 acres of soybeans in Iowa.

So again, that is a very substantial difference, and it is a difference that would carry through into next year because of the improved income safety net aspect of the marketing assistance loan. The small AMTA supplement is a short term one-time payment.

So again, I just ask my colleagues from the Corn Belt whether 7 cents a bushel paid out now, but soon gone, is anywhere near enough to address severe farm income problems. Is 13 cents a bushel enough even to begin to address the economic devastation in wheat country? And I ask my colleagues whether a proposal with no direct support for soybeans is adequate to address the steep decline in soybean prices.

So that is really the question today. The question is whether or not those very small cash payments are going to be adequate for the tremendous farm income problems that are out there. I do not believe so. I do not believe that will help nearly enough—

The PRESIDING OFFICER. If the Senator will withhold, the hour of 5:30 having arrived, the clerk is to report the motion to invoke cloture on the motion to proceed to H.R. 10.

Mr. HARKIN. Mr. President, I ask unanimous consent that I just be allowed 3 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ROBB. Mr. President, reserving the right to object, I ask for 1 additional minute at the conclusion of the remarks of the Senator from Iowa before the rollcall vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, again, this conference report needs to be rejected and sent back for further work to restore farm income protection by removing the marketing loan rate caps. There are also two other areas in which the conference report is not acceptable.

I would mention the labeling of beef and lamb for country of origin. The House Republicans rejected this idea. It is too bad, because under the WTO it is allowed, to have country of origin labeling. It is not just for our beef and lamb producers in this country. I believe our consumers have the right to know, when they buy a steak or chop or other cut of beef or lamb at the meat counter, what its country of origin is.

Second, we had mandatory price reporting in the Senate bill so livestock producers will have information to help them evaluate packer bids for fairness.

The conference report converted that bill language into weak report language. We have had study after study after study on pricing practices in the livestock and meat business and the need for more openness and transparency. It is time we have real action, not another study on that.

For those reasons I believe the conference report ought to be rejected and sent back for further work. If it is not, then I am afraid we will have a one-time payment to farmers this fall and we will be back again here next year with fewer farmers and even more economic devastation in rural America.

Mr. President, I ask unanimous consent to have printed in the RECORD "Suggested Changes in Farm Policy for the 21st Century," submitted by Dr. Neil Harl of Iowa State University, and I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUGGESTED CHANGES IN FARM POLICY FOR THE
21ST CENTURY

FINE TUNING "FREEDOM TO FARM"

(By Neil Harl)

Farmer-owned storage program for major commodities.

Long-term land idling (up to 20 years) in marginal areas (contracts terminate if prices rise above a specified level).

Standby authority to implement acreage set aside (if prices remain for a specified period below a designated level).

Adequate funding for FSA direct lending and loan guarantees for limited resource borrowers.

Continue LDP and marketing loans with slightly higher loan rate (not higher than cost of production on marginal lands).

The PRESIDING OFFICER. The Senator from Virginia, under a previous unanimous consent request, is recognized for 1 minute.

Mr. ROBB. Mr. President, I rise to express my surprise and dismay about what occurred in the conference committee on the agriculture appropriations bill.

During debate on this bill in July, Mr. President, the Senate accepted an amendment I offered to waive the statute of limitations for discrimination complaints filed by many small and minority farmers against the U.S. Department of Agriculture. This amendment addresses an urgent and shameful problem, Mr. President, and we worked with farmers, the White House, the USDA, the Department of Justice, and the Congressional Black Caucus to develop language that would protect the legal rights of farmers' and be implementable by USDA.

Mr. President, similar language was included in the House bill, but it was drafted more quickly and with less consensus. It was more narrowly defined and had less aggressive time limits for USDA to resolve discrimination complaints. And it cost \$5 million less.

And even though Representative MAXINE WATERS, the chairman of the Congressional Black Caucus lobbied the conferees in support of the Senate version of this amendment, Mr. Presi-

dent, the Senate lost on almost all counts.

To give my colleagues some background, the investigative unit at USDA's Office of Civil Rights was abolished in 1983. Farmers whose complaints were pending at the time were led to believe their complaints were still being investigated, when they were not. Farmers who filed complaints after the abolition of the unit were also led to believe that their complaints would be processed and investigated, despite the fact that the USDA had no resources with which to conduct such investigations. The bottom line is that none of these complaints were ever considered—but none of the farmers were told that was the case.

When Secretary Glickman learned of this problem, Mr. President, he directed that the complaints be resolved quickly. In fact, I offered an amendment to last year's appropriations bill to fund the investigative unit.

But when USDA was finally prepared to enter into settlement agreements on some of these cases, Mr. President, the Department of Justice stepped in to claim that the statute of limitations for the complaints—despite USDA's deception in the matter—had expired. The amendment I offered to this year's appropriations bill eliminates this legal obstacle and allows farmers to pursue their claims of discrimination. It allows them to have their day in court, so to speak.

As we approached conference, however, I learned through staff that objections to accepting the Senate version of this amendment were raised based on cost. Our version was scored at \$15 million, while the House version was scored at \$10 million. Mr. President, there's no question the two amendments were slightly different. But the \$15 million in the Senate amendment was to compensate Americans for discrimination perpetuated by their own government. It was a figure determined by CBO, conferring with USDA, about which of the pending complaints would have likely resulted in legitimate and provable cases of government discrimination. It is money that our government owes to farmers who have been treated in such an unjust and morally reprehensible manner.

Mr. President, during conference deliberations, I learned that the House conferees objected to the scope of the Senate amendment. As I've alluded to before, the House version addressed only discrimination complaints against the Farm Service Agency. My amendment addressed complaints filed against not only the Farm Service Agency, but also the Rural Housing Service. We know that discrimination has occurred in both agencies, and study after study has clearly illustrated this. Unless we address complaints against both agencies, we allow justice to continue to elude a number of minority farmers in America who deserve at long last to be treated fairly.

To my dismay, Mr. President, the conferees accepted the House version of the civil rights amendment, adding only a small portion of the Senate version.

The Senate version of the civil rights amendment allowed for the waiver of the statute of limitations for discrimination complaints made against both the Farm Service Agency and the Rural Housing Service. The House version only allowed the FSA claims.

While the conference language allows farmers to file suit in federal court if their claims for relief are denied by USDA, the Senate language specified that the federal court shall apply a *de novo* standard of review. This standard would have allowed a federal court to review USDA's findings and rationales with a fresh eye, so to speak. In other words, a court would not be required to give as much deference to USDA's decisions. This is obviously a protection that would have given aggrieved farmers a degree of legal protection that is imminently justified. Yet no such protection exists in the conference language.

To make matters worse, Mr. President, the one protective provision that I was told would be included in the conference language—the expedited review provision—was somehow omitted from the conference report. When the conferees reached a compromise on this amendment, it is my understanding that they specifically agreed to include a provision of my amendment which limited USDA to 180 days in which to investigate complaints, issue findings, and propose settlement awards, where applicable. This provision was supposed to be included, but it was not.

Mr. President, I am at a loss to explain why we can't do a better job of rectifying such a grievous history of overt, admitted discrimination for so little money. Our Minority farmers deserved better conference language from this Congress than they got. It just underscores the enormous obstacle we face in resolving this issue—and that is that too few members care enough about this problem to give it the attention and the priority it calls for.

Before I conclude, Mr. President, I'd like to share with my colleagues some updated news. Last week, the Office of Inspector General issued a report which lambasted the Office of Civil Rights' handling of the backlog of discrimination complaints. The report characterized the Office's case files as "too slovenly to ensure the availability of critical documents." It further berated the Office for its failure to implement the majority of recommendations made to the Department in a February 1997 report.

I am not sure why this Department has had so many problems, not only with eliminating unjust and inexcusable behavior, but also with efficiently resolving complaints of discrimination. These are symptoms of an overwhelming and inexcusable problem. As many of my colleagues know, this is a

problem that I have been working to solve for almost two years, from the moment it was first brought to my attention by a group of minority farmers headed by a Virginian.

Mr. President, I have heard account after account of inexcusable behavior on the part of various officials at USDA, primarily those in positions of authority who process farmers' applications for loans. Some farmers have had trouble even getting loan applications, much less having their applications processed in a timely manner. Many farmers have cited stories in which their applications have been purposely processed later than those of non-minority farmers. The loan money then, in effect, was dispersed to non-minority farmers first. Then, when many minority farmers checked the status of their applications, the USDA officials responded by stating that there wasn't any money left. Another farmer told me that a USDA official was permitted to keep a noose in his office, despite repeated complaints about the message it sent to minority farmers wishing to do business in that office.

I know that Secretary Glickman is committed to stemming this pattern, but ultimately Congress is responsible for overseeing our government agencies. In the two years that I've been working on this issue, talking with farmers, meeting with the Secretary and the President, we, as a Congress, have not taken a sufficiently forceful approach to stem this shameful pattern of discrimination. In my view, that makes us part of the problem as well.

When the conferees chose not to accept the Senate language, they made a choice that sends a disquieting message to minority farmers across this country. The message they sent was that they were willing to do the bare minimum for minority farmers who have suffered discrimination at the hands of government officials. It is a message that we, the Congress, are not willing to get fully invested in eliminating discrimination within our own government.

The President has indicated that he will veto this bill, and I am hopeful that my colleagues will take another opportunity to look at the differences between the Senate language and the conference language. We will have another opportunity to correct a critical error in our priorities. The farmers deserve our best oversight efforts, and they deserve the strongest civil rights amendment that we can craft. I will continue to push all of our colleagues to do so. A lack of attention to this issue means not only failure on our part, but a perpetuation of a problem for which we should all be ashamed.

Thank you, Mr. President. I'd like to ask unanimous consent that this letter and executive summary from the Inspector General to the Secretary of Agriculture dated September 30, 1998 be included in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF INSPECTOR GENERAL,
Washington, DC, September 30, 1998.

REPORT TO THE SECRETARY ON CIVIL RIGHTS
ISSUES—PHASE V

From: Roger C. Viadero, Inspector General.
Subject: Evaluation of the Office of Civil Rights' Efforts to Reduce the Backlog of Program Complaints, Evaluation Report No. 60801-1-Hq.

In July 1998, your Assistant Secretary for Administration asked the Office of Inspector General to review the efforts by the Office of Civil Rights (CR) to reduce the backlog of program complaints in USDA. Attached is a copy of the results of this review. This represents our fifth evaluation of the Department's efforts to reduce the program complaints backlog and to improve the overall complaint processing system, including the investigative process.

We found that the Department, through CR, has not made significant progress in reducing the complaints backlog. Whereas the backlog stood at 1,088 complaints on November 1, 1997, it still remains at 616 complaints as of September 11, 1998.

The problems we noted before in the complaints resolution process also continue. CR's data base remains an unreliable repository of information, and its casefiles are too slovenly to ensure the availability of critical documents. A disaffected staff and a leadership vacuum have contributed to a system that cannot ensure complainants a timely hearing of their grievances.

Of considerable concern to us is CR's lack of progress in reforming its operations in accordance with our previous recommendations. Few corrective actions have been taken to increase the efficiency of the complaints resolution process. We also noted that CR staff members have not always been honest in portraying the actual level of their performance. Some of the information they gave us proved to be inaccurate. Some of the information they gave you on earlier occasions proved likewise to be inaccurate.

Because of continuing problems in the complaints resolution process, we are recommending that you convene a Complaints Resolution Task Force (independent of CR) to immediately assume control of the backlog and have full authority to resolve complaints, including entering into settlement agreements. We are also recommending that the civil rights function within the Department be elevated to the level of Assistant Secretary.

At your request, we will be continuing our work with CR, giving special emphasis to its management of settlement agreements.

EXECUTIVE SUMMARY

Purpose

The Assistant Secretary for Administration asked us to perform a followup review of the operations of USDA's Office of Civil Rights (CR), the office responsible for resolving complaints made against the Department for alleged civil rights violations in the administration of its programs. During four previous reviews of the Department's civil rights program complaints system, we determined that the system was not functioning properly and that the Department had amassed a growing backlog of complaints that required immediate attention. Although CR itself could not accurately determine how large the backlog was at the time of our first review, it later identified 1,088 outstanding unresolved complaints before November 1, 1997.

Results in brief

Our past reviews had questioned the productivity of CR; we had found a disaffected staff and a leadership vacuum. Little was being accomplished by USDA agencies to respond to citizen complaints of discrimination and little was done by CR to manage the resolution process. Some complaints in CR's backlog had languished for over 2 years. After our February 1997 report, CR made the resolution of its backlog its first priority.

Our current review disclosed that the backlog of complaints of civil rights viola-

tions, although reduced, still stands at 616 cases as of September 11, 1998. Of these 616 cases, 80 are under investigation, 310 are awaiting adjudication, 23 are undergoing a legal sufficiency review, and 103 are pending closure. The remaining 100 cases still await a preliminary analysis. (Because 164 complaints are involved in lawsuits against the Department, their cases cannot currently be processed. Of these 164 cases, 147 are included in the remaining backlog.)

The backlog is not being resolved at a fast-rate because CR itself has not attained the efficiency it needs to systematically re-

duce the caseload. Few of the deficiencies we noted in our previous reviews have been corrected. The office is still in disarray, providing no decisive leadership and making attempt to correct the mistakes of the past. We noted with considerable concern that after 20 months, CR has made virtually no progress in implementing the corrective actions we thought essential to the viability of its operations. The following table summarizes the key areas for which our recommendations were made and in which the uncorrected deficiencies persist.

TABLE 1.—AREAS OF DEFICIENCY PREVIOUSLY NOTED BY OIG AND STILL UNCORRECTED—RECURRING OFFICE OF CIVIL RIGHTS ISSUES

Issue	OIG Evaluation Phases					
	Alert (02/25/97)	I (02/27/97)	II (09/29/97)	Memo (12/18/97)	IV (03/04/98)	V (09/30/98)
Review State foreclosure actions	X	X	X	X	X	X
Send letters of acknowledgment (Completed November 1997)		X	X			
Develop and maintain a data base		X	X	X	X	X
Evaluate each agency's civil rights staff		X	X	X	X	X
Clean casefiles		X	X	X	X	X
Clear backlog		X	X	X	X	X
Publish regulations		X	X	X	X	X
Reconcile casefiles with USDA agencies		X	X	X	X	X
Write plans for compliance reviews		X	X	X	X	X
Follow up on isolated instances of potential discrimination				X	X	X
Find lost casefiles		X	X	X	X	X
Use aging reports		X	X	X	X	X
Train investigators			X	X	X	X

X Condition originally noted and recommendation made. X Condition continues. X Corrective action taken but not adequately implemented. See exhibits B and C for the Secretary's memoranda regarding Phases I and II.

We estimate that if CR continues to operate under its current methods and at its current rate, the backlog of complaints existing on November 1, 1997, will not be completely resolved for at least another year.

Most conspicuous among the uncorrected problems is the continuing disorder within CR. The data base CR uses to report the status of cases is unreliable and full of errors, and the files it keeps to store needed documentation are slovenly and unmanaged. Forty complaint files could not be found, and another 130 complaints that were listed in USDA agency files were not recorded in CR's data base. Management controls were so poor that we could not render an opinion on the quality of CR's investigations and adjudications.

Of equal significance is the absence of written policy and procedures. It is incumbent upon CR to revise department policy to ensure it complies with civil rights laws and to establish the framework of its own activities. We believe standardized, written guidelines are essential to CR's operation, and it is a matter of concern to us that CR has, over the space of 20 months, produced nothing to lay the foundation for good management controls.

The absence of formal procedures and accurate records raises questions about due care within the complaints resolution process. We found critical quality control steps missing at every stage of the process. Staffmembers with little training and less experience were put to judging matters that carry serious legal and moral implications. Many of CR's adjudicators, who must determine whether discrimination occurred, were student interns. Legal staffmembers with the Office of the General Counsel (OGC), who review CR's decisions for legal sufficiency, have had to return over half of them because they were based on incomplete data or faulty analysis. We noted that a disproportionately large percent of the 616 cases of unresolved backlog had bottlenecked in the adjudication unit.

Furthermore, CR may not understand the full scope of its authority. CR has concentrated its oversight on federally-conducted programs; it has largely ignored a host of federally-assisted programs (e.g., crop insurance, research grants) in which complaints of discrimination may have been made.

CR's unsuccessful efforts to resolve the backlog of civil rights complaints are in part

the symptom of an insecurity that has affected office morale. The many reorganizations the complaints resolution staff has undergone, the high turnover the staff has experienced within the last several years, and the inadequate training afforded both managers and staffmembers, have left the staff unfocused and without clear direction. The staff we found at the civil rights offices was not a coherent team of dedicated professionals with a shared vision but a fragmented order of individual fiefdoms, each mindful only of its own borders and its own responsibilities. Low office morale has contributed to a lack of productivity. CR's data base shows that since January 1997, CR closed only 19 cases through adjudication, 8 of which were not even investigated by CR. Through this inefficiency, complainants are being denied a timely hearing of their civil rights complaints.

Also disturbing was the evasiveness we encountered at CR. We found discrepancies between what we were told by staffmembers and what we were subsequently able to verify. We found similar discrepancies in information CR communicated to the Secretary. These discrepancies, in the number of open and closed complaints, were repeated at congressional hearings and other public forums.

We concluded that in order to complete the backlog of cases expeditiously, the Secretary needs to transfer resolution of the backlog to a complaints resolution task force, composed of seasoned adjudicators and well qualified civil rights personnel from Federal agencies outside USDA. The task force should have full authority to review and resolve all complaints.

To increase CR's efficiency in the long term, the Secretary should create an Assistant Secretary of Civil Rights with subcabinet-level status. Concurrently, the CR Director should emphasize hiring managers who have a solid background in civil rights and a good knowledge of Department programs.

Once in operation, the task force would provide CR with the opportunity to focus on its own structure and implement the reforms it needs to function efficiently. We believe CR is capable of these reforms and that it is in the best position within the Department to act objectively in resolving civil rights complaints. Consequently it should retain Department authority to investigate future complaints. We believe that when CR has

taken the corrective actions we previously recommended, as well as the steps outlined in this followup report, it will provide more efficient service.

Key recommendations

We recommend that the Secretary take the following actions to ensure that citizens who have complained of discrimination by USDA receive a timely hearing:

Immediately convene a complaints resolution task force, composed of well qualified civil rights personnel from other Federal agencies and senior USDA program personnel with decision-making authority. The task force, under the direction of an Executive Director who reports directly to the Secretary, should immediately assume control of the backlog and have full authority to review and resolve complaints.

The complaints resolution task force could also assist the CR Director in reviewing new complaints that have exceeded the 180-day resolution deadline set by the Civil Rights Implementation Team.

The OGC and the CR Director should be available to assist the task force in its efforts.

The task force should perform a case-by-case, document-by-document sweep of the casefiles to restore retrievability to the information contained in the files.

Elevate the Department's civil rights functions to the level of Assistant Secretary with full authority across agency lines.

Require CR to (a) issue needed operational policies and procedures within a 2-month timeframe, (b) resolve within 2 months all other recommendations that we made in our previous reports but that CR has failed to implement, (c) keep open all cases with settlement agreements so the agreements may be tracked, and (d) institute other operational improvements that will ensure the efficient operation of the civil rights functions within the Department and ensure due care in the resolution of all civil rights complaints as well as a timely hearing for all complainants.

Statistical data on complaints

According to CR's data base as of September 11, 1998, the Department's inventory of

complaints totals 1,439 that are open and 582 that are closed. Of the total open and closed cases, 383 are part of 2 lawsuits brought against the Department; 77 from the *Brewington* lawsuit, and 256 from the *Pigford* lawsuit. These cases are identified sepa-

rately because the court prohibited CR from processing the cases as long as they were under litigation.

CR categorizes complaints that have not yet been reviewed as "intend-to-file" cases. Normally these cases are considered "unperfected." However, if the complainant

has indicated an intent to go forward with the complaint once Congress waives the 2-year statute of limitations, the case is identified separately.

The three tables on the next page identify the status of all cases in the inventory.

TABLE 2—STATUS OF CIVIL RIGHTS PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit			Pigford Lawsuit ¹			Brewington Lawsuit ²			Total		
	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed
Backlog		469	455		144	16		3	1		616	472
New		138	106		19	2		6	1		163	109
Unperfected	271		1	6			7			284		1
Statute of Limitations	248			69			59			376		
Totals	519	607	562	75	163	18	66	9	2	660	779	582

¹ Actual total number of complainants in the Pigford lawsuit as of 08/06/98 is 481. Not all complainants are captured in CR's data base.

² Actual total number of complainants in the Brewington lawsuit as of 08/06/98 is 132. Not all complainants are captured in CR's data base. CR is prohibited from processing cases under litigation and cannot yet process those cases which fall outside the statute of limitations.

TABLE 3—STATUS OF CIVIL RIGHTS BACKLOG PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	69	31		100
Under Investigation	75	5		80
Adjudication	214	93	3	310
At OGC	19	4		23
Pending Closure	92	11		103
Closed	455	16	1	472
Total	924	160	4	1,088

TABLE 4—STATUS OF CIVIL RIGHTS NEW PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	126	17	6	149
Under Investigation	2			2
Adjudication	7	2		9
At OGC				0
Pending Closure	3			3
Closed	106	2	1	109
Total	244	21	7	272

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for 2 minutes prior to the cloture vote.

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

Mr. BUMPERS. Mr. President, when Senator COCHRAN and I reported the fiscal year 1999 appropriations bill for agriculture, rural development and related agencies to the Senate earlier this year, our recommendation included maintaining the studies and evaluations activities for USDA's food programs with the Food and Nutrition Service (FNS). This recommendation was consistent with the President's budget request.

The studies and evaluations activities are important for a number of reasons. These activities enable better program management of the several domestic feeding programs administered through USDA. We should remember that USDA's nutrition programs comprise the lions' share of the USDA budget and are often all that stands between many of our people and abject hunger. Because of the long-term health implications associated with a healthy, nutritious diet, it is absolutely vital that program administrators have access to relevant and updated information regarding nutrition and program delivery.

Mr. HARKINS. I agree with the Senator from Arkansas' explanation of the

importance of these research functions at USDA. Although the Senate position going into conference was to fund the food program studies and evaluations through FNS, the House insisted on their provision which would place these functions with the Economic Research Service (ERS). We were able to reach an agreement with the House conferees, as included in this Conference Report, to transfer \$2 million from the ERS back to the FNS for this purpose. It is our expectation that the ERS will continue its working relationship with the FNS in order for that agency to conduct the same type of studies and evaluations as in the current fiscal year.

Mr. BUMPERS. Mr. President, I would like to note the importance of coordinating the research agenda for the food program studies and evaluations between USDA's research and nutrition subcommittee officers. I cannot understate the importance of these two branches of USDA continuing to work together, as they have done this year, to ensure that FNS' research agenda meets the needs of program managers to have adequate information to guide their program decisions.

Mr. COCHRAN. Senator Bumpers is correct. I strongly urge the Under Secretary for Food, Nutrition, and Consumer Service and the Under Secretary for Research, Education and Economics to continue working together to establish a reasonable division of effort consistent with a sound research agenda.

NATIONAL SWINE CENTER

Mr. HARKIN. I would like to engage my colleague, Senator BUMPERS, the ranking member of the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies in a colloquy regarding the pending legislation. For clarification, I would like the Senator to provide further explanation of language included in the Statement of Managers accompanying the conference report to H.R. 4101.

It is my understanding that language under the heading of the Agricultural Research Service imposes a limitation on funding for the National Swine Research Center at Ames, Iowa, but is related to operational and maintenance costs for that facility beyond those

normally associated with assignments of ARS personnel. This interpretation would not be inconsistent with the general provision of the conference report that prohibits the transfer of title of the Center to USDA.

Mr. BUMPERS. The Senator from Iowa is correct. While the conference report does not allow for the transfer of title of the facility to USDA, and the Statement of Managers includes language limiting the use of funds for operational costs, that limitation does not apply to the allocation of funds pursuant to normal ARS scientist assignments. The Statement of Managers includes direction that an increase of \$2 million for ARS research at Ames, Iowa, is included as reflected in the accompanying table. That table indicates an increase of \$1 million for the National Animal Disease Center and an additional \$1 million for Livestock Management. The latter amount is available for use at the National Swine Research Center consistent with normal ARS personnel funding allocations.

Mr. HARKIN. I thank the Senator for his further explanation.

Mr. BUMPERS. Mr. President, let me say, and I would be remiss if I did not say it at this point, I think, one of the things I will miss deeply when I leave the U.S. Senate will be the excellent relationship I have had with the chairman of this committee. He has been, probably, much more generous to me through the years that he was chairman than I was to him when I was chairman. But I want the whole Senate to know of my deep admiration for him. I want the whole country to know it. He is a consummate gentleman. He is a man of impeccable integrity. He is accommodating to a fault to his colleagues. And one of the things I will miss is his counsel, advice and common sense.

He is the personification of what public service should be. I have been most honored to serve with him and I will cherish his friendship always.

I yield the floor.

FINANCIAL SERVICES ACT OF
1998—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 5:30 having arrived, or 5:36, the clerk will report the motion to invoke cloture on the motion to proceed to H.R. 10.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 588, H.R. 10, the financial services bill.

Trent Lott, Alfonse D'Amato, Wayne Allard, Tim Hutchinson, Dan Coats, Rick Santorum, Robert F. Bennett, Jon Kyl, Gordon Smith, Craig Thomas, Pat Roberts, John Warner, John McCain, Frank Murkowski, Larry E. Craig, and William V. Roth, Jr.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. FORD. I announce that the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "aye."

The yeas and nays resulted—yeas 93, nays 0, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—93

Abraham	Faircloth	Lott
Akaka	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Breaux	Grassley	Nickles
Brownback	Gregg	Reed
Bryan	Hagel	Reid
Bumpers	Harkin	Robb
Burns	Helms	Roberts
Byrd	Hutchinson	Rockefeller
Campbell	Hutchison	Roth
Chafee	Inhofe	Sarbanes
Cleland	Inouye	Sessions
Coats	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kempthorne	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
D'Amato	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Leahy	Warner
Dorgan	Levin	Wellstone
Enzi	Lieberman	Wyden

NOT VOTING—7

Boxer	Hatch	Santorum
Durbin	Hollings	
Glenn	Moynihan	

The PRESIDING OFFICER. On this vote, the yeas are 93, the nays are 0.

Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I know that a number of my colleagues are on the floor who want to make statements. I see Senator DOMENICI is here, and he indicated to me that he wanted to speak for several minutes. I am wondering if my colleagues would agree to let Senator DOMENICI make his statement, and then I would like to address the vote that has just taken place. I am not going to spend too much time. If there is no objection, I will yield to Senator DOMENICI without losing my right to simply speak to this vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico is recognized.

KOSOVO

Mr. DOMENICI. Mr. President, I will take just a couple of minutes. I want to comment on the administration's discussions with us regarding Kosovo and just make one statement that I feel compelled to make on the Senate floor, which I have made to the administration and to a number of Senators.

First of all, from this Senator's standpoint, it will be extremely difficult to support any kind of military action in Kosovo unless the President of the United States requests of us significant increases to the defense budget to address the shortfalls in military readiness, personnel, and modernization recently acknowledged by the Joint Chiefs of Staff.

From my standpoint, we ought not be supporting additional military action and putting our men and our equipment in harm's way unless and until we have a game plan to put adequate resources into our Defense Department for the readiness shortfalls that already exist.

The crisis in military preparedness that has only belatedly been acknowledged by the President and his administration is very grave.

To support ongoing operations around the world, our men and women in uniform are deployed far away from their homes and their families for unprecedented lengths of time. Morale among many of our troops is suffering, and recruiting and retention statistics are dangerously low. Modernization of our force is seriously underfunded across the services. Training in many of the combatant commands must halt well before the end of the fiscal year due to funding and supply shortfalls. Nearly 12,000 military families are once again on food stamps. And failing to provide additional funding for potential costly military operations in Kosovo while United States forces are about to complete 3 years in Bosnia at a cost of nearly \$10 billion will, in my

opinion, severely and perhaps irreparably exacerbate the critical readiness crisis that exists.

In summary, if the President expects this Senator to support Kosovo action—and I am not sure the administration seeks a resolution—I have just stated succinctly what I believe is an absolute necessity on the part of the President and his administration; that is, tell us how you are going to make our military ready again before you send them into harm's way again, when we already know that we are short of much of the equipment and parts and our military is in many respects lacking and deficient in readiness.

I think it is a simple proposition. I think they have time to do it. I think it is serious. I think when many Senators find out about the readiness issues, they are going to be saying the same thing: Let's see how we are going to fix that before we engage in another battle.

I yield the floor. I thank the Senator.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

THE FINANCIAL SERVICES MOD-
ERNIZATION BILL—MOTION TO
PROCEED

Mr. D'AMATO. Mr. President, first of all, let me commend my colleagues for the overwhelming vote on H.R. 10, the financial services modernization bill, which passed 93 to 0, in terms of moving forward. It was a motion to proceed to consider. I know it wasn't on the bill itself, and I know that there are some Members who do not agree and some who oppose very strongly various provisions of the bill. That is understandable, because it is a major piece of legislation.

I thank the majority and the minority leaders for their support and for their help in getting this bill to this point, facilitating it, and the members of the Banking Committee and the ranking member, Senator SARBANES of Maryland, who have worked in the most constructive of manners, putting the interests and needs of the financial services community of this great Nation of ours—the capital formation system that is so important—putting those interests and needs first.

I have to tell you that this is not a partisan matter, that the Senate has addressed this in the uniquely bipartisan way that reflects very, very credibly upon this institution, again, recognizing the fact that Members certainly cannot agree with all of the provisions that may be contained in this very comprehensive bill.

Mr. President, the need for legislation to modernize the financial services industry is obvious. The existing legal framework has been for some time fundamentally outdated, and this body itself has recognized the existing laws are part of the statutory framework built largely in the 1930s and they just do not fit the realities of today's financial marketplace.