



FOCUS - 18 of 291 DOCUMENTS

Congressional Record -- Senate

Thursday, November 21, 1985;
(Legislative day of Monday, November 18, 1985)

99th Cong. 1st Sess.

131 Cong Rec S 16090

REFERENCE: Vol. 131 No. 161

TITLE: AGRICULTURE, FOOD, TRADE, AND CONSERVATION ACT OF 1985

SPEAKER: Mr. BOSCHWITZ; Mr. BUMPERS; Mr. BYRD; Mr. CHAFEE; Mr. COCHRAN; Mr. DeCONCINI; Mr. DENTON; Mr. DIXON; Mr. DOLE; Mr. DOLE [continuing]; Mr. DURENBERGER; Mr. EAGLETON; Mr. EVANS; Mr. EXON; Mr. GLENN; Mr. GRASSLEY; Mr. HARKIN; Mr. HATFIELD; Mr. HEFLIN; MR. HEINZ; Mr. HELMS; Mr. HOLLINGS; Mr. JOHNSTON; Mr. KENNEDY; Mr. LEAHY; Mr. LONG; Mr. McCLURE; Mr. MELCHER; Mr. METZENBAUM; Mr. MITCHELL; Mr. PACKWOOD; Mr. QUAYLE; Mr. SIMON; Mr. SIMPSON; Mr. STAFFORD; Mr. SYMMS; Mr. THURMOND; Mr. TRIBLE; Mr. WARNER; Mr. ZORINSKY

TEXT: Text that appears in UPPER CASE identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the unfinished business, S. 1714, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Thurmond amendment No. 1080 (to amendment No. 939), to require the approval of a majority of producers voting in a referendum as a prerequisite to the issuance of an order to establish a pork promotion program and to permit States to continue to operate existing pork promotion programs.

(2) Helms amendment No. 1081 (to Amendment No. 939), to authorize the Secretary of Agriculture to make a grant, upon the request of a State, to fund a low-income nutrition assistance program operated by that State in lieu of the Federal Food Stamp Program.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, is my impression correct that there is a pending amendment?

The PRESIDING OFFICER. The Helms amendment No. 1081 is the pending amendment.

Mr. HELMS. I thank the chair.

AMENDMENT NO. 1081

(Purpose: To authorize the Secretary of Agriculture to make a grant, upon the request of a State, to fund a low income nutrition assistance program operated by that State in lieu of the Federal Food Stamp Program)

OPTIONAL NUTRITION ASSISTANCE GRANT PROGRAM

Mr. HELMS. Mr. President, under the proposal, supported by the administration, each State would be permitted to establish a nutrition assistance program in lieu of operating the Federal Food Stamp Program within that State. Currently State and local welfare offices administer the Food Stamp Program. Federal funding for nutrition assistance would continue, but each State would be responsible for establishing all of the major parameters of program eligibility, administrative procedures, means of issuing benefits, amount of benefits, and so forth. Rather than being subject to detailed Federal regulations -- which seemingly cover every conceivable substantive and procedural issue -- States would have considerable flexibility to institute their own guidelines for providing food assistance to poor Americans.

States would be able to participate in the nutrition assistance grant by notifying the Secretary by April 1 preceding the fiscal year for which they wish to begin participation. Similarly, a State may opt to revert to the regular -- that is, Federal -- Food Stamp Program by giving similar notice.

The funding for each State would be determined by the total amount of benefits issued by the State during the preceding fiscal year, with adjustments to reflect changes in the unemployment rate and in the Consumer Price Index -- for all urban consumers for food at home as published by the Bureau of Labor Statistics -- and other factors as the Secretary of Agriculture deems appropriate.

I ask unanimous consent that the following table outlining the amount of dollars in benefits issued within each State during fiscal year 1984, be printed in the Record.

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

VALUE OF FOOD STAMP BENEFITS ISSUED

[Fiscal year 1984]

NOTE: This table is divided, and additional information on a particular entry may appear on more than one screen.

Rank	State	Benefits (thousands)
1	New York	\$902,149
2	Illinois	696,400
3	Ohio	674,932
4	Texas	665,947
5	California	655,693
6	Michigan	581,815
7	Pennsylvania	557,759

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

8	Florida	379,274
9	Kentucky	335,158
10	Louisiana	322,181
11	Alabama	319,529
12	Georgia	294,980
13	Tennessee	289,611
14	New Jersey	265,568
15	Mississippi	257,701
16	Indiana	253,593
17	North Carolina	238,166
18	Missouri	209,484
19	South Carolina	201,521
20	Virginia	198,056
21	Massachusetts	182,482
22	Maryland	168,778
23	West Virginia	151,932
24	Wisconsin	141,354
25	Oregon	139,256
26	Arkansas	138,042
27	Washington	134,862
28	Arizona	127,174
29	Oklahoma	121,722
30	Iowa	104,129
31	Minnesota	97,220
32	Colorado	93,257
33	New Mexico	85,483
34	Hawaii	79,762
35	Kansas	67,433
36	Connecticut	64,965
37	Maine	63,805
38	District of Columbia	42,341
39	Nebraska	41,022
40	Utah	39,433
41	Rhode Island	36,805
42	Idaho	36,655
43	Montana	29,333
44	Delaware	24,407
45	South Dakota	24,337

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

46	Virgin Islands	24,124
47	Nevada	21,120
48	Vermont	20,720
49	Alaska	19,854
50	Guam	18,553
51	New Hampshire	17,531
52	North Dakota	14,485
53	Wyoming	14,029
	Total n1	10,685,922

	Rank	Percent of total
	1	8.44
	2	6.52
	3	6.32
	4	6.23
	5	6.14
	6	5.44
	7	5.22
	8	3.55
	9	3.14
	10	3.02
	11	2.99
	12	2.76
	13	2.71
	14	2.49
	15	2.41
	16	2.37
	17	2.23
	18	1.96
	19	1.89
	20	1.85
	21	1.71
	22	1.58
	23	1.42
	24	1.32
	25	1.30
	26	1.29
	27	1.26
	28	1.19

29	1.14
30	.97
31	.91
32	.87
33	.80
34	.75
35	.63
36	.61
37	.60
38	.40
39	.38
40	.37
41	.34
42	.34
43	.27
44	.23
45	.23
46	.23
47	.20
48	.19
49	.19
50	.17
51	.16
52	.14
53	.13
	100.00

n1 Excludes SSI/Elderly cashout, Northern Mariana; preliminary data.

Source: U.S. Department of Agriculture.

Mr. HELMS. Also to be included in the nutrition assistance grant will be the Federal share of administrative funding. A separate reform, which I will outline in a moment, is proposed for this aspect of the program.

The administration's bill is similar to legislation that I have introduced in the past and that I reintroduced earlier this year as part of S. 616. The block grant approach for Federal food assistance will no doubt attract favorable attention from States that desire to improve upon the provision of food assistance currently available through the Food Stamp Program.

Concerns have been expressed in the past about the rigidity of the present, federalized program. Virtually no differences in program operations are permitted despite the vast differences in the specific needs among and within States. For instance, the law and regulations permit no variances to recognize differences in food costs within the continental United States. No distinctions are made in most program operations between urban and rural areas where the

needs are often quite varied.

The block grant system would permit States to construct systems that will meet the unique needs and desires of each State, without Washington-imposed uniformity. Hearings were held last year by the Senate Committee on Agriculture, Nutrition, and Forestry on February 1, and I would expect careful consideration of the block grant approach as part of the reauthorization of the Food Stamp Program. A fundamental change is needed to improve the administration of federally funded food assistance to poor Americans.

At this point, Mr. President, I would like to outline for the record a brief history of legislative activity surrounding the concept of providing Federal food assistance in the form of a block grant as well as information on the recommendation of the President's Task Force on Food Assistance.

PRESIDENT'S TASK FORCE ON FOOD ASSISTANCE

Interest in the State option block grant has accelerated since January 1984 when the President's Task Force on Food Assistance completed its review of Federal food assistance programs. The primary recommendation of the task force was that participation in any or all existing Federal food assistance programs, including the Food Stamp Program, should be optional for individual States, so that States could choose to operate a federally financed autonomous food assistance program of their own designed to provide for the food needs of low-income Americans. States would have the choice of the optional autonomous, or block grant style, program for each individual program.

For example, States would have the option, under the task force recommendation, of establishing an autonomous food assistance program in lieu of the Federal Food Stamp Program, while continuing to maintain the Federal School Lunch Program. Under the task force recommendation, funding allocations to States that choose to establish an autonomous food assistance program should be made according to a formula that would provide a predictable level of funds that meets the varying needs for food assistance in those States. This formula should be based on existing baseline levels of funding, on changes in food costs, and on the State population in need, for example, as reflected by the rate of unemployment in the State. The administration's proposal encompasses these recommendations of the task force.

The task force outlined the rationale for the optional block grant concept, termed "autonomous food assistance programs" by the task force, as follows:

We have become convinced that people in need of food assistance would benefit if the programs or any subset of them were controlled at a more local level, such as the State or county. The gains from such a modification derive from allowing the States: (1) more autonomy in allocating funds among the various food assistance programs, (2) greater discretion in administering programs, and (3) greater responsibility for assuring that funds are properly targeted toward those in greatest need. The greater flexibility and improved administration that would be gained would help to increase the benefits available to the truly needy without at the same time increasing the cost to the taxpayer.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I do not want to mislead the chairman. Earlier, I said I did not care whether there was a rollcall vote on this amendment or not. I may have left the impression that we would just pass it, just accept it. I personally would not want to see that happen.

This amendment was proposed in the committee and was rejected. I do not recall the vote. Was it close?

Mr. HELMS. If the Senator will yield, I believe the vote was 9 to 6, or something on that order, 9 opposed.

Mr. MELCHER. Mr. President, I am one of those who opposed the amendment. I will tell you why.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

The Food Stamp Program is a Federal program and has been a Federal program since its inception. It was enacted into law before I came to Congress in 1969. I found out, from serving on the Agriculture Committee, from being in a position of dealing with the Food Stamp Act, many people wondered why this committee has the food stamp law. There is a very good reason that we do.

The reason we have it is that the Agriculture Committee deals with nutrition; it deals with the agricultural products produced in this country.

Under the Food Stamp Act, we have always recognized that the abundance of American agricultural products could make a difference in whether the nutritional level of the poor and the handicapped, the elderly, the disadvantaged, was adequate. We can make it adequate, and this is one of the ways of making it adequate. It is not a very perfect method, but it is the best we have. To return this authority -- to put the authority somehow within the States would create the situation where it is a changed program.

I do not know of any time where our State, for instance, through the act of the legislature by resolution -- a joint resolution, for instance -- has advised Congress that we would like to have it become not a Federal program but, somehow, a State program at our option. I do not know of any time in our State when the Governor has made such an observation, no matter who was Governor.

I am only aware in the past 17 years of what the Food Stamp Act is, what it does, what its relationship is to the State, and how it seems to aid in the nutrition of low-income people in this country. I do not think our Governor or our legislature has ever had any inclination at all to make it anything but what it is, a program that is Federal and, that hopefully, we continue to improve through its operation. We do operate through the States, of course, but our making it a Federal program where somehow the States have an option whether they want to participate in it or not or how they participate or how they handle it is something that has never been discussed with me from the standpoint of my State of Montana. But I think I would have some misgivings about taking such an action now as the chairman's amendment would propose.

In the Food Stamp Act, as this farm bill is presented, we have a series of improvements which we hope will make the program more effective in terms of cost and a little more effective in terms of nutrition for those people who participate in the program. There has been a lot of fraud in food stamps. We have tried, during the last decade and a half, as the program first of all expanded -- and by the way, it is still expanding -- to stamp out the fraud. We are advised by the Department of Agriculture and by individual States that the fraud that has been prevalent in the Food Stamp Program has been cut back.

I do not want anybody to infer from those remarks that we are still free of fraud, because we are not. We are not. It still needs to be cleaned up. It still has to be handled very vigilantly, both by the Department of Agriculture and by the individual States.

There is one point that must not be missed about the Food Stamp Program, and this is it: We have had an abundance of agricultural products in this country and because of farm programs, in many instances, with different commodities, tried to support the price in order to keep producers in business. The surplus commodities that are put into Federal storage are actually owned, in the case of wheat, feed grains, dairy, cotton, and rice, by the Federal Government. So for those commodities, all of which are food except cotton, before the Food Stamp Program, we relied principally on commodity distribution to the low income and the poor. We developed a concept of food stamps that takes advantage of a marvelous industry that we have in this country. We have a marvelous agricultural industry in this country and we also have a marvelous industry of distribution of agricultural commodities or agricultural products -- wholesalers, retailers. So the Food Stamp Program was designed to be used through the retail outlets.

It is my understanding that the food distribution industry of this country would oppose this amendment and have opposed this amendment. They operate interstate, they understand the Food Stamp Program as it is. It is my

understanding that they firmly want to keep it a Federal program.

So, Mr. President, we have the producers who have never indicated that they wanted the Food Stamp Program to be anything but a Federal program; we have the people who use the Food Stamp Program, the low-income people, who have never indicated that they want it to be anything but a Federal program; and we have the food distribution industry that believes it ought to be a Federal program.

Last, I believe it is the case that almost every State wants it to be a Federal program.

So, Mr. President, I hope the amendment is defeated. I suppose we had better have the yeas and nays. I want to defer to the chairman, but I think that is -- --

Mr. HELMS. We shall study about that, Mr. President.

Mr. MELCHER. All right, Mr. President, I shall not ask for the yeas and nays at this time. I shall defer and see what the chairman wishes.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Chair.

I rise in support of Senator Helms' amendment. I might state that as many Members know, I have an interest in the Food Stamp Program and in correction of some of the error and fraud to which the Senator from Montana has made reference. I have a series of amendments which I have prepared and intend to offer in this regard. Let me say at the outset that if the distinguished Senator's amendment is adopted, it would go a long way toward meeting some of the problems that I attempt to address with some of the other amendments. If it were adopted, I might well be persuaded to concentrate all the effort on adopting that amendment and forgo offering some of the other amendments which I intend to offer because I think it gives us an opportunity in one amendment by one change to address many of the fraud and abuse problems which have crept into the program.

I am aware of the actions taken by the committee in adopting some reforms, and I am grateful for the actions taken by the committee and commend the committee for doing so. A number of those reforms that have been adopted by the committee are reforms which I have urged in past years and which the Senate in its wisdom in past years refused to accept.

The State option block grant maintains Federal funding to provide food assistance to low-income citizens, but provides considerable flexibility to the States in decisions regarding its implementation.

A block grant was mandated by Congress in 1981 for Puerto Rico in lieu of continuing the Food Stamp Program there. The President's Task Force on Food Assistance proposed in January 1984 that all Federal food assistance programs, including the Food Stamp Program, be made available to States in the form of optional block grants, termed "autonomous food assistance programs" by the task force.

The task force stated the rationale for the optional block grant concept in its report as follows:

We have become convinced that people in need of food assistance would benefit if the programs or any subset of them were controlled at a more local level, such as the State or county. The gains from such a modification derive from allowing the States: (1) more autonomy in allocation of funds among the various food assistance programs, (2) greater discretion in administering programs, and (3) greater responsibility for assuring that funds are properly targeted toward those in greatest need. The flexibility and improved administration that would be gained would help to increase the benefits available to the truly needy without at the same time increasing the cost to the taxpayer.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Under the present Food Stamp Program, there is no acknowledgment of differences in incomes -- between rural and urban areas within a State, for instance, or between different parts of the country. Nor is there any difference in food stamp allotments to account for differences in food costs in the continental United States. A block grant approach would permit States to make such adjustments if they felt that would be the most appropriate way to serve their low-income citizens. Theo M. Murdock, administrator of the division of welfare in the Idaho Department of Health and Welfare, submitted the following testimony during the February 1, 1984 hearing:

What may meet the needs of low-income people in a large, industrialized State, continues to fall far short of the needs of those individuals in the State of Idaho... If funding is adequate to do a good job, States such as Idaho will initiate programs that will eliminate major abuses, reduce overhead costs, and meet the needs of their low-income citizens.

I remind my friends that that is not a Republican administration in the State of Idaho making that statement, that is a Democrat administration.

In addition to making decisions about eligibility and benefit levels, States would be responsible for deciding appropriate application procedures, means of verification, and other administrative procedures, most of which are currently mandated in considerable detail by the Federal Government and, I might add, many of which are inadequate under the current programs.

The Helms block grant proposal which mirrors the President's Task Force on Food Assistance recommendation are unique among many block grants in their "hold harmless" provisions. Many previous block grants such as those enacted in 1981, contained reductions in spending in the block grant coupled with mandatory participation. Senator Helms proposes an optional program for each State. The Helms proposal specifically provides that States may change from block grant status back to the Federal program, with appropriate notice to the Secretary of Agriculture.

I support Senator Helms in his efforts to provide an alternative to the current Food Stamp Program. The Block Grant Program is a good alternative. My State of Idaho wants a Block Grant Program. Those who are participants in the Food Stamp Program in Idaho can benefit from such a program. I encourage my colleagues to vote for this amendment.

Mr. President, the Senator from Montana said a moment ago that no State wants it. I hope the evidence that I have presented, as was presented in the testimony, indicates that at least one State does that I know of, my State.

Second, the Senator from Montana indicated, and I think correctly so, that the program has been subject to fraud and abuse from its inception, and that we have tried under Democratic and Republican administrations to reduce the nature and extent of that fraud and abuse. Some of the amendments that I have prepared and that I have offered in the past and will offer again today, if this amendment is not adopted, deal with those questions of fraud and abuse. How do you eliminate fraud and abuse?

One of the most certain ways to do it is to give the State a stake in eliminating the abuse. As it is now, the States are in effect administering Federal money with no reward to them if they do it well and no penalty to them if they do it poorly. No wonder there is no real change in the fraud and abuse; no wonder we must continue to legislate year after year trying to tighten up on a program where there is no incentive to the States to tighten up on it by themselves.

Some of the amendments which I will offer deal with that question. But the most important single step in that direction would be the adoption of the Helms amendment, which would make the State the beneficiary of good administration and make the State the recipient of the problem if, indeed, they administer it poorly. Right now, the State does not have that kind of stake in good or bad administration, and the Helms amendment would give them that, as well as giving them the opportunity to focus available resources on the greatest need as they can see it within their own State, which I am certain is better than we can see it from Washington.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Idaho for his remarks. He is right on target. As

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

he has indicated, his Governor is one of several who have written to us saying that the State of Idaho would very much like to have the optional block grant opportunity. Let me go down the list of the Governors, Mr. President, who have written to us. Gov. George Nigh, Democrat, of Oklahoma, said:

The concept of an optional nutritional assistance grant is very appealing to the State of Oklahoma due to increased flexibility...Oklahoma's decision on whether to apply for the block grant will, of course, take account of the final content of the legislation and regulations. I believe that we will want to participate.

Governor Wallace of Alabama wrote:

We endorse the concept of providing optional block grants to States for funding the Federal Food Stamp Program.

Gov. John Evans, Democrat, of Idaho, if the Senator will permit me, let me quote what he said:

The changes made that I saw were all positive ones that would make the proposal more attractive to States...We have a great deal of interest in the concept of a block grant for nutrition assistance in place of the Food Stamp Program and I assure you the alternative will be seriously studied by the State of Idaho should such legislation pass.

All three of the Governors I mentioned so far are Democrats. Maybe we ought to be bipartisan.

Gov. Robert Orr, Republican, of Indiana said:

I support the concept of the modified legislative proposal contained in your letter...which allows States the option of accepting a nutritional assistance grant in lieu of the national Food Stamp Program...It is apparent from the modifications you have suggested that you have evaluated the comments of States interested in this concept.

Back to the other side of the aisle: Gov. Bill Sheffield, Democrat, of Alaska:

I am very pleased to see that your modified proposal responds to the most important concerns cited in my earlier letter to you. We will continue to follow the progress of this important legislation with much interest.

Gov. John Sununu, Republican, of New Hampshire, said:

We view the Department of Agriculture initiative of offering this option as a very positive step in the Federal/State relationship. We also believe that, given the proper regulatory framework, this proposal will give states the administrative flexibility to ... more efficiently target assistance to those in need.

Gov. Ed Herschler, Democrat, of Wyoming:

The optional block grant appears sound on paper with many advantages in implementation.

Gov. Richard Bryan, Republican, of Nevada:

I am pleased to hear states may have this opportunity if the legislation becomes law.

Mr. President, we had an equal number of Governors who indicated that they were not interested in the optional block grant. Fine. They do not have to bother with it. It is up to the Governors and their legislatures.

All this legislation proposes is that the individual States be given the option. For the life of me, I cannot understand -- with all due respect to those who disagree with me -- why there would be opposition to that.

I do not want to prolong consideration of the amendment, but let me address just one thing that my friend from Montana discussed, and that is the fraud and corruption in the Food Stamp Program. It still exists.

Do you know who tells me the most about fraud in the Food Stamp Program? It is the local administrators of the Food Stamp Program. As matters now stand, they are so inhibited by trying to follow the redtape and the regulations from Washington, DC, and the administration of the Food Stamp Program that they are not really able to do very much about it. They do the best they can. But the bottom line -- if I may use that cliché -- is that the people on the ground in the various States, and certainly in my own State and many other States, have come to me and said: "Give us an alternative. We will provide more food, less expensively, if we are not hamstrung by Federal regulations."

It should be borne in mind that the fraud and corruption in the Food Stamp Program is no minor matter. There is so much of it that even the Mafia is involved in the food stamp fraud. It is a multibillion-dollar shakedown of the American taxpayers.

At the very least, I think the Senate ought to be willing to let States which desire to do so try this plan on an optional basis. If they do not like it, they can go back to the Food Stamp Program as it is not -- controlled, directed, and administered from Washington, DC.

Mr. President, I hope the Senate will approve this amendment.

I was very interested in the comments of my friend from Idaho. He said -- or at least I inferred from what he said -- that if this amendment is approved, we may save 3 or 4 hours of the Senate's time today, and that will mean that we will not be in so late tonight and perhaps not at all tomorrow. I am rather blatant in that suggestion, but it is kind of meaningful to me and, I imagine, to other Senators as well.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I have the greatest respect and admiration for the chairman of our committee. He has provided very capable and dedicated leadership in the development of this legislation, the farm bill that is now before us. I also have admiration for him with respect to the way he has tried to lead the committee in identifying fraud and abuse in the Food Stamp Program.

We have made many changes in this program in the past few years under his leadership in our committee. As a result of that work, this program has been improved, it has been strengthened, and today there is less abuse and less fraud because of the many changes that have been made to tighten it up and to try to get at some of the abuses that have been characteristic of it over the years.

In these circumstances, I hate to have to oppose this amendment, but I feel very strongly that if we adopt this amendment, we will undermine and undercut in a very serious way the efforts that are now being made by our Federal Government to provide needed assistance in the nutrition area to hundreds of thousands of poor people throughout this country.

In my State of Mississippi, we have a lot of people who participate in this program -- probably a higher percentage per capita than any other State in the Union. So in the case of my State, we do have a very real concern about changes that could dramatically alter this program.

I am convinced that the adoption of this amendment would be an unfortunate step for the Senate to take. Right now, we are seeing in Mississippi our legislature and our State government leaders meeting in sessions in an effort to try to come up with money to continue the operation of essential State programs. There has been an unfortunate erosion of revenues. The revenues that are coming in to the State government now are much less than had been projected earlier by those involved in the fiscal management of our State. If we were under the edict of this amendment in my State, I worry

whether or not the benefits that would otherwise be made available under the nutrition assistance programs could be sustained, with the pressures that exist now from colleges, universities, school boards, teachers, and others who rely almost entirely upon the resources of the State to operate.

This program is operated fully by the Federal Government in terms of the appropriation of funds to sustain the Food Stamp Program. But under this approach, with a block grant of Federal dollars, the States have a great deal more to do with the administration of the program, with the decisionmaking power, as to exactly how the details of the program are going to be administered. I worry that instead of a Federal, a national commitment, we would break the program up into a program whereby in 50 States we could have a lot of different kinds of nutrition assistance programs.

Let me just say that the National Governors' Association has expressed itself on this subject and I would like to read a part of a letter which was dated June 26, 1985, to the chairman of our Subcommittee on Nutrition of the Senate Agriculture Committee, as follows:

The Governors oppose a block grant for the Food Stamp program. First, the NGA supports a national income security policy which will assure some basic level of food, shelter, transportation, clothing and health care for all persons below an established minimum income level. The Association believes that the federal government must play, over time, a larger role in financing that policy. We are concerned that a block grant, even an optional one, will undercut seriously that policy.

Second, the Food Stamp program is the only national income security program that establishes a uniform national benefit and which provides for eligibility on a noncategorical basis. The national entitlement nature of this benefit program is essential because states are generally unable to control the economic conditions which lead to dependency. In fact, the states with the greatest need for income support programs for their citizens are often the states with the least resources to meet those needs. Thus, the program assures that federal resources are immediately available as the dependent caseload increases. While some block grant proposals attempt to address these problems by adjusting the level of the grant to reflect changes in unemployment or other factors, these adjustments do not appear to offer comparable protection to the states or those in need of assistance.

Third, a block grant increases the possibility that the federal support for the Food Stamp program will be capped. The large federal deficit is certain to produce increased pressure for curtailing the growth in the cost of food assistance programs once the tie to actual food costs and individual need is eliminated.

Further, Mr. President, I refer to a letter dated July 23, 1985, to the chairman of our Subcommittee on Nutrition from the distinguished Senator from Minnesota [Mr. Durenberger] who is chairman of the Governmental Affairs Subcommittee on Intergovernmental Relations. In this letter he expresses strong opposition to the block grant proposal in the Food Stamp Program.

I ask unanimous consent that a copy of his letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate, Committee on Governmental Affairs, Subcommittee on Intergovernmental Relations,
Washington, DC, July 23, 1985.

Hon. Robert Dole,
Chairman, Subcommittee on Nutrition, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington,
DC.

Dear Bob: I understand that a Food Stamp Block Grant proposal is under serious consideration by your subcommittee as a State option to the existing system. As the Chairman of the Subcommittee on Intergovernmental Relations, I thought I should suggest to you my strong opposition to the proposal for blocking the Food Stamp program.

Block grants make good intergovernmental sense for many programs. Food Stamps is not one of them. Block grants are an appropriate way to simplify administration, to empower States by returning policy making responsibilities back to them, and to increase program efficiency by giving incentives to States to spend wisely. Of late, however, block grants have become a convenient way to help balance the federal budget. That, I fear, is what may happen in the future if we create a block grant for Food Stamps now. While good Federalism and deficit reduction are not inconsistent, we must not be indiscriminate when we turn back responsibilities to the states. Each case must be considered separately and in light of principles about what are national as opposed to State responsibilities in our federal system.

Throughout my Chairmanship of the Subcommittee on Intergovernmental Relations, I have said that the national government has the responsibility to provide for the income security of all Americans. Food Stamps is a program for people, not States. It provides the only existing national minimum benefit floor for poor children. A block grant would eliminate the floor. Today, over 93 percent of households receiving Food Stamps fall below the poverty line. Over half are children. Overall, the program mitigates disparities by raising the level of benefits for those living in "welfare poor" States. For example, with AFDC alone, Mississippi is more than 200 percent below the mean. Adding Food Stamps raises Mississippi to just below 12 percent below. Specialists at CRS, CBO, and experts on Federalism all agree that disparities would be exacerbated under a block grant.

Under a block grant, the program loses its entitlement status. Thus, if federal assistance is frozen or reduced, poor States are less able to make up the difference. And, if past experience with block grants is a guide, they may have to. Under all recent block grants, once policy and administrative responsibility are passed back, financial responsibilities soon follow.

Finally, there is no way a block grant can respond to changes in economic conditions and demographics as quickly as it must if benefits are to be provided when and where they are needed. Such is the nature of a block grant.

I realize that the Committee is under a great deal of pressure with respect to the overall agriculture bill, but the Food Stamp program should not be modified as part of the bargaining process. In the case of the Food Stamps, a block grant is not a pass back, but a pass off of national responsibilities.

Thank you, Bob, for your attention to this matter of importance.

Sincerely,
Dave Durenberger,
U.S. Senate.

Mr. COCHRAN. Mr. President, I want to read one part of this letter to express again the concern of the poorer States for continuing the program and not having it changed, converted into a block grant program.

Today, over 93 percent of households receiving Food Stamps fall below the poverty line. Over half are children. Overall, the program mitigates disparities by raising the level of benefits for those living in "welfare poor" States. For example, with AFDC alone, Mississippi is more than 200 percent below the mean. Adding Food Stamps raises Mississippi to just below 12 percent below. Specialists at CRS, CBO, and experts on Federalism all agree that disparities would be exacerbated under a block grant.

Mr. President, for these and other reasons, I hope the Senate will reject the amendment offered to convert the Food Stamp Program to a block-grant-type program.

Mr. ZORINSKY. Mr. President, the amendment offered by my distinguished colleague and chairman of the Agriculture Committee, Senator Helms, would provide States the option of receiving block grants to operate State nutritional assistance programs in lieu of the Food Stamp Program. The optional nutritional block grant that would be provided for by this amendment is similar to two proposals that were considered by the Committee on Agriculture, Nutrition, and Forestry during the markup of the farm bill. The committee rejected these proposals by votes of 6 to 11

and 5 to 12, respectively.

Although this proposal may have some merit, it is opposed by my State of Nebraska, as well as numerous others. The primary reason for the opposition from Nebraska is that providing for a nutritional assistance block grant, in lieu of the Food Stamp Program, may in the future lead to reduced funding by the Federal Government and, thereby, impose a greater financial burden on the State.

I would like to quote from a letter from the Governor of the State of Nebraska:

Basing the level of nutritional support for the poor on a previous budget instead of need when our economy lately --

And he is referring to the farm economy in general --

has been so cyclical that it would appear to be antipoor.

Consumer-cost increases do not equate with increases or decreases in the number of poor. The greatest obstacle with the block grant perhaps is distrust of the Federal Government.

The current regulations, although tremendously burdensome and inefficient, have tended to prevent the Federal Government from making the drastic reductions they proposed in 1982.

The block grant would allow the States more flexibility, and I am confident we could develop a far better food stamp program than currently exists if we were allowed this freedom.

However, the past few years in dealing with our Federal Government makes me extremely leery and I am reminded of the quotation, "Beware the Trojan horse." Therefore, I must reluctantly oppose the proposed food stamp block grant legislation.

Another concern with the proposed block grant is that it would allow a State to cash out the program. My State is concerned that this could cause a reduction in the amount of food purchased by low-income households because the money could be used to meet other basic expenses of the household. This would be contrary to the basic purpose of the Food Stamp Program and would not be in the best interest of our low-income citizens and not in the best interest of the farmers and ranchers of this country.

Therefore, Mr. President, I would hope that my colleagues would oppose and vote against this amendment.

Thank you, Mr. President.

Mr. BOSCHWITZ. Mr. President, I also rise in opposition to the chairman's proposal to turn food stamps over to the States in the form of a block grant.

I join with my friend and colleague, the Senator from Mississippi, in his glowing remarks about the chairman and what has been achieved in the area of food stamps and how the program has been tightened up and improved over the years that Senator Helms has been chairman of the program. I really believe that has happened.

However, the amendment would allow States to structure their own nutritional assistance program to benefit low-income people and the amount of the grant would be based on the States' share of administrative and benefit dollars in the preceding year and then would be indexed annually.

Why not turn food stamps over to the States? By and large, I believe in a block grant approach. They are convenient in many ways as it probably would help simplify in many areas but the Food Stamp Program, again, as my colleague from Mississippi pointed out, is the only benefit program in the United States that provides a national benefit for the poor families.

We feel that the National Government has a responsibility to provide a cornerstone for income security of all Americans through the Food Stamp Program. The Food Stamp Program really is directed at the people, not the State. It provides the only existing national minimum benefit floor for poor children or poor people. The block grant would eliminate that floor. The program mitigates disparities by raising the level of benefits to those living in welfare-poor States. It automatically helps to narrow the gap among State welfare payment levels by providing more food benefits to mothers and children who are poorer because their States pays low welfare benefits.

Also, the block grant approach could lead to food stamp benefit reductions for those with little political clout, typically poor women and children. The history of cash welfare programs bears this out. In those programs where benefit levels are set by States, women and children get substantially lower benefits than the elderly and disabled, who are better organized and have politically greater influence.

Under the block grant approach, States could set benefit levels to poor families at such reduced levels that, when combined with low welfare payments that already exist in some of those States, this could lead to further migration of families out of those States and into other States where benefits are more generous. This would place unfair burdens on States to which these families have migrated and create an imbalance that would not be necessarily well handled by the block grant approach and that would not be able to adjust rapidly to such disparities.

One of the options available to States under a block grant would be the cash outlay food program. Instead of receiving food stamps, recipients would receive cash. We lose all the assurance that the money the Federal Government has set aside for food stamps is going to be used to purchase food at all. Cashing out leads to reduced food consumption and would both lessen the nutritional impact of the program and its impact on agriculture producers.

The research conducted by the Department of Agriculture concluded that additional bonus stamp income is bound to have more than twice the effect on food spending as additional money income. So, in the event we give money, quite clearly spending on food would be decreased and the whole purpose of the program frustrated. This suggests that a program that replaces stamps with cash would be substantially less effective than the food enhancement program.

Another concern that we have under the block grant is that the program loses its entitlement status. While technically food stamps neither are fish nor fowl when it comes to entitlements or nonentitlements, it is in reality an appropriated entitlement. As the program currently operates, if an individual family meets the eligibility criteria, they get food stamps. Whether they live in Worthington, MN, or San Diego, CA, they are assured of getting benefits all through the year. What if the State plans poorly and runs out of money for low income nutritional assistance by the end of the year? Are people simply cut off? States would probably operate the program in a prudent enough manner to avoid this, but it is a danger, particularly when you have migration patterns that upset plans and you do not have a national approach to the whole problem.

Finally, there is no way a block grant can respond to changes in economic conditions and demographics as quickly as it must if benefits are to be provided when and where they are needed; such is the nature of a block grant. If the economy takes a downspin and there is much higher unemployment, then block grants are not quite as flexible as the present program. And, because of the nature of a block grant, we strongly believe that it is an inappropriate way to ensure that low-income Americans receive nutritional assistance.

Mr. President, I say this once again, having the highest regard for the chairman and what he is seeking to achieve and sharing with him many of the goals and methods of achieving those goals in the general area of the Agriculture Committee.

Mr. McCLURE. Mr. President, I wish to respond only to a couple of things that have been said by my friend from Mississippi and my friend from Minnesota. If I understood my friend from Minnesota, his real objections are two: One, he does not trust the States as much as the Federal Government, which surprises me a little bit; and the other is he does not trust the recipients to make their own decisions about how they spend their money, which surprises me a great deal.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

I know there are a great many people in this body that believe the Federal Government has all the wisdom and we in Washington can make all the decisions far better than either the States or the people themselves who are involved. But I am a little surprised to hear that coming from my friend from Minnesota.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. BOSCHWITZ. Mr. President, I think the Senator is casting an interpretation on my remarks that were not intended.

Mr. McCLURE. That may not have been intended, but there is no other interpretation possible. As a matter of fact, the words themselves speak very loudly that the States might make errors and, therefore, have the Federal Government do it; and the people might desire to spend the money differently rather than buy food, so we cannot trust the people to make their own decisions.

Now, that seems to me to be a credible argument for those who have great faith in the Federal Government's greater wisdom, but it seems to me to be an incredible argument for somebody who has any faith in either people or State or local governments. There are very clear divisions on that issue. Again, I am surprised my friend from Minnesota fell in that latter category.

The second response is with respect to my friend from Mississippi and the comments he made, because I do not understand the connection between allowing the State to administer a program because they get a block grant and allowing the State to administer the program because they get a direct grant.

The State administers the program now. The State would administer the program under a block grant. My friend from Nebraska read from the Governor's communication saying, in effect, if I understood the whole communication correctly, that the reason we really do not want a block grant is we fear you may reduce them, but otherwise we would like it. We would like it because we could do a better job with it. We would have more flexibility. We could give more of the money to the truly needy. We could cut down on the overhead without having to do all that redtape that is imposed upon us by the Federal Government. But, because we are afraid the Federal Government, as expressed by the Congress of the United States, might cut it back, we will accept the redtape, we will accept the difficulty, and we will accept the reduction of benefits to individuals because, otherwise, you might cut the program. That is the way I understood the Governor of Nebraska to be stating it.

Mr. President, the demographic changes, unless they occur very rapidly, within a calendar year, would obviously be adjusted by the Congress. The differences between the ability of one State, the State of Mississippi, a poor State, or any other to meet its own needs can be adjusted by the Congress in determining the formula by which the block grant is made. That is irrelevant to the discussion, unless you believe the Congress, having allowed the Federal Government to delegate a block grant to the State and allowed the State to administer the programs, unless you believe the Congress, having taken steps, would no longer be interested in the Food Stamp Program and would not police it, would not follow it, would not be concerned about whether it went to the right places, would not be concerned about whether the allocation of the States were adequate, and the Congress became disinterested in the changing demographics of this country, and I do not believe that Congress is going to do that.

I believe if the block grant is approved -- and I hope this amendment will be adopted -- that we will follow very closely whether or not the State is somehow changing it, whether indeed the people are being as foolish as some believe that they would be in spending the money unwisely, or if the State, having gotten the money, does a poorer job than they are doing now.

But, again, Mr. President, I would say that one of the things you must look at is the fact that the Federal Government gives the State the money to administer the program. They give the money to the State for the food stamp

distribution itself. There is no motivation, neither reward nor penalty, upon the State for good administration.

Now, yes, the error rate is down. And I am not picking on my friend from Mississippi when I state that when you look at the error rate, the State of Mississippi has an average error rate of 12 percent, if I recall correctly. Maybe we do not care how much the State overissues or underissues. But I believe we should.

We did last year finally adopt a penalty on the administration funds if their error rate is 6.5 percent. I do not know why we should tolerate that kind of waste to the Federal taxpayers' money. I do not know what an appropriate error rate is. I have an amendment that would reduce that to 3 percent. I do not believe we should quietly sit by and allow State after State after State to overissue or misissue food stamps and say, "Oh, well, it's only food stamps."

A \$10.7 billion program with an average error rate of almost 10 percent, average across the country, means that they are wasting \$1 billion of the taxpayers' money.

This is not money that is being spent for the poor. This is not money that is being spent for those who are below the poverty line. By its definition, this is money going to people who should not receive it. One billion dollars of the taxpayers' money that is misallocated away from the poor and the needy to those who are neither by definition.

We miss the opportunity to correct a billion-dollar waste upon the chimera that somehow we in the Congress of the United States have greater wisdom?

I served in the State legislature for a period of time as many of my colleagues have. I am not smarter because I am here. I may be more wise because I served there for a time.

We have a number in this body who are former Governors. They are not smarter because they left the Governors' chairs and became U.S. Senators. They may be wiser because they have the experience. But just the act of being elected and coming to this body does not make us more capable -- more capable than our colleagues at the State level to administer programs by our greater wisdom that bind into the straitjacket of a single Federal judgment.

I do not understand that argument. I do not understand why it is that an optional program must then not have both because if the State does not want it they do not have to have it.

The only single argument that I have heard that has any logical consistency at all is the one that says somehow if you start down this road it will weaken national support for the program and, therefore, it will be subjected to some cuts.

Mr. President, I do not believe that. I do not believe there is any possibility that the nutritional needs for the poor people of this country are going to lose attention simply because we allow the administration to shift to the State level where the States wish to do so. Remember, we pay them now. It is not a federally administered program. It will not, as was suggested by one of my colleagues, automatically pit the poor in the States against other interests in the States because it is still Federal money given to the States for a specific purpose, to be expanded for nothing else.

It does not subtract from the amount of money that goes into vocational education. It is still Federal money. It is a question of how will you administer, how will you set the priorities, who will have the option to make those decision, or must we always, perpetually, decide that here on the banks of the Potomac are the only great wisemen in the country.

I reject that notion that we, somehow, are invested because we read the Washington Post and breathe Potomac air with greater wisdom than the people in Minneapolis, Boise, Pierre, or wherever they may be across this Nation. That simply is not within the lexicon of my own experience and certainly not within the ambit of my own belief.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER (Mr. Cochran). The Senator from Vermont.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. LEAHY. Mr. President, first, I would like to commend the distinguished occupant of the chair for his eloquent statement regarding the optional block grant proposal in the Food Stamp Program. He stated with force and eloquence what many of us have so often tried to express -- his statement should be listened to by all Members of this Chamber on both sides of the aisle.

Mr. President, we sit here, really, 100 men and women who live in what has to be considered almost a favored state. We have responsibilities which we carry out for our own State and for the Nation. I do not question the motivation of any Member of this body in doing that. Nor do I question in any way the diligence or hard work of any Member of this body on both sides of the aisle in carrying out their responsibilities.

But it is a fact that because of our position, our income, and other factors, that we fall into a very small, and very fortunate, group in this Nation. If any Member of this body goes hungry, they go hungry by choice. They go hungry by choice, not by necessity but by choice. Other citizens are hungry because they have no choice. There is an enormous contrast in these two situations. On the one hand, we have this, the richest, most powerful and affluent Nation in the world spending billions of dollars -- billions and billions of dollars -- every year for remedies telling us how to lose weight, while at the same time closing our eyes to the plight of the hungry in this Nation. This is obscene.

I am willing to tell any Member of this Senate, "Take me to your State, anywhere in your State, and I will show you hunger and I will show you poverty in your State."

I can in mine and I can in the other 49 States.

Certainly, if we want to consider the rarified air of Washington or within the beltway, I invite any Senator to come with me today or tomorrow or any other day, to walk with me for 20 or 30 minutes in the Capital of the most powerful Nation in the world, and I will show you hunger. I will show you hunger and destitution, people without hope. I will show you mothers and fathers who wonder how they will care for their children, how they will feed them.

Can you imagine what that must be like? I am a parent. I have never had a time when I could not feed my children. When I was a student in law school and my wife was working as a nurse, usually night duty because it paid another \$5 or so a week, we did not have a great deal of money but we did not go hungry. By the time our first child came we had things a little easier and there was never a question that he could not be fed. Now, there is no question that that same child, now about 6 feet 6, and his brother and sister, can be fed. In fact, I sometimes feel that we are feeding an emerging Third World nation when they are all home from college.

Most of us have been able to bring up our children with no worry about where the next meal was coming from. Just think of a parent who has a hungry child, who cannot eat today, even though the parents will go without in order to save food for the children.

The Food Stamp Program began partly under the tutelage of my predecessor, Senator George Aiken of Vermont. I think the passage of this block grant amendment would begin to dismantle the Food Stamp Program as it exists today. I think that is why it was rejected in the Agriculture Committee by 12 to 5, a bipartisan vote.

I watch how the Food Stamp Program works in my State. It responds immediately to changes in the economy. Under the block grant, entitlements to individuals would end. The State would receive a fixed amount of funds, and if they are insufficient to meet changes in the economy resulting in unemployment or more people in poverty, benefits would either be reduced, needy people left off the program, or both.

Need would no longer be the criterion but solely the amount of money -- this in a nation that spends billions of dollars a year to warehouse food that they cannot even give away, while we allow hunger to exist.

It is a national disgrace if hunger exists anywhere in this Nation.

Mr. President, there have been problems with the Food Stamp Program. The distinguished Senator from Kansas, the majority leader of this body, and I, have over the years cosponsored a series of Dole-Leahy amendments that have reduced food stamp error rates substantially, that have cut out waste and fraud, that make sure that food stamp benefits are targeted to the people who need them the most. I think this body should reflect on the work that we have done, the fact that we have kept the costs down, the fact that we have made the Food Stamp Program work the way it should, whether in Mississippi, Vermont, or Minnesota.

I hope, Mr. President, that this amendment will be defeated as it was when it came up first in the Senate Agriculture Committee.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. McConnell). The Senator from North Carolina.

Mr. HELMS. Mr. President, I was very impressed with the remarks of my good friend from Vermont, Senator Leahy. If it will satisfy him, we will put a provision in that nobody in the Senate favors hunger.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I join my colleagues who are in opposition to this amendment. As the distinguished Senator from Nebraska said earlier, this proposal to shift to a block grant was defeated twice in committee by overwhelming votes in a bipartisan manner. I think that gives some indication of the kind of support this has. Now we are revisiting it and the comments made by the distinguished Senator from Minnesota [Mr. Boschwitz], the Senator from Mississippi [Mr. Cochran], and the Senator from Vermont [Mr. Leahy] were all appropriate to the point.

The problems I have with this amendment are numerous. Block grants might make good sense, good governmental sense, for many programs but food stamps is not one of them. Block grants are an appropriate way to simplify administration, to empower States by returning policymaking responsibilities to them, and to increase program efficiency by giving incentives to States to spend wisely.

I am quoting here from a letter from Senator Durenberger to the Senator from Kansas [Mr. Dole], chairman of the Subcommittee on Nutrition. Senator Durenberger went on to say:

Of late, however, block grants have become a convenient way to help balance the Federal budget. That, I fear, is what may happen in the future if we create a block grant for food stamps now. While good federalism and deficit reduction are not inconsistent, we must not be indiscriminate when we turn back responsibilities to the States. Each case must be considered separately and in light of principles about what are national as opposed to State responsibilities in our Federal system.

The Food Stamp Program, Mr. President, is a program for people and it is not a program for States. The Food Stamp Program provides the only existing national minimum benefit floor for poor children. As the Senator from Vermont just stated, we know that there are many poor children out there and they are increasing daily. A block grant would eliminate that floor.

Today, over 93 percent of households receiving food stamps fall below the poverty line. Let me repeat that: 93 percent of the households receiving food stamps fall below the poverty line. Over 50 percent of those in these households are children. The fastest-growing segment of those who live in poverty in this country today is children. A

block grant to States would be a dagger plunged right in the heart of these poor children who, today, rely upon this national minimum benefit floor that they have. But by going to a block grant, they will not have that kind of minimum floor.

Under the block grant situation, the program loses its entitlement status. Maybe that is really the intention, Mr. President, of the author of the amendment; I do not know. Maybe there are some who do want the Food Stamp Program to lose its entitlement status. But if this happens, then Federal assistance is frozen. What it means is that those poorer States, I think in line with what the Senator from Mississippi said, would be less able to make up the difference. So what we would have is a block grant that would be frozen.

Then, if there were some unforeseen contingencies that were to arise and the State were to run out of the block grants that it had, then it would have to do one of two things. It would either have to deny assistance to those who became eligible, or it would have to reduce benefits for all who are eligible. I think a recent case in point is my own State of Iowa.

If the block grant program had been in effect, let us say, last year, as this bill provides -- if I am not mistaken, the Secretary had to report in April before the next fiscal year. It would be based upon the data from the States as of the April before the beginning of the next fiscal year. That means that in this fiscal year coming up, in my State of Iowa, we would have had to use figures based upon, actually, about 2 years ago. Well, what has happened in Iowa, as I have been saying for many days on the floor, is that we are facing a crash in our economy. Our farmers are losing their farms, small business is going out, the Waterloo John Deere plant that employed 6,000 people just about 4 years ago is now down to 2,000 people. We have had this huge increase in number of people applying for food stamps who are eligible.

Had we been on the block grant program and had a set amount of money to spend in this unforeseen event that came up, this tremendous turn of the economy in Iowa, the State of Iowa would have had to say to these people who are now eligible -- they have lost their jobs, they are eligible for food stamps -- "No, we are sorry, we have run out of money. We have allocated all our money and you are not eligible."

Or conversely, they would have to say to everybody, even those now eligible for food stamps, "Well, because of the increased number of people who need food stamps, what you got last month is going to be decreased even more."

I think that is not only a bad way to address the problem of hunger in this country, it is just a bad way to run Government. That would be a bad way to run any business.

Speaking of the business end of it, quite frankly, the Helms amendment would actually, I believe, increase costs to the Federal Government.

The Congressional Budget Office analysts have found that the block grant proposal would likely lead to an increase in Federal costs. This is because the fiscal sanctions on States for error rates above 5 percent would be wiped out. That has been said before by others here, that the error rate sanctions that are in place would be wiped out by the block grants and there would not be any provisions in there for States to be liable for any of these sanctions. What that would mean is that there would be an increase in Federal cost to the tune of about \$185 million.

Now, this again is another letter dated July 25 from the Congressional Budget Office, and I will quote from it. It says, "For example, under the proposal," which is the amendment before us right now, "States would no longer be liable for fiscal sanctions currently charged to States with error rates above national target levels. If the Secretary of Agriculture does not make adjustments for error rates when determining the size of State grants, the Federal Government could lose up to the total amount of fiscal sanctions, which are estimated to be \$185 million in 1989 and 1990."

So you get the worst of both possible worlds. You do not help those who are truly in need of food stamps and you do not save any money for the Federal Government. In fact, from all the sources I see, you are going to cost the Federal

Government even more money, and you are going to work an undue hardship especially on those States which for one reason or another may find themselves in a very tough economic situation.

The Senator from Mississippi talked about Mississippi, but I can tell you right now that Iowa, which has generally been a State that has been pretty well off in the past, is in dire straits so we would be facing a terrible crunch at this time if we were faced with this block grant proposal. So those reasons, because there is just no flexibility at all during recessions, mandate that we not accept this kind of amendment.

I did want to talk also about the potential for increased errors. Now, I touched upon that briefly when I said that the States would not be liable for their sanctions, and I talked about it from a business standpoint of losing money for the Federal Government but also from a business standpoint of just poor management.

Mr. McCLURE. Will the Senator yield for a question?

Mr. HARKIN. I will be glad to yield for a question.

Mr. McCLURE. I thank the Senator. I hate to interrupt but I was trying to listen to the communication which was read a moment ago with respect to the error rates and the loss of discipline under a sanction. It would be my understanding, and perhaps the Senator can correct me -- I ask the question in this form, if I may, that if there is a block grant which covers both the cost of administration and the benefits to be distributed within the State, and all of that is given to the State, is it not true that if the State makes an error it is absorbed by the State totally and that if the State reduces the error rate, the beneficiaries within that State get the total benefit of that reduction in the error rate?

Mr. HARKIN. I do not think that would happen because the State could have a high rate of fraud and waste but there would be no sanctions at all.

Mr. McCLURE. If the Senator will yield further, there would be no sanctions but they would absorb it. They would not come back to Uncle Sam and the taxpayers in every other State to pay that, I would say to my friend from Iowa. The error rate in Iowa is much lower than it is in other States. Why should the taxpayers in Iowa and the beneficiaries in Iowa have to pay for a higher rate of fraud and error in other States?

Mr. HARKIN. Wait a minute. Let us say that the State makes this application. They say they have this need and the Government gives them this big block grant.

Mr. McCLURE. Right.

Mr. HARKIN. They go into the next fiscal year and they have a lot of errors, a lot of waste, a lot of fraud, and stuff like that. They come back the next year. The Federal Government says, "Look, we have this increased caseload now in the States. We need a bigger block grant now. We need more block grants."

Mr. McCLURE. I assume that the Federal Government in making the allocation to the States of the amount of money that would be available would say to the State that is involved, "Here are the total number of cases that you have." We would check the error rates in exactly the same way we do now.

Mr. HARKIN. There is nothing in the amendment that says that.

Mr. McCLURE. There is nothing in the amendment that says you do not.

Mr. HARKIN. But there is in present law. That is why those who have said in the past that we tighten down -- for the last 10 years we have been working to tighten down this problem. We have made good progress. Now I think this wipes it out.

Mr. McCLURE. I do not think it wipes it out at all. I think it recognizes one other thing, if I may, because I do not

see that just making an error rate in 1 year will automatically increase the amount of the block grant the next year, if that is the statement the Senator is making.

Mr. HARKIN. The statement I am making is that I do not think there will be the pressure on the States to reduce the error rate and any other waste and stuff like that that there is right now under the program as it is presently administered.

Mr. McCLURE. Right now -- and I thank the Senator for yielding further -- I agree that we have tightened up on the program. I have offered a number of amendments in the past, and I will offer a number of amendments today in the event this amendment is not adopted, to further tighten up on the error rate. But one of the basic reasons there is an error rate today that is as large as it is is that the Federal Government pays the total bill. The State is not penalized. Now, under the amendment that was adopted last year they are permitted a 5-percent error rate and they are penalized if they go over that 5-percent error rate. But under a block grant 100 percent of the error rate is absorbed within that State, either the State through administrative costs or the recipients of the program. So there is every incentive on the State under a block grant to eliminate errors. Right now the first 5 percent is free. The Federal Government pays for it, the Senator's taxpayers and mine. My State of Idaho is slightly higher in error rate than the State of Iowa.

Mr. HARKIN. I do not know why that is.

Mr. McCLURE. It is a little over 8 percent. But the national average is higher. So the taxpayers in the Senator's State are paying for the fraud, error and abuse in other States more greatly than they do in their own. If you have a single block grant which goes to the State which says, "Here are your administrative costs, here is the pot of money that is available for the recipients. Now, you administer it; if you make mistakes, that comes out of your pot; your administrative costs come out of the pot," is there not an incentive on the State then to eliminate the error because it comes out of their own rather than out of a free pot from the Federal Government?

Mr. HARKIN. If I can respond to the Senator, there would not be because if the past teaches us anything, and I think that it does, it is that the eligibility standards that were set up by the various States in the 1960's did not work and so the reason this block grant would not work is because what you are doing is letting each State set up their own standards of eligibility and how they are going to operate the program. What will happen is you will have 50 States out there with all kinds of different programs. You may have one State, it may be Iowa -- I tend to think we have a pretty responsible Government. We would have maybe lower error rates and we might tighten down, but there may be some States that would not out there because they would have different standards so what they would do is get their big block grant and say, "Well, rather than tightening down on the error, the waste and the fraud, what we will do is just change the eligibility standards to make up for it, cut some people out of the program." And I think that is really what the effect of this thing will be.

Again, I point out that basically it was under the Nixon administration that the Food Stamp Program became a national program and it was President Nixon who established national eligibility and benefit standards for the Food Stamp Program to assure that low-income families regardless of age or family composition need not face hunger and malnutrition. He took this action after researchers found out that in the late 1960's when each State was left to design its own program major gaps in coverage and major problems of poverty-related hunger and malnutrition that far exceeded the problems which have today resulted. So we went to this national system. Now, what this amendment does is take us right back to the 1960's again and, quite to the contrary, if the States get this block grant and says, "Oh, my God, we have to tighten down," it would be the opposite. Right now, I respond to the distinguished Senator from Idaho, if the State has an error rate above 5 percent, they have to pay it back to the Federal Government out of their administrative funds. That is quite a sanction when they have to pay it back out of those administrative funds. That puts the pressure on the administrators of those programs to administer them in a responsible fashion. If, however, they get a block grant, what pressure is there? They do not have to pay back any money. They can use more and more money for administration.

That is another point: You give them a block grant, and watch their bureaucracy grow in those States. They will have more State administrators; they will have more food stamp people out there than you can imagine. Maybe that is what the proponents of the amendment want. Perhaps what they are seeking to do is to get a zero error rate.

As I said once before, when I was in the other body and we were debating a food stamp bill, I have a perfect solution as to how we can reduce the error rates in food stamps to zero, and it is simple: Have one food stamp worker for every recipient. You will have no errors then. Obviously, the problem is that it would cost us about \$300 billion a year.

So there is some point where you understand that if you are administering a program like this, there are going to be some errors because it is so big.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. HARKIN. I yield for a question.

Mr. DOLE. Maybe it is a wish. We have been on this amendment about 1 hour 20 minutes, and there are listed about a dozen food stamp amendments.

I know that the farmers are very concerned about food stamps and the program, but I am more concerned about getting the farm bill passed, and I hope we can dispose of these food stamp amendments quickly.

I support the block grant. I think it is a good idea. I am not certain that I support any of the other amendments because, as the Senator from Vermont pointed out, we have tried to tighten up this program and have had some success.

I hope we can vote, get this big one moving, and then dispose of the others as rapidly as possible.

Mr. HARKIN. I have to respond to what the majority leader just said about wanting us to be cognizant of the time. I hate to say this, but I am constrained to do so: Those of us on the Ag Committee were ready to vote on July 15 to get the bill out of committee.

Mr. DOLE. I am not quarreling with the Senator from Iowa. I am saying to everybody, let us get moving.

Mr. HARKIN. We were ready to vote it out on July 15. It was finally prolonged for 2 more months, until September 19, when it came out, or 60 days later, and now I am being told that I cannot have any time.

Mr. DOLE. I did not suggest that. I spoke to everyone. A lot of my colleagues, including some on the other side, have indicated that they would like to finish the bill today. They have other plans tomorrow. I am trying to be helpful. I have criticism of the Senator from Iowa. I think that, overall, we have to move on this bill. There are about a dozen food stamp amendments, and I hope we can dispose of them rather quickly. Then I understand we will be within striking range of finishing. There is no criticism implied or intended.

Mr. HARKIN. I appreciate that, except that I have seen this before, where you bump up against a deadline like Thanksgiving or Christmas and then you have to rush this thing through, and we do not have our 10 or 15 minutes to talk about an amendment about which we feel strongly.

The majority leader says that he supports the block grant. I do not. I feel strongly about it, and I think the strongest possible case should be made against the block grant program, and I intend to take my time to do that.

I would like to get the farm bill through as rapidly as anyone else, but we have sat here for 60 days. Why did we not bring up the farm bill the day after we reported it out of committee? So when these amendments come up that would devastate the Food Stamp Program, I feel that the strongest possible case has to be made against those amendments.

I want to return to the point I was making about the potential for increased errors. As I recall, when I left off, I think I said that if you had one food stamp worker per recipient, you could get the error rate down to zero, but the cost would be prohibitive. So at some point you have to rationalize about how much error you are going to have and what it will cost to go down to that. That is a point to be debated constantly, to try to figure out where that level is.

I think the block grant proposal would lift those kinds of sanctions we crafted carefully over the last several years to take the money out of their administrative costs. Nothing hurts bureaucrats more than to take money out of their administrative costs if they are administering a program; but under the block grant program, that would not happen. They would not have to take the money out of the administrative costs, and then you would see a tremendous increase in the error rates.

After all that is said, I think the bottom line for me -- to use a cliché, as the distinguished chairman said -- is that the Food Stamp Program has to remain a national program. It cannot become a State program like the block grant proposal would have it become.

We have hunger in all States. We have poor families in all States. I think there should be at least one national standard dealing with every citizen of this country, and that national standard ought to be how much nutrition each person in this country is entitled to -- and I mean that.

I believe we are right enough, strong enough, powerful enough; we have surplus food; we have more food than we know what to do with. Our grain bins are bursting, and I hear about another big program to give grain back to farmers. We hear about the dairy program. We have more dry milk than the people in this country can consume in 3 years, as well as cheese and butter.

Yet, this proposal to have a block grant would say that, no, we as a Nation cannot have a national minimum standard of nutrition for our people; that we are going to turn it back to the States and let them decide.

This is one place we should draw a line and say that as a Federal system, not as a Confederacy -- we fought that battle years ago -- there ought to be certain Federal standards and guidelines for certain programs. This is one that I think we can never back off from. We need a national standard.

This block grant proposal would jeopardize the nutritional status of those most in need in this country, the poor families with children, not just adults who sometimes might have used the program or are in need, but especially those families with children.

The fastest growing segment of poverty today is the children of this country. I was surprised when I heard that. I could not figure out how it happened. How could children be the fastest growing portion of our poverty group today?

A woman appeared before our subcommittee on HHS, in appropriations, which is chaired by the Senator from Connecticut. I have the privilege of being a member of that subcommittee, and I asked the question: "How do you account for the fact that we are getting more and more children in poverty?"

She said: "It is very simple. More and more women are becoming single heads of households, and they are falling below the poverty line."

As every single parent falls below the poverty line, that single parent takes with her 2 or 3 children. So when one adult who is a single parent head of a household, mostly women, falls below the poverty line, that person takes 2 or 3 children below the poverty line.

The Food Stamp Program is the only benefit program that provides a national benefit floor. You are going to have factors involved whereby in States with low benefit levels, the families would say, "Let's go to another State that has a higher benefit level so we can eat."

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

So you have families moving across State lines just so they can get enough food to feed their children. I do not think that is what we as a nation want to see happen.

I know the President said something about people voting with their feet. I do not think we want poor to use their feet to get something to eat by walking across State lines to go to a State that has a higher benefit level.

I think what would happen is that those States that would have a higher benefit level would have an undue burden placed upon them and cause an unfair burden on those States that could not provide it. So that is why we have to have a national program.

If we back off on that then the amount of hunger and malnutrition we see in this country is going to increase more rapidly than anything we have ever seen and indeed we will become a nation truly of haves and have-nots. We will have those who can afford to eat and have the good things in life and have a segment of our population who are out on the streets begging.

I guess I will bring it to a close on that note.

In traveling around the world a couple times and going to various countries, I was asked once by some of my constituents in Iowa about the Food Stamp Program and why do we have to give food stamps to people, and all that kind of stuff. I said, "You know, there are a lot of reasons for food stamps. People are poor. They need to eat. We want to make sure we have a nutritional level for all of the people of this country." I said, "Another thing I found interesting is that in many countries you travel to you see people lining the streets begging for food."

You go into any of the major cities of the Third World countries, there are people begging for food. That says something about our country. We do not have the people out on the streets of Des Moines, IA, or Chattanooga, TN, or Omaha, NE, or Chapel Hill, NC, begging for food. It says something about what kind of country we are when we do not have that happening.

If you want to see people out on the streets begging for food then you go to a block grant proposal. It would not happen right away. It would happen. You give us 1 year, or 18 months, and you will see people out there begging for food because maybe they do not have a car to put their family in to go across the State line to get higher benefit levels.

You have people, the new poor, put out of a job like in Iowa, and the State is saying, "I am sorry, we cannot give you food stamps because our block grant has run out." Where are they going to get their food? They are going to go out on the streets of Cedar Rapids, IA, and beg for food.

I do not think that is the kind of nation this Senator wants to see; I do not think it is the kind of nation any Senator here wants to see.

So I am hopeful that this amendment will be soundly defeated and that we can send a clear signal once again to this country that a Food Stamp Program is a national program and it will always remain a national program.

Mr. DURENBERGER. Mr. President, the Senate is now considering an idea advanced by both the administration and the chairman of the committee, and good friend from North Carolina, Jesse Helms, that would give States the option to structure their own nutritional assistance programs for low-income people with Federal dollars. Grant allocations would be based on a State's share of administrative and benefit dollars in the preceding year and would be indexed annually to reflect food price changes.

Why not turn food stamps back to the States? The Nation's Governors today bear little resemblance to their predecessor "Good Time Charlies." State legislatures and bureaucracies, transformed by three decades of unprecedented constitutional, administrative, and political reform, are now centers of new ideas and initiatives. So, why not trust the States?

State capacity is not the issue here. A block grant for food stamps is not a simple matter of changing one form of program administration for another. It is a matter of good Federalism and of safeguarding the Nation's poor -- especially its children.

The proponents of this amendment contend that the Food Stamp Program will be more efficient and effective if it is turned back to the States. But, will it? It is true that as a general rule of thumb the more leeway given to States, the better the program, the stronger the Federal partnership. By and large experience with block grants shows that when a program is intended for States and local governments, they know better than Washington how to tailor that program to their unique situations. In short, Federal programs affecting the States should be for the States.

But, food stamps are for people, not for States. There is nothing "unique" about hunger. It is the same in Mississippi, Minnesota, and New York.

Food stamps provide the only existing national minimum benefit floor for poor children. A block grant would eliminate that floor. Today over 93 percent of households receiving food stamps will fall below the poverty line. And over half are children.

The Food Stamp Program alleviates welfare disparities among the States by raising the level of benefits for those living in welfare poor States. For example, in 1984, there were 15 States in which a mother and two children with no other income received less than \$3,000 a year in AFDC payments. In one State, the AFDC payment was just \$96 a month to a family of three with no income. That's not even \$1,200 a year. In over half the States, no AFDC benefits are provided to a family, no matter how poor it is, if both parents are present in the household. The Food Stamp Program, as it exists today, automatically helps to narrow the gap among State welfare payments by providing more food benefits to mothers and children who are poorer because their States are poorer. Under a block grant, they would be out of luck.

The Food Stamp Program responds immediately to economic and demographic changes. If unemployment in a State rises and more people are thrown into poverty, more food stamps are on the way. In contrast, block grant allocations are fixed from year to year. Without a crystal ball, responsiveness is lost because it is impossible to predict how much funding will be needed. The administration tells us not to worry. Adjustments can be made. Such assurances will be of small comfort to those who wait while the bureaucrats and politicians decide how to make up funding shortfalls.

Mr. President, one of the options available to States under the block grant would be to "cash out" their Food Stamp Programs. Instead of receiving food stamps, recipients would receive cash. Yet, research conducted by the Department of Agriculture concluded that this would be only half as effective getting food to poor children.

So, in the case of food stamps, a block grant is neither more efficient, nor more effective. So, if it's not broken, why fix it?

The answer is plain to see, Mr. President. While the proponents of the block grant are not likely to admit it, a block grant is the first step to Federal withdrawal. Block grants are more susceptible to budget cuts and freezes. Under all recent block grants, once policy and administrative responsibility are passed back, financial responsibilities soon follow. If past behavior is a guide to future action, there is little doubt that those who now advocate a block grant will later seek to cut it. A block grant will make their work that much easier because the Food Stamp Program would lose its entitlement status.

Some say a State option food stamp block grant would provide a useful experiment on feeding the poor. We could try it out to see if it works. Yet, between 1980 and 1983 -- the most recent figures -- the number of children under 6 who fell into poverty jumped nearly 30 percent. Only in Washington could such experiments be contemplated. For the Nation's children, hunger has a face.

Mr. HARKIN. Mr. President, I move to table the amendment.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the amendment of the Senator from North Carolina.

On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from Connecticut [Mr. Weicker] are necessarily absent.

The PRESIDING OFFICER (Mr. Denton). Are there any other Senators in the Chamber who desire to vote?

The result was announced -- yeas 68, nays 30, as follows:

(See Rollcall Vote No. 325 Leg. in the ROLL segment.)

So, the motion to lay on the table was agreed to.

Mr. ZORINSKY. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER (Mr. Gorton). Without objection, it is so ordered.

Mr. DOLE. Mr. President, we are still hopeful that we can move along here with some dispatch. Let me indicate that we still hold out a glimmer of hope that we might complete action on this bill by 6 this evening, but it is only a glimmer as I look at the number of possible amendments. I believe it is incumbent upon me to alert my colleagues that we need to have everybody here tomorrow to do business. There is always a chance that things will break loose, but with a dozen food stamp amendments, that could take 2 or 3 days by itself.

Again I indicate that there is a joint session tonight. Also, the distinguished chairman of the Agriculture Committee is being honored with a dinner tonight, so I must indicate that we probably cannot stay in much past 6 o'clock.

I have also had another personal request. Let me read the letter:

Dear Senator Dole: I am having my second-grade play tonight. Please make sure there aren't any votes between 7 and 9 so my daddy can watch me. Please come with him if you can.

Love,
Corinne Quayle.

This is another request I would like to honor. We all have these pressures from outside lobbyists and students and so on. We are trying to accommodate particularly a letter like this. I do not want to be in the doghouse with her.

I thank my colleagues.

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

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

AMENDMENT NO. 1082

(Purpose: To limit the effect of Reorganization Plan No. II of 1939 on the Secretary of Agriculture's authority under the Act of March 2, 1931 (46 Stat. 1468, chapter 370; 7 U.S.C. 426))

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. There is an amendment by the Senator from South Carolina which is pending.

Mr. SYMMS. I ask unanimous consent that the pending amendment be laid aside so my amendment may be considered.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, Mr. President.

Mr. HEFLIN. Mr. President, reserving the right to object, is Senator Thurmond's amendment being laid aside?

The PRESIDING OFFICER. The request is to lay aside the amendment of the Senator from South Carolina.

Mr. HELMS. Mr. President, this will take about 2 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Idaho?

Without objection, it is so ordered.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. Symms] proposes an amendment numbered 1082.

Mr. SYMMS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. Denton). Without objection, it is so ordered.

The amendment is as follows:

At the end of the pending amendment add:

On page 459, between lines 18 and 19, insert the following new section:

CONTROL OF AGRICULTURAL LOSSES CAUSED BY DEPREDATING ANIMALS

Sec. 1927. The authority of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468, chapter 370; 7 U.S.C. 426) shall not be limited by Reorganization Plan No. II of 1939, nor by any other executive action taken pursuant to the Reorganization Act of 1939 (or any successor statute to such Act).

On page 8, in the table of contents, insert after the item relating to section 1926 the following new item:

Sec. 1927. Control of agricultural losses caused by depredating animals.

Mr. SYMMS. Mr. President, this amendment addresses an historic agricultural problem. American stockmen have long suffered heavy losses due to predators. Starlings and blackbirds steal grain from feedlots, and damage rice and seed crops. Rodents destroy millions of dollars of agricultural produce in storage, and thousands of acres of range and forest resources.

My amendment corrects a serious misconception among executive legal authorities. It has been claimed that the Secretary of Agriculture has no authority to carry out programs to reduce animal-caused damages. They argue that this authority was transferred to the Secretary of the Interior in 1939.

A number of my colleagues and I disagree with this view. Congress clearly vested responsibility for protecting national food and fiber production in the Secretary of Agriculture. That is why Congress enacted the Animal Damage Control [ADC] Act of 1931, directed at the Secretary of Agriculture. In 1939, Congress transferred to Interior the Wildlife Management Agency that had previously carried out much of this responsibility, but it did not repeal the Secretary of Agriculture's ADC authority.

In the thirties and forties, animals causing agricultural losses were considered "undesirable forms of wildlife." It was the wildlife manager's job to destroy such animals -- usually by offering bounties on predator pelts, rodent skins, and so forth. The bounty money originally came from State hunting and fishing licenses -- it was believed that killing undesirables enhanced wildlife resources as well as protected agriculture.

The tools of animal damage control have since changed. Minimizing agricultural losses is not a chief concern of today's wildlife manager. Neither are bounties considered proper use of wildlife-generated revenue. The program today is not what was transferred to Interior in 1939 -- it relies on authority clearly assigned to the Secretary of Agriculture and not to a particular wildlife management agency under his jurisdiction.

This amendment clarifies that, in establishing the Fish and Wildlife Service in Interior, Congress did not intend to place limitations on the Animal Damage Control Act of 1931. Authority under that act still rests with the Nation's chief advocate for American farmers and ranchers, the Secretary of Agriculture. As I say, the purpose of this amendment is to clarify the authority of the Secretary of Agriculture to minimize animal-caused farm and ranch losses due to predators.

Mr. President, I thank the distinguished chairman -- Senator Helms -- of the committee and the distinguished ranking member of the committee -- Senator Zorinsky -- for their expeditious consideration of this amendment. I understand it has been accepted on both sides, and I am grateful for that.

Mr. President, I am also grateful for the dedication, persistence, and hard work of Mr. Trent Clark of Rexburg, ID, a most capable member of my staff, for his continued efforts on this issue.

Mr. HELMS. Mr. President, we have conferred with the Secretary about this amendment. Not only do we accept it, but we commend the Senator for it.

Mr. ZORINSKY. Mr. President, we have cleared the amendment on this side of the aisle. We recommend its approval and support its passage.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1082) was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment was agreed to, Mr. President.

Mr. ZORINSKY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1083

(Purpose: To provide for cost-reimbursable agreements with State cooperative institution)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Denton). It will take unanimous consent to set aside the Thurmond amendment and make this amendment the pending business.

Mr. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. Byrd] proposes an amendment numbered 1083.

Mr. BYRD. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment, add the following:

On page 298, between lines 7 and 8, insert a new section as follows:

"COST-REIMBURSABLE AGREEMENTS

"Sec. . Notwithstanding any other provision of law, the Secretary of Agriculture may enter into cost-reimbursable agreements with State cooperative institutions, as defined in section 1404(16) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (U.S.C. 3103(16)), without regard to any requirement for competition, for the acquisition of goods or services, including personal services, to carry out agricultural research, extension, or teaching activities of mutual interest. Reimbursable costs under such agreements shall include the actual direct costs of performance, as mutually agreed on by the parties, and the indirect costs of performance, not exceeding ten percent of the direct cost."

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. BYRD. Mr. President, the amendment I offer today will address a problem that has arisen as a result of a decision by the General Counsel of the Department of Agriculture that the broad form cooperative agreements entered into with land grant colleges has been interpreted too broadly and, therefore, can no longer be used by the Agricultural Research Service [ARS]. It should be pointed out that these agreements have been used for more than 30 years by ARS to procure services and goods from land grant colleges to carry out agricultural research.

This interpretation of the provisions of the Federal Grant and Cooperative Agreement Act of 1977 has resulted in confusion, uncertainty, and most probably will result in a negative impact on the quality of research that will be undertaken by the various agriculture research laboratories in the future.

Simply, what this amendment does is allow the Department to enter into cost-reimbursable agreements without regard to competition, for the acquisition of goods or services to carry out agricultural research. A cap of 10 percent is placed on indirect costs.

Without the adoption of this amendment, the Department will go to contracting out on a competitive basis for scientific research and technical support services. While there may be some functions of Government that can be performed more cost effectively by the private sector, research is not one of those functions. The Federal Government has millions of dollars and many years invested in agricultural research. Some of the experimental trees and crops take years to develop and involve very sensitive equipment. One mistake on the part of an individual can effectively negate all that has been accomplished on a research project.

I do not believe that the Department of Agriculture or the Congress intends that we should take that chance with something that is so vital to the agricultural community, and I urge my colleagues to support the adoption of this amendment.

Mr. President, this amendment has been discussed with the distinguished chairman and the ranking member. I believe that they are probably inclined to accept it.

Mr. HELMS. Mr. President, the distinguished minority leader is exactly right. We have conferred on the amendment. I am prepared to accept it. This amendment does not mandate additional spending for agricultural research. It simply clarifies, as the Senator has said, the Secretary's authority to enter into cost reimbursable agreements with State cooperative institutions. My understanding is that the U.S. Department of Agriculture does not oppose this amendment. Whether they do or do not, I favor it.

Mr. BYRD. I thank the distinguished manager.

Mr. ZORINSKY. Mr. President, in 1981, the Congress attempted to provide the Secretary with language to facilitate the work of his research agencies as they pursued cooperative ventures with our fine land-grant institutions around the country. It appears that there is still some confusion regarding the intent of the Congress regarding such arrangements. This amendment will clarify the congressional intent by specifying that the Secretary, particularly through the Agricultural Research Service of the Department of Agriculture, can and should use the authority provided in this amendment to expedite research endeavors, continue cooperative efforts with a minimum of constraint and disruption of program, while assuring the continuation of prudent stewardship of the Nation's tax dollars supporting public research, extension, and teaching activities.

I urge the adoption of this amendment.

Mr. BYRD. Mr. President, I thank the managers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 1083) was agreed to.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1080

(Purpose: To require the approval of a majority of producers voting in a referendum as a prerequisite to the issuance of an order to establish a pork promotion program and to permit States to continue to operate existing pork promotion programs)

Mr. HELMS. Now, regular order, Mr. President. I believe the Senator from South Carolina has an amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. GRASSLEY. Mr. President, you mean we are ready to vote? Is that what the Senator is ready to do?

Mr. HELMS. Of course not. We are just calling it up.

The PRESIDING OFFICER. The Chair is simply stating the question before the Senate.

Mr. THURMOND. Mr. President, as I understand it, my amendment is pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. THURMOND. Mr. President, I ask unanimous consent that Senators Heflin, Hollings, Warner, Long, Tribble, and Denton be added as cosponsors of my amendment.

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

Mr. THURMOND. Mr. President, first, this amendment would require the Secretary of Agriculture to conduct a producer referendum prior to implementation of the pork research and promotion program. Second, the amendment would permit existing State legislative pork research and promotion programs, created by State law, to continue to exist, rather than be preempted by Federal law.

This is clearly an issue of fairness, Mr. President. The farm bill, in its present form, would require that pork producers pay an assessment to support a national pork research and promotion program. Not until after at least 1 year would producers have an opportunity to express whether they want the program or wish to contribute to it. Forcing farmers to pay such an assessment without their prior approval or disapproval borders on taxation without representation.

Ten States now have legislated State pork promotion programs. The pork research and promotion program as provided for in the committee bill would pre-empt these worthwhile State pork programs.

A survey was taken by the National Pork Producers Council [NPPC] that ostensibly proves a national mandate for this checkoff program. Only 7 South Carolinians were among the 11,000 who responded to the survey. That is 7 producers among 14,000 producers in my State. I do not call that a mandate for a program.

Mr. President, the Farm Bureau is in line with the amendment I am offering today, and I will read just a few excerpts from their position:

What the measure would do requires all pork producers to pay for promoting sales of United States pork. This MANDATORY program would raise about \$27 million annually and replace the current VOLUNTARY program,

which has a \$16 million dollar budget. There are several points that fly in the face of South Carolina growers as well as Farm Bureau policy.

The first, and most obvious is the way the program is being established. The NPPC plan calls for a program to be put into place by Congress. No opportunity is provided for growers to decide if the program is even desirable until after one year.

It should be 1 year.

Farm Bureau has long supported market promotion programs, but only as long as the growers want them. It is felt that the program must be supported from the grass roots, not Washington.

In a letter to Orville Sweet, executive vice president of the NPPC, American Farm Bureau president Robert Delano said, "We had felt the voluntary approach used by the NPPC was working well and were surprised to hear of this proposal. We question whether or not the vast majority of swine producers will be supportive of a mandatory checkoff with no opportunity to vote to determine if it should be established."

In the Palmetto State, reaction was at least as intense. South Carolina already has a voluntarily supported Pork Board that would be threatened if the national plan were to go into effect.

And while the NPPC claims national support, ONLY SEVEN SOUTH CAROLINA FARMERS WERE INVOLVED IN A 11,000 PRODUCER SURVEY.

In South Carolina the pork producers already have a high level of participation in their program, with producers being assessed ten cents per animal at slaughter. This amounts to about \$70,000 annually, 19 percent of which goes to the national organization.

Mr. President, we do not feel that a program should be adopted until the farmers first approve it. Therefore, we are asking that we have this survey taken prior to the time it goes into effect rather than after 1 year. We feel that State programs should not be destroyed if the farmers in any State prefer to keep their State program. For those reasons, we think the amendment we have offered today with the various Senators is reasonable and fair. We think the farmers in each State ought to have a say in this and not be subject to a mandate from Washington that makes farmers do something they may not want to do.

For that reason, Mr. President, we ask the Senate to support this amendment.

Mr. TRIBBLE. Mr. President, I rise in support of the amendment offered by the Senator from South Carolina.

The Pork Promotion, Research and Consumer Information Act, which is included in this bill, has great potential for enhancing the competitive position of pork products. It will expand demand for pork in both international and domestic markets.

Demand for pork and other red meat has been declining in the United States. Virginia pork producers and those around the Nation have supported a national "self-help" program. I am confident that this program should benefit farmers and the pork processing industry.

This amendment addresses two shortcomings of the program as it appears in the farm bill.

First, this legislation fails to accommodate States, such as Virginia, which already have a promotional program. It is only fair that Virginia pork producers should be permitted to continue their program and that the national program should impose no new costs. This amendment will do just that. Virginia pork producers will be able to continue their valuable program and still participate in the national program without an additional assessment. The assessment collected in States which now have a program will fund both the State and national promotional programs.

Second, we must be certain that this program meets with the approval of U.S. pork producers. This amendment will require that the Secretary of Agriculture conduct a pork producer referendum before a national program is implemented. It is essential that we take into consideration the views of pork producers before they are forced to pay an assessment, and the referendum will ensure that their voice is heard.

Mr. President, I urge all my colleagues to support this amendment.

Mr. HEFLIN. Mr. President, I rise in support of the amendment of the distinguished Senator from South Carolina, the President pro tem. I should like to make one argument first which I think ought to be rather conclusive for all Members' support. That is, that there have been no hearings on this proposal of a checkoff before the Agriculture Committee or any other committee. It got into the committee bill, and it is rather unusual that it did, but that happened under certain circumstances and I do not want to raise them now. But there were no hearings on it, no opportunity for the programs from South Carolina, Louisiana, Maryland, Montana, North Carolina, Oklahoma, Texas, or Virginia to be heard.

Now, those are the States, Mr. President, that have existing promotion by checkoff. The checkoff is simple, when a pig or a hog is sold, there is a certain amount of money which is deducted from the sales price that then goes toward certain programs. Under this proposal which the National Pork Council is supporting, we would create this board for research and promotion and special projects.

The original proposal had 40 percent of all funds collected to be used for special projects. This provision was eliminated.

To me, the opportunity to be heard is important. A hearing is important, and there have been no hearings in this instance.

Originally, the proposal that was advocated by the National Pork Council would have had it that only members of that council could be elected to this board. They had a lot of other things about it which showed that they were attempting to impose their will, and they did not want too much light on it. A hearing would bring it to the attention of various people, the Members of the Senate, the Ag Committee.

I believe that the fact that there have been no hearings should be conclusive that Senator Thurmond's amendment should be adopted.

On the other hand, there are other reasons. No. 1, of course, is, as he mentioned, that these States ought to be exempted. The pork producers in 10 major pork-producing States have already taken the initiative to pass legislation to establish effective research and promotional activities. Producer associations in these States voluntarily contributed to the national promotion and research through various organizations. The enactment of this proposed national checkoff would replace these programs.

We in Alabama adopted it by statute. We have it as a part of our statute. It was voted on. It is voluntary; it is not mandatory. Yet, it is working well in our State, and 97 percent of all producers participate in that program. We feel that we ought to have the right to continue our program, and this, of course, would supersede it. It would be an example of Federal preemption.

We are talking about States rights, but maybe we ought to say that pigs ought to have the right to have States rights. I am not sure that I want to become too humorous about this, but it seems to me that this is something that we ought to recognize, that these individual State programs ought to be allowed to continue.

The other aspect of Senator Thurmond's amendment would call for an referendum before the program is implemented.

I have read this proposal, and it is interesting. They would be allowed to collect funds for up to 2 years before a referendum would be held, and there is no prohibition on the use of those funds relative to influencing the referendum. So they could collect the fees, the checkoffs, for 2 years. Then, under the authority they have for projects, with no limitation on research, promotion, and projects -- certainly, an election to have affirmative action for a referendum would be a project -- they are prohibited from doing certain things about legislation. But they are not prohibited from having an election or a referendum.

They could use that money relative to influencing the outcome of the referendum. It seems to me that 2 years of collecting and taking the money and trying to use it to influence the outcome of a referendum is basically and grossly unfair.

So it seems to me that the thing to do in this instance is to call for the referendum to be held in the beginning, before any money is checkoff, before the treasury of this board becomes full and where they might abuse it; but then to go forward with that and have the referendum in the beginning, where the people can say whether or not they want such a program.

The other thing is to exempt those States that already have these programs that are working. To me, this is important. I go back to the argument that really we are talking about something where no hearings whatsoever were held. To me, it is important that we have hearings on any legislation. Hearings bring out bad points, bring out deficiencies. Maybe it was not the intent to use funds in an election. A hearing could have given an opportunity relative to that matter.

So I join the distinguished Senator from South Carolina, and I urge that the Thurmond amendment be adopted.

Mr. ZORINSKY. Mr. President, I have nothing but the highest esteem and respect for my colleague from South Carolina, the President pro tempore of the Senate. I find myself on the same side with him on many, many issues. However, on this one, based on the information I have concerning this amendment, I am required to oppose the amendment. It would do great damage to the committee reported bill, and I urge my colleagues to reject the amendment on that basis, and only on that basis.

S. 1714 provides a reasonable period of time for pork producers to evaluate the effectiveness of the Pork Promotion Program. A nationwide referendum on the Pork Promotion Program is to be held between 1 and 2 years after the date of the Secretary of Agriculture's original order. After this period of time, pork producers can determine if expenditures on advertising and research sufficiently contribute to pork sales.

Producers would not be harmed by this delay. Prior to the initial referendum, producers would be able -- under the committee-reported bill -- to obtain refunds of assessments. The program does not become mandatory until it receives nationwide approval in the election.

If the referendum was conducted prior to levying any assessment, the cost of the referendum would be borne by the taxpayer for the simple reason that, initially, there would be no assessment funds available to reimburse the Secretary of Agriculture for the costs of the referendum. The committee-reported bill is designed to establish a program that will operate at no cost to the taxpayer.

S. 1714 enhances State activities by ensuring more checkoff funds to existing legislative State pork promotion bodies. Thus, those States would be able to undertake more effective and expanded promotion activities. States would be relieved of the costs of administering the checkoff and collecting assessments, leaving them free to focus their efforts on promotion.

Under the committee language, States would remain free to raise their own appropriated funds and apply them to promotion. Also, States would specifically be permitted to engage in research affecting pork or pork products with State funds. Of course, States can continue to regulate and impose requirements upon pork and pork products to protect the

public health.

Preemption would terminate at the moment that a referendum in support of the program did not receive the requisite producer and importer majority vote. At that point, all State laws now in effect relating to pork research and promotion would resume operation.

Each State would be entitled under the bill to a specific percentage of all the assessments collected in that State. State programs are expected to receive more funds as result of the nationwide checkoff.

Mr. President, the pork promotion legislation establishes a self-help program for pork producers to be operated at no cost to the Nation's taxpayer. There is strong support for this program among pork producers. The promotion program can have a positive effect on corn, soybean, and feed grain farmers. Large quantities of these commodities are used in the production of hogs. In addition, agribusiness service and supply companies will be strengthened.

Pork producers have not been immune to the burden of continuing financial problems in agriculture. Pork producers have had a difficult time maintaining, let alone expanding, their sales. Misconceptions about pork's nutritional value have hurt consumer acceptance. This program will allow producers to expand their advertising and promotional efforts and launch an information campaign to inform consumers of the nutritional value of pork products in the modern diet.

I urge my colleagues to oppose this amendment, which would reduce the effectiveness of this important legislation.

Mr. President, the committee language is strongly supported by the National Pork Producers Council. I ask unanimous consent that a letter to me from the council opposing the amendment be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

National Pork Producers Council,
Washington, DC, November 21, 1985.

Senator Edward Zorinsky,
Washington, DC.

Dear Senator Zorinsky: The National Pork Producers Council opposes any additional amendments to the Pork Promotion Act, especially Senator Thurmond's amendment.

A referendum at the beginning of the Pork Act will not give the program ample time to work.

Preempting certain states will add confusion and create chaos in accounting procedures by collecting funds at various locations.

The National Pork Producers Council believes a national program must have unity, with all states participating.

Sincerely,
Ron Kahle,
President.

Mr. ZORINSKY. I yield the floor.

Mr. GRASSLEY. Mr. President, I, too, have great respect for the Senator from South Carolina and the Senator from Alabama. I can respect their desire and their responsiveness to represent their pork producers in their States.

What is at issue here, my colleagues, is that we are being asked to amend a national bill that will provide resources and will affect national unity, that will apply to every producer and every pork importer in this Nation except basically for the States of South Carolina and Alabama.

Basically this amendment would allow their States to maintain the status quo. Members of this body believe after 20 years that the time has arrived to have a national pork checkoff program. The Agriculture Committee bill should be maintained as a national program. What the amendment is asking us to do is turn this into a program run by the States, thereby losing its national character.

What the amendment by my colleague from South Carolina would do is create chaos in accounting procedures by collecting funds at a number of different locations.

Let me say for my State of Iowa, we probably slaughter hogs from 12 different States. In our particular instance, how are those producers in other States, who want a refund, going to get their refund unless we have a national program?

So, I rise to oppose Senator Thurmond's amendment. No State has more of an interest or an investment in seeing that this pork checkoff and promotion program is successful than my State of Iowa. My State produces between one-third and one-fourth of all the hogs in this country. Even though my State will be contributing the lion's share to this checkoff and my State program will be preempted just as every other State who has a program will be preempted by the Agriculture Committee suggestion, Iowa recognizes the need for a national program. The pork industry needs to attack the serious problems they are now facing in a unified fashion. If they are unsuccessful the pork producers will vote against the referendum when it is brought up, which may be as soon as 12 months. If my producers in Iowa or Senator Thurmond's producers in South Carolina do not want their checkoff funds being sent to this body all they need to do is ask for a refund.

I understand Senator Thurmond's concerns and we went a long way toward addressing his concerns in the compromise amendment that was accepted yesterday in the action by this body last night before we adjourned. In the compromise that was adopted yesterday the delegate body, not the 15-member board governing the association, was given the authority to decide how large assessments would be and what the rate of returns to various States would be. This, in and of itself, helps to ensure that the grassroots will have control over this process and his State of South Carolina will have as much access to control as any State. As a matter of fact, the compromise yesterday went so far as to require that at least 12 States are represented on the 15-member board who will be overseeing this checkoff. This requirement will allow for a wide variety of opinions to be represented on this board and surely the views of all States of the Southeast will be heard.

In addition, the compromise that was passed yesterday separated the body who controlled the funds, that are collected from the checkoff, from any existing association or organization. This action addressed some of Senator Thurmond's concerns about any State being railroaded by the national association.

Finally, the compromise amendment that I refer to that was adopted just at the close of business yesterday opened up the nominating process to every producer who has paid an assessment. As a matter of fact, in the first election all a producer needs to do is be a producer, you do not have to belong to the organization in order to participate in the nominating process. I believe that this also goes a very long way toward satisfying the concerns of Senators from the Southeast as well as the Farm Bureau, the American Farm Bureau Federation who were afraid that some producers may be locked out of the process.

Mr. President, I do not think that this is a perfect checkoff, I do not know whether you can have such a thing. But we have gone a long way toward making it functional, fair, and acceptable. Let us not make the mistake, in this body, or penalizing the pork industry who have compromised and accepted many amendments that they did not originally want. We need to allow for the pork industry to approach the problems they have on a national scale.

To fragment that attack any further than what we have already done will ensure that the program will not be successful and the problems in the pork industry will continue. Therefore, I encourage my colleagues to oppose this amendment. I also ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, this is one of those times when there are convictions on both sides by reasonable men. I suppose that it is a fact that we are all responding to our constituents. But the fact remains that there is a principle involved that seems very dear to me and this causes me to come down as strongly as I can on the side of the distinguished Senator from South Carolina.

Historically, we have had taxation without representation and fought that battle; dumped some tea in the harbor. Now we have a proposition where, against the will of those being assessed, an assessment will be imposed substantially before a vote is taken on the assessment question, and I do not see that that can be justified.

This amendment simply would grandfather those State associations not wishing to participate in a mandatory pork assessment program. I think the Senator from South Carolina and the Senator from Alabama [Mr. Heflin] and others who are cosponsoring this amendment are on sound ground when they say it is not fair to impose the assessment prior to a vote on it. But the amendment provides that those States that currently have assessment programs could elect to participate or not to participate in the national program; and the amendment would also move the producer referendum up front.

Now the committee bill, in effect, begins the assessment program before the producers have a right to vote on whether they want it or not. That is a little autocratic. I did not like it when it passed the committee, and do not like it now. I believe, at a very minimum, it is a serious matter to which we ought to give serious consideration.

We have given the power to assess producers to other producer groups wishing to promote their product and the pork producers are probably as deserving. I do not dispute that at all. However, with the exception of dairy, Congress had never given these groups the power to assess an entire nationwide industry without first giving the individuals in that industry the right to decide for themselves if they indeed desire a mandatory nonrefundable assessment being imposed upon them.

Now, we all feel strongly about certain things. Senator Zorinsky, for example, feels strongly that a mandatory production control program is needed for wheat. But my friend from Nebraska does not advocate imposing such a program on the producers without giving them the right to vote on it.

This pork program has some other major mechanical problems, in my view, that will probably hinder its operation and result in a significant portion of the assessment going to pay for legal fees. But I think the Senate should support the amendment offered by Senator Thurmond and Senator Heflin and some of the rest of us who are cosponsors of it.

I am ready to vote, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. (Mr. Mattingly). The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to ask a question or two of the sponsors of this amendment if I could to decide how I intend to vote on this.

In the first place, the amendment offered by the Senator from South Carolina and supported by the chairman of the Agriculture Committee, with regard to the change in the pork checkoff program, is that supported by the Secretary of

Agriculture? Do we have an expression from the administration on this particular bill?

Mr. HELMS. I will say to the Senator, I, frankly, do not know the answer to the question. And I will not try to fudge on it. I will see if I can find the answer for him.

Mr. EXON. Does the Senator from South Carolina know the answer to that question?

Mr. THURMOND. I do not know how the Secretary feels, but, generally speaking, on these agriculture programs the referendum is up front. In other words, if the farmers vote first on the program that is appropriate but waiting to vote until later after the program is in effect is too late. So we were just asking that the referendum be up front to begin with.

Furthermore, we are asking that if your State has a program that they want to keep and they are satisfied with it, do not make it mandatory here in Washington from a Federal standpoint to destroy your State program. In other words, we feel that the States that have programs and are satisfied with their programs ought to be allowed to keep those programs.

Mr. EXON. I would simply say, Mr. President, that the Secretary of Agriculture has been in these halls as much or more than some of the Members of the U.S. Senate in the last week or 10 days. He seems to have an opinion on everything on how we should do it here. I would just like to know -- and I believe maybe the Senate should be entitled to know -- how the administration feels on this proposal, as they seem to have an opinion on what we should and should not do on nearly everything that affects agriculture today. And if they want to be dictating here and threatening to veto what we do here if we do not do it a certain way -- that does not affect my vote one way or the other as to what the administration thinks, because I always do what I think is in the interest of my family-sized food producers. But there are some Members of the Senate that I think are influenced from time to time, to some degree or another, on what the administration thinks.

I am just wondering if it would not be appropriate if the sponsors of this amendment might inquire as to the Secretary as to what the position of the administration is on this measure. Is it possible to find that out before we vote?

Mr. THURMOND. Mr. President, I do not know whether it is or not. I think we all know how we feel, whether we want our own State pork producers to make this decision or whether we are going to make it here in Washington. If the pork producers in our State have a program and they are satisfied with it, then I imagine they do not want that program destroyed. Now those who want to go into the program will have a chance to do so, but do not make them do it unless they want to participate in the program. That is the reason we favor the referendum up front rather than wait a year after program implementation for the referendum.

Mr. President, in reference to refund of assessments as provided for in the bill, it is true that any person may demand and receive a refund of their assessment.

That producer, however, must fill out a form, in accordance with regulations, and submit the request for refund to the pork board.

If a producer makes another sale in a different month, he will have to petition the board again for a refund.

Pork producers will have to go to a lot of trouble to get back the money that they did not want to contribute in the first place.

Mr. EXON. I guess I might tell the Senate I would kind of like to know about this because the head of the Pork Producers Association, who opposes this amendment, was at the White House 2 or 3 weeks ago. And he stood there in the Rose Garden -- I do not know whether he was mesmerized or what -- but he came out in total support of the administration's farm program. So I guess I would like to know if he is for the administration's farm program; then I want to accommodate him with my vote as to how the President feels on this program because I think that is forcing some degree of constituency. So I very much would appreciate if we could have somebody who is either outspokenly

for or outspokenly against -- and I would suggest it should be from the proponents of the amendment -- maybe step off the floor and call the President or call the Secretary of Agriculture and find out how they feel about this. Would that be out of order?

Mr. THURMOND. I might say that the Senator, of course, is familiar with the Farm Bureau. The Farm Bureau is in every State in the Nation. They are in line with our thinking. I just quoted from the Farm Bureau here a few minutes ago.

Mr. EXON. Am I to be advised that the Farm Bureau supports the amendment?

Mr. THURMOND. The Farm Bureau thinking is in line with the amendment we offered. I just read excerpts a few minutes ago.

Mr. EXON. Is it also true that the Farm Bureau supports the agriculture policies of the administration?

Mr. THURMOND. I cannot tell the Senator how they feel about that.

Mr. EXON. I can tell the Senator. They have stood up on the lawn of the White House, and they support the agriculture policies of this administration. That is what I am trying to plead for -- some degree of consistency. These people that support the agricultural program of this administration -- which this Senator does not -- cannot have it both ways. I will vote on this amendment on the basis of what is good for the goose is good for the gander.

Mr. HEFLIN. Will the Senator yield?

Mr. EXON. I am happy to yield.

Mr. HEFLIN. Is the Senator seeking someone who supports the Thurmond amendment, and opposes the administration market-oriented farm policy? If so, the Senator is looking at one.

[Laughter.]

Mr. HARKIN. Will the distinguished Senator yield to me?

Mr. EXON. I am happy to yield.

Mr. HARKIN. I was just listening to what the Senator was saying. Did the Senator say that the president of the National Pork Producers Council made a statement saying that he supported the President's agricultural program?

Mr. EXON. The Senator from Iowa is correct. The president of the National Pork Producers Council is a resident of my State, and an outstanding one at that. I was quite surprised at his statement but he is entitled to his opinion. He may well be right. I do not agree with him.

But I think that particular resident of Nebraska who is president of the National Pork Producers Council was speaking for the pork council in his support of the agricultural policies of the Reagan administration. Therefore, I think it would be in keeping with consistency if they support the agricultural policies of this administration. They could also support the policies of the administration with regard to the pork checkoff program. I am just trying to be consistent.

Mr. HARKIN. I think it is important that we find out what the administration's position is on this. I know what my position is. I think the Senator raises a very good point. I am hopeful that before this debate ceases on this amendment we will have some words from the distinguished chairman of the committee as to the administration's position on this. I think it would be wise for us to know if in fact they do have a position on it.

Mr. HELMS addressed the Chair.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, who had the floor prior to my seeking recognition?

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HELMS. I thank the Chair.

Mr. President, I do not know how far you want to chase this rabbit. If I ever heard a non sequitur, it is this one. I say to my friend, while I do not know about the administration on this amendment, I imagine it is way down the list of the things that people are screaming about. But it is a matter of a difference of opinion between reasonable men from different States, and reasonable Senators.

I hope we can get to a vote, and not drag this thing out because the clock is ticking. I am certainly hopeful that we can finish this bill tomorrow but the majority leader has made clear to me that if we do not finish tomorrow, we are going to be here Saturday. I think we have done enough talking about this amendment. I hope we can go to a vote on it.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. I concur with the chairman. Nothing is going to change very many minds at this point in the game. I could care less what the Secretary of Agriculture thinks about this. The last time I asked his opinion on the Mandatory Allotment Program, he gave me an answer I did not like anyhow. [Laughter.]

So I do not think I can get anything different this time. I ask for regular order.

Mr. DENTON. Mr. President, will the Senator yield 30 seconds?

Mr. ZORINSKY. Yes.

Mr. DENTON. I want to associate myself with the view expressed by my senior colleague from Alabama. Although I normally want to go along with the administration, I have made the point recently that some of the more massive things they want to do require a closer look.

In this case, I see no objection, as the Senator from South Carolina, the President pro tempore, suggests -- no logical objection -- to letting the States themselves and their pork people decide they want this assessment.

We are simply going in this bill for a referendum up front by which that decision can be made. As the Senator from North Carolina pointed out, the Farm Bureau is in accord with that and, it seems to me, fairness and justice are also. We have many of our pork people here from Alabama today. They are strongly in favor of this bill.

I thank the Senator for yielding.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I rise in opposition to the amendment by the Senator from South Carolina. I would characterize the amendment as the free-ride amendment because what is going to happen if this amendment prevails is that the bulk of the pork producers in my State and other States in the Midwest -- you have to remember Iowa produces almost 26 percent of the pork in this country. I think South Carolina has about one-quarter of 1 percent. They are going to hop on our backs for a free ride.

All of our producers will be putting into a national pork promotion program and research program to get consumer demand up, to tell people what a good buy pork is, how nutritious it is. It is low fat content, and they are going to do a good job promoting it.

I believe there is a tremendous market out there for pork and pork products in this country which I believe with the proper research and promotion programs could closely parallel if not almost equal that of what has happened in the poultry business in the last few years.

Well, the pork producers have gotten together on a nationwide basis. They said here is what we have to do. We will assess ourselves a little bit of a checkoff for research and promotion to tap that great source and demand that is out there already to let them know about pork and pork products.

So now what I hear is that a few want to hop on our backs for a free ride. We are going to have a national program. We are going to stimulate the demand, and these few people may be in one State or another down there are going to get the benefits of it. They will be able to sell more hogs, too. Hopefully their prices will go up too. I see nothing wrong with that. That is fine. I hope they do. I hope the pork producers in South Carolina, Alabama, and other places make a lot of money.

I hope people will start eating more pork not only in those States but all over the country. But they will not be contributing to it. No. It will be the farmers of Iowa that will carry them on their backs.

The National Pork Producers Council sent out a poll. It was mailed to the entire national pork producers membership; 81 percent of those eligible said they were in favor of the concept -- 81 percent on a national basis.

And I am sure some even came from those States who are now trying to say they want their own program. They want to operate out of this national program.

I would like to ask the distinguished Senator from South Carolina a question, if the Senator would respond. Earlier on, if I am not mistaken, and maybe I was not on the floor, but it was reported to me that the Senator from South Carolina said that only a handful -- I think a few, 14 or 12 ballots -- came in or something from South Carolina out of 12,000 pork producers in the State. Are those figures about right? Is that what the Senator said? Could he enlighten me on that a little bit more. I apologize. I was not here when he said that.

Mr. THURMOND. I might say that in my State, out of 11,000 respondents to a nationwide survey, only 7 from South Carolina responded to this survey; 7 out of 11,000.

Mr. HARKIN. Resonded to what?

Mr. THURMOND. To the survey that was taken.

Mr. HARKIN. Might I inquire further of the Senator from South Carolina?

Mr. THURMOND. That survey did not consider these people.

Mr. HARKIN. Might I ask further: Was the list of the South Carolina pork producers made available to the National Pork Producers Council so they could mail the entire list in South Carolina?

Mr. THURMOND. They had the opportunity. We have a State program and it is working very well.

Senator Warner has a statement. It says, "I have heard from Virginia pork producers that they are pleased with their program as it now exists. If it is indeed the judgment of a majority of pork producers nationwide, they are also willing to participate in this program."

In other words, leave it to the pork producers in each State. Why impose something on my pork producers if they do not want it? Why impose it on Alabama, Virginia, or any other State if they do not want it?

You are speaking about us piggybacking. What you are doing is trying to mandate something that our people may not want. In other words, let our people be free to keep the State program or go to the national program. That is all we are asking.

Mr. HARKIN. I thank the Senator for giving me a better term for this. Piggyback. I thank him for that.

The reason I was pointing that out, and I will maintain this unless it can be proven otherwise, the reason that only seven responded, is because the South Carolina pork producers would not make available the list to the National Pork Producers Council so they can mail their members in South Carolina. So it is not surprising that only seven responded. Until I get some definitive word otherwise, I think the fact that only seven responded is clear in light of the fact that they did not even have the mailing list to mail to those in South Carolina. Had they had the list available, I think the outcome would have been a great deal different.

The pork producers of this country spent a long time putting this together. It was not something hastily put together. They had the poll that they sent out. An information program was carried out at the State, county, and local levels. A special toll-free 800 number was set up and widely publicized so people could call in questions and concerns about it. Several hundred did.

A special producer task force, with members nominated by 38-member States, was established to provide additional input into the proposed act's context.

In July, the elected policy body of the National Pork Producers Association met in final session to decide the final language; 150 delegates from 38 States debated the proposed elements of this act point by point, making amendments all along the way.

I say that to show this has been a very long, tedious, well-thought-out process that has brought us to this point, not something hastily put together.

Of the projected \$9 million additional revenue to be generated by the act, 83 percent goes toward increased promotion and advertising in hopes of stemming the declining consumer consumption of pork, which has declined in recent years. Pork producers realize that they must remain competitive with promotion and advertising methods of other proteins, and by proposing this act they are saying they are willing by themselves to pay for that additional effort.

This act, the Pork Promotion Research and Consumer Information Act, will include participation by importers of pork and pork products into the United States.

Again I would point out that the pork producers have been eminently fair every step of the way in not excluding anyone, by bending over backward to make sure that even producers in States that do not have many hogs are adequately represented.

U.S. producers have provided an opportunity for importers to have representation on the board and delegate body the same as domestic producers.

That is really bending over backward.

It also provides for a referendum.

I want to also mention that on this referendum, again showing how fair-minded the pork producers have been, they have said, "Look, we will have the referendum. Up until that time anybody who has a checkoff will get a refund, up until the time of the referendum."

What could be fairer than that, than to allow the individuals to get a refund up to the time of the referendum? The one on the beef promotion did not even allow that. We will have an amendment to take care of that here on the floor pretty soon.

The pork producers said, "It would be unfair to take their money without them having the right to vote first and not refund it." So they allowed that refund to take place up until such time as they have a referendum.

I also raised another question, and I think it was talked about by my colleague from Iowa, the senior Senator, Senator Grassley, whom I want to compliment on his fine statement. He pointed out that it would be very difficult if not impossible to separate and segregate all these hogs to get that State refund. Right now we have about 12 States that ship hogs into Iowa for slaughtering purposes and other purposes. How do you determine which hogs will belong to which States? You will have to have some method of segregating or separating out one hog from another. This hog is from Nebraska, these five hogs are from Oklahoma, these two hogs are from South Carolina. Somehow you will have to tag them, paint them, color them in some way so we would know what money went back to South Carolina.

Because of the mass movement of these animals, there is just no way that you are going to monitor and have any kind of a national system if you allow the Thurmond amendment to proceed.

I just defy anyone to explain to me how we in Iowa are going to separate and segregate out all of these hogs coming from various States and try to rebate back to those States their own State checkoff. It just would not work.

In effect, not only is this a piggyback amendment that allows those pork producers in South Carolina and other States to have a free ride, but it really is a killer amendment. If you do not want to have pork promotion, if you want to kill the whole thing, then vote for the Thurmond amendment. That will kill it because there is just no way that we are going to have any kind of a national program if this amendment goes ahead.

I might point out in drawing to a close that the Pork Promotion, Research and Consumer Information Act is strongly supported by a wide variety of not only producers and processors, but also those from institutions that are involved in research in animal husbandry, and those who also are involved in the selling of our meat and meat products in this country. The American Meat Institute, for example, supports it; a number of packing companies such as Oscar Mayer, Cudahy, Sara Lee, the American Society of Animal Science; Lee Kolmer, dean of the College of Agriculture, Iowa State University; Irvin Omtveldt, dean, the College of Agriculture of the University of Nebraska; Wilson Foods, Swift Corp.; C.B. Browning, dean of the College of Agriculture, Oklahoma State University.

All support this concept because they understand that there is indeed a large market out there and about the only way that we are going to be able to tap into that market and to provide the kind of competition for pork that we ought to have is for the pork producers to be allowed to fund their own checkoff systems.

Lastly, the argument is made that this national system would prevent States from fulfilling the purpose of their own State promotion laws. I do not think anything can be further from the truth than that.

In fact, what we have here would enhance State abilities to accomplish their State ends by delivering even more checkoff funds to existing legislative State department promotion bodies, thereby enabling individual States to undertake more effective and expanded promotion activities.

What we are saying is that the States would remain free if they want to raise their own appropriated funds for promotion. So if South Carolina wanted to have its own promotion program, it could go right ahead and have it. We are not preventing them from doing that. And it would not be inconsistent with what we are trying to do on a national basis. They could go ahead in their capacity as producers and have a checkoff in their State if they wanted to have an additional one for their own State purposes.

Maybe there are reasons why they would want a specific targeted program for the State of South Carolina or the

State of Alabama or some other State. There may be some different eating patterns. Maybe people in South Carolina have a different way of eating pork than we do in Iowa. If they do, fine. Maybe there is a tailored kind of message or promotion program that could go to the people of South Carolina. But on a national basis, this would not work. I think there may be a misunderstanding that we would preempt State laws and not allow them to go ahead with their promotion. As I said, nothing could be further from the truth. In fact, this would be very supportive of those programs because there would be a referendum process and those States that want to have their own special program, if they wanted to piggyback at that time, they could.

They could go along with us and have their own checkoff in consonance with that and use it for their own specific promotion activities within the State.

So, for reasons of fairness and equity, of having all producers pay into it and not just those poor producers in Iowa, Nebraska, and a few other States carry the bulk of it, in the spirit of just having a good program that can be managed so we will not have to segregate hogs across State lines, which I think would be pretty nearly impossible, and for the benefit of a better diet, better nutrition, and better intake of protein by the people of this country, I think we ought to resoundingly defeat the Thurmond amendment.

Have the yeas and nays been ordered, Mr. President?

The PRESIDING OFFICER. They have.

Mr. HARKIN. Mr. President, I yield the floor.

Mr. EXON. Mr. President, I rise in opposition to the amendment offered by the Senator from South Carolina. I also wish to report to the Senate that unbeknownst to this Senator when I addressed this matter on the floor a few moments ago, my constituent from Nebraska, who was in the gallery, called me outside and assured me that neither he nor his organization supported the farm programs of the Reagan administration. He must have been misquoted from some source that I saw. I guess he did attend some kind of meeting at the White House where they were drumming up support for the policies of this administration, but he did not take part in that. I was tremendously pleased to hear that. I think it is time we cleared the air when there is a misunderstanding.

Given that information, I want to say that, for reasons that I have long held, I support the pork checkoff program and would encourage my colleagues to defeat the amendment. As a Governor of Nebraska, I was very supportive of State checkoff programs. On that basis, it might seem that I would oppose any legislation which would preempt State programs. However, I think it is time that all farm States were unified in their marketing efforts.

In this case, the case of pork, no one knows or for that matter cares whether they are eating Nebraska or Illinois pork or Iowa or that of any other major pork producing State. While I do care a great deal about States' rights, I hope that States' rights issue would not cloud the issue of pork production and pork promotion. I believe our pork farmers back home are most concerned at this point, because increasing the demand for pork is what the checkoff program is all about, pork farmers helping themselves by the promotion of pork. We should not weaken this self-help legislation by complicating and splitting up the program. We should instead give this program a chance to work. The facts of the matter are that while a case might be made for a referendum up front as provided for in the amendment before us, that would be a killer amendment as far as doing anything now on pork promotion.

I know that this matter was carefully considered in the Senate Agriculture Committee. I know that there are refund provisions for those who do not want to participate in the program. Therefore, it seems to me that we should not be concentrating on States' rights in this matter; we should be concentrating on what we can do to help the pork producers promote their own product, which they do exceedingly well, probably better than any of the other agricultural interests that we have.

I simply say in this regard, Mr. President, that the reason I think this is important is I feel we should allow them and

encourage them to help themselves and not get tied up on a States' rights matter where, in other situations, I would generally support States' rights in and of itself. I think this is extremely important because those in agriculture who try to make a living off agriculture are in an extremely difficult position right now.

I would like to bring to the Senate's attention that the consideration that has been given on this floor for the last few days to the agricultural policy is not in tune with nor is it taking corrective action which is obviously necessary if we are going to avert disaster in important sectors of our economy, particularly rural America. Within the last hour, information came over the United Press tape. I read it to the Senate:

Chicago (UPI). -- A proposal approved by the U.S. Senate and aggressive commercial selling pressured soybean futures Thursday on the Chicago Board of Trade. Bean prices were sharply lower as the market opened but were trading above their lows at midmorning.

Grain futures also were lower, partly on spillover weakness from the soybean pit.

Corn was off 1 to 2 1/2 cents at midmorning, soybeans off 3 1/4 to 6 1/2 and wheat off 1 3/4 to 6 cents.

Traders said the Senate bill, sponsored by Majority Leader Robert Dole, could result in an increase in farmer selling if it is approved by the Administration.

Which it already has been.

I ask unanimous consent that the full text of the UPI story be printed in the Record immediately following my remarks.

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

[See exhibit 1.]

Mr. EXON. Mr. President, I certainly say it is a proud day indeed when the U.S. Senate, in working its will on the farm bill, is further depressing prices.

EXHIBIT 1

Chicago (UPI). -- A proposal approved by the U.S. Senate and aggressive commercial selling pressured soybean futures Thursday on the Chicago Board of Trade. Bean prices were sharply lower as the market opened but were trading above their lows at midmorning.

Grain futures also were lower, partly on spillover weakness from the soybean pit.

Corn was off 1 to 2 1/2 cents at midmorning, soybeans off 3 1/4 to 6 1/2 and wheat off 1 3/4 to 6 cents.

Traders said the Senate bill, sponsored by Majority Leader Robert Dole, could result in an increase in farmer selling if it is approved by the administration.

Widespread cash protection of up to 10 cents per bushel also discouraged buying interest in soybeans. Contract lows were set across the board early in the session.

Soybean oil prices were sharply lower in sympathy with losses in the bean pit and news that India had passed on its weekly vegetable oil tender.

Corn and wheat traded lower, but losses were limited by export business and rumors of upcoming export sales.

Reports of increased country movement also weighed on corn prices.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Local selling and the lack of buying interest pressured December wheat futures but activity was light.

The midmorning prices:

Corn Dec. 2.40 off 2 1/2; Mar. 2.41 3/4 off 1 3/4; May 2.43 1/2 off 1 3/4.

Soybeans Jan. 4.87 off 6; Mar. 4.93 1/2 off 6 1/2; May 5.00 off 5 3/4.

Wheat Dec. 3.38 1/4 off 6; Mar. 3.35 3/4 off 4; May 3.13 3/4 off 3.

Mr. HEFLIN. Mr. President, I shall make only a few brief remarks. Then I hope we can vote on this issue. There was some statement about some organization and professors and deans in colleges and universities that were in support of this proposal, but I want to point out that three main farm organizations composed of farmers are vigorously opposed to it. Those are the American Farm Bureau, the National Farmers Union, and the National Farmers Organization. All of them have come out in opposition to this proposal, largely on the basis of the fact that they feel that a farmer ought to have a right to vote before we impose a tax on him.

That is what is happening in the whole history of checkoffs. We have always gone with checkoffs, and in effect you vote on it. This, of course, would allow up to 2 years before you could have a vote and, as I pointed out, there is no prohibition that would not allow for the use of funds that are collected during those 2 years to be used to try to influence the outcome of the election.

Now, one other point -- and I am going to report this out for those free traders who are vitally interested -- this, of course, would be an assessment on importation of pork; it would impose a nontariff trade barrier.

I am not saying that is good or bad. I am saying it is something Senators ought to consider relative to this amendment.

This amendment ought to be supported because, first, there have been no hearings.

Second, it is a matter on which the farmers ought to be allowed to vote first.

Third, the State organizations that already have their checkoff program, their research, their promotional programs in force and effect ought to be allowed to continue and be exempt from this bill. Therefore, I support the Thurmond amendment. I feel we ought to support it strongly and vote down the committee approach that got into the bill without a hearing.

With that, Mr. President, it is time to vote. I suggest we go ahead.

Mr. WARNER. Mr. President, I rise in strong support of the amendment of the Senator from South Carolina.

Pork producers in the Commonwealth of Virginia are presently operating a successful promotion program for their products.

Under the mandatory checkoff program now contained in this farm legislation as reported by the Agriculture Committee, Virginia pork producers will have to discontinue their program and send their mandatorily deducted funds to a national program.

I have no objection to programs which promote agricultural products. However, I do not think that these programs should be instituted without the consent of those farmers who will be picking up the bill.

I am, therefore, a cosponsor of this amendment that calls for a referendum up front -- it will allow each pork producer to vote on whether he would like his funds used for the purpose of a national promotion program.

If a majority of producers support a national checkoff, I will be pleased to support it also.

But I am not sure that this is something that enjoys universal support, and I feel that all producers should have a voice in whether or not we need a national pork checkoff program.

The Thurmond amendment would also provide that existing State promotion programs, such as we have in Virginia, will continue.

I have heard from Virginia pork producers that they are pleased with their program as it now exists.

If it is indeed the judgment of a majority of pork producers nationwide, they are also willing to participate in the national program.

However, Mr. President, these producers should not be penalized because they have had the foresight to begin to promote their own products.

I am proud that Virginia's pork producers recognized that a promotion program is in their interest and began one on their own.

They have been doing a good job with their program and should be allowed to continue it.

Mr. President, I hope my colleagues will recognize that this amendment provides basic fairness.

We are only asking that the farmers who must pay for this program have a voice in whether or not it should be instituted.

I urge my colleagues to support the Thurmond amendment.

Mr. HOLLINGS. Mr. President, I rise today to join my colleague from South Carolina, Senator Thurmond, in support of this amendment that provides for equitable treatment of pork farmers, and I am proud to be a cosponsor of it. The amendment has two parts: First, it would require a referendum of pork producers before a promotion and research fee could be assessed on each hog sold; and second, it would allow the 10 States that have taken the initiative on this issue by establishing State pork boards funded by checkoff programs to maintain their State programs if they so choose.

I am adamantly opposed to the imposition of a tax, or an assessment, or whatever you want to call this checkoff, without giving the farmers who are going to have to pay this fee a chance to vote on it. Under the committee bill, not only will farmers be denied a referendum on the checkoff, they will have no right to a refund for at least a year if they do not approve of how the National Pork Board spends their money. In my home State of South Carolina, we have a checkoff program that enjoys nearly universal participation, and that is because we sought input from the farmers who benefit from this program, but most importantly, who pay for it. The research and promotional programs that are to be funded by this national program will hopefully serve the pork producers as well on a national level as South Carolina's board has served State farmers on a State level. But the people who are the best judge of that are the pork producers, not the Congress. Let's give them a chance to vote.

In closing, Mr. President, I would like us to look at what the committee bill does. It supersedes successful State programs, it imposes a mandatory assessment without an opportunity for a referendum, and it provides at least a 1-year wait before a farmer who is unhappy with the way his money is being spent can get a refund. The amendment rectifies all of these problems, and I urge my colleagues to join with me in supporting it.

Mr. THURMOND. Mr. President, I wish to make just one comment. The National Pork Producers Association has 110,000 members. That is only a third of the producers in this country. They took their survey among their own organization members, and a good many of them voted against it. But there are 200,000 more pork producers besides those. Let us remember them. We do not want one little group controlling this whole situation.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Furthermore, we think they ought to vote whether or not they favor the program and do that before they enter into the program. That is the only way to do it.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] is necessarily absent.

The PRESIDING OFFICER (Mr. Cochran). Are there any other Senator in the Chamber who desire to vote?

The result was announced -- yeas 38, nays 61, as follows:

(See Rollcall Vote No. 326 in the ROLL segment.)

So the amendment (No. 1080) was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1084

(Purpose: To require the approval of a majority of producers voting in a referendum as a prerequisite to the issuance of an order to establish a pork promotion, research, and consumer information program)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. MELCHER. Mr. President, is there an amendment at the desk?

The PRESIDING OFFICER. The Senator is correct.

Mr. MELCHER. May we have a copy of the amendment?

The PRESIDING OFFICER. The Senator from South Carolina has submitted an amendment to the desk and the clerk will state the amendment.

The assistant legislative clerk as follows:

The Senator from South Carolina [Mr. Thurmond], for himself and Mr. Heflin, Mr. Hollings, Mr. Warner, Mr. Long, Mr. Tribble, Mr. Denton, and Mr. Helms, proposes an amendment numbered 1084.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I will explain the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Mr. President, reserving the right to object, we have not seen a copy of the amendment. We would like to have one.

The PRESIDING OFFICER. The Senator reserves the right to object.

The clerk will state the amendment.

The assistant legislative clerk resumed and concluded the reading of the amendment, as follows:

At the end of the pending amendment, add the following:

On page 383, line 25, insert "such order has been approved by a majority of persons voting in the referendum required under section 1811(a)(1)(A) and" after "if".

Beginning on page 401, strike out line 22 and all that follows through line 2 on page 402 and insert in lieu thereof the following:

Sec. 1811. (a)(1)(A) For the purpose of determining whether an order shall be issued, the Secretary shall conduct a referendum among persons who have been producers or importers during a representative period, as determined by the Secretary.

(B) For the purpose of determining whether an order shall be continued, during the period beginning not earlier than 1 year after the issuance of the order and ending not later than 2 years after the issuance of the order, the Secretary shall conduct a referendum among persons who have been producers or importers during a representative period, as determined by the Secretary.

On page 402, line 3, insert "issued or" after "be".

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

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

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, is an amendment which says at the end of the pending amendment, insert the following in order, or is it necessary to state a page and line number of the amendment?

The PRESIDING OFFICER. It is in order to say at the end of the pending amendment to add the following.

Mr. BUMPERS. I thank the Chair.

Mr. DOLE. Mr. President, if I could have the attention of my colleagues to try to give them a forecast for the remainder of the day and the remainder of the week.

The PRESIDING OFFICER. The Senate will please be in order.

The majority leader.

Mr. DOLE. Mr. President, I have had a number of my colleagues on both sides of the aisle make inquiries concerning completion of this bill.

Let me indicate that we are going to complete the bill. We are coming back tonight after the President's speech and work on it, and we will be working on it tomorrow and if necessary on Saturday.

We have now spent 2 hours on one food stamp amendment, 2 hours on one pork amendment, and there are 20-some amendments remaining.

My view is that we are spending entirely too much time on these amendments. I hope they can start reaching time agreements on the amendments.

That is the only alternative I know of, because I am convinced that if we do not send a farm bill to conference by the 2nd of December, there will not be a farm bill this year. And we are going to do all we can to make certain there is at least a conference, and, hopefully, a successful conference. So unless there is strong objection -- and I have not found any yet -- we are all going to be here tonight. We will just walk back after the President's speech and go back to work.

Mr. PACKWOOD. Tomorrow, too.

Mr. DOLE. Well, it may be tomorrow. So if we could get a time agreement, it would be very helpful.

Mr. THURMOND. If we can get a time agreement of 10 minutes on my side, I would agree to that.

The PRESIDING OFFICER. Is there debate on the amendment of the Senator from South Carolina?

Mr. THURMOND. Mr. President, this amendment would require the Secretary of Agriculture to conduct a producer referendum prior to implementation of the pork research and promotion program which would be established by enactment of the pending farm bill.

This is clearly an issue of fairness, Mr. President. The farm bill, in its present form, would require that pork producers pay an assessment to support a National Pork Research and Promotion Program. Not until after at least 1 year would producers have an opportunity to express whether they want the program or wish to contribute to it. Forcing farmers to pay such an assessment without their prior approval or disapproval borders on taxation without representation.

Mr. President, I have heard from some pork producers that are in favor of a national checkoff program. I have also heard from a considerable number that are adamantly opposed to such a program. It is questionable as to whether a majority of the pork producers in our Nation want to contribute to this research and promotion program.

When the U.S. Senate is in doubt concerning the desirability of a particular measure, we ask for a rollcall vote. We do so in deference to our colleagues, and in fairness to our constituents. I believe that our pork producers deserve the same consideration. Furthermore, requiring an up-front producer referendum is consistent with U.S. Department of Agriculture policy regarding research and promotion programs.

Mr. President, I urge my colleagues to support adoption of this amendment. I believe it is only fair that the pork producers of our Nation be given the opportunity to express themselves on the matter prior to implementation of the program, and prior to the collection of assessments.

Mr. METZENBAUM. Mr. President, I rise for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. METZENBAUM. Mr. President, may a committee of the U.S. Senate meet beyond 2 hours after the Senate has gone into session, notwithstanding the fact that the Senate has not given its consent to that meeting; and, is it relevant to what the subject of the hearing is about?

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. THURMOND. Mr. President, might I say a word about that?

Mr. METZENBAUM. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Chair will respond to the inquiry.

It does violate the rules of the Senate for a committee to meet beyond 2 hours after the Senate has convened.

Mr. METZENBAUM. It does violate the rules of the Senate; is that your answer?

The PRESIDING OFFICER. The Chair has not completed its response.

Mr. METZENBAUM. I am sorry.

The PRESIDING OFFICER. It is further the ruling of the Chair that it is not relevant what the subject matter of the meeting is.

Mr. METZENBAUM. I thank the Chair. I make the inquiry because it is my understanding that there is an effort on the part of the President pro tempore, the chairman of the Judiciary Committee, to be conducting a hearing at this point without legal consent. And I do not know what the rules provide as far as enforcement of the rule is concerned, and probably they do not provide for anything, but I would make the point that I believe if they do not, they should in the future.

Mr. DOLE. Mr. President, I would rather not get involved in this, but I understood this meeting was at the request of the distinguished Senator from Ohio and others who opposed the sale of Conrail. Or is this just another effort to delay that.

Mr. THURMOND. An informational hearing.

Mr. DOLE. Again, I am probably in deeper than I ought to be. But I believe it may involve the Department of Transportation.

Mr. THURMOND. Mr. President, the Judiciary Committee does not have jurisdiction of this bill. It is a Commerce bill. We are merely holding a meeting for informational purposes for anybody who wants to attend. In fact, the meeting was requested originally by Senator Biden and, I believe, Senator Metzenbaum to have Mrs. Dole come down and speak. She has come down merely for information. It is not an official meeting and, therefore, we think it does not contravene the rules of the Senate.

Mr. METZENBAUM. Mr. President, will the Chair be prepared to respond as to whether it does or does not, in view of the explanation by the distinguished President pro tempore of the Senate?

The PRESIDING OFFICER. The Senator did not state a parliamentary inquiry that requires a response from the Chair. The Chair has responded to the parliamentary inquiry of the Senator from Ohio.

Mr. METZENBAUM. I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GRASSLEY. Mr. President, the only thing I can plead for your consideration at this time is this fact: That the present bill reported out of the Senate Agriculture Committee is a compromise provision. I suppose I need to explain to you that there are a lot of good people like Senator Thurmond who can make a very good argument that there ought to be an immediate referendum before you go into a program like this; Then there are a lot of people at another extreme who think you should never have a referendum.

I am not a member of the Senate Agriculture Committee, so I cannot speak for everything that went on there. But I know this was a highly controversial issue and it was eventually compromised down to the point where there would be a referendum incorporated in the process. Originally it was proposed that referendum would come after 2 years, but no less than 3 years; and then finally coming out of the Senate Agriculture Committee was a compromise on a referendum that would be held no sooner than 1 year and no later than 2 years with a refund up to the referendum.

Now what we are faced with here, Mr. President, is whether or not you can have a referendum on an idea, or whether you are going to have a referendum on a program that has been operational for 12 months.

The issue cannot be whether or not you are going to have a referendum and I do not say it has been presented that way. But I know during my contacts with colleagues in the well of the Senate during the last vote, I heard colleagues speak to the effect that we need a referendum, and the impression implicit in that was that there was not any referendum involved at all.

So I want to remind my colleagues that there is a referendum in the Senate bill. I think it is better to go with the bill's proposal and to defeat Senator Thurmond's amendment, because, No. 1, it is the product of a compromise, a very difficult compromise; and, second, you will be then having a referendum and the people who vote on the referendum will know how the program is working and whether or not they want to continue it.

Then there is a third and better reason because the point has been brought up that we might be taxing people without representation. But the fact of the matter is under the bill reported out of the Senate Agriculture Committee, any pork producer who is checked off can get a refund of his money. So there is not taxation without representation because there is provision allowing for a refund of the producers money up to the referendum.

For those reasons I ask my colleagues to defeat the amendment before us.

THE BEEF AND PORK PROMOTION PROVISIONS OF THE 1985 FARM BILL

Mr. DeCONCINI. Mr. President, I rise in support of the Beef Promotion and Research Act and the Pork Promotion, Research, and Consumer Information Act which has been incorporated in the 1985 farm bill.

There are many reasons why these provisions should be retained in the bill without amendment. Americans are reducing their consumption of red meat; consumer demand for beef and pork has dropped in recent years. Since 1975, both per capita consumption along with per capita expenditures for both products has declined. Between 1983 and 1985 alone there has been a 24 percent drop in the number of households expressing a positive attitude toward beef and pork. In general, it is accepted that attitudes precede behavior. So apparently, the situation is going to continue to deteriorate for the producers of these products.

The cattle industry is the largest segment of U.S. agriculture, and should not be ignored. Only a united industry, supported by all producers, can survive in these challenging times. The beef and pork promotion provisions will help ensure the survival, growth, and financial well being of the pork and beef industries.

In the past, livestock producers have been very reluctant to seek direct Federal assistance. Consistent with that attitude, producers are not asking for a Government handout in this bill, rather, they are simply asking for an opportunity to help themselves through self financed education, research, and promotion.

Producers have not been waiting around for Government help. Currently domestic producers of 60 percent of all hogs and 68 percent of all cattle voluntarily participate in a checkoff program. Under this system all producers benefit, and it is only fair that all producers should share in the cost. The provisions in the farm bill will accomplish this -- simply, fairly, and economically. Under the bill, as reported, all producers and importers will pay \$1 a head checkoff for cattle, and one-quarter of 1 percent of value for hogs. Since the primary purpose of these provisions is to expand the domestic market for beef and pork, 70 percent of the funds collected will be used for promotion.

Mr. President, I wholeheartedly support the beef and pork promotion provisions of the farm bill. This is an industry self help program in which all producers participate. The U.S. Government is simply helping an industry to help itself, at no additional cost to the taxpayers. The program is 100 percent funded by the producers and importers of cattle and hogs. Not only will they benefit, but packers, processors, retailers, and consumers will benefit as well. These programs enjoy the overwhelming support of the producers themselves -- they want it. No new bureaucracy will be created, and these programs may help prevent a calamity such as the one faced by many other farmers today.

Mr. President, we have a rare opportunity to allow an endangered industry to help itself. This is a fine example of how Government can help people help themselves, without cost to the taxpayers. I commend the members of the Agriculture Committee for their fine work on this legislation. I urge my colleagues on both sides of the aisle to give their full support to the beef and pork promotion provisions as incorporated in the 1985 farm bill, and to join me in opposition to any amendments that may be raised to this section.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, we had an extended debate on the previous amendment offered by the distinguished Senator from South Carolina. That amendment was defeated by a substantial margin. The pending amendment would do great damage to the committee-reported bill. I oppose it. I urge its rejection, and I move to table the amendment.

Mr. HEFLIN. Will the Senator withhold?

Mr. ZORINSKY. I withhold the tabling motion.

Mr. HEFLIN. I rise in support of the amendment of Senator Thurmond. We had two elements in the last one. This is the first element, which is just the election process

I do not want to take time because I spent a good deal of time arguing the merits before relative to the Thurmond amendment. But I do state that I think the issue here is whether or not you are going to have 2 years before you have an election by having a checkoff.

In practically every instance the farmers vote first on whether or not to have a checkoff before you start. Therefore, it is savings. It does not cost the Government a lot of money even if refunds are made. Therefore, I think it is wise to support Senator Thurmond in this instance.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. I move to table the amendment of the Senator from South Carolina, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nebraska to table the amendment of the Senator from South Carolina. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] and the Senator from Pennsylvania [Mr. Heinz] are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. Heinz] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced -- yeas 58, nays 40, as follows:

(See Rollcall Vote No. 327 Leg. in the ROLL segment.)

So the motion to table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MR. HEINZ. MR. PRESIDENT, I VERY MUCH REGRET THAT SENATE BUSINESS WHICH DEMANDED MY IMMEDIATE ATTENTION PREVENTED ME FROM ATTENDING TO THE VOTE THAT JUST OCCURRED. HAD I BEEN PRESENT, I WOULD HAVE VOTED AYE.

Mr. DOLE. Mr. President, I hope that the managers can start getting time agreements on these amendments. There are a lot of amendments here -- 8, 10, 11, or 12 on food stamps that I think could be discussed adequately in 10 or 15 minutes each, maybe 15 minutes equally divided or less. It is now 2:45. The last time I looked, there were 28 amendments left.

Mr. McCLURE. If the distinguished majority leader will yield, I have 10 food stamp amendments. On the first five of those, I would be willing to enter into a time agreement, 15 minutes equally divided; on the remainder, 10 minutes equally divided.

Mr. DENTON. Mr. President, I have some amendments on which I would be willing to enter a time agreement with the senior Senator from Alabama. I think if it is agreeable with him, we could go to 20 minutes equally divided.

Mr. DOLE. Mr. President, the Senator from Alabama is about to offer an amendment. May we have an agreement of 20 minutes equally divided on that amendment?

Mr. MELCHER. Reserving the right to object, Mr. President, we have only one problem. We have had difficulty getting the amendments and we have to allow the learned staff members a chance to know what amendment we are dealing with. I think if we could have a list of those that are going to be done and make sure we have the amendments, we would try to keep ahead of it. We would like to see some progress made, too.

Mr. DOLE. Mr. President, let me suggest, and I shall leave it to the managers, that we submit to the managers on each side the amendments we would like to get agreements on and maybe at the appropriate time, the managers could work it out.

Mr. HELMS. Mr. President, let me ask the distinguished majority leader, would he consider stacking the votes so we would have two or three at a time?

Mr. DOLE. I have no objection to that. I know it might save some time if we had them back to back. I hope they do not all require rollcalls. That is not a requirement around here.

Mr. McCLURE. If the distinguished Senator would yield, Mr. President, let me respond to the distinguished Senator from Montana.

Mr. BUMPERS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator's point is well taken. Would the Senator suspend so we may be in order?

The majority leader is recognized.

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. I wanted to respond to the Senator from Montana that I hand him a list of my amendments right now.

Mr. DOLE. I would leave that up to the managers. I have no problem with stacking votes. I do not know whether the distinguished minority leader has. The important thing is I do not think all these amendments have to be offered in the first place. That is my view and I am chairman of the Nutrition Subcommittee. I think most of them ought to be tabled as quickly as they are offered. I may do that.

AMENDMENT NO. 1985

(Purpose: To remove the prohibition on collecting sales tax on food stamp transactions)

Mr. DENTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. Denton] proposes an amendment numbered 1085.

On page 256, strike out lines 1 through 10.

The PRESIDING OFFICER. The Chair has to inform the Senator that the amendment as drafted is not in order. It is directed to the bill and not to the amendment.

Mr. DENTON. Mr. President, may it be modified to be placed in the appropriate sequence?

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment, as modified, is as follows:

At the end of the pending amendment, insert:

On page 256, strike out lines 1 through 10.

Mr. MELCHER. Mr. President, I do not really care for the reading of the amendment, but we would appreciate a copy of it.

Is the majority leader still here? At any rate, Mr. President, we need copies of these amendments.

Mr. DENTON. I can tell the purpose of the amendment in 2 seconds.

Mr. MELCHER. Mr. President, I just want to make the point that it is necessary for the staff to have the

amendment, to see what it is, to be able to appropriately designate what the position on this side is.

Mr. HELMS. Mr. President, will the Senator from Alabama yield?

Mr. DENTON. Yes, I yield, Mr. President.

Mr. HELMS. Mr. President, I fully concur in what the Senator from Montana has just said. As a matter of fact, just 5 minutes ago he wanted to call up an amendment and we did not have a copy of his amendment either. So we will all abide by it.

Mr. MELCHER. Mr. President, we have supplied copies for 2 weeks but they do get lost around here.

Mr. HELMS. Will the Senator from Alabama -- --

Mr. DENTON. Our amendment was on the desk a week ago, and I just handed the Senator a copy of the amendment. I can explain it in a couple of sentences.

The PRESIDING OFFICER. Will the Senators please suspend so that the clerk can report the amendment, as modified? The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. Denton] proposes an amendment numbered 1085.

Mr. HELMS. Mr. President, will the Senator yield? Does he want to propound again his unanimous-consent request for 10 minutes equally divided?

Mr. DENTON. We have already recommended 20, and that was accepted by the majority leader.

Mr. HELMS. I do not think it was acted upon.

Mr. DOLE. I renew that request, 10 minutes on a side, equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HARKIN. This is the sales tax amendment; right?

Mr. DENTON. Yes; it is costing my State tens of millions of dollars, and it is going to cost the Food Stamp Program its existence. I think Senators are entitled to hear about that.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. DENTON. Mr. President, the Governor of Alabama, the legislature, and the people in Alabama, as well as former Gov. Fob James' Commissioner of Pensions and Security, Mrs. Faye Bazziano, an arch-conservative, are all simply frantic to avoid this disaster, an unfair disaster -- if this provision to prohibit the sales tax on food stamp purchases is passed.

I am offering an amendment today, Mr. President, in an effort to help the 650,000 food stamp recipients in Alabama and countless hundreds of thousands in Arkansas, Georgia, Hawaii, Idaho, Kansas, Mississippi, Missouri, New Mexico, Oklahoma, South Carolina, South Dakota, Tennessee, Utah, Virginia, and Wyoming who are apparently

participating in a sales tax program which helps pay for the costs of administering the distribution of food stamps.

My amendment would delete one small section from this massive bill, namely section 1418.

Mr. DOLE. Will the Senator from Alabama permit me to try one more time for 20 minutes equally divided?

The PRESIDING OFFICER. Is there objection to the request?

Mr. BYRD. Mr. President, reserving the right to object, I have no objection. The distinguished Senator from Iowa

-- --

Mr. DOLE. We have worked that out.

Mr. HARKIN. I think it is worked out. Reserving the right to object, how many people want to speak on this side against the amendment offered by the Senator from Alabama?

Mr. DOLE. I only want 1 minute.

Mr. HARKIN. For how much time did the Senator ask?

Mr. DOLE. One minute.

Mr. EAGLETON. Three minutes.

Mr. HARKIN. All right. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DENTON. I know Senator Heflin desires to speak on our side.

Section 1418 purports to exempt transactions where food stamps are the medium of exchange. In other words, my amendment would prevent sales tax on food stamp purchases from being abolished.

That sounds like kind of a copout in that you are taking money away from folks who have food stamps but, if Senators will listen, they will learn that that is quite the opposite if my amendment is not passed.

I wish to defer to the originators of 1418 who I think are trying to take a step in welfare reform, and to the liberals who are trying to protect the poor.

I go along with both. But the case involved here would eliminate the sales tax, the portion of which pays for the administration of the Food Stamp Program in Alabama.

Alabama is an extremely poor State. Like other poor States, it has a disproportionate load of food stamp recipients, and therefore a disproportionate load in the cost of administration of the food stamp and other welfare programs in the State. If you eliminate from that State the capacity to apply a sales tax to help them pay for the administration of that Food Stamp Program, we essentially are not going to be able to administer the program.

So I agree that welfare reform, including elimination of food stamp abuse, which is at least 1 billion dollars' worth, I have just learned -- and I will be speaking on that on a subsequent day -- I agree that that should be undertaken, but this particular approach aimed at killing food stamps in poor States is the wrong approach.

Like the other States I have mentioned, Alabama funds the costs to administer the Food Stamp Program from the collection of State tax on food stamp purchases. In Alabama's case, we are the ninth highest in the Nation in food stamp recipients, and even State sales tax revenues are not sufficient to fund the administration and have to be supplemented

with other funds. The same thing is true with other welfare programs, examples of which I will be including in the Record today.

So I ask you, if you consider yourself a liberal or consider yourself conservative, consider the fact that the poorest States have the least wherewithal from which to pay the administration of these extremely costly programs, and, if you do not believe what I am saying, look at the numbers.

Now, I am not going to get into, in the interest of letting Senator Heflin and others speak, the other issue, but there is a problem constitutionally that can bring mischief to any and all States regarding their decisions regarding their taxes.

Over 200 years ago, Alexander Hamilton, writing in No. 32 of the Federalist Papers, resolved the issue in favor of the States. Mr. Hamilton states, "I am here to allow in its full extent, the justness of the reasoning which requires that the individual States should possess an independent and uncontrollable authority to raise their own revenues for the supply of their own wants. [A]n attempt on the part of the National Government to abridge them in the exercise of it would be violent assumption of power, unwarranted by any article or clause in its Constitution."

The right of the independent States to tax is concurrent with the taxing power of the U.S. Government; it exists so that the States may support their governments and their programs, to include federally mandated programs. This is true because the States possessed the power without restriction before the U.S. Constitution was adopted, and they still retain taxing power except so far as it is restricted by that document. It follows then, as Alexander Hamilton stated, that the power of taxation granted to the United States does not curtail or interfere with the taxing power of the individual sovereign States. Since the Constitution does not delegate to the Congress any general authority to limit the power of the States to levy a sales tax, then any such limit or prohibition must, of necessity, be justified on the basis of another delegated power, such as the commerce power or the spending power. The Federal Food Stamp Program is predicated on the spending power; accordingly, the issue seems to be whether the Congress can, under such power, prohibit the application of a generally applicable sales tax in a transaction where the payment is made with food stamps instead of currency. According to a study conducted by the Congressional Research Service, "There is no authority in case law supporting an outright prohibition on State taxing power based on the spending power." In my judgment, and it is shared by several lawyers with whom I have discussed the issue, section 1418 is clearly unconstitutional.

But regardless of the constitutional argument, this provision should be rejected on policy grounds. Although the section only directly affects 16 or 17 States, the precedent it sets for future mischief in any and all States should be obvious. If we exempt food stamp transactions from sales tax simply because the sales tax diminishes the effect of this Federal expenditure, there would seem to be no reason whatever not to place similar limits on other State taxes levied on food stamp beneficiaries, such as their income or property taxes, or to extend such prohibitions on State sales taxes to the beneficiaries of other Federal programs. If section 1418 achieves its goal, then why not extend its reach to transactions where the source of funds is aid to families with dependent children, or funds provided to buy fuel under the Low-Income Energy Program, or any other Federal program where the beneficiary receives Federal payment in cash and then purchases goods and services? Every one of those recipients pays sales tax. These programs are in place in every Senator's home State, as well as the 16 or 17 affected by this sales tax prohibition.

If we can exempt food stamp transactions from State sales tax, why could we not also exempt transactions where the source of funds is the Women, Infants, and Children's Program. Certainly WIC recipients are just as worthy and just as needy and just as deserving of increased purchasing power as food stamp recipients. Their benefits could be increased substantially if they did not have to pay State sales taxes. Then, Mr. President, what about other transfer payments like supplemental security income payments, or foster parent payments, or even Social Security transfer payments? Every one of those recipients pays sales tax. If we can exempt one type of Federal transfer payment from sales taxes, why not all such transfer payments?

Mr. President, my question is, Where would it all end? with so many interest groups with favorite target constituencies, we might wind up exempting so much as to preclude all prerogative of States to raise their own revenue.

There has been much debate during the past few weeks concerning the cost of Federal programs. The Food Stamp Program, I think all will agree, is a program that was designed to help those who are very much in need. Yet with escalating deficits and the rising costs of Federal programs, Congress has had to look at ways to pay for these programs that enable us to help the needy. One way is State/Federal cost sharing. Current provisions in this bill would impede the States' power to contribute to State/Federal cost sharing. Without the right to tax as they see fit, States like Alabama will be hard pressed to find resources to pay for the administrative costs of the Federal Food Stamp Program. I mention again at this point that Alabama is ninth in the Nation in total dollar food stamp distribution. It is my understanding that the Food Stamp Program in Alabama would be in serious jeopardy if this bill is passed with section 1418. Certainly, one alternate means of funding would be to raise sales taxes for everyone, but that approach would hit hardest on all of those at the low income level, on those who can least afford it.

My amendment would ensure continuation of the program as it exists today and as it has existed for 20 years. It deeply concerns me that 650,000 needy people in my State might lose the nutritional benefit of food stamps through no fault of their own, and it should also concern my colleagues from the other 15 States whose Food Stamp Programs will be placed in jeopardy if this current provision is passed.

It seems clear to me that we should reject this effort to amend the State sales tax laws, no matter how well this provision is intended.

As I said in my floor statement of October 17, I am of the opinion that the budget can be balanced by a deliberate bipartisan effort to overhaul our Federal welfare program, so that it is helping only the truly needy and helping them enough. I believe this amendment is intended as a step in the right direction, but I believe it is a wrong step.

Let us work harder to find the right steps. In the meantime, until we do, let us make sure the 650,000 food stamp recipients in the relatively poor States, such as Alabama, do not have to face the risk of cutoff by unconstitutional means. My amendment costs the Federal budget no money; section 1418 saves none. With the precedent of section 1418 we are opening the flood gates, and the rising water can engulf not only the 16 or 17 States directly in its path, but it can spill over to other States and other programs as it races out of control. I urge my colleagues to vote in favor of my amendment.

Mr. President, I ask unanimous consent to have printed in the Record articles by newsmen who have absolutely no ax to grind, as well as letters from Governor Wallace and Alabama Retail Association executive director, Charles McDonald. One article which I send to the desk, written by Randy Quarles, is entitled "Congress Tiptoes Toward Plan That Could Cost Alabama Its Entire Food Stamp Program." Another is entitled "Food Stamp Tax Ban Would Cost State \$23 Million," and another is entitled "'Nightmare' Seen If Congress Okays Food Stamp Bill."

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

State of Alabama,

Department of Finance,
Montgomery, October 15, 1985.

Hon. Jeremiah Denton,
U.S. Senator, Hart Senate Office Building, Washington, DC.

Dear Senator Denton: Recently it came to my attention that Section 128 proposed U.S. Senate Bill 1730 would actually amend Alabama sales tax law. The effect of this provision if enacted into law would be to exempt from state and local sales taxes transactions where food stamps are the medium of exchange. The State of Alabama annually receives approximately \$17 million to \$20 million from this source to finance programs for the poor and needy through the Department of Pensions and Security. Without these dollars, either these vital programs would have to be drastically curtailed or replacement dollars would have to be found. Many cities and counties also have a parallel sales with the

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

proceeds going in to their local school systems.

You have probably noted from the state press that the State's General Fund and Education budgets face severe funding shortfalls for FY 86-87. It is almost inconceivable to anticipate the possibility of reducing available funds to either or both of those budgets by \$17 million to \$20 million in order to continue present Department of Pensions and Security programs at current levels. The Alabama Special Educational Trust Fund is the primary source of funding for the program of excellence in education Governor Wallace initiated in January 1983. The General Fund provides dollars to finance most non-education functions of State Government and we have recently made some big strides in meeting court orders in prison and mental health. However, let me reiterate that both funds face shortfalls for FY 86-87.

Alabama Retail Association,
Montgomery, AL, October 11, 1985.

Hon. Jeremiah A. Denton, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Dear Senator Denton: The Senate will soon consider S. 1730, which contains provisions that prohibit states from charging sales taxes on food stamp purchases.

In Alabama, such sales are subject to sales taxes and the resultant tax revenue is an important part of the budget of the Department of Pensions & Security. This department, which administers the food stamp program, would lose over \$16,000,000 annually if this proposal should pass. Such a loss would likely mean drastic roll-backs in services to the needy and the elderly.

Alabama retailers are opposed to this prohibition and ask your help removing this provision from S. 1730. Like you, we are concerned about the needy of our state and without this funding, the Department of Pensions & Security would be unable to properly attend to their needs.

Sincerely,
Charles McDonald,
Executive Director.

State of Alabama,

Governor's Office,
Montgomery, October 1, 1985.

Hon. Jeremiah A. Denton, Jr.,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Dear Senator Denton: I want to urge your assistance in regard to an issue which would have a disastrous financial impact on the State of Alabama. I have been advised that Congressional action is expected next week on S. 1730, the Reconciliation Bill. Similar legislation, H.R. 2100, was passed by the House on October 7. This legislation contains a provision which prohibits the collection of State and local sales tax now generated from the redemption of food stamps and would cost the State of Alabama approximately \$22,962,592. This would have a direct impact of approximately \$16,401,851 on the Department of Pensions and Security in revenue earmarked by State law to fund the administrative costs of the Federal Food Stamp Program. The loss of food stamp revenue would have a significant impact on the Special Educational Trust Fund and would most likely result in a severe curtailment of services to the elderly and needy

low-income Alabamians. In addition, counties and municipalities are dependent upon local sales tax revenue on food stamps redeemed in their localities as a source of funding for local needs.

I know you share our concern with respect to our funding problem and I will appreciate your assistance in defeating this proposal which will severely penalize State and local governments.

With kindest regards, I am

Sincerely yours,
George C. Wallace,
Governor.

[From the Mobile Register, Oct. 10, 1985]

'NIGHTMARE' SEEN IF CONGRESS OK'S FOOD STAMP BILL

(By Randy Quarles)

Washington. -- Alabama Medicaid Commissioner Faye Baggiano says the state is facing a financial "nightmare" if Congress takes away its power to collect sales taxes on food stamp transactions.

The proposed exemption's direct impact on state and local tax revenues would be a \$23 million loss, Mrs. Baggiano said Thursday.

But by depriving the state of the money it uses to administer food stamps, she said, the exemption threatens the entire \$350 million federally supported program.

"It's a killer," said Mrs. Baggiano in a telephone interview from her Montgomery office.

"It would mean the end of the food stamp program in Alabama -- \$350 million, gone."

The food stamp provision is in the 1986 budget reconciliation bill that the Senate began debating Thursday. Final action on the measure could come today or early next week.

The House approved legislation Oct. 7 that also would prevent states from taxing food stamps.

Sen. Jeremiah Denton, R-Ala., was rounding up support Thursday for an attempt to kill the tax ban, said his press secretary, Bob Hardy.

Sen. Howell T. Heflin, D-Ala., will co-sponsor Denton's amendment, according to Heflin press secretary Jerry Ray. A number of senators from 16 other states that stand to lose tax revenues are expected to support the bill, Senate aides said.

Mrs. Baggiano, who headed the Alabama Department of Pensions and Security under Gov. Fob James, said state officials did not realize that the food stamp plan was moving through Congress until she read something about it two weeks ago.

Because the new DPS commissioner, Gwen Williams, has just started in the job, Mrs. Baggiano is leading the state's lobbying campaign against the exemption. DPS handles the food stamp program.

The effort has been endorsed by the Alabama Education Association, Alabama Farm Bureau Federation, Alabama

League of Municipalities, Alabama Retail Association, Alabama Association of County Commissioners, and Alabama Chamber of Commerce, according to Denton aides.

The group's concern may be due partly to fear that they would suffer from the inevitable power struggle in the Legislature should it be asked to shift money for the food stamp program.

"Everybody's involved, because everybody's going to lose money in it," said Mrs. Baggiano.

"It will be very, very difficult for our Legislature to raise that kind of money, especially because next year's an election year," she said.

The loss could further strain the state's Special Educational Trust Fund and its general fund, both of which already face the prospect of proration this year, other officials said.

Local school systems also would forfeit the money they have received from local sales taxes on purchases involving food stamps, they said.

Gov. George C. Wallace, in a letter to Denton, warned that the exemption would have a "disastrous financial impact" on the state.

"The loss of food stamp revenue would have a significant impact on the Special Educational Trust Fund and would most likely result in a severe curtailment of services to the elderly and needy low-income Alabamians," Wallace wrote.

The director of the Bureau of Food Assistance in DPA, John Hunt, said in an interview that the state's tax collections from food stamp transactions go into the education fund along with all other state sales-tax receipts. A portion of the local taxes reaped from the stamps goes into the fund, too, Hunt said.

DPS then receives from the education fund an amount equal to 5 percent of the value of all food stamp purchases, he said. This year's expected total is \$16.4 million, said Hunt.

State Budget Officer Charles Rowe said the sales tax receipts provide the "seed money" that DPS combines with other revenues for the state's \$25 million annual share. Without the sales taxes, Rowe said, the rest of the money would be unavailable.

But Denton and his allies have their work cut out for them in the Senate.

To begin with, they must buck Senate Majority Leader Robert Dole, R-Kan., and Senate Agriculture Committee Chairman Jesse Helms, R-N.C., both of whom want the exemption.

And Denton's forces will have to win the same battle twice: A similar tax ban is attached to the Senate version of a 1986 agriculture bill scheduled for floor debate next week.

The proposed exemption's supporters contend that taxing the stamps decreases their purchasing power, hindering the program's effectiveness.

In its report, accompanying the farm bill, the Senate Agriculture Committee notes that when the stamps are used to pay a 4 percent sales tax on food purchases, their buying power is only 96 percent of their intended value.

"Secondly, from a federal perspective, the existing policy serves as an indirect federal subsidy -- through the Federal Food Stamp Program -- to those state and local governments imposing a sales tax on food stamp purchases," the committee report says.

The committee's provision is two-pronged: Food Stamps could not be used to pay taxes on food, and states could

not impose taxes on food stamp purchases.

"The national interest in protecting the buying power of food stamp recipients is considered paramount to the committee in deciding to turn aside some expressed concerns that the limitation interferes with state taxing powers," the report continues.

[From the Huntsville Times, Oct. 20, 1985]

CONGRESS TIPTOES TOWARD PLAN THAT COULD COST ALABAMA ITS ENTIRE FOOD STAMP PROGRAM

(By Randy Quarles)

Washington. -- Alabama's state officials and its Capitol Hill crew must have been napping as Congress tiptoed toward approving a plan that would cost the state \$23 million, and possibly its \$350 million food stamp program.

They were rudely awakened a couple of weeks ago by Alabama Medicaid Commissioner Faye Baggiano, who noticed the activity, realized what it would mean to the state, and sounded the alarm.

"It's really a nightmare," said Mrs. Baggiano last week. "The money was there for all those years, and we may lose it within a matter of two weeks."

Mrs. Baggiano's Medicaid agency doesn't handle the food stamp program; it is the baby of the Department of Pensions and Security, which she used to head. But because DPS has been undergoing a change of administration, and the new DPS commissioner is one of her former staff members, Mrs. Baggiano has been in the forefront of the state's frantic maneuvering to avoid the disaster.

It's a good thing she still takes an interest in her former bailiwick. Otherwise, the state might not have known what was happening until it happened.

Not that it probably won't happen, anyway. It's just nice to know.

Sen. Jeremiah Denton, R-Mobile, now is spearheading an attempt in Washington to block the plan. Even with an earlier start, he and his allies would have faced imposing odds.

At stake are state and local sales taxes on purchases made with food stamps. Since the program was begun in 1964, Alabama and its cities and counties have collected the taxes on such transactions just as they do on all other food purchases.

All of the 4 percent state tax from the stamps and part of the local levies go into the Special Education Trust Fund, according to John Hunt, who heads the Department of Pensions and Security's Bureau of Food Assistance. DPS then gets the money -- about \$16.4 million this year -- and uses it to administer the federally funded food stamp program.

The remainder of the local levies go to city and county schools systems. Based on figures provided by state officials, this year's total is around \$6.5 million.

Fifteen or 16 other states around the country also charge taxes on the stamps.

Yet some people think it's not cricket of states to collect taxes off the stamps.

When the federal government provides \$1 in food stamps, they say, the intent is to help a needy person buy \$1

worth of food, to boost state revenues. Sacrificing several cents of that dollar to state and local taxes decreases the needy individual's buying power, and thereby the effectiveness of the program.

According to Denton and Mrs. Baggiano, that line of reasoning is hogwash.

If a person gets an aid check from the federal government, such as Aid to Families with Dependent Children, he or she cashes the check, and then pays state and local sales taxes on anything bought with that cash. Food stamps are no different, the Alabama side contends.

Alabama authorities also sees the proposed food stamp exemption as an unconstitutional infringement on the state's power to decide how and what to tax.

The tax ban movement dates back about 10 years. But today, as budget-conscious congressmen try to find ways to stretch federal dollars, its time appears to have arrived.

Earlier this month the House approved legislation that would prevent states from collecting taxes on food stamps. Provisions with the same end result are included in both a budget bill and a farm bill pending in the Senate.

Senate backers of the plan include two formidable heavyweights; Majority Leader Robert Dole, R-Kans., and Senate Agriculture Committee Chairman Jesse Helms, R-N.C.

Chances are that Alabama and some of the other affected states will go to court to challenge the law's constitutionality, if it does make it through Congress and is signed by President Reagan.

A lawsuit will take time, though. Meanwhile, Alabama might be left with the choice of either taking money from some other activity in order to continue the food stamp program, or cutting off the 650,000 people in the state who depend on the assistance -- one out of every six Alabama residents.

The state might end up having to rely on the Legislature's wisdom to produce a workable solution -- a truly chilling prospect, indeed.

With both the education trust fund and the general fund already on the brink of proration, it would be easier to steal a bone from a pack of hungry Dobermans than to convince any of the special interest groups and their pet legislators to chip in for food stamps.

Everyone knows it would be a royal mess. That's why such groups as the Alabama Education Association, the Alabama Farm Bureau and the Alabama League of Municipalities endorse the state's efforts to hold onto the tax.

As Mrs. Baggiano pointed out last week, food stamp recipients aren't the only ones who stand to lose.

[From the Mobile Press Register, Oct. 29, 1985]

FOOD STAMP TAX BAN WOULD COST STATE \$23 Million

(By Randy Quarles)

Washington. -- Alabama's state officials and its Capitol Hill crew must have been napping as Congress tiptoed toward approving a plan that would cost the state \$23 million, and possibly its \$350 million food stamp program.

They were rudely awakened a couple of weeks ago by Alabama Medicaid Commissioner Faye Baggiano, who noticed the activity, realized what it would mean to the state, and sounded the alarm.

"It's really a nightmare," said Mrs. Baggiano last week. "The money was there for all those years, and we may lose it within a matter of two weeks."

Mrs. Baggiano's Medicaid agency doesn't handle the food stamp program; it is the baby of the Department of Pensions and Security, which she used to head. But because DPS has been undergoing a change of administration, and the new DPS commissioner is one of her former staff members, Mrs. Baggiano has been in the forefront of the state's frantic maneuvering to avoid the disaster.

It's a good thing she still takes an interest in her former bailiwick. Otherwise, the state might not have known what was happening until it happened.

Not that it probably won't happen, anyway. It's just nice to know.

Sen. Jeremiah Denton, R-Ala., now is spearheading an attempt in Washington to block the plan. Even with an earlier start, he and his allies would have faced imposing odds.

At stake are state and local sales taxes on purchases made with food stamps. Since the program was begun in 1964, Alabama and its cities and counties have collected the taxes on such transactions just as they do on all other food purchases.

All of the 4 percent state tax from the stamps and part of the local levies go into the Special Education Trust Fund, according to John Hunt, who heads the Department of Pensions and Security's Bureau of Food Assistance. DPS then gets the money -- about \$16.4 million this year -- and uses it to administer the federally funded food stamp program.

The remainder of the local levies go to city and county schools systems. Based on figures provided by state officials, this year's total is around \$6.5 million.

Fifteen or 16 other states around the country also charge taxes on the stamps.

Yet some people think it's not cricket of states to collect taxes off the stamps.

When the federal government provides \$1 in food stamps, they say, the intent is to help a needy person buy \$1 worth of food, not to boost state revenues. Sacrificing several cents of that dollar to state and local taxes decreases the needy individual's buying power, and thereby the effectiveness of the program.

According to Denton and Mrs. Baggiano, that line of reasoning is hogwash.

If a person gets an aid check from the federal government, such as Aid to Families with Dependent Children, he or she cashes the check, and then pays state and local sales taxes on anything bought with that cash. Food stamps are no different, the Alabama side contends.

Alabama authorities also sees the proposed food stamp exemption as an unconstitutional infringement on the state's power to decide how and what to tax.

The tax ban movement dates back about 10 years. But today, as budget-conscious congressmen try to find ways to stretch federal dollars, its time appears to have arrived.

Earlier this month the House approved legislation that would prevent states from collecting taxes on food stamps. Provisions with the same end result are included in both a budget bill and a farm bill pending in the Senate.

Senate backers of the plan include two formidable heavyweights: Majority Leader Robert Dole, R-Kan., and Senate Agriculture Committee Chairman Jesse Helms, R-N.C.

Chances are that Alabama and some of the other affected states will go to court to challenge the law's constitutionality, if it does make it through Congress and is signed by President Reagan.

A lawsuit will take time, though. Meanwhile, Alabama might be left with the choice of either taking money from some other activity in order to continue the food stamp program, or cutting off the 650,000 people in the state who depend on the assistance -- one out of every six Alabama residents.

The state might end up having to rely on the Legislature's wisdom to produce a workable solution -- a truly chilling prospect, indeed.

With both the education trust fund and the general fund already on the brink of proration, it would be easier to steal a bone from a pack of hungry Dobermans than to convince any of the special interest groups and their pet legislators to chip in for food stamps.

Everyone knows it would be a royal mess. That's why such groups as the Alabama Education Association, the Alabama Farm Bureau and the Alabama League of Municipalities endorse the state's efforts to hold onto the tax.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON addressed the Chair.

Mr. DENTON. We yield time whenever Senator Heflin is ready to proceed.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON, Mr. MELCHER, and Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, as I understand it, I am in control of the opposition time. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. We have to watch this. One minute?

Mr. DIXON. Three minutes.

Mr. HELMS. I yield 3 minutes to the Senator from Illinois.

Mr. EAGLETON. Will the Senator keep me in mind for 2 minutes?

Mr. HELMS. Three minutes to the Senator from Illinois; 2 minutes to the Senator from Missouri.

Mr. DENTON. Senator Heflin is going to be talking on our side.

Mr. BOSCHWITZ. Mr. President, 1 minute.

Mr. HELMS. One minute each to the Senator from Alabama -- he is on the other side. The Senator will get his time from Senator Denton.

Mr. DENTON. Mr. President, is there anyone else who wishes to speak?

Mr. HELMS. I think we are in good shape.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, let me say that this matter was thoroughly discussed -- at great length -- in the Agriculture Committee. It occupied a good deal of time and was discussed by everyone in the committee. I think the committee proposal is a correct one.

First of all, food stamps are paid for by the Federal Government to support those among us in our society who have the least ability to take care of themselves. Why should States be able to prosper and to receive funds from taxing food stamps which are paid for by the Federal Government to take care of the food needs of the poorest people in our society?

Many of the States of our Union, as a consequence of this situation, exempt food from sales tax. I think that is an entirely appropriate thing for States like Alabama to consider; but I think it is reasonable to argue that to permit the State of Alabama or other States to tax food stamps, in essence, permits the State of Alabama to enrich itself at the expense of the Federal Government, which is paying for those food stamps to feed the poor people of Alabama.

It is an unreasonable position for the State to take, that this should be permitted, and I urge the Members of the Senate to support the committee position.

I again stress that the matter was thoroughly discussed in committee, in a bipartisan way, by Members on both sides of the table, and we all agreed ultimately that this was a right position for the committee to take.

Again, food stamps are paid for by the Federal Government to feed the very poor in our society. My friend from Alabama would suggest that the State should be able to tax those food stamps and enrich the revenue sources of Alabama at the expense of the Federal Government. I believe the amendment is not warranted.

Mr. DENTON. It is a 50-50 split between the Federal Government and the State government. The 50 percent we have to pay is not sufficiently augmented by the sales tax which the Senator wants to abolish.

Mr. DIXON. Mr. President, I do not want to yield any of my time. I stand by my statements. What I have indicated is a matter that was thoroughly discussed in the committee, and I urge Senators to vote against this amendment.

Mr. DOLE. Mr. President, as the chairman of the Nutrition Subcommittee, I find myself in the position of having to defend a provision in the farm bill that was initially introduced by myself in the Domestic Food Assistance Act of 1984, and again in the bipartisan food stamp reauthorization bill that I introduced this year, which was similar to last year's legislation. I might mention that the distinguished Senator from New Mexico was a cosponsor of the 1984 bill -- and both Kansas and New Mexico have State sales taxes on food. The issue at stake was equity to food stamp recipients.

CURRENT FARM BILL PROVISION

Mr. President, this farm bill contains a modification of my original proposal, which actually would have saved over \$100 million a year. This current provision would declare food stamps to be a nontaxable event, thereby prohibiting States from charging a sales tax on food purchased by food stamp recipients. The Senator from Kansas admits that the original proposal may have been a bit awkward to administer, and the provision adopted by the Agriculture Committee during its consideration of issues related to the reauthorization of the Food Stamp Program would seem to be an improvement. The current proposal was suggested by the Department of Agriculture.

EQUITY TO FOOD STAMP RECIPIENTS

My original proposal would have required States that charge a sales tax on food to return to the Federal Treasury those moneys collected at the expense of food stamp recipients. Allowing States to take advantage of free revenues, while eroding the purchasing power of food stamp recipients is a practice that the Federal Government should

discourage. It is inequitable to food stamp recipients, because they do not get the full value of their food stamp dollars, since part of the money goes to pay State sales taxes on food.

While some may argue that food stamp benefits are inadequate to begin with, it is certainly true that they are based on the most minimal cost diet available -- the thrifty food plan. To erode these benefit levels further, while allowing States to collect revenues for their own purposes is most unfair.

I urge my colleagues to vote against this amendment offered by my colleague from Georgia.

Mr. EAGLETON. Mr. President, will the Senator from North Carolina yield me 2 minutes?

Mr. HELMS. I yield.

The PRESIDING OFFICER (Mr. Armstrong). The Senator is recognized for 2 minutes.

Mr. EAGLETON. Mr. President, the Denton amendment is an idea whose time has come and gone.

Missouri is one of the 16 States that tax food stamps. It is singularly interesting that not one governmental official from Missouri has contacted me in support of the Denton amendment. I think they are embarrassed. I think they are chagrined. I think they are ashamed.

I cannot believe that our Governor or any member of our State legislature would call me on the phone, recommending that the law stay as it is, that we permit the State of Missouri to tax food stamps on a sales tax basis and to reduce the already meager allotment to needy individuals by 5, 6, or 7 percent, or whatever the sales tax may be.

I doubt that many Governors from the other 15 States have contacted many of their Senators, because it is a very inhumane concept that they would be advocating.

Let me read an excerpt from a letter from the Center on Budget and Policy Priorities:

By law, food stamp benefits are supposed to be based on the cost of the thrifty food plan, the lowest cost food plan USDA has devised. But in States with a sales tax on food stamp purchases, poor families and elderly persons do not receive enough in benefits to purchase this minimal diet.

Thus, Mr. President, I think it would be cruel -- and I use that word advisedly -- if we were to continue a policy of permitting States to levy sales taxes on these meager food stamp allotments.

Mr. President, I ask unanimous consent to have the letter printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Center on Budget and

Policy Priorities,
Washington, DC, November 18, 1985.

Dear Senator: We, the undersigned organizations, are deeply concerned about an amendment we understand will be offered to the food stamp provisions of the Farm Bill.

The bill currently contains an important provision adopted by the Agriculture Committee that would help to reduce the problem of hunger, and rectify a serious inequity in the food stamp program, without any federal cost. This provision would end the current practice whereby about one-third of the states now effectively siphon off a portion of the federal food stamp benefits intended for poor families by charging sales tax on all food stamp purchases. (A list of

these states is attached.)

In these states, poor families and elderly persons now fail to receive enough benefits to purchase the lowest cost minimum-diet plan the federal government has designed, because their states divert some of the federal food stamp funds intended for the poor to other purposes.

We strongly support the provision of the Reconciliation bill to end this practice. We strongly oppose an amendment that we understand will be offered by Senator Denton to strike this provision.

By law, food stamp benefits are supposed to be based on the cost of the "thrifty food plan," the lowest cost food plan USDA has devised. But in states with a sales tax on food stamp purchases, poor families and elderly persons do not receive enough in benefits to purchase this minimal diet.

For example, if a state charges a 5% sales tax on food purchased with food stamps, poor households in that state receive benefits equal to only 95% of the cost of the thrifty plan. The state takes the other 5% of the benefits for purposes generally unrelated to food assistance.

From a federal fiscal standpoint, this means that federal funds appropriated to help provide food to needy persons are being diverted and spent in ways Congress did not intend.

From the standpoint of trying to alleviate hunger and malnutrition, it means that some of the nation's poorest families and elderly persons are not provided enough assistance to purchase a minimally adequate diet. We would note that President Reagan's Task Force on Food Assistance strongly recommended that food stamp benefits equal 100% of the cost of the thrifty food plan -- a goal that the Denton amendment would thwart.

In addition, the current practice of allowing states to tax food stamp purchases also results in inequities across state lines. The two-thirds of the states that do not charge sales tax on food stamp purchases do not receive these extra federal funds. The other states do.

What makes this even more serious is that those states who do charge sales tax on food stamp purchases are, by and large, the same states that provide the lowest public assistance benefits in the nation. As a result, the families adversely affected in these states are among the poorest in the nation.

We therefore urge you to oppose the Denton amendment.

Sincerely,

Children's Defense Fund, Center on Budget and Policy Priorities, Church of the Brethren, Interfaith Action for Economic Justice, Presbyterian Church (U.S.A.).

United Church of Christ, Office for Church in Society, Friends Committee on National Legislation, National Council of Senior Citizens, United Food and Commercial Worker Union, American Public Health Association.

Coalition on Block Grants and Human Needs, National Association of Social Workers, National Urban League, Villers Advocacy Associates, Public Voice for Food and Health Policy.

American Association of Retired Persons, American Baptist Churches U.S.A., Church Women United, Lutheran Council in the U.S.A., Unitarian Universalist Association of Congregations in North America, Washington Office.

National Conference of Catholic Charities, Bread for the World, International Ladies' Garment Workers Union, United Steelworkers Union, Child Welfare League of America.

The Children's Foundation, Food Research and Action Center, National Council of La Raza, National Low Income Housing Coalition, Rural Coalition, Wider Opportunities for Women.

Mr. HELMS. Mr. President, I yield 2 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I rise in opposition to the amendment offered by Senators Denton and Helfin to strike the committee provision with regard to sales tax.

The Agriculture Committee adopted a provision which would end the current practice of one-third of the States collecting sales tax on food stamp purchases.

By law, food stamp benefits are based on the cost of the thrifty food plan. This food plan is the lowest cost -- while meeting the minimal nutritional standards -- food plan, devised by USDA. However, with some States charging sales tax on food stamp purchases, food stamp recipients in those States are not able to purchase this food plan, thus not meeting even the minimal level of nutritional standards.

From a Federal fiscal standpoint, this means that Federal funds appropriated to help provide food to needy persons are being diverted and spent in ways Congress did not intend. These States are receiving extra Federal funds -- unavailable to States who do not charge sales tax on food stamp purchases.

The committee adopted a provision requiring sales tax not be charged on food stamp purchases to ensure that the funds provided by Congress go for feeding families and elderly persons, not to be used for other purposes designated by the States. The committee provision also ensures that food stamp recipients are able to purchase at least the thrifty food plan -- the Federal Government's lowest cost, minimum diet plan.

I urge my colleagues not accept the amendment to strike the sales tax provision adopted by the committee.

Mr. DENTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes and fifteen seconds.

Mr. DENTON. I will use 15 seconds before yielding Senator Heflin the remainder of the time.

Mr. President, this has been done for 20 years. The difference between Missouri and Alabama is that St. Louis and Kansas City have defense industry. Alabama has more people in the Food Stamp Program than does Missouri.

You are the ones who are going to hurt these poor people, not me. We do not have the dough to pay for this. We have article after article on this.

I yield to Senator Heflin the remainder of my time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, in Alabama this sales tax is deposited in a special fund which is used for the administration of the Food Stamp Program. As I understand it, as the moneys from the overall Food Stamp Program come in, in a lump sum, they are being administered. It depends on the peculiarities of each State. You have peculiarities in each State.

As Senator Denton has pointed out, we have a great number of poor people. We have a lot of administrative costs. the administrative cost on a per capita basis is probably much larger in most States, and therefore Alabama is in a different situation.

Mr. President, the amendment I am cosponsoring with my colleague from Alabama is both simple and important. It is simple in that it would delete only one provision of the many included in the farm bill.

At the same time, Mr. President, this amendment does carry an importance disproportionate to its brevity and simplicity -- an importance with both immediate and long-range implications.

The section which we seek to delete calls for an exemption from State and local sales taxes of all transactions where food stamps are the medium of exchange. This exemption would not have an impact on every State, for some States have no sales tax on the sale of any grocery items, for example, but it does effect between 15 and 20 States, some with severe implications.

In some States, the revenues collected by a sales tax levied on transactions involving food stamps are used to support the State's share of the administrative costs of the program. In Alabama, for instance, all collections from the 4-percent State sales tax are deposited to the special education trust fund, but an amount equal to 5 percent of the face value of food stamps issued in Alabama is earmarked to pay the State share of the administrative costs of the Food Stamp Program. Should food stamp transactions be exempted from the sales tax, the State would lose more than \$13 million a year, and, if these funds could not be found elsewhere -- either by raising taxes or cutting other programs -- Alabamians might lose access to a successful food stamp which provides assistance to over 650,000 citizens in my State alone.

Mr. President, this is the short-term implication of the section we seek to delete. I am certain that the proponents of this section had good intentions in its formulation, and wanted to increase the purchasing power of food stamp recipients. At the same time, however, I feel we are in danger of cutting off our nose to spite our face, and that while we will be increasing the purchasing power of some food stamp recipients, for others we are running the risk of their not having access to food stamps at all.

There are a number of other arguments that can be made against the bill as my colleague has pointed out. There is the constitutional question of the sovereignty over the power of taxation. There is also a clear States' rights argument. There is the question of why food stamps should be treated differently for the purpose of State taxation than are other Federal transfer payments.

In addition, Mr. President, there are practical arguments, as well. We would be forcing stores to keep different records, of great complexity, so they would know just how much tax to pay to the State. Or we could be placing store owners in a perfectly designed "no win" situation -- if a State refused to change their legal sales tax provisions, and we acted to exempt food stamp transactions from State sales taxes, a store owner would be violating State law if he failed to collect a sales tax on a food stamp transaction and he would be violating Federal law if he did collect such a sales tax.

Clearly, Mr. President, the bill creates many more question than it actually solves. I believe it is a bad provision, with an unsound base and creating frightening implications, and I urge my colleagues to support this amendment to have this measure removed from the bill.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I regret that I must oppose the amendment of my distinguished colleague from Alabama.

The committee's provision with regard to sales taxes on food stamp sales is intended to address two issues:

First, the present practice of charging sales taxes on food stamp purchases in certain States represents reduced

buying power for food stamp recipients in those States. Food stamp allotments are based on the thrifty food plan. (The thrifty food plan is a research-based set of economical and nutritious diets that, insofar as possible, reflect food choices of households with limited food budgets. It is composed of an assortment of foods that represents as little change from average food consumption of persons in U.S. households with relatively low costs as was required to provide a nutritious diet while controlling costs.) Applicable sales taxes on food purchases are not included in formulating the cost of the plan. For example, in States imposing a 4-percent sales tax on all food purchases, the real buying power for recipients in the grocery store is the equivalent of 96 percent of the thrifty food plan. Thus, the purchasing power of the food stamp allotment is reduced for recipients in States where sales taxes are imposed on food stamp purchases relative to the recipients in States with no such sales taxes and relative to the basis for the benefits, the thrifty food plan.

Second, from a Federal perspective, the existing policy serves as an indirect Federal subsidy -- through the Federal Food Stamp Program -- to those State and local governments imposing a sales tax on food stamp purchases.

Mr. President, the committee's provision is a good one which has been applauded by those concerned that food stamp recipients should receive the maximum purchasing power provided by food stamp benefits and by those who desire to see the end to the subsidy of State and local governments.

Mr. President, I yield the remainder of my time to the distinguished Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise to oppose this amendment as well.

I recognize the fervor with which my friend from Alabama has spoken. Nevertheless, the fact remains when a person goes in to buy food with food stamps, for a certain portion of those food stamps, there is a sales tax percentage that has to be used to pay the sales tax rather than buy food.

Mr. President, I ask unanimous consent to have printed in the Record a table listing State fiscal year 1984 general sales tax receipts and receipts from taxes on food stamp sales.

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

STATE FISCAL YEAR 1984 GENERAL SALES TAX RECEIPTS AND RECEIPTS FROM TAXES ON FOOD STAMP SALES

NOTE: This table is divided, and additional information on a particular entry may appear on more than one screen.

State	Percentage Tax n1	Revenues from food stamp tax n2
Alabama n4	4	\$12,571,761
Arkansas	4	5,630,448
Georgia	3	8,850,450
Hawaii	4	3,184,561
Idaho	4	1,414,065
Kansas	3	2,010,343
Mississippi	6	15,653,627
Missouri	4.125	8,748,736
New Mexico	3.75	3,252,745
North Carolina	3	7,171,655
Oklahoma	3	3,515,070

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

South Carolina	5	10,236,830
South Dakota	4	924,415
Tennessee	n5 4.5-5.5	13,962,715
Utah	4.675	1,816,543
Virginia	n6 2-3	4,827,286
Wyoming	3	397,701
Total	2-6	104,168,951

State	Percentage of total tax revenues from food stamp tax receipts n3
-------	--

Alabama n4	0.48
Arkansas	.33
Georgia	.22
Hawaii	.26
Idaho	.16
Kansas	.12
Mississippi	.89
Missouri	.24
New Mexico	.23
North Carolina	.15
Oklahoma	.12
South Carolina	.42
South Dakota	.28
Tennessee	.54
Utah	.14
Virginia	.12
Wyoming	.06
Total	.28

n1 Source Bureau of the Census via Congressional Research Service.

n2 Product of sales tax percentage multiplied by food stamp redemptions.

n3 Based on data from Congressional Research Service.

n4 Fiscal year 1984 comprised the period Oct. 1, 1983, through Sept. 30, 1984; remainder of States' fiscal year 1984 comprised the period July 1, 1983, through June 30, 1984.

n5 Tax rate at 4.5 percent through Mar. 30, 1984; 5.5 percent thereafter.

n6 Tax rate at 2 percent through Feb. 14, 1984; 3 percent thereafter.

Mr. BOSCHWITZ. So, in a State where there is a 4-percent sales tax, the food stamp recipient really only gets 96 cents; the other 4 percent of the food stamps has to be used to pay the sales tax.

That is why I oppose this amendment.

Mr. DENTON. Mr. President, is there any time remaining on my side?

The PRESIDING OFFICER. Twenty-two seconds.

Mr. DENTON. Mr. President, I wish to use that time to ask the Senator from Minnesota a question.

Mr. BOSCHWITZ. Yes.

Mr. DENTON. Is the Senator from Minnesota aware that the money used that the Government gives for programs like Women, Infants, and Children and all of those other financial programs which go to help people just as needy or, perhaps, in even more disadvantageous circumstances than using food stamps, are also subjected to sales tax when the purchase is made?

We are not taxing food stamps; we are taxing the purchases made with those food stamps as has been done for 20 years and still done with all the remainder of the money we are hand-ing out in that way.

Mr. BOSCHWITZ. Mr. President, if I may respond, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 38 seconds.

Mr. BOSCHWITZ. WIC is not, as I understand, taxed in the State of Alabama. The Senator made a good point and we will make an effort to correct those items as well.

Mr. President, I yield the remainder of my time.

Mr. HELMS. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] is necessarily absent.

The result was announced -- yeas 32, nays 67, as follows:

(See Rollcall Vote No. 328 Leg. in the ROLL segment.)

So the amendment (No. 1085), as modified, was rejected.

Mr. HELMS. Mr. President, I move the reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1086

(Purpose: To modify certain requirements relating to the treatment of energy assistance payments for purposes of calculating excess shelter expense deductions under the food stamp program.)

Mr. STAFFORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. STAFFORD. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Vermont [Mr. Stafford], for himself and Mr. Kennedy, Mr. Heinz, Mr. Glenn, Mr. Danforth, Mr. Leahy, Mr. D'Amato, Mr. Eagleton, Mr. Burdick, Mr. Cohen, Mr. Hatfield, Mr. Moynihan, Mr. Hart, Mr. Andrews, Mr. Lautenberg, Mr. Riegle, Mrs. Hawkins, Mr. Pell, and Mr. Harkin, proposes an amendment numbered 1086.

Mr. STAFFORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment add the following: On page 278, after line 26, insert the following new section:

ENERGY ASSISTANCE PAYMENTS

Sec. -- . (a) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) (as amended by section 1410) is amended --

(1) by striking out ", excluding expenses of the household paid (directly or indirectly) under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)" after "for shelter" each place it appears in clause (2) of the fourth sentence and subclause (C) of the last sentence; and

(2) by striking out the sixth and seventh sentences and inserting in lieu thereof the following new sentence: "If a State agency elects to use a standard utility allowance, the agency shall use a combined allowance for all households.".

(b) The amendments made by subsection (a) shall become effective one day after the date of enactment of this Act.

Mr. STAFFORD. Mr. President, I am agreeable to having 10 minutes on each side, if that is agreeable to the chairman of the committee.

Mr. HELMS. Mr. President, I ask unanimous consent that there be 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. STAFFORD. Mr. President, I rise to offer an amendment to correct what I think is a serious problem with this bill. I am joined in support of this amendment by my distinguished colleagues, Mr. Kennedy, Mr. Heinz, Mr. Glenn, Mr. Danforth, Mr. Leahy, Mr. D'Amato, Mr. Eagleton, Mr. Burdick, Mr. Cohen, Mr. Hatfield, Mr. Moynihan, Mr. Lautenberg, Mr. Hart, Mr. Andrews, Mr. Reigle, Mrs. Hawkins, Mr. Pell, and Mr. Harkin.

Mr. President, this amendment is essentially the same as the one that was adopted by the Senate on November 12 to

the budget reconciliation bill by a vote of 60 to 37. It has the same cosponsors.

The bill as written would fundamentally alter the treatment of energy assistance payments for food stamp purposes. Congressional intent in reauthorizing the energy assistance program only last year, made it clear that energy assistance should not be counted as income for food stamps. In stark contrast, under the bill before us large numbers of elderly poor people would have their food stamp benefits cut because they received energy assistance benefits.

Unless this provision is removed from the pending bill, as many as 11 million low-income Americans could possibly face reductions in food stamp benefits during winter months, when good nutrition is important for good health.

For instance, two elderly persons living together who receive a \$519 monthly Social Security check would have their food stamp allotment reduced by more than 76 percent -- from the present \$77 to \$18 monthly -- during the 5-month heating season.

Congress never intended for this to happen, as appears in the 1984 extension of LIHEAP, and I do not think that we should permit it to happen now.

We often hear of people faced with the "heat or eat" dilemma. I can think of no instance when this dilemma has been clearer. I certainly do not think we should be in the position of sanctioning it at this time.

It is claimed that the food stamp cuts for households receiving energy assistance benefits are minimal; but in fact, in many colder regions they are very significant and very painful. On average, Vermonters will lose \$28.30 of groceries each winter month. Alaskans and Minnesotans lose over \$32. North Dakotans lose \$41 each month. Pennsylvanians lose \$21.20 monthly, while Iowans lose \$18.90. The poorest households, of course, get higher energy benefits and will, therefore, lose more food stamps. For example maximum losses in Minnesota can be \$61.30 a month, in Vermont \$79.30.

Mr. President, the monthly reduction in food stamp benefits over the 5-month heating season averages \$14.70 nationally. Since a meal for a food stamp recipient costs 70 cents, he or she will lose an entire week's meals. Poorer households in colder States could lose as much as a whole month's meals for two household members.

Another important point is that some elderly and disabled households will become ineligible for food stamps under the provisions of the committee bill. These households' eligibility is based solely on net income after deductions, unlike that of other households.

Moreover, I am concerned that the committee's action strays into the jurisdiction of the Committee on Labor and Human Resources.

As I mentioned, Congress only last year reenacted the Energy Assistance Program. The committee again included the language prohibiting energy assistance benefits from being counted as income or resources for any purpose under any Federal or State law.

Despite this clear intent, the Department of Agriculture is currently trying to include energy assistance payments in the calculation of food stamp benefits.

To date, USDA's policy has been challenged in three courts. USDA has lost each case, and is prohibited in those States affected from enforcing this policy. I think the court's interpretations are correct, and I think they should ultimately be adopted nationwide.

Mr. President, I repeat, this is the same amendment that the Senate voted on and adopted by a vote of 60 to 37 on November 12 to the reconciliation bill.

The amendment I am offering is not costly but it will correct a serious inequity in the bill. It has broad support, not

only within Congress, but outside it as well.

Let us not force people to heat or eat. Let us continue to recognize energy assistance as a supplemental program. And let us not undo what we did only last year and what we will probably do again next year. Mr. President, I urge my colleagues to give their full support to this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I wish to inform my colleagues that this Senator from North Carolina will speak in opposition to this amendment.

Mr. President, I regret that the Senator wishes to strike this provision of the Agriculture Committee's provisions. It is one of the most logical and reasonable provisions we could have adopted. Its widespread support is indicated by the 17 to 0 vote in favor of its adoption during committee consideration.

The amendment was proposed by the Senator from Iowa [Mr. Harkin] and was included in a bipartisan proposal being advanced by Senators Boschwitz and Leahy.

Let me briefly explain the committee's provision and the need for its inclusion in this package.

There are several issues involved. First, let me make it clear and emphasize this point: The committee in no way changed the policy with respect to counting low-income energy assistance payments as income. The food stamp policy has long been that these federally funded energy assistance payments are not counted as income for purposes of determining either food stamp eligibility or benefit levels.

The only issue addressed by the Agriculture Committee was how to treat expenses paid for by income -- from the Low Income Home Energy Assistance Program -- that is excluded from counting as income.

Frankly, committee members were, I think, astounded to learn of the present, illogical food stamp policy. The committee did an excellent job in untangling present policy and recommending a consistent and logical policy.

There are generally two types of low-income energy assistance payments -- direct payments made to individuals and indirect, so-called vendor, payments made to energy companies on behalf of individuals. Food stamp policy currently states that food stamp recipients who are also recipients of energy assistance vendor payments may not count energy costs paid to an energy company on behalf of the household as an expense for purposes of determining the household's deductible shelter expenses in the Food Stamp Program. This is a logical position because the household incurred no out-of-pocket expenses of its own. Rather, the Low Income Energy Assistance Program paid for those expenses. A recent court ruling has overturned this interpretation and stated that such vendor payments must be counted as part of the household's expenses when determining the household's deductible shelter expenses. Thus, the committee's bill explicitly puts into law the present regulatory policy in order to reverse the court ruling.

The committee bill goes a step further. The administration's treatment of direct energy assistance payments is as illogical as the vendor payment policy is logical. While vendor payments do not count toward the household's deductible shelter expenses, direct payments made under the Low Income Home Energy Assistance Program are permitted to count as deductible expenses. There is no reasonable rationale for this divergent treatment of such payments. The underlying principle should remain the same -- that is, that expenses paid from excluded income should not be permitted as deductible shelter expenses. To remedy this situation, the committee has taken the step of providing that both direct and indirect payments for energy assistance may not be included by the household in determining permissible shelter expenses.

While it is true that some households may have a reduction in benefits, this reduction results solely from correcting this inconsistency in present law. I should emphasize that, at a maximum, the change would reduce food stamp benefits by a maximum of 30 percent of the value of energy assistance payments in those situations in which such payments are now being counted as allowable expenses.

I regret that the present policy has been in effect this long. It was drawn to the attention of the committee by our efforts to correct the initial court decision dealing with vendor payments.

I should point out that the pending amendment would eliminate \$65 million in annual savings resulting from the Agriculture Committee's provision and potentially add another \$57 million -- if the eighth circuit court ruling were to be applied nationally.

For these reasons, I believed we must reject the pending amendment.

I ask unanimous consent that a table entitled "Food Stamp Benefit Reductions for Energy Assistance Households" in Senate Agriculture Committee bill be printed in the Record at this point.

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

FOOD STAMP BENEFIT REDUCTIONS FOR ENERGY ASSISTANCE HOUSEHOLDS IN SENATE AGRICULTURE COMMITTEE BILL

NOTE: This table is divided, and additional information on a particular entry may appear on more than one screen.

State	Average reduction per	Maximum reduction per
	month	month
Alabama	\$7.50	\$24.00
Alaska	33.30	68.30
Arizona n1	6.70	10.00
Arkansas	7.60	16.70
California n1	8.60	26.70
Colorado	23.50	66.70
Connecticut	38.70	60.00
Delaware	22.00	32.00
Florida	9.50	13.30
Georgia	10.00	23.00
Hawaii n1	NA	NA
Idaho	15.20	37.70
Illinois	15.00	31.70
Indiana	18.10	20.00
Iowa	18.90	31.00
Kansas n1	14.70	33.30
Kentucky n1	8.70	10.00
Louisiana n1	4.30	5.30
Maine	25.00	26.70

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Maryland	16.90	46.00
Massachusetts	37.40	50.00
Michigan n1	9.10	53.30
Minnesota	32.10	61.30
Mississippi	10.70	16.00
Missouri	15.80	28.80
Montana	30.80	87.50
Nebraska	NA	66.70
Nevada	15.90	32.00
New Hampshire	31.70	43.30
New Jersey	20.40	52.50
New Mexico	11.50	20.50
New York	14.10	20.30
North Carolina n1	11.70	45.40
North Dakota	41.00	153.60
Ohio n1	10.00	26.70
Oklahoma	9.10	20.00
Oregon	13.60	22.30
Pennsylvania	21.20	34.50
Rhode Island n1	17.60	21.70
South Carolina n1	8.20	12.40
South Dakota	24.10	46.00
Tennessee	12.60	13.30
Texas n1	4.60	13.00
Utah	17.90	30.20
Vermont	28.30	79.30
Virginia	22.90	29.50
Washington n1	12.00	14.70
West Virginia	10.80	14.30
Wisconsin	20.70	22.50
Wyoming	24.70	58.50
United States	14.70	153.60

State

Number of affected
households

Alabama	51,600
Alaska	7,500
Arizona n1	24,000
Arkansas	42,600

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

California n1	283,800
Colorado	33,000
Connecticut	45,510
Delaware	7,941
Florida	94,626
Georgia	66,000
Hawaii n1	16,288
Idaho	25,368
Illinois	270,000
Indiana	95,400
Iowa	63,931
Kansas n1	27,906
Kentucky n1	68,400
Louisiana n1	74,753
Maine	36,229
Maryland	53,899
Massachusetts	89,640
Michigan n1	180,000
Minnesota	80,400
Mississippi	38,103
Missouri	88,334
Montana	13,800
Nebraska	22,260
Nevada	6,803
New Hampshire	15,904
New Jersey	114,000
New Mexico	36,618
New York	619,800
North Carolina n1	96,000
North Dakota	12,099
Ohio n1	270,000
Oklahoma	50,172
Oregon	50,439
Pennsylvania	213,883
Rhode Island n1	17,785
South Carolina n1	51,768
South Dakota	13,840
Tennessee	66,000

Texas n1	180,219
Utah	27,600
Vermont	12,022
Virginia	68,131
Washington n1	45,000
West Virginia	45,900
Wisconsin	128,400
Wyoming	7,290
United States	

n1 Denotes States with large crisis or cooling programs where cuts are understated.

Note. -- This analysis excludes cooling and crisis intervention payments (about 11 percent of LIHEAP assistance) and assumes a 5-mo. heating season.

Source: "Report on the Low Income Home Energy Assistance Program," OFA/SSA/HHS, Feb. 25, 1985. LIHEAP/food stamp households are 56 percent of LIHEAP recipients on average. U.S. Census, CPS 1983.

Mr. BOSCHWITZ. Mr. President, I yield to the majority leader.

Mr. DOLE. Mr. President, I reluctantly rise in opposition to the amendment of my good friend, the distinguished Senator from Vermont. But I wanted to include my statement into the Record and again indicate, if this amendment passed, it also passed out of the committee 17 to 0. In the reconciliation there was not much debate. Everyone was in a charitable mood. It is always easy to give money away we do not have. We did, \$90 million.

I will just point out there are eight Democrats and nine Republicans on the Agriculture Committee. The vote was 17 to 0. Everybody was there and everybody voted. It is not a partisan amendment. It was by unanimous vote. It is just saying that out-of-pocket expenses are one thing but if they are not out of pocket, it is something else.

Mr. President, this amendment would reverse a significant provision adopted by a unanimous vote of 17 to 0 during Agriculture Committee consideration of a bipartisan food stamp reauthorization package offered by Senators Boschwitz and Leahy and sponsored by Senator Harkin. Mr. President, this amendment has the effect of increasing food stamp benefits to reflect energy expenses which are already being paid by another Federal program.

The committee provision on energy assistance was adopted by a vote of 17-0, based on the policy merits. The committee did not set out to achieve savings in this way -- certainly not at the "expense" of the elderly -- but savings evolved as part of what seemed to us to be a rational approach to the issue. Rather, because of an eighth circuit court ruling, Congress needed to clarify the law to reestablish a national policy with regard to the treatment of payments under the Low Income Home Energy Assistance Program [LIHEAP]. There was extensive debate both at the staff level and among members during the committee markup, and what emerged as a policy change was unanimously endorsed, because it was a sensible and equitable approach to the handling of these LIHEAP payments.

COMMITTEE ACTION

The committee adopted an amendment which would correct the discrepancy that presently exists in cases where food stamp recipients may deduct shelter expenses even when those costs were paid for by federally funded energy assistance payments. The Agriculture Committee's provision establishes the rational, straightforward policy that deductions for shelter expenses in the Food Stamp Program should not be allowed for expenses that are covered by either direct or indirect payments that are excluded as income for eligibility determination purposes and covered by

benefits from other programs.

The effect of the previous Stafford amendment would be that two families in virtually identical financial circumstances would receive different levels of food stamp benefits just because one family's LIHEAP payment was sent as a check made out to them and the other family's check was sent to their utility company.

ENERGY ASSISTANCE POLICY

Mr. President, the committee action in no way changed the current policy that federally funded energy assistance payments may not be counted as income for purposes of determining either food stamp eligibility or benefit levels. The only issue addressed by the Agriculture Committee was how to treat expenses paid for by the Low Income Home Energy Assistance Program [LIHEAP].

The committee bill does not restrict the States' ability to use standard utility allowances. However, standard utility allowances, which reflect average utility expenses instead of each recipient's actual utility bills, must reflect only actual "out of pocket" expenses -- not any Federal energy assistance payments received by the household. If a recipient's utility expenses exceed their LIHEAP payment, they will still be allowed to deduct those expenses and use the standard utility allowance.

The only change is that the committee provision requires that a standard utility allowance used for LIHEAP recipients must reflect LIHEAP payments. There is no requirement (and little likelihood) that the standard utility allowance would be reduced by the total amount of the average LIHEAP payment. In practice, States usually establish standard utility allowance high enough to ease the administrative complexity that occurs when many food stamp recipients have to deduct actual expenses above the standard utility allowance. Further, under current law, which was not modified by the committee, recipients may continue to deduct actual expenses for energy costs rather than using the standard utility allowance.

EXAGGERATION OF IMPACT FIGURES

Mr. President, there are some figures which have been circulated which greatly exaggerate the impact of the committee's provision. One such listing purported to demonstrate the State-by-State impact of the committee's action. However, a careful analysis of the figures indicates that the cumulative impact adds up to almost 5 times the total estimated by the Congressional Budget Office -- definitely a worst case scenario. If Congress is to make sensible policy decisions, we need to be able to depend upon facts. The State-by-State analysis presents the "maximum impact" on recipients -- not the average anticipated impact.

Many of the overstatements seem to result from miscalculations or misunderstandings of the existing Food Stamp Program deduction procedures. Opponents of the committee's provision neglect the fact that an estimated one-half of all energy assistance is provided in vendor payments directly to the utility company; the committee's provision merely reinforces current regulatory policy. These analyses also miss the fact that, because some States have significantly high energy costs and standard utility allowances, the committee's provision would have less impact in those States. Actually, the provision would probably have little or no impact on a State like Vermont, one of the States cited as an example. Also, opponents of the committee provision neglect to calculate that not all shelter costs are deductible now -- a factor which the committee provision does not change.

TREATMENT OF LOW-INCOME ENERGY ASSISTANCE PAYMENTS

Generally speaking, there are two types of low income energy assistance payments -- direct payments made to individuals and indirect, "vendor" payments made to utility companies on behalf of individuals. Current food stamp policy provides that, if the low-income energy assistance payment is made as a vendor payment, directly to the utility company, a recipient may not deduct the amount of these already paid expenses as a shelter expense. However, if the LIHEAP benefits are instead paid directly to the individual household, all energy expenses are deductible as shelter

expenses, even those expenses paid for by LIHEAP. The Senator from Kansas believes this is a very reasonable, equitable policy approach, because the household incurred no "out-of-pocket" expenses of its own. Rather, the Low Income Energy Assistance Program paid for those expenses.

EFFECT OF 8TH CIRCUIT COURT RULING

A recent court ruling by the eighth circuit has stated that such vendor payments must be counted as part of a household's expenses when determining the household's deductible shelter expenses. The committee's action explicitly puts into law the present regulatory policy in order to reverse the court ruling. Otherwise the States in eighth circuit territory would be treating these payments differently than those in the rest of the country. The amendment would eliminate \$65 million in annual savings resulting from the Agriculture Committee's provision and potentially add another \$57 million annually -- if the eighth circuit court ruling were to be applied nationally.

To the extent the amendment leaves the Food Stamp Program open to future court decisions like the ones already in place in 10 States, there will be benefit increases in any State now implementing the Department's rules regarding "vendor" recipients. Further, in a State not covered by a court decision that implements the Department's rules on vendor recipients in the future, there will be benefit reductions. In effect, the amendment leaves the program open to being run by court decisions and administrative rulings in this area, rather than by a policy of equity established by the Congress.

INEQUITIES OF STAFFORD-KENNEDY AMENDMENT

The Stafford-Kennedy amendment would retain the inequities of current rules. Current regulations and policy interpretations discriminate against LIHEAP recipients who get their LIHEAP benefit in the form of a "vendor" payment to their utility provider in States not covered by court decisions by not allowing them to claim a "standard utility allowance." Recipients of cash LIHEAP payments are allowed this option and the committee provisions would extend it to vendor recipients, although the standard utility allowance available to LIHEAP recipients would be adjusted to reflect their having LIHEAP benefits to help pay their energy expenses.

The other inequity retained would be the different treatment of LIHEAP recipients, depending on whether or not they are in a State under a Federal court decision. In the 10 States covered by court decisions, all LIHEAP recipients have access to the standard utility allowance and may claim expenses paid for under the LIHEAP as a deduction. In other States, current regulations and policy interpretations require that only cash recipients have such access to the allowance and the right to claim expenses covered under the LIHEAP. The committee provisions attempt to establish equity by simultaneously allowing all LIHEAP recipients who have any utility expenses above the value of LIHEAP assistance the right to claim a standard utility allowance, which may be significantly above their actual expenses.

TREATMENT OF DIRECT ENERGY PAYMENTS

Mr. President, the committee bill includes another improvement over current policy. The present treatment of direct energy assistance payments is as illogical as the vendor payment policy is logical. While vendor payments do not count toward the household's deductible shelter expenses, direct payments made under LIHEAP are permitted to count as deductible expenses. There is no reasonable rationale for this divergent treatment of such payments. The underlying policy should remain the same -- expenses paid from excluded income should not be permitted as deductible shelter expenses. To remedy this situation, the committee has taken the step of providing that both direct and indirect payments for energy assistance may not be included by the household in determining allowable shelter expenses.

Opponents of the committee's provision claim that the committee provisions would require lowering standard utility allowances by the amount of LIHEAP benefits for all LIHEAP recipients. However, this is incorrect. The committee provisions do not specify the method by which any standard utility allowance applied to LIHEAP recipients is to be adjusted to reflect the receipt of LIHEAP benefits. The dollar-for-dollar reduction method suggested by

sponsors of this amendment is the most dramatic possible method. There is little to support a claim that this is the way States would respond. In fact, since States use standard utility allowances to ease the administrative burden of dealing with an avalanche of monthly utility bills, there is every reason to believe that they will adjust them as little as possible in response to the committee provision in order to avoid additional administrative complexity.

Further, for a significant number of recipients -- those at the \$139 a month ceiling on shelter expense deductions -- a lowering of standard utility allowances would have little or no effect, because they cannot take full advantage of the allowance. The sponsors of this amendment recognize this effect when they state that the committee provision would result in a benefit cut (in Minnesota and Vermont) of up to \$32 and \$29 a month -- the maximum potential effect.

AMENDMENT WOULD LEAD TO INEQUITIES

Mr. President, this amendment to strike the food stamp provisions relating to expenses paid with benefits received under LIHEAP would leave in place current inequities in the system. These are the inequities that the reconciliation provisions attempt to correct.

Although low-income home energy assistance payments are not counted as income for food stamp purposes and would continue to be disregarded under the reconciliation provisions, food stamp households, in many instances, would be able to deduct all utility expenses -- even those paid for out of (uncounted) LIHEAP benefits -- as though they were paid for out of pocket. It is simply not fair that expenses paid for with income that presumably reduces a household's need for food assistance by freeing up other income, and yet is uncounted by food stamps, should also be allowed as a deduction that increases food stamp benefits. Of course, to the extent that households have actual out-of-pocket energy expenses not covered by their LIHEAP benefits, they should be allowed to deduct them -- as the reconciliation provisions stipulate.

This inequity would be exacerbated under the Stafford/Kennedy amendment, because households that receive their LIHEAP benefits in the form of payments made directly to their energy provider (so-called "vendor payments") would not be allowed to claim the expenses covered by the LIHEAP benefit as a deduction -- in contrast to those who receive it in cash. This situation would apply in all but the several States covered by current Federal court decisions.

EQUITY OF FARM BILL PROVISIONS

Mr. President, the farm bill provisions have a feature that mitigates the potential benefit reduction effect of requiring that utility expenses covered by LIHEAP benefits not be allowed as food stamp deductions. Recipients may still claim a standard utility allowance as long as they pay something toward their heating or cooling bills. This means that many LIHEAP beneficiaries could continue to claim utility expense deductions at a level comparable to that allowed under present rules for those who do not receive payments under LIHEAP. The farm bill provisions actually expand the availability of this standard allowance to households that cannot now claim it (that is those who receive their LIHEAP benefit in the form of a vendor payment to their utility provider but still have some out-of-pocket expense of their own).

CONCLUDING REMARKS

Mr. President, food stamp treatment of low income home energy assistance payments is a very complex issue. For this reason, the Senator from Kansas believes that it is best resolved by the Authorizing Committee, which has the expertise to deal with the complexity of the Food Stamp Program. The Agriculture Committee has carefully considered potential options in the treatment of LIHEAP payments, and their recommendation is the proposal contained in the 1985 farm bill -- passed by a unanimous vote of 17-0.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. To qualify for food stamps, income must be at 130 percent of the poverty level or less.

However, to actually receive the food stamps, the income must be at poverty level. In order to get from the 130-percent level down to the poverty level, there are certain deductions you can take. There is a standard deduction of \$98 a month, a shelter and child care expense deduction, not limited at all for the elderly, and then there is a medical expense deduction also for the elderly.

If after making those deductions your income comes down to the level where you are at the poverty level, you are, indeed, entitled to food stamps.

The question is, if the Federal Government pays for your utilities, should you be able to deduct the cost of utilities even, though the Federal Government is paying for them?

The committee has said you should not be able to take the payment from the Federal Government and also make the deductions.

My good friend from Vermont wants to allow both the deduction and the receipt of the Government payment -- a double dip.

Really, that is the issue here. We feel that the issuance of food stamps is being done unfairly, that it is not a choice between heat or eat, because, indeed, in the event that the Federal Government pays for the heating, that choice does not arise.

Really, the issue is, should there be a double deduction? Should you be able to make this statutory deduction of \$139 a month, even though you receive payment for your utilities from the Federal Government?

Mr. LONG. Will the Senator yield at that point?

Mr. BOSCHWITZ. I yield. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. Would not this have the effect of discriminating against earned income in favor of income one gets as a Government grant? If one goes out and earns the money, that is counted, but if you get it from the Government, it is not counted.

Mr. BOSCHWITZ. That is right.

Mr. LONG. Mr. President, for years I supported the kind of thing where we said a Social Security increase would not be counted for a person receiving a welfare payment. In due course we found that -- because of this and other exclusions -- we had a number of people well into the middle-income brackets who were still receiving welfare payments along with sundry other Government payments. It seemed it was time to stop. Our means are not unlimited. We ought to consider all the various and sundry sources of income that people have. If you say you will not count Government Energy Assistance for the Food Stamp Program, then you are justified in saying you will not count welfare payments or other kinds of income. Then you find people up, well up in middle-income levels still receiving welfare payments and Government grants. It makes sense to count all the income. Having counted it all, if you want to be more generous, then you can be more generous in setting the basic assistance levels.

Mr. BOSCHWITZ. The Senator from Louisiana has certainly stated the issue clearly. Low income should be counted the same. It should not be the case where the income is not counted.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STAFFORD. Mr. President, I yield the remainder of my time to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this is a technical issue, a question which has been discussed and debated recently here on the floor. But I do not think we should lose in the technicalities what this amendment is really all about.

What this amendment of the Senator from Vermont is all about is whether we will allow those individuals who have the lowest income in our society, who are the neediest people in our Nation and who live in the coldest areas of our country to receive both fuel and food assistance.

Winter is the typical time of the year when low-income individuals receive energy assistance in order to provide minimum heating for their homes. Make no mistake about it, the fuel assistance program is exceedingly limited and the amounts provided to the poorest people in our country do not meet the sufficient heating needs of that population. The question before us is whether, during the coldest time of the year, we are going to punish those low-income individuals who receive energy assistance by limiting their food assistance which provides adequate nutrition to the neediest people in our society.

The Senator from Vermont has stated this amendment's intentions very clearly, and they were stated very clearly during consideration of the reconciliation bill when we last debated the Stafford amendment. During that time the Senate, with an overwhelming vote, accepted this amendment on two different occasions. Yet, nonetheless, we are revisiting this issue again this afternoon. We are restating the clear policy decision of this Congress as expressed in the LIHEAP law and signed by the President of the United States. That law states that low-income fuel assistance payments would not count in considering the eligibility for food stamps. That policy has been accepted by the Senate, accepted by the Congress, and signed by the President of the United States.

The Department of Agriculture has tried to circumvent the clear intention of the Congress of the United States on this issue and those regulations have recently been struck down in the eighth circuit court of law.

The amendment of the Senator from Vermont is attempting to conform the pending legislation to what I think is a thoroughly justifiable policy decision made by the Congress and signed by President Reagan last year.

Mr. President, I do not believe that we should subject the neediest, the poorest individuals, the most vulnerable people in our society, such as our elderly and disabled citizens, and in a number of instances, children of some of the poorest people in our country, to the choice of whether they will eat or heat their homes this winter. Unless this amendment is accepted, that is the choice which is going to be presented to them.

Mr. President, I would like to reserve the remainder of my time to explain what I consider to be the problem which, unless we take this amendment, the various States and the poor people in our country will face. We have a number of States that provide cash assistance for the heating of their homes that will not be judged in terms of their eligibility for food stamps. But if a State uses vendor payments to provide energy assistance, which our State of Massachusetts does, food stamp beneficiaries who receive energy assistance will not be able to take the full shelter deduction. Basically, this amendment of the Senator from Vermont remedies that inequity and makes a good deal of sense, I think. I hope it will be accepted.

I reserve the remainder of my time.

Mr. CHAFEE addressed the Chair.

Mr. STAFFORD. Mr. President, how much time remains to the proponents?

The PRESIDING OFFICER. The Senator has 1 minute and 3 seconds remaining.

Mr. CHAFEE. Mr. President, my only request is to be added as a cosponsor to the amendment.

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

Who yields time?

Mr. BOSCHWITZ. Mr. President, I yield myself as much time as is necessary.

I point out to my friends who are proponents of this amendment that the chart they have sent around to us shows the number of affected people in each State and the amount that they will be affected by. If you multiply all that, that comes out to over \$300 million. Yet CBO says that the amount that we would be saving and the amount that had been scored as a saving in the budget is only \$65 million by virtue of the provision that is in the committee bill and that was voted on in the Agriculture Committee, 17 to 0, as the majority leader has already noted. I do not know how we can suddenly do \$300 million worth of damage by saving \$65 million. I think, as I have stated, respectfully, that the figures that have been submitted are really in error.

My friend from Massachusetts says the people with the very lowest income are going to be affected by this amendment. I respectfully take issue with that statement, because the people with the very lowest income really do not need any of these deductions. As a result, they would receive food stamps in any event.

I might also say that the people in the very coldest or, for that matter, the very hottest parts of the country -- because people also receive low-income energy assistance for air conditioning as well as for heating -- who may have high expenses can still only deduct \$139 per month unless they are over 65. They can still only deduct \$139 per month and let us presume that they get \$50 a month from the Government and presume their expenses are \$190 a month; they can still make that \$139 deduction in any event.

We are trying to be fair with the committee provisions, which is one of the reasons it was sustained in the committee by a vote of 17 to 0.

I think it is really quite proper that, as the Senator from Louisiana points out, all income should be considered the same. In this case, not only should all income be considered the same but you should not have both the income and a deduction for the purpose of considering food stamp allowances.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BOSCHWITZ. I yield.

Mr. LONG. Mr. President, I have voted for every welfare program we have on the statute books, and that is a lot of welfare programs. I have also voted for the taxes to pay for them. I regret to say that officially we have more people in poverty now than we had when I started voting for all this. The reason for that is the way we keep the books. The reason we have 15 percent of our people in poverty, although the real figure is just a little more than half of that is that we count so little of the income they receive in kind. For example, food stamps is \$12 billion worth of income to people. You can spend food stamps just as if it were cash. It is worth almost as much as cash. Yet our official poverty numbers do not count any of that \$12 billion worth of income.

Likewise, Papa can be living in the house with Mama and the children. He can make plenty of money so he is not in poverty. They have what could be called a family of middle income, but because they have not formalized their relationship with a contract, none of it counts as income to the family under the welfare program. So here we are, paying more and more money out to people of middle income.

Mr. President, if we want to get people out of poverty, we ought to start counting the money we pay them in any form, and see how many we have left to take care of. We have been embarrassed from time by having people show to us

that there are many people well into the middle-income brackets who still receive money from welfare programs. That gives the program a bad name.

I had hoped we could get everybody out of poverty, but I do not know how we are going to do it unless we start keeping the books to show who is really in poverty and who is not. I have no interest in cutting down the generosity of this program, but I think we ought to count the amount of money we give so we can see how many we have lifted out of poverty and how many we have not.

Mr. LEAHY. Mr. President, I want to point out that when the food stamp provisions were acted on by the Agriculture Committee, the Boschwitz-Leahy package contained the LIHEAP provision which we are not trying to amend. It was designed at the time to meet food stamp savings request by the Senate budget resolution. The subsequent final budget resolution gives us more flexibility in the food stamp area.

I reluctantly went along with the LIHEAP provision to facilitate getting the bill out of committee and to meet the budget targets, which were exceeded by \$200 million.

This leaves plenty of room to correct a bad situation and to save poor people from losing food stamp benefits because of the energy assistance they may receive.

I have seen the figures for each State, as to how many households will be affected and how seriously they will be affected, if we do not pass this amendment. In Vermont, 12,022 households will lose monthly benefits, from an average of \$28.30 per household and up to \$79.30 for some households. Vermont has long, cold winters and I am not willing to let poor children and families go cold for the sake of making a greater savings than the Congress requires in the budget resolution.

Mr. President, I will vote for this amendment and I hope others will join me in passing this humanitarian provision.

Mr. GLENN. Mr. President, I am pleased to cosponsor this amendment to strike provisions of the farm bill that will reduce or eliminate food stamp benefits for our poorest citizens. I urge my colleagues to support this amendment.

The Low-Income Energy Assistance Act has always stated that energy assistance payments shall not be counted as income or resources for purposes of any other Federal or State program, including food stamps. It is the intent of Congress that energy assistance payments will supplement, rather than supplant, other forms of assistance. Our poor and elderly citizens should not be penalized for accepting assistance to pay skyrocketing utility bills.

A provision in the farm bill changes this longstanding policy. This provision would not allow the food stamp applicant to include any energy assistance payments in their shelter cost deduction. This means that the applicant's deduction will be lower, thus resulting in a higher net income and reduced food stamp benefits.

Unless this provision is removed from the farm bill, 5.5 million low-income Americans face reductions in food stamp benefits during the winter months, when good nutrition is especially important for good health. The average monthly reduction in food stamp benefits over the 5-month heating season is \$14.70. The impact of this change in Ohio would mean an average reduction in food stamp benefits of \$10 per month during the 5-month heating season, and a maximum reduction of \$26.70 per month. The number of affected households in Ohio would be a staggering 270,000. In colder regions of our country the impact is even more severe. On average, Vermont recipients will lose \$28.30 each winter month, recipients in Alaska and Minnesota will lose over \$32 each month, and in North Dakota, the average loss will be \$41 each month.

This provision will strike hardest at our elderly and disabled citizens, and could mean not just a reduction in food stamp benefits but a loss in eligibility for them. Unlike other applicants for food stamps, eligibility for the elderly and disabled is based solely on net income after deductions. The change in shelter cost deductions could eliminate eligibility for elderly households near the 130 percent poverty level. Winter weather has arrived in my State of Ohio and other

parts of the country. It is unconscionable to force poor Americans, particularly those who are elderly or disabled, into a "heat or eat" choice.

Mr. President, such a major change in policy should not be enacted without carefully considering its serious impact on our poor and elderly citizens. I urge my colleagues to support this amendment.

Mr. CHAFEE. Mr. President, I am pleased to be a cosponsor of Senator Stafford's amendment, which preserves food stamp benefits for those Americans receiving Federal energy assistance payments.

Under the bill now before us, energy assistance payments would be counted as income for the purpose of determining food stamp benefits. This would hit millions of low-income Americans with food stamp reductions during the winter months -- when the need for good nutrition is greatest.

In my home State of Rhode Island, for example, this provision in the bill would lower food stamp benefits by \$17.60 per month for the average recipient.

This was clearly not the intent of Congress when it established the Low Income Energy Assistance Program. This program was intended to give the poor, elderly, and disabled extra help in heating their homes in the wintertime. These fuel assistance payments are intended to supplement -- not to supplant -- other forms of Federal assistance, such as food stamps.

We often hear of those who are faced with the "heat or eat" dilemma. This is precisely the choice that will be faced by 11 million needy Americans, if the energy assistance provisions of this bill are retained.

I urge my colleagues to follow the lead of the distinguished Senator from Vermont by voting to strike these provisions from the bill.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. LONG. Yes, Mr. President.

The PRESIDING OFFICER. The Chair regrets to inform the Senators that all time left in opposition has expired.

Mr. STAFFORD. Mr. President, the Senator from Vermont has about 1 minute remaining, is that correct?

The PRESIDING OFFICER. About 56 seconds.

Mr. STAFFORD. Mr. President, with regard to the committee vote which has been mentioned, four members of that committee are currently cosponsors of this amendment. The decision to go down the track that the Congress and the Nation has been following on this matter of low-income home energy assistance was set in 1984. It was decided then and decided again only on November 12 that low-income home energy assistance should not be counted in determining income for the purposes of receiving food stamps.

The compelling reasons that caused this body to vote 60 to 37 to adopt the Stafford-Kennedy amendment on November 12 exist as strongly now as they did then. I urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

Mr. ZORINSKY. Mr. President, I move to lay the amendment on the table.

Mr. BOSCHWITZ. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. East] is necessarily absent.

The PRESIDING OFFICER (Mr. Nickles). Are there any other Senators in the Chamber who desire to vote?

The result was announced -- yeas 36, nays 63, as follows:

(See Rollcall Vote No. 329 in the ROLL segment.)

So the motion to lay on the table the amendment (No. 1086) was rejected.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1086) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1087

(Purpose: To remove the State match requirement for the temporary emergency assistance program.)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. Mitchell] for himself, Mr. Hatfield, Mr. Andrews, Mr. Harkin, and Mr. Burdick, proposes an amendment numbered 1087:

At the end of the amendment add the following. On page 282, strike out the semicolon on line 17 and all that follows through the closed question marks on line 24.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. MITCHELL. For what purpose?

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. LEAHY. May we have order, Mr. President?

The PRESIDING OFFICER. Senators will withhold for a moment. The Senate is not in order.

Mr. HELMS. Will the Senator let us have a copy of his amendment?

Mr. MITCHELL. Copies have been distributed to the Senator's staff. I will be glad to provide another one.

Mr. HELMS. May we have another copy?

Mr. MITCHELL. Yes.

Mr. HELMS. I thank the Senator.

Mr. MITCHELL. Mr. President, the Senator from Illinois has advised me that he has a brief amendment that has been accepted by both sides and has asked if I will yield in order to permit him to go ahead, because my amendment will take some time. I will be pleased to do that, provided his amendment will be accepted.

Mr. HELMS. Mr. President, which amendment is it?

Mr. SIMON. There are two amendments. One is the study on the dairy situation that I have cleared on both sides, with respect to the Department of Agriculture.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois to set aside the pending amendment?

Without objection, it is so ordered.

AMENDMENT NO. 1088

(Purpose: To require the Secretary of Agriculture to conduct a study of the feasibility and desirability of imposing a limitation on the total annual amount of payments a producer may receive under the milk price support program.)

Mr. SIMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. Simon] proposes an amendment numbered 1088.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment, add the following:

On page 69, between lines 20 and 21, insert the following new section:

STUDY OF MILK PRICE SUPPORT PAYMENT LIMITATION

Sec. . (a) The Secretary of Agriculture shall conduct a study of the feasibility and desirability of limiting the total amount of payments that a person shall be entitled to receive under an annual program established under the

Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for milk to \$50,000.

(b) Not later than 1 year after the date of enactment of this Act, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the results of the study required under subsection (a), together with any recommendations for appropriate legislation or regulations.

Mr. SIMON. Mr. President, the amendment does precisely what I indicated. I think it has been cleared on both sides.

The PRESIDING OFFICER. Is there debate on the amendment?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HELMS. Mr. President, the first amendment is numbered 1088. I ask the Chair, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, I have no objection to the amendment.

Mr. ZORINSKY. Mr. President, our side has no objection. It has been cleared. I recommend its adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 1088) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ZORINSKY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1089

(Purpose: To exempt needs-based allowances and payments from the requirement that job training benefits be considered income for purposes of the food stamp program)

Mr. SIMON. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. Simon] proposes an amendment numbered 1089.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the pending amendment, add the following:

On page 243, line 12, insert ", other than needs-based allowances and payments received under such program," after "Act".

Mr. SIMON. Mr. President, this is identical to the amendment that Senator Quayle and I introduced in reconciliation regarding job training benefits and food stamps. I think it is cleared on both sides.

I would appreciate a favorable vote.

Mr. QUAYLE. Mr. President, today I am rising in support of Senator Simon's amendment to revise a provision of the Agriculture, Food, Trade, and Conservation Act of 1985, S. 1714, relating to food stamps and the Job Training Partnership Act [JTPA]. S. 1714 requires that allowances, earnings, and payments received by individuals participating in JTPA programs be counted as income when determining an individual's level of benefits under the Food Stamp Program. This provision creates a disincentive for the economically disadvantaged to participate in JTPA.

As a compromise measure, our amendment to S. 1714 draws a distinction between earnings and allowances or payments. We propose that earnings be counted as income for purposes of the Food Stamp Program but not payments or allowances. Earnings under JTPA would be treated just the same as any other earnings. This would be consonant with the basic philosophy and goals of JTPA.

JTPA is based on the principle that training is an investment that will lead to independence and unsubsidized employment in the private sector. The return to society is measured by the reduction in welfare earnings and the increase in tax revenues.

Once, a JTPA participant begins the transition to independence, as demonstrated by earning wages through on-the-job training, it is equitable to expect a corresponding reduction in social welfare benefits. Prior to the participant earning a wage, social welfare benefits for JTPA participants are an investment in the future of that individual that will lead to eventual independence.

Clearly, reducing a JTPA participant's food stamp benefits as a consequence of that individual receiving funds to cover costs related to training, such as supplies, transportation, and child care, establishes a tradeoff.

The individual pays for training through reduced food stamp benefits. When a potential trainee must also take into consideration the well-being of dependents, it is not difficult to see why paying for training, especially in the form of forgone food stamps, begins to increase the personal risks and commitment required.

During recent oversight hearings on JTPA in Indiana, my constituents raised concerns about conflicting statutory requirements in social welfare programs that discourage participation among groups targeted under JTPA, such as recipients of aid to families with dependent children [AFDC] and older workers. S. 1714 establishes a new barrier to participation.

I urge my colleagues to join us in supporting this amendment to S. 1714.

Mr. HELMS. Mr. President, I am willing to accept the Senator's amendment with a caveat with which I hope he will agree that I think we must make up the lost savings. We cannot go on and on as we have been doing. If we take out of one pocket we have to find the funds to replace it.

I may offer such an amendment to do that later.

But I would hope maybe the Senator would support my amendment if, and when I do it.

I have no real objection to the Senator's amendment except it costs \$5 million a year, thereby reducing the savings, such as they are, in the committee's bill.

But with that caveat, I accept the amendment.

The PRESIDING OFFICER. Is there any further debate on the amendment?

Mr. ZORINSKY. Mr. President, this side has no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 1089) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ZORINSKY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, if the Senator will yield for only one moment, I see the majority leader in the Chamber.

I say to the majority leader I have conferred with the distinguished Senator from Nebraska, the ranking minority member of the committee. We are trying to put together some sort of package on which a unanimous-consent request can be based to limit amendments to, say, 10 or 12 agreed upon by the two sides and a time agreement.

I just want to know if that would be satisfactory with the majority leader.

Mr. DOLE. Mr. President, it would be not only satisfactory but I would welcome it with enthusiasm.

I would hope we could limit the number of amendments. I think the trend has pretty well been established around here on what is going to happen to amendments.

That does not mean they could not or should not be offered.

If we really want to complete action on this bill, then I think we have until about 7:30 p.m. tonight -- maybe a little later -- and then from, say, 10 p.m., after the President speaks, until -- --

Mr. HELMS. Conclusion.

Mr. DOLE [continuing]. Conclusion or maybe go to midnight, come back at 6 a.m. or something in the morning -- make it 7 a.m.

Mr. HELMS. The majority leader is generous.

But it is the majority leader's intention that the Senate reconvene following the President's speech?

Mr. DOLE. That is right. I thank the distinguished chairman for indicating he was willing to do that, and I think that is agreeable with the distinguished manager on the other side, although I do not know as he does not like late night sessions.

Mr. ZORINSKY. Mr. President, what time is the majority leader going to close down before the speech, or are we

going to work right up to the speech?

Mr. DOLE. I think it is about right up to the speech. Maybe we will give people a chance to catch a little dinner.

Mr. ZORINSKY. Does the majority leader mean not work up to the speech?

Mr. DOLE. No. Work up to about 8 p.m., I think, and give people about an hour. I have to run out to Andrews Air Force Base. I do not mind missing a vote or two.

Mr. HELMS. In any case, if the Senator will allow me, it is the intent to finish this bill if not tonight or early tomorrow morning, sometime tomorrow.

Mr. DOLE. That is correct, if we could get a time agreement and obviously if people stick around tomorrow, we would not have to stay late tonight and just go ahead and work to about 8 p.m.

I said earlier we would probably work to about 6 p.m. I understand the chairman made arrangements to continue working until about 8 p.m.

Mr. HELMS. Certainly.

Mr. DOLE. If that is all right with the manager on the other side.

Mr. ZORINSKY. There would be no windows or anything -- we would be eligible for a vote anytime during that time?

Mr. DOLE. None. No one is going to be protected. Otherwise it would not do any good.

Mr. ZORINSKY. All right.

Mr. DOLE. If you give people a window around here they open the door on you. We have had enough of that.

Mr. HELMS. Sliding doors also.

Mr. DOLE. Sliding doors. Big, big doors. Some never return.

Mr. HELMS. Mr. President, I thank the majority leader and I certainly thank the Senator from Maine for yielding to me.

AMENDMENT NO. 1087

Mr. MITCHELL. Mr. President, this amendment which I offer with Senator Hatfield and others strikes from the committee bill language that will require States to match on a dollar-for-dollar basis Federal administrative funding in order to participate in the temporary emergency food assistance program after January 1.

The dual purpose of the program is the disposal of Government-held surplus commodities to prevent waste and the provision of food assistance to low-income households. Under the program the Secretary of Agriculture makes available surplus Commodity Credit Corporation [CCC] commodities to States for distribution. The program also authorizes funds to assist States and local agencies with some of the costs associated with transporting, storing, and distributing the commodities.

The commodities are generally distributed in forms suitable for home consumption. They include: 5 pound blocks of process cheese, 1 pound prints of butter, 4 pound boxes of nonfat dry milk, 5 pound bags of flour and cornmeal, 2 pound bags of white rice, and 3 pound jars of honey.

The present program grew out of a discretionary dairy donation program that was implemented by USDA during 1982 and 1983.

In March of 1983, as title II of the emergency supplemental appropriations jobs bill, Public Law 98-8, Congress formalized the earlier discretionary donation program. In August 1983, the Temporary Emergency Food Assistance Act extended the program through fiscal year 1985. That law also tightened the administration of the program.

During the life of this program, from April 1983 through July 1985, USDA has distributed roughly 2 billion pounds of surplus commodities valued at about \$2.4 billion.

Appropriations for the program in the same period have totaled \$157 million: \$50 million for part of fiscal year 1983, \$50 million for each of fiscal years 1984 and 1985, with a supplemental appropriation of \$7 million in fiscal year 1985.

The program expired on September 30, 1985, at the end of fiscal year 1985. The committee bill reauthorizes the Secretary of Agriculture to distribute surplus commodities.

Under the committee provision, beginning January 1, 1986, which is just a few weeks away, the Federal administrative funding assistance will only be available to match dollar-for-dollar cash expenditures by the State.

I object to the 50-50 match provision included in the committee bill for reasons that are simple and straightforward.

First, the January 1 cutoff date for States to match Federal expenditures on a dollar-for-dollar basis in order to participate will needlessly disrupt this program in almost every State.

Very few, if any, State legislatures will be in a position to address this new match requirement before January 1. The legislature in my State of Maine, for example, is not scheduled to return for regular session until January 8. The first of three scheduled 1986 commodity distributions in Maine is planned for January. Clearly that distribution will not occur under the present committee bill.

I might point out that according to the National Council of State Legislatures, seven State legislatures -- Arkansas, Montana, Nevada, New Hampshire, North Dakota, Oregon, and Texas -- are not scheduled to meet at all in 1986.

Enactment of the committee's January 1, 1986, match requirement may well preclude those States from participating in this program during the coming year or well into 1987.

But there are problems with the new match requirement that go beyond the date on which the committee would put it into place. For many States, meeting this new State match requirement will be impossible.

The requirement will force States to consider cutting other, vital social services now being provided in order to continue receiving surplus commodities. States that are unwilling or unable to make that choice will simply have to stop participating in the Commodity Distribution Program.

Without State participation, the local agencies, the food banks, the Community Action agencies, the churches and many other groups that help to distribute surplus commodities under this program will be denied access to them.

The purpose of this provision, according to the committee, is to increase the shared responsibility for funding the administrative costs of the program, based on the committee's assertion that "since the inception of TEFAP, the program has become almost totally federally funded."

Certainly, the surplus commodities valued at roughly \$1 billion provided annually by the Federal Government through this program makes up the great bulk of this program.

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

But under the committee provision, the Federal Government will continue to provide, free of charge, the commodities and pay for the processing of the commodities into usable forms and transporting them to locations within the States. Thus, there are no budget savings associated with the committee's provisions.

I will refer to the program in my State of Maine as an example of that shared responsibility. It really is occurring, contrary to the committee's assumption. It also illustrates the fallacy of the committee's assertion that only the Federal Government is meeting its responsibility toward this program.

Maine's program distributes commodity food three times per year: In January, May, and September. In fiscal year 1985, USDA provided and Maine distributed 4.6 million pounds of commodities. This year the program expects to distribute about 4 million pounds of cheese, butter, dry milk, cornmeal, flour, and rice.

According to figures provided me by the Maine Division of Community Services, the cost of administering the program in Maine was over \$308,000 in fiscal year 1984 and \$372,000 in fiscal year 1985. The State has made available over \$112,000 each year.

In anticipation of administrative costs of \$367,000 in fiscal year 1986, the State government will make available \$140,000 to help pay expenses in three major categories: storage, transportation to over 100 distribution sites throughout the State, and reimbursement for local distribution costs.

Much of the success of Maine's program is due to the interest and support provided by the Maine Community Action agencies who have been designated as local emergency feeding organizations and who are responsible for ensuring that food assistance reaches the many eligible households. Volunteers and corporate contributions are also essential ingredients of Maine's program.

At a typical distribution site, volunteers unload trucks, package food, collect applications and help the elderly and handicapped with packages of food. The local community action agencies in fiscal year 1985, received volunteer services from well over 700 people per distribution. For equipment donations, the agencies consistently receive pallet jacks, unloading rollers and, in one case, a major supermarket chain provides refrigerator trailers at no cost.

The committee's match requirement is based on the inaccurate premise that administrative, distribution, and storage costs of this program are not now fairly shared between the Federal Government and the States that receive the surplus commodities. That is obviously not the case in Maine and a great many other States.

One of the most puzzling aspects in dealing with the committee's match requirement is that while expecting a greater shared responsibility, it would specifically exclude any consideration of the extensive volunteer and private sector donations that make Maine's program and other State programs successful.

So by deliberately ignoring a demonstrated source of local and State support, the match requirement would needlessly disrupt the program in many States, even among States that might otherwise be willing to meet the 50-50 match requirement, but who would be unable to do so before January 1.

What will happen as a result? Hundreds of thousands of pounds of surplus commodities will then continue to sit in Federal warehouses. Those States with the ready cash resources to meet the 50-50 match will have even more surplus commodities and administrative funding made available to them.

But thousands of hungry people will go without in the States that are without the resources or one unwilling to reduce other programs. There are hungry people who, without the enactment of the 50-50 match requirement, would otherwise utilize these commodities to supplement their diets. I fail to see any wisdom in that approach.

A number of organizations have indicated their support of this amendment of the Senator from Oregon and myself. They include the United States Catholic Conference, the Interfaith Action of Economic Justice, the National Conference

of State Legislatures, the National Association of Counties, and World Hunger Year.

A 1985 report on this program by the MIT Political Science Department, termed the distribution of surplus commodities, both under the discretionary USDA program and this Temporary Emergency Food Assistance Program, the "singular initiative to feed the hungry" of the Reagan administration, which has otherwise supported reduced benefits and restricted eligibility in such important feeding programs as food stamps, school breakfast, milk and lunch programs, summer feeding programs, the Child Care Food Program, the Women's Infants and Children Program.

I hope the Senate this afternoon will not support language which will in effect gut this program's usefulness to those hungry Americans who need it most.

Enactment of this match requirement would deny thousands of hungry Americans the chance to receive small amounts of surplus commodities. The requirement will at the same time, defeat efforts to reduce the levels of surplus Federal commodities.

So what this committee provision will do will be to effectively shut down the Surplus Food Distribution Program. If that happens, the \$50 million appropriated for administration of the program will, of course, be saved. But at the same time, Federal cost for storage will increase. Then billions of pounds of surplus food -- cheese, milk, butter, flour, rice, these and other products -- will sit in storage or spoil while millions of poor and hungry Americans will be denied access to that surplus food.

That makes no sense. It is unwise public policy. It produces a result that is totally devoid of any compassion. To prevent that, I urge the adoption of this amendment.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I join and I have been listed as a cosponsor of the amendment offered by the Senator from Maine. I would like to make just one or two brief comments relating to the specific situation that we suffer in the State of Oregon which is similar to that of a number of other States. But wherever hunger exists, it is vital even if it were only one State.

First of all, I might say during the current calendar year, 1 Oregonian in 10 receives direct assistance from mass distribution of cheese and other commodities. In all, more than 5,000 tons -- that is 10 million pounds -- of Government surplus food was placed in the hands of men, women, and children who desperately need the sustenance that food provides.

Mr. President, I want to draw the Senate's attention to a pilot project study that was made in two central Oregon counties that indicated that 54 percent of all those receiving emergency food assistance were under 18 years of age. Forty-one percent of those reporting had lost at least 10 pounds of weight in the last 30 days, and 82 percent of those who have children under 5 had no fresh milk. This in a Nation drowning in surplus milk. These figures add up to a national disgrace which will only grow worse if we do not respond at this time.

Second, Mr. President, let me indicate that Oregon has been in the recession probably longer than any other State. We entered this recession in about 1979, and we have never recovered. Since we are basically a timber producing State, the combination of the housing market being what it is, with continuing high interest rates, the import of Canadian timber, and other such problems, the State of Oregon continues to suffer unemployment rates of 15 and 20 percent in some of our counties.

We have statewide unemployment of over 9 percent, sometimes hovering close to 10 percent. That has been now, Mr. President, for 8 years. That percentage of unemployment is not accurately reflected by merely a number because

there are literally thousands of people who have given up from their unemployment status, and have moved away from the State of Oregon.

So consequently we have had this severe need for food assistance out of the surpluses of our country. The provision of this assistance not only aids the producers of this food, but certainly addresses the moral issue of not wasting food when there are hungry people.

Last, Mr. President, we have a biennial session of the legislature. In other words, the Oregon Legislature will not meet until 1987. Thus, there is no way that the Oregon Legislature can adjudicate this situation short of legislative action. In addition, the State of Oregon does not have the fiscal resources by which to meet those requirements. Due to the combination of State's almost exclusive dependence upon the revenues derived from an income tax and the high unemployment of which I mentioned earlier, revenues are not being produced through taxes. The consequence is a very serious fiscal situation for the State.

So I am very hopeful that we can take this action in the light of these circumstances that not only affect my State but, as I say, affect other States as well. I think it is a good amendment, and one in which we really have to address.

I urge support of the amendment now pending.

Mr. President, it is my pleasure to offer this important amendment with my distinguished colleague, the Senator from Maine, Mr. Mitchell. He consistently has shown a special sense of caring for those Americans who are not able to share in the abundance of this Nation. Once again, this body has the opportunity to display that same sense of caring by ensuring that our surplus food commodities will be distributed fairly and equitably to the hungry. Without positive action on this amendment, citizens in many States may find their ability to feed their families severely curtailed.

When the Temporary Emergency Food Assistance Program was instituted it had a twofold purpose: To reduce the Government stores of surplus commodities and to feed Americans at a time of high unemployment. I need not remind any colleagues that we continue to hold tons of food in storage in Government warehouses. But it may be necessary to point out that in these times of lowered national unemployment figures, there still are pockets of double-digit unemployment in this country.

In my travels around the State of Oregon, I have seen the effects of this fact borne out on the faces of proud men who always have provided for their families in time of need. However, because of Depression-like conditions in several industries in my State, these loggers and commercial fishermen have been forced to turn to alternative methods of feeding their children. One of the most effective tools available to them has been the TEFAP assistance we have provided.

TEFAP alone cannot solve the hunger problems of this Nation, but it is an important ingredient. By making surplus cheese, butter, honey, powdered milk, flour, rice and corn meal available to State agencies and local food banks, we are extending to our citizens a solid nutritional base which other programs can supplement.

In reviewing the history of TEFAP, it is important to remember that the administration initiated the program for dairy products alone and later expanded it to include the commodities I just mentioned. Because the State and local governments charged with distributing this food were finding it difficult to provide funding for this task, the Congress appropriated \$50 million for storage and distribution costs. Some in this body assume that the States are now in a better position to share in these costs. That may be true in some States, but in the States that have not joined in the economic recovery, in the very States where the food is greatest, the program would die because of State and local government budget limitations. Let me use my own State as a case in point.

During fiscal year 1985, more than 1 Oregonian in 10 received direct assistance from mass distribution of cheese and other commodities. In all, more than 5,000 tons, that is 10 million pounds, of Government surplus food was placed in the hands of men, women, and children who desperately needed the sustenance that the food provided.

A pilot study in two central Oregon counties indicated that 54 percent of all those receiving emergency food assistance were under 18, 41 percent of those reporting had lost at least 10 pounds in the last 30 days, and 82 percent of those with children under 5 had no fresh milk, this in a nation drowning in surplus milk. These figures add up to a national disgrace which will only grow worse if this amendment is not enacted.

Furthermore, unlike some States with budget surpluses, my State is faced with budget shortfalls brought on by a sluggish economy. Instead of being able to come up with money to match Federal dollars to ensure that a vital program continues, existing programs are going to be cut back or eliminated. Because the current language of the bill accounts for no Federal savings, implementation of the language would only serve to kill TEFAP where it is needed most, in those States with chronically high unemployment and tight State budgets.

The Oregon Governor's office has informed me that there simply is no money for a Federal match of the \$500,000 in TEFAP money Oregon would be eligible to receive. Presumably, this money would then be available to another State which has the luxury of being able to provide the Federal match.

Even without these budgetary constraints, the hungry in Oregon would be left to twist slowly in the wind because, like seven other States, our State legislature meets every other year. The next session of the Oregon Legislature is not scheduled to convene until January 1987. In the meantime, food banks in my State would be unable to meet the needs of over 200,000 hungry Oregonians.

The issue, of course, is money, not commitment. In Oregon alone, over 81,000 volunteer hours were provided at mass food distribution centers by citizens who care enough to give of their most valuable resource: Their time. I urge my colleagues to match the commitment of those Oregonians and thousands of other Americans by passing this amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I find myself increasingly concerned about the tendency to be what I consider excessive concern about the States. Most States have a surplus. Certainly, they have a balanced budget. We are not anywhere close to that either by the action we take or inclination by any of the votes on this Senate floor this very day.

Yet time after time, amendment after amendment, and bill after bill here comes a torrent of legislation to lift responsibility off of the back of the State governments and pile it into Washington, DC. I do not understand.

Do Senators not realize that we have a \$2 trillion national debt? We are not dealing in funny money. I am one who believes that the States ought to shoulder at least some of the responsibility.

So I am surprised by this amendment. A State-matching requirement for administrative costs associated with TEFAP program was adopted by the Senate Committee on Agriculture, Nutrition, and Forestry by a vote of 12 to 2. I well recognize some of the same Senators who voted in the committee will march right up here and vote the other way. I watched it on the previous amendment.

That is the way it goes. People vote one way one time, another way another time, and then go home and say, well, I voted with you, no matter whom they visited with.

I say to you, Mr. President, that I am witnessing the grossest sort of irresponsibility in Congress that could possibly occur.

Let me tell you about the committee vote -- 12 to 2 -- to require the States to do it a little bit. The committee was concerned that the surplus commodity distribution program which we call TEFAP has become almost totally federally

funded, with a bankrupt Federal Government still shoveling it out.

In one of the rare circumstances of the Agriculture Committee, the committee took a firm stand -- 12 to 2. Here comes an amendment to reverse that.

Let us look at the arithmetic of it, Mr. President, in terms of this TEFAP program. The Federal Government is contributing surplus commodities belonging to the taxpayers of this country valued at \$1.1 billion during fiscal year 1984, for example.

The Federal Government is paying for processing these commodities into usable form -- that is to say, converting huge blocks of cheese into 5-pound blocks for distribution. That has cost the American taxpayers \$165 million since 1982.

The Federal Government is paying to transport the commodities to the States. And this has cost the Federal taxpayers about \$58 million since January 1982.

So let us total it up. The combined Federal Government cost of processing, packaging, and transportation has been about \$243 million, and that does not include the \$1 billion in the value of commodities. Yet, here we come weeping about the State government when we ask them, please, Mr. State Government, will you match by a total of \$50 million for all of the 50 States the \$50 million that the Federal Government is laying out?

I do not understand this amendment, Mr. President. I do not understand it. These are expenses that are going to continue. They are going to get worse. I tell you, Mr. President, money does not grow on trees in Washington, DC.

I went out on the Capitol lawn one day and walked all the way around, checking all of the trees, and not one of them had money on it.

What do Senators think is going to happen? Where do Senators get the idea that we are ever going to move toward a balanced budget if we continue this sort of thing?

Make every case you want to, but it still comes out vanilla.

I do not think the Federal Government should continue to pay \$50 million annually in addition to all of the costs I specified just a minute ago. It is over \$50 million annually in addition to the costs I specified, paying for storage and distribution costs, after the commodities reach the State. Good Lord, Mr. President, if we give it to them, \$1,100 million dollars' worth, if we haul it down there, across there, or up there, are the States unwilling or unable to accept any part of the responsibility?

I do not want any Senator to say anything about being in favor of the balanced budget if he votes for this amendment. I am going to watch the members of the Agriculture Committee who so valiantly voted with only two dissenting votes in this matter. Vote one way one time and vote another way another time? That will enable them to go home, no matter on which side the constituent may be, and they can say, "I voted with you." That is not the way to achieve good legislative measures.

Mr. President, I think I have made my point. It is going to be interesting to see, when the roll is called soon, how Senators vote on this. This is a litmus test on whether we are for real in terms of really wanting to balance the Federal budget. I yield the floor.

Mr. HATFIELD. Mr. President, if I could have the attention of the chairman, I would first of all like to make a gratuitous observation. I can empathize and identify with the Senator's remarks as he has just indicated the frustration he feels concerning those little patterns that we get into of wanting to vote for a balanced budget and for controlling the deficit on the one hand, and then on the other hand, vote for things that will add moneys to the expenditure

requirements.

Let me tell my good friend from North Carolina, as chairman of the Appropriations Committee I go through that every bill that the Appropriations Committee brings a bill to the floor. I can fully understand the frustration.

Mr. President, notwithstanding the eloquence of the chairman's remarks about this whole matter in the context of the balanced budget, we still have to deal with the reality -- and I know the chairman of the Agriculture Committee understands this clearly -- of two things: One, of hungry people and how we are going to remove that hunger.

I think our argument now is really basically what are the best methods, what is the best procedure, what is the best sort of responsibility or shared responsibility to deal with this.

The second reality that we have to deal with, as I indicated a while ago, is that a number of States who would be in a position perhaps to pick up some of the responsibility, to share in this responsibility, do not have the calendar legislative sessions that can enact that kind of legislation that can take on those additional responsibilities.

I have talked to the chairman about this latter point which really, again, addresses the first point.

Perhaps a request I would make of the prime author of this amendment, the Senator from Maine, since I understand the parliamentary situation to be that no amendments are in order, I ask if the Senator from Maine would be in a position to modify his amendment to, in effect strike the existing language of the amendment and insert therein an extension of the time factor to January 1, 1987, which would then give us that opportunity for States to take necessary legal or legislative action to pick up this responsibility.

I have checked with the chairman. He has indicated a willingness to accept this possible modification. I have checked with the author, the prime sponsor of the amendment, my dear friend from Maine, who has indicated a willingness to do this. If they are agreeable, then we can dispose of the amendment by a voice vote and still put the States in a position to respond.

Is that a correct understanding, I would ask the Senator from North Carolina?

Mr. HELMS. The Senator is entirely correct. He does not have the opportunity to amend the amendment. The amendment of the Senator from Maine is a second-degree amendment.

I would say this to the Senator: If the problem is making it possible for the legislative process of the States to work, sure, I understand that. If the Senator from Maine will accept the language that the Senator from Oregon has just stated there would not be a rollcall vote. I will accept the amendment and I assume the distinguished Senator from Nebraska or his designee will accept it. I would say it is a fair compromise.

But I just cannot take the position that we should lift from the States any responsibility in this connection.

Mr. HATFIELD. I thank the Senator from North Carolina for his cooperation on this matter. I want to assure the Senator again that we do have some very serious problems in our relations with people and their needs. I think this will be very helpful. I know my State will put a very high priority on this kind of a program. In anybody's values, it is of the highest priority.

Mr. HELMS. The date the Senator is suggesting in his proposed modification is January 1, 1987?

Mr. HATFIELD. Yes.

Mr. HELMS. If the Senator will so modify the amendment, I will accept it.

Mr. HARKIN. Mr. President, I rise in support of the amendment of strike the committee provision on State match

of funds for the Temporary Emergency Food Program [TEFAP].

TEFAP provides surplus commodities, such as cheese, to public or private nonprofit organizations that distribute food to the needy. This program provides a valuable service at a very limited Federal cost and is an excellent example of public sector/private sector partnership.

This program is different from other food programs in two ways. First, those people being served in soup kitchens, food pantries, or other outlets for distribution of surplus commodities are not the same people participating in the Food Stamp Program. Many are elderly, homeless persons, or laid off workers who cannot or choose not to deal with the paperwork involved in applying for food stamps -- but, need food. In Iowa, we have over 10 percent of the population participating in this program at over 637 sites across the State. This program touches many people.

The second difference is the way the program operates. The Federal Government provides funds to States and local agencies to distribute and store the commodities. Most of the work is done through private nonprofit and religious organizations which cannot raise enough money to run the program, but do have a large volunteer effort to help transport and distribute these commodities.

Let me quote from a recent article in the Quad-Cities Times written by Michael V. Reagan, Iowa Human Services Commissioner. Mr. Reagan says:

*** people who operate food pantries say they can't keep up with the rising numbers of people who turn to them for assistance. *** For the last four years, about 300,000 Iowans each month have received cheese, butter, powdered milk, rice, corn meal, or other commodities, not so much because the Federal Government saw fit to take it out of storage and distribute it, but because several thousand of their fellow Iowans -- about 4,500 each month -- donated time and labor to unload trucks, process application forms, and pass out commodities at more than 600 sites around the state.

In Iowa, we have an average of 20,000 volunteer hours per month going into this program.

And, until last February, Iowa was using an innovative way to cut costs in one area of the program to help fund another. USDA would give States 12 1/2 cents per pound of commodity to process. Iowans -- being as efficient and cost conscious as they are -- were able to process for less than the allotted 12 1/2 cents -- about 8 1/2 cents -- using the rest for transportation costs. However, last year USDA decided it was more cost effective for them to process before distributing. My point is -- States are giving people time, and thought to keep this program. A State match, dollar for dollar, will terminate this program in many States -- like Iowa -- which use this program effectively.

Finally, the striking of the committee's provision for a State/Federal match dollar for dollar does not cost. The authorization level for this program remains at \$50 million. Those who think that the State/Federal match will double the program are fooling themselves. What State has extra money in its budget to pick up this cost? As a result, the cost will be passed on to the local organizations who distribute these commodities to the hungry. These agencies do not have that kind of money. In fact, relief agencies are in a double bind, they have more people coming to them for help, but they also receive fewer charitable contributions, due to the economic conditions.

In committee, I offered an amendment to count nondollar contributions toward the State portion of the match. This amendment failed. As I said, the TEFAP Program in many States will die because they will not be able to meet the dollar for dollar match, while people are still hungry and volunteers are still ready to work -- to make the program work, to feed their neighbors.

If we do want to consider the dollar -- I think this program helps save Federal dollars. According to a recent USDA report to Congress, they found that after budget reductions and economic changes are factored in, there are 600,000 fewer food stamp recipients than can be explained. One likely reason is that some persons are going to emergency food agencies in a crisis and not applying for food stamps. If we had major reductions in emergency food providers -- because they cannot afford to participate in the TEFAP -- it could result in increased food stamp participation, and

greater Federal cost.

Finally, as long as people are hungry and need these emergency services and as long as USDA has large supplies of surplus foods, this program should continue -- without placing a burden on the States or local agencies to participate.

I urge my colleagues to support this amendment to strike the committee provision requiring States to match Federal administrative funding dollar for dollar in order to participate.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, the modification suggested by the Senator from Oregon and accepted by the Senator from North Carolina is acceptable to me. I therefore ask unanimous consent that I be permitted to modify my amendment in the manner suggested by the Senator from Oregon.

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

The amendment, as modified, reads as follows:

At the appropriate place in the pending amendment, insert the following:

On page 282, line 21, strike "January 1, 1986" and insert in lieu thereof "January 1, 1987".

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 1087), as modified, was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, while my colleagues are getting ready to offer an amendment, let me indicate again that Senator Helms has submitted, as I understand it, a number of amendments to the distinguished ranking Democratic member, Mr. Zorinsky. It is hoped we can have some agreement on the total number of amendments yet to be offered on this bill to reach some comprehensive agreement. Then we shall be in a position to advise our colleagues just how late we shall be here tonight and how long we shall be here tomorrow or Saturday or both.

Mr. SYMMS. Will the majority leader yield on that point?

Mr. DOLE. Yes, Mr. President.

Mr. SYMMS. I would like to say to the majority leader, as one Member of the Senate who comes from an agricultural State who is not on the Agriculture Committee, the farmers in my State have tremendous problems this year with poor prices, frozen potatoes, and I shall not go through the list and litany of problems they have confronted.

One of the worst things is the lack of predictability. I, as one Member of the Senate, urge the majority leader to keep this body in session until this bill is voted up or down. Let us find out where the votes are and how people in here feel: Do we want to pass a bill or do we not? I, for one, feel if we have to stay in here the next 48 hours or 72 hours, I am prepared to stay. I am hoping the majority of the Senate will stay here and get this issue resolved before Thanksgiving so at least the farmers will have some idea of what they have to look for next year -- whether it is a good program or a bad program, at least know what the predictability is in the farm bill.

To carry this thing on and let it go over to next year, I believe, would be most unfortunate. It is becoming obvious to this Senator that there are some people in this Chamber who do not care whether there is a farm bill even passed or not.

I for one urge the majority leader to continue until a bill is passed, and he has my support to get that done.

Mr. DOLE. Mr. President, I thank the Senator. While I was out of the Chamber I heard the rather unanimous agreement that we ought to push forward, push ahead. It is the kind of support the leadership needs.

I do not find much disagreement on either side, I must say. I have had Members on the other side come and say, let us finish this bill. We think it is coming round.

I thank the Senator from Idaho.

AMENDMENT NO. 1091

(Purpose: To make State agencies liable under the food stamp program for payment error rates in excess of 3 percent.)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho [Mr. McClure] proposes an amendment numbered 1091.

Mr. McCLURE. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

At the appropriate place on the pending amendment, insert the following

STATE AGENCY LIABILITY FOR ERRORS

Sec. 1437. (a) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) (as amended by sections 1416(c) and 1438) is further amended --

(1) by striking out subsections (c) and (d) and redesignating subsections (e) through (i) as subsections (d) through

(h), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) As used in this subsection:

"(A) The term 'dollar value equivalent' means the value of allotments determined by multiplying the payment error rate for a fiscal year by the dollar value of all allotments issued during that fiscal year by a State agency.

"(B) The term 'payment error rate' means the percentage of all allotments issued in a fiscal year by a State agency that are --

"(i) issued to households that fail to meet the eligibility requirements established under section 5 or 6; and

"(ii) overissued to households which meet such requirements.

"(2) The Secretary shall institute an error rate reduction program under which each State agency shall, other than for good cause as determined by the Secretary, pay to the Secretary or have withheld by the Secretary as described in paragraph (4), the dollar value equivalent of the any payment error rate of the State agency which is over 3 percent, as determined by the Secretary.

"(3) If the Secretary makes a claim against a State for payment under paragraph (2), the State may seek administrative and judicial review of such claim under the procedures set forth in section 14.

"(4) If a claim made against a State for payment under paragraph (2) is ultimately determined to be valid or is not contested by the State, the claim shall be collected by the Secretary through State payment, withholding amounts otherwise payable to the State agency under this Act, or other mechanisms authorized by subchapter II of chapter 37 of title 31, United States Code. Such a claim may be collected on a monthly, quarterly, semiannual, or annual basis, as determined by the Secretary."

(b)(1) Section 6(d)(4)(N)(ii) of such Act (as added by section 1416(a)(3)) is further amended by striking out "section 16 (a), (c), and (h)" and inserting in lieu thereof "section 16 (a), (c), and (g)".

(2) Section 11 of such Act (7 U.S.C. 2020) is amended --

(A) by striking out "section 16(e)" in subsection (e)(3) and inserting in lieu thereof "sections 16(d)"; and

(B) by striking out "sections 16(a) and 16(c)" in the second sentence of subsection (g) and inserting in lieu thereof "section 16(a)".

(3) Section 18(e) of such Act (7 U.S.C. 2027(e)) is amended by striking out the second sentence.

(c)(1) Section 11 of such Act (7 U.S.C. 2020) (as amended by sections 1414(b) and 1428) is further amended by striking out subsection (h) and redesignating subsections (i) through (n) as subsections (h) through (m), respectively.

(2) Section 11(e)(2) of such Act (7 U.S.C. 2020(e)(2)) is amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (h)".

(3) Section 11(i)(2) of such Act (as amended by section 1428(b) and paragraph (1)) is further amended by striking out "subsection (i)" each place it appears and inserting in lieu thereof "subsection (h)".

(4) Section 18(e) of such Act (7 U.S.C. 2027(e)) (as amended by subsection (b)(3)) is further amended by striking out "11(g) and (h)" and inserting in lieu thereof "11(g)".

Mr. McCLURE. Mr. President, it is my hope that we can get a time agreement on this amendment. This would simply limit the State error rate to 3 percent rather than the 5 percent contained in the Food Stamp Program as contained in the reconciliation bill of last year. I am perfectly willing to have a very brief time limit; whatever the managers of the bill might suggest, I would be willing to accept.

Mr. HELMS. Mr. President, I would like 20 minutes equally divided.

Mr. McCLURE. Twenty minutes equally divided is all right with this Senator.

Mr. HELMS. I propond such a request.

The PRESIDING OFFICER. Is there objection?

Mr. EVANS. Mr. President, reserving the right to object, I did not hear the time suggested.

Mr. HELMS. Twenty minutes equally divided.

Mr. EVANS. Mr. President, I would like the chairman to know I was in negotiation on a similar amendment. It would go in somewhat the same direction the Senator from Idaho has in mind. I would not want to step in front of the Senator, but whether it is on this or the next amendment, I guess we had better get a vote.

Mr. HELMS. Mr. President, if the Chair will bear with us just a moment.

Mr. McCLURE. Mr. President, part of our dilemma, of course, is that the Dole amendment is not being considered as original text for purposes of amendment. Therefore, my amendment is a second-degree amendment, not further amendable. The Senator from Washington [Mr. Evans], as I understand it, is trying to eliminate the error rate -- to eliminate the forbearance of error on the part of State agencies.

Mr. EVANS. What I am trying to do is establish a moratorium on the applying of the current sanctions for the next 2 years until the completion of a study on the virtue of those sanctions and the error rates that are appropriate. The 3-year cost of that proposal would be zero if, in fact, it were shown by the study that the current sanctions and error rates are appropriate. If not, if they are felt not to be appropriate, there will be some change. That is going to be the nature of my amendment.

Mr. McCLURE. I understand what the Senator is doing, Mr. President. Perhaps we could expedite the matter by allowing me to go forward with my amendment and we shall consider his as a separate issue.

Mr. President, if it would expedite things, I could withdraw this amendment and -- I withdraw the amendment at this time and offer it again later.

The PRESIDING OFFICER. The Senator is advised that there was a unanimous-consent request for a time limit on the amendment.

Mr. McCLURE. I ask unanimous consent that I may withdraw my amendment without prejudice to offer it again at a later time.

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

The amendment (No. 1091) was withdrawn.

AMENDMENT NO. 1092

(Purpose: To reduce the standard deduction used to compute income under the food stamp program)

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho [Mr. McClure] proposes an amendment numbered 1092.

At the appropriate place in the pending amendment insert the following:

STANDARD DEDUCTIONS

Sec. . The first sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "\$85" and inserting in lieu thereof "\$60".

Mr. McCLURE. Mr. President, I shall be happy to yield to the distinguished majority leader for an independent action without losing my right to proceed on this amendment.

ROLL:

[Rollcall Vote No. 325 Leg.]

YEAS -- 68

Abdnor	Andrews	Baucus
Bentsen	Biden	Bingaman
Boren	Boschwitz	Bradley
Bumpers	Burdick	Byrd
Chafee	Chiles	Cochran
Cohen	Cranston	D'Amato
Danforth	DeConcini	Dixon
Dodd	Domenici	Durenberger
Eagleton	Evans	Exon
Ford	Glenn	Gore
Gorton	Grassley	Harkin
Hart	Hatfield	Hawkins
Heflin	Heinz	Hollings
Inouye	Johnston	Kennedy
Kerry	Lautenberg	Leahy
Levin	Mathias	Matsunaga
Mattingly	Melcher	Metzenbaum
Mitchell	Moynihan	Nunn
Packwood	Pell	Pryor
Riegle	Rockefeller	Sarbanes
Sasser	Simon	Specter

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Stafford	Stennis	Stevens
Tribble	Zorinsky	

NAYS -- 30

Armstrong	Denton	Dole
Garn	Goldwater	Gramm
Hatch	Hecht	Helms
Humphrey	Kassebaum	Kasten
Laxalt	Long	Lugar
McClure	McConnell	Murkowski
Nickles	Pressler	Proxmire
Quayle	Roth	Rudman
Simpson	Symms	Thurmond
Wallop	Warner	Wilson

NOT VOTING -- 2

East	Weicker
------	---------

[Rollcall Vote No. 326]

YEAS -- 38

Armstrong	Bingaman	Bradley
Chafee	Cohen	Denton
Domenici	Garn	Goldwater
Gorton	Gramm	Hatch
Hecht	Heflin	Helms
Hollings	Humphrey	Johnston
Kassebaum	Lautenberg	Laxalt
Long	Lugar	Mathias
McClure	Murkowski	Nunn
Quayle	Rockefeller	Rudman
Simpson	Stevens	Symms
Thurmond	Tribble	Wallop
Warner	Weicker	

NAYS -- 61

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Abdnor	Andrews	Baucus
Bentsen	Biden	Boren
Boschwitz	Bumpers	Burdick
Byrd	Chiles	Cochran
Cranston	D'Amato	Danforth
DeConcini	Dixon	Dodd
Dole	Durenberger	Eagleton
Evans	Exon	Ford
Glenn	Gore	Grassley
Harkin	Hart	Hatfield
Hawkins	Heinz	Inouye
Kasten	Kennedy	Kerry
Leahy	Levin	Matsunaga
Mattingly	McConnell	Melcher
Metzenbaum	Mitchell	Moynihan
Nickles	Packwood	Pell
Pressler	Proxmire	Pryor
Riegle	Roth	Sarbanes
Sasser	Simon	Specter
Stafford	Stennis	Wilson
Zorinsky		

NOT VOTING -- 1

East

[Rollcall Vote No. 327 Leg.]

YEAS -- 58

Abdnor	Andrews	Baucus
Bentsen	Biden	Boren
Boschwitz	Bumpers	Burdick
Chiles	Cochran	Cranston
D'Amato	Danforth	DeConcini
Dixon	Dodd	Durenberger
Eagleton	Exon	Ford
Glenn	Goldwater	Gore

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Grassley	Harkin	Hart
Hawkins	Inouye	Kasten
Kennedy	Kerry	Leahy
Levin	Matsunaga	Mattingly
McConnell	Melcher	Metzenbaum
Mitchell	Moynihan	Murkowski
Nickles	Packwood	Pell
Pressler	Proxmire	Pryor
Riegle	Roth	Sasser
Simon	Specter	Stafford
Stevens	Wallop	Wilson
Zorinsky		

NAYS -- 40

Armstrong	Bingaman	Bradley
Byrd	Chafee	Cohen
Denton	Dole	Domenici
Evans	Garn	Gorton
Gramm	Hatch	Hatfield
Hecht	Heflin	Helms
Hollings	Humphrey	Johnston
Kassebaum	Lautenberg	Laxalt
Long	Lugar	Mathias
McClure	Nunn	Quayle
Rockefeller	Rudman	Sarbanes
Simpson	Stennis	Symms
Thurmond	Trible	Warner
Weicker		

NOT VOTING -- 2

East

Heinz

[Rollcall Vote No. 328 Leg.]

YEAS -- 32

Abdnor

Armstrong

Bingaman

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Boren	Bumpers	Cochran
Denton	Evans	Ford
Garn	Goldwater	Gore
Gorton	Gramm	Grassley
Hatch	Heflin	Hollings
Humphrey	Laxalt	Mattingly
McClure	Nickles	Nunn
Pressler	Pryor	Sasser
Simpson	Stennis	Symms
Thurmond	Wallop	

NAYS -- 67

Andrews	Baucus	Bentsen
Biden	Boschwitz	Bradley
Burdick	Byrd	Chafee
Chiles	Cohen	Cranston
D'Amato	Danforth	DeConcini
Dixon	Dodd	Dole
Domenici	Durenberger	Eagleton
Exon	Glenn	Harkin
Hart	Hatfield	Hawkins
Hecht	Heinz	Helms
Inouye	Johnston	Kassebaum
Kasten	Kennedy	Kerry
Lautenberg	Leahy	Levin
Long	Lugar	Mathias
Matsunaga	McConnell	Melcher
Metzenbaum	Mitchell	Moynihan
Murkowski	Packwood	Pell
Proxmire	Quayle	Riegle
Rockefeller	Roth	Rudman
Sarbanes	Simon	Specter
Stafford	Stevens	Trible
Warner	Weicker	Wilson
Zorinsky		

NOT VOTING -- 1

East

[Rollcall Vote No. 329]

YEAS -- 36

Armstrong	Bentsen	Boren
Boschwitz	Cochran	Denton
Dole	Domenici	Evans
Garn	Gorton	Gramm
Hatch	Hecht	Helms
Johnston	Kassebaum	Laxalt
Long	Lugar	Mattingly
McClure	McConnell	Nickles
Nunn	Packwood	Pressler
Quayle	Roth	Simpson
Stennis	Symms	Thurmond
Wallop	Wilson	Zorinsky

NAYS -- 63

Abdnor	Andrews	Baucus
Biden	Bingaman	Bradley
Bumpers	Burdick	Byrd
Chafee	Chiles	Cohen
Cranston	D'Amato	Danforth
DeConcini	Dixon	Dodd
Durenberger	Eagleton	Exon
Ford	Glenn	Goldwater
Gore	Grassley	Harkin
Hart	Hatfield	Hawkins
Heflin	Heinz	Hollings
Humphrey	Inouye	Kasten
Kennedy	Kerry	Lautenberg
Leahy	Levin	Mathias
Matsunaga	Melcher	Metzenbaum
Mitchell	Moynihan	Murkowski
Pell	Proxmire	Pryor

131 Cong Rec S 16090 Thursday, November 21, 1985;(Legislative day of Monday, November 18, 1985)

Riegle	Rockefeller	Rudman
Sarbanes	Sasser	Simon
Specter	Stafford	Stevens
Trible	Warner	Weicker

NOT VOTING -- 1

East

SUBJECT: FOOD STAMPS (89%); GRANTS & GIFTS (89%); LEGISLATIVE BODIES (79%); FOOD CHARITIES (79%); POOR POPULATION (59%); EDUCATION (59%); AGRICULTURAL MARKETING (59%); AGRICULTURE (59%); WHOLESALERS (59%); LEGISLATION (59%); PUBLIC FINANCE (59%); GOVERNMENT BUDGETS (59%); INTERNATIONAL ASSISTANCE (59%); FOOD WHOLESALERS (59%); COMMODITIES TRADING (59%);