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

SPEAKER: Mr. ANDREWS; Mr. BAUCUS; Mr. BENTSEN; Mr. BINGAMAN; Mr. BOSCHWITZ; Mr. BRADLEY; Mr. BUMPERS; Mr. BURDICK; Mr. BYRD; Mr. CHILES; Mr. COCHRAN; Mr. CRANSTON; Mr. DeCONCINI; Mr. DOLE; Mr. DURENBERGER; Mr. EVANS; Mr. GARN; Mr. HARKIN; Mr. HEFLIN; Mr. HEINZ; Mr. HELMS; Mr. MATTINGLY; Mr. McCLURE; Mr. MELCHER; Mr. MOYNIHAN; Mr. NUNN; Mr. PELL; Mr. SASSER; Mr. SIMPSON; Mr. WALLOP; Mr. ZORINSKY

TEXT: FARM POLICY

Mr. BRADLEY. Mr. President, as extensive as the debate has been and as controversial as some of the amendments offered to the farm bill were perceived to be, in fact, the product of our labor is business as usual.

Mr. President, someone once defined the fanatic as a person who redoubles his efforts as he loses sight of his objectives. By that standard, the Congress has become fanatical on the subject of agricultural policy. Our current programs are failing. The need for new approaches is manifest. But apparently we can think of nothing better than maintaining the status quo -- and paying more for it.

Last year we spent \$18 billion on commodity programs. This year we'll spend at least \$20 billion. We could easily disburse \$70 to \$80 billion over the life of the bill we're now considering. And for what? Under these same policies, commodity prices, land values, exports, and farm income have plummeted in the past 4 years, while farm foreclosures and rural bank failures have soared.

I want to suggest an alternative -- an approach that deals with underlying problems, not just surface symptoms; that is fiscally sustainable; and that promotes the long-term national interest.

Our efforts must be guided by a vision of the future -- the future for American agriculture in particular and the American economy as a whole. Some say our goal should be to preserve intact the current structure of agriculture. I disagree. The world is changing, and agriculture must change with it. Instead, I believe we should aim for an agricultural sector that is maximally free from Government intrusion, independent of public subsidies, flexible in the face of economic shifts, competitive in the international marketplace, and consistent with the preservation of our natural resources.

Second, we should stop thinking of agriculture as simply a regional and sectoral problem. It is a key contributor to our national economy and international competitiveness, and it is profoundly affected by developments in those arenas.

What I mean is the following: Agriculture is one of the most credit-intensive, export-dependent sectors of our economy. As such, it has been clobbered by the Federal budget deficit, which has hiked real interest rates and spawned currency distortions that diminish the competitiveness of our exports. We need to attack the deficit, not with the meat-ax tactics of Gramm-Rudman, but through a tough-minded, discriminating examination of every Federal program to see whether it truly promotes the national interest.

Any comprehensive effort to increase demand for our food and fiber abroad must include currency reform that replaces floating rates with an international agreement that stabilizes the dollar within limits consistent with trade competitiveness. It means a much more aggressive trade policy to break down barriers to the entry of American goods and to cut back the unfair export subsidies of other nations. And it means a comprehensive, cooperative solution to the international debt crisis, which is both drying up demand for American goods and forcing debtor nations to boost agricultural production just to meet interest payments.

Third, we must recognize that the fundamental problem of American agriculture is the structural imbalance between supply and demand. We must acknowledge that this gap cannot be completely closed by either Government stockpiles or increased foreign demand. There is no substitute for substantial cuts in production.

As is usually the case with long-term planning, it is easy to espouse, and obtain agreement as to the goals to be attained. The more difficult task is to design the most painless transition to achieve such desired goals, I ask my colleagues to consider the following steps we can take.

To begin with our current Tax Code turns agriculture into a tax shelter for corporations and wealthy individuals, artificially increases production, and puts downward pressure on commodity prices, squeezing mid-sized producers. As I've been saying for some time, we must restructure the code to eliminate these -- and other -- investment-distorting provisions.

Then, we must have the courage to acknowledge what should be clear to all of us: The commodity programs themselves contribute to overproduction by guaranteeing returns in excess of market prices. We must embark on a multiyear strategy to restructure commodity programs into a far more modest safety net and market stabilizer. The alternative is a vicious cycle of higher production, falling commodity prices, overstuffed Government stockpiles, and burgeoning budget outlays.

I've heard lots of arguments against this proposal. It is said, for example, that while reforming the commodity programs is a good idea in principle, now is the worst possible time to do it because it would pull the rug out from under already hard-pressed farmers. There's much truth to this. But as I look back over the history of agricultural legislation, I'm struck by the fact that there never seems to be a good time to reform these programs. In 1981, when commodity prices, exports, and farm income were all soaring, we managed to enact the most expensive farm bill ever. I have no confidence that we'll do what's right in a few years if the agricultural economy stabilizes. I'm driven to the conclusion that if we ever want to change course, the time to start is now.

However, there is another argument that's more substantial. Agriculture is in the midst of an unparalleled credit crisis. Hundreds of rural banks are in jeopardy. The \$70 billion Farm Credit System faces disaster. If we cut commodity programs, farmers will be even less able to service their debt, and the entire credit structure may come crashing down, with profound consequences for the national economy.

Mr. President, it is clearly within our national interest to help relieve the financial stress that permeates the agricultural sector. But we must first realize that the American farmer, agricultural lending institutions, and the Federal Government, all bear some responsibility for the condition of our agricultural economy. Unwise speculation by the American farmer, resulting from incorrectly anticipating the direction of interest rates and inflation during the past 4

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years, led many farmers to assume far greater debt than they could prudently manage. Poor monitoring and assessment of the viability of expanded farm credit led financial institutions to not only approve but encourage this mountain of debt. And Federal programs have sent misleading, nonmarket signals to the entire agricultural sector, have killed off export opportunities, and have exacerbated the problems of the American farmer.

Mr. President, only by working together with farm groups and lending institutions, through negotiations and compromise we can make great progress in helping all concerned. The solution is to treat commodity programs and credit together, in a package deal. In return for phasing down commodity programs, the Government should undertake a major effort to stabilize farm credit. This effort could use a variety of tools: Interest-rate subsidies; a warehouse for shaky loans that would otherwise be foreclosed, and land that would be thrown on the market; Federal guarantees to creditors; and, if necessary, Federal loans and grants to avert a major collapse.

As I've already said, all must share the burden. Banks will have to absorb some charges against shareholder equity and make some concessions to restructure loans. Future borrowers will have to accept somewhat higher interest rates. Current Farm Credit System bondholders may have to accept less than 100 cents on the dollar. Taxpayers will have to underwrite a major new investment, and farmers must accept independence from Federal programs.

The cost of such transactions is unclear. Some experts believe that of the \$212 billion in farm debt, up to 20 percent -- more than \$40 billion -- may prove uncollectable. But even if the Government picked up most of that tab, it would be a sound investment -- if it were linked to a strategy to dramatically reduce Government involvement in commodity programs which are projected to cost almost \$80 billion dollars over the next 4 years.

Some questions must be answered in order to proceed intelligently. There is depressingly little information known about who are the principal recipients of Federal farm aid. Recently, the USDA analyzed statistical data for 1984 that showed only 24 percent of direct payments went to financially stressed farms.

This is defined as a farm with debt-to-asset ratios above 40 percent and negative cash-flow. In addition, USDA points out that only 11 percent of direct payments went to more seriously stressed farms -- those with debt-to-asset ratios above 70 percent and a negative cash-flow. Perhaps the most surprising result was that only 17 percent of payments went to financially stressed farms that relied primarily on farm income for their livelihood.

True, this analysis was performed for only 1 year's data. True, we need to know more about who are direct recipients of Federal aid. True, we need to know more about the costs of different options for restructuring farm debt. We must obtain answers now. The time for action is now.

I am moved -- as are all Americans -- by the distress of our farmers. And I am sympathetic to the dilemma of my Senate colleagues from hard-hit States. But one more layer of band-aids is not going to stop the agricultural hemorrhage. If we hope to turn this around, we need some bold new steps, not the status quo. It will be painful to do what needs to be done. But the cost of inaction will be even higher.

Mr. HEINZ. Mr. President, I rise today in order to clarify my understanding of the purpose of the Department of Agriculture's research programs with the distinguished chairman of the Agriculture Committee. First, does the chairman believe that the agricultural system of the United States is increasingly dependent on science and technology to maintain and improve productivity levels and provide high quality products?

Mr. HELMS. Yes, absolutely.

Mr. HEINZ. Mr. Chairman, it is my understanding that S. 1714 authorizes funds for Department of Agriculture research programs for the purpose of improving the productivity and efficiency of American farmers in order to overcome foreign competition that has taken over some traditional export and domestic markets from our farmers. Is that right?

Mr. HELMS. Yes, that is correct.

Mr. HEINZ. Mr. Chairman, I raise these questions because the mushroom industry in my State is facing competition from foreign imports, which are penetrating the domestic market for canned mushrooms. For this reason, mushroom farmers in Pennsylvania and other States have chosen to increase the sale of U.S. mushrooms in the fresh mushroom market in order to retain a sufficient market share necessary for the continued survival and prosperity of the U.S. mushroom industry.

Much of this expansion of the fresh market is due to technological improvements in mushroom production that have increased the quality of fresh mushrooms and made them more attractive to consumers. These improvements can be traced to advancements made by research programs such as those undertaken by Penn State University. In order to retain this market share, further research is necessary to develop a higher caliber domestic mushroom which can better compete against foreign imports. Such research would assist farmers in selective breeding of mushrooms, in reducing crop losses due to viruses and other pathogens, and developing methods for producing other edible strains of mushrooms. Given that my State of Pennsylvania is the largest mushroom producing State in the United States, and that Penn State University is the only university in which a continuous mushroom production research effort has been undertaken, I believe it is appropriate for such a research program to be conducted at Penn State University in order to be of maximum benefit to the United States and Pennsylvania mushroom industry. Is it the chairman's understanding, given this information, that such a research effort could be funded through a grant from the Department of Agriculture?

Mr. HELMS. Yes, that is my understanding. S. 1714 provides an \$890 million authorization to the Agricultural Research Service for these type of research programs.

Mr. HEINZ. Would the chairman agree, then, that the Secretary of Agriculture should give every consideration to providing funds for this purpose to an institution such as Penn State University out of discretionary research funds.

Mr. HELMS. Yes, I agree that the Secretary should give every consideration to providing funds for such a research effort. I commend the Senator from Pennsylvania for bringing this matter to the attention of the Senate.

Mr. HEINZ. I thank the chairman for clarifying this matter.

QUOTA SUPPORT RATE/COST OF PRODUCTION

Mr. HEFLIN. Mr. President, I wish to address a series of questions to the Senator from North Carolina, the distinguished chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, concerning provisions of the peanut title of the bill relating to adjustments in support level for quota peanuts. Is there provision for cost-of-production adjustment in the quota support level?

Mr. HELMS. Yes. Under the bill, the national average quota support rate for the 1986 crop shall be the same as for the 1985 crop, adjusted by the Secretary of Agriculture to reflect the percentage of any increase in the index published by the U.S. Department of Agriculture of prices paid by producers for commodities and services, interest, taxes, and farm wage rates during the period covering calendar years 1981 through 1985. This index of prices paid by producers is compiled and published on a monthly and annual basis by the Corp Reporting Board, Statistical Reporting Service of USDA.

Mr. HEFLIN. I understand that what the Senator from North Carolina has described applies to the 1986 crop of quota peanuts. How about the future years covered by the bill?

Mr. HELMS. For each of the crop years 1987 through 1989, the national average support rate for quota peanuts shall be the same as the preceding year, adjusted to reflect any change during the calendar year immediately preceding the marketing year in the national average cost of production of peanuts, excluding any change in the cost of land. However, there is a limitation and floor on any cost of production adjustments. For each of the 1987 through 1989

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crops, the national average quota support rate, as adjusted by any change in the cost of production of peanuts, shall not exceed 6 percent of the national average quota support rate for the preceding crop; nor shall the national average quota support rate for the 1987 through 1989 crops be less than the national average quota support rate for the 1985 crop of quota peanuts.

Mr. HEFLIN. Well, that's similar to the provision in the current law. The support level was to have been adjusted in each of the 1982 through 1985 crop years by any increase in the cost of production of peanuts, excluding any increase in the cost of land, up to a ceiling of 6 percent in any 1 year. However, the Department of Agriculture, through its Economic Research Service, changed its formula, or format, used to determine the cost of producing peanuts, as well as other commodities, in 1983 at midpoint in the 1981 act. As a result, farmers did not receive an increase in the support rate for quota peanuts for the 1984 crop that they felt they were entitled to under the law because the Department, in effect, changed the rules in the middle of the game.

Mr. HELMS. I know exactly what the Senator from Alabama is referring to, and I recall that he and I did protest the changes in the cost of production formula as it pertained to peanuts, because the action by the Department did indeed affect the determination of the quota support rate as intended by Congress in the 1981 act. Let me assure the Senator that it is the intent of the Agriculture Committee and it is the hope of this Senate that the Secretary and the Department of Agriculture use the same method and the same formula for determining the cost of production of peanuts, as it pertains to adjustments in the quota support rate, throughout the life of the new farm act and as the formula exist on the date of the enactment of this bill. We do not care to see changing of the rules in the middle of the game as occurred 2 years ago.

Mr. DURENBERGER. Mr. President, as the Senate prepares to conclude debate on the Agriculture, Food, Trade and Conservation Act of 1985, I would like to share some of my thoughts on farm debt restructuring with my colleagues and seek this body's support for a proposal which I believe can be of great assistance to family farmers across the country.

It has been 9 months since I introduced S. 719, the Modified Debt Recovery Act of 1985. At the time, Congress was mired in debate over how best to meet the spring planting expenses of hundreds of thousands of family farmers. As this year's record harvest indicates, the availability of Farmers Home loan guarantees and direct loans and others, in combination with credit from commercial lenders and others, enabled most of those producers to put a crop in the ground.

When I introduced S. 719, however, I did not do so for the purpose of providing spring planting expenses for farmers. I knew then, as did farmers themselves, that the answer to their problems could not be found in the assumption of more debt. Rather, I felt then, and feel stronger now, that the most constructive action Congress could take would be to offer farmers an opportunity to restructure their existing debt loads in such a way as to ease their cash-flow requirements. Specifically, I believe that a great number of struggling farmers can survive this period of depressed prices if they are given a program which lowers the annual interest expense on their loan principal and stretches out the repayment period of that principal over a longer period of time. The Modified Debt Recovery Act of 1985, S. 719, is just such a program.

Mr. President, before going into the details of S. 719, I would ask that you first review some data recently published by the Department of Agriculture which indicates why farmers desperately need debt restructuring.

Agricultural land values have devaluated as much as 49 percent between their 1981 peak and April 1985. In the Midwest, the decline is intensifying and in Minnesota the value of farmland declined 24 percent in the first 9 months of 1985 alone. On January 1, 1985 there were an estimated 679,000 family size commercial farms, with 229,000 of these farms owing over 46 percent of all farm debt, having financial problems ranging from difficulty servicing debt to insolvency. Matters have gotten worse, not better, since that time.

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As of March 31, 1985, 10.4 percent of agricultural production loans were either nonperforming -- 7.0 percent -- or delinquent -- 3.4 percent.

Preliminary estimates from Minnesota indicate that figure may double this winter.

In the period January 31, 1985 to August 22, 1985, there were 72 bank failures nationwide, 38 which were agricultural banks. As of July 31, 1985 there were 940 banks on the problem list, of which 334 were agricultural banks.

On March 31, 1985, 10.2 percent of Federal land bank [FLB] loan volume, 14.7 percent of Federal intermediate credit bank [FICB] volume were nonperforming loans.

In 1984, chargeoffs on PCA loans totaled \$285 million, FLB's totaled \$110 million and bank for cooperatives [BC's] totaled \$10.1 million. In the first 6 months of 1985, loan losses were up \$41 million from a year ago.

Last year, 12 percent of agricultural banks reported negative income. The combined net income for the April to June quarter of 1985 of the 37 Farm Credit System banks, which hold over \$70 billion in farm debt, was \$5.6 million, compared to \$126 million during the same period in 1984.

In light of these statistics, supplied by the Department of Agriculture itself, it is not surprising that farmers, lenders and elected officials in rural areas have besieged Congress with pleas for help. I think that we have a responsibility to heed that call.

Some of the requests that I have received seek support for increased loan rates and/or target prices on the basic commodities. Others request support for a moratorium on farm mortgage foreclosures or creation of a federally chartered corporation to purchase \$10 billion in distressed farm assets. I no longer receive requests that Congress do nothing, primarily because the situation in rural Minnesota has deteriorated so rapidly that even the most ardent free marketers are concerned that the depression on the farm could find its way to the city.

Mr. President, more likely than not, my colleagues have spent a considerable amount of time with their staff and other knowledgeable people in an attempt to first understand the farm problem and then find a solution. For the past 12 months, everytime I went back to Minnesota, I made it a point to sit down with a farmer, a lender, a university professor, or anyone else with an insight into the anguish of rural America in the hopes of finding a way out of this apparently hopeless situation. And it was during a meeting with the founders of Communicating for Agriculture, a nonpartisan rural farm advocacy group, that I concluded that their farm debt restructuring proposal offered farmers their best chance of surviving in today's economic climate.

And I was not the only person sold on the proposal. It has been endorsed by the Minnesota Farm Bureau, the Independent Bankers of Minnesota, the Minnesota Bankers Association, the Minnesota Farmers Union, the Minnesota American Agricultural Movement, the Minnesota Corn Growers, the Minnesota Wheat Growers, the Minnesota Soybean Growers Association, the Minnesota National Farmers Organization, the National Conference of State Legislatures and various State Governors. And in all the years I have spent in public office, I have never seen such disparate groups coalesce in support behind one proposal.

Mr. President, why do these groups support S. 719? Because they have come to the conclusion that Congress is not going to adopt a farm bill which increases farm price supports. They believe that, in the absence of a farm bill which increases farm income, farmers will have to have a credit program which allows them to repay their farm debts over a longer period of time and at a lower interest rate.

Following are the key features of the Modified Debt Recovery Program:

First, commercial lenders, under the Farmers Home Administration's Approved Lenders Program, would be authorized to process FmHA regular and limited resource insured loans -- in addition to their present authority to

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process FmHA guaranteed loans. FmHA would retain final authority to accept or reject the loan application.

Second, an interest rate ceiling on FmHA guaranteed loans, under the Approved Lenders Program, would be set at 1 1/2 percent above the Federal Reserve discount rate.

Third, an approved commercial lender would be authorized to find the proper blend of FmHA loan guarantees and regular or limited resource loans so that the farmer's operation would show a positive cash flow. FmHA would always have authority to reject any credit package that did not appear prudent.

Fourth, anytime the approved commercial lender included FmHA insured loan moneys in the farmer's credit relief package, the level of the Federal guarantee on the remaining loan guarantee portion of the credit package would be set at 50 percent -- instead of the normal 90 percent FmHA loan guarantee level.

Fifth, on any such FmHA loan guarantee and insured loan package processed by an approved commercial lender, the security on the entire credit package would be allocated between the private lender and FmHA on a prorated basis according to the degree of each lender's exposure. Presently the security is itemized for each FmHA loan.

Mr. President, I am convinced that this approach, if adopted, will save thousands of farmers the agony of watching their livelihoods auctioned away for 50 cents on the dollar.

Mr. President, I had previously hoped that this legislation would serve as the vehicle for Senate action on farm credit, as well as other farm issues. Unfortunately, that debate will occur at a later date. The cost of that delay to thousands of farmers in Minnesota and elsewhere will be very high. I urge my colleagues on the Senate Agriculture Committee and the Senate leadership to schedule the farm credit debate as soon as possible; the farm programs this body approves shortly will do nothing for farmers who can't stay in business long enough to benefit from them.

I urge my colleagues to carefully consider the proposal I have laid before the Senate again today and would welcome their support and cosponsorship.

Mr. SIMPSON. Mr. President, I wish to take just a few minutes to reflect on what we are about here in this debate. I fear we have lost sight of the responsibility we each face as legislators. We have moved far beyond what the object of this debate should be -- and that is to reduce the terrible cost of agriculture support systems to the U.S. Treasury.

But instead, I see a game -- not of partisanship -- but of "take it from somewhere else, just leave my commodity alone." Rather than an attempt to deal responsibly with the excessive budget exposure evident in this legislation, I hear:

"How do I save the sugar program?"

"How do I save the rice?"

"How do I save my corn?"

"How do I save my wheat?"

"What can I get for dairy?"

And what we're really saying is, "How can I save my butt with my constituents?" But we won't save anyone if we, as a Congress, persist in pushing for ever higher price tags in legislation. Such attitudes give rise to the Gramm-Rudman-Hollings proposal.

Don't get me wrong. I don't mean to imply that this is an issue of right or wrong -- I'm talking about tons of Federal bucks. And I'm in it too. I've told my constituents that I will go down the road with them one more time on the sugar program and on the wool program -- I, too, am guilty. But I am reminded of what I heard in recent days about the Farm

Credit System. I was told on good authority that, unfortunately, in certain instances Farm Credit officials received larger salaries based on their loan volume. The better one was at shoveling the bucks out the door, the more bucks he made himself. But we aren't in it for bucks -- we're in it for votes.

We're hearing a great deal of talk about assistance to the "small family farmer," but the dollars just won't reach that individual. Ninety percent of the money this Government spent on agriculture last year went to support commodities that only accounted for 31 percent of the total cash receipts from farming in 1984. In 1984, 72 percent of farms had gross sales under \$40,000 and received just 22 percent of Government payments; while 12 percent of farms had sales over \$100,000 and received 45 percent of Government payments. It would appear that there exists a substantial number of canny individuals who have become quite adept at "working the programs" rather than working the land.

In the last 4 fiscal years, Federal outlays all across Government have gone up 47 percent; but Government expenditures for agriculture have gone up 74 percent. For that and other reasons this Congress through its budget resolution allocated \$34.8 billion for commodity programs during the next 3 fiscal years. That's substantially the same amount per year we spent over the last 4 years, and yet it seems most likely that if each and every one of us had our way this legislation would be far in excess of that figure.

The Government is not "a market" and producing for the Government is not the answer. And yet, reliable reports are now reaching us that forfeiture on crop support loans this year could well exceed any previous year -- our Government warehouses will be bulging to a greater extent than they were at the inception of the PIK Program. Government programs which raise commodity prices above world levels cause us to lose our foreign markets. Rather than compete, we've been cutting acreage -- paying producers not to produce -- and storing our farm products while others in the world produce and sell. Such a retreat from competition is not an answer either. It's the ultimate, tragic irony when the American farmer and rancher becomes a victim of his own efficiency and productivity. Over the past 40 years, the American farmer has increased the number of people that he feeds from 5 to more than 75. We have now reached a point at which this Nation can only consume two-thirds of its agricultural production -- and for wheat it's closer to one-third. U.S. farmers and ranchers have not failed, rather this Government and its agricultural policy -- that policy we are here debating today -- has failed U.S. farmers. We need to compete in world markets. We need to allow our farmers to do what they do best -- produce a quality product in abundance. That makes more sense to me than a jumble of often contradictory farm programs. And yet our foreign competitors must be gleeful as they watch us attempt to keep American agriculture uncompetitive through this debate.

We could pass the highest spending farm bill ever, but I don't believe that will do anyone any good. The best farm bill my constituents are asking for is to reduce Federal spending which in turn could lead to lower interest rates and a dollar returning to realistic values so we can compete in international markets. I do not advocate jerking a lifejacket away from the thrashing victim, but thoughtful and prudent men and politicians must recognize that a gradual phaseout of Federal meddling in agriculture production is the best answer -- and really the only one that will work. We've tried all the others and they have dismally failed.

CONSERVATION RESERVE PROVISIONS OF THE 1985 FARM BILL

Mr. NUNN. Mr. President, I believe history will prove that the most important and long lasting provision of the 1985 farm bill is the new conservation reserve. A long-term conservation reserve is the cheapest method for removing excessive land from crop production and it provides long overdue protection for our valuable soil.

I am delighted that the House of Representatives has approved a conservation reserve in the House version of the farm bill. The Senate Agriculture Committee also approved a 25-million acre conservation reserve. These proposals are very similar to the conservation reserve legislation which I introduced in the 98th Congress.

Mr. President, as I have made known to my colleagues, I believe we should do even more than has already been approved for the conservation reserve. Therefore, I proposed an amendment which was included in the Dole

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compromise and was also acceptable to Senator Melcher for inclusion in his amendment to expand the size of the conservation reserve to 40-45-million acres. With current commodity surpluses depressing U.S. farm prices, I believe such an expansion of the conservation reserve would be beneficial not only for soil protection but also would be one of the most economical methods for removing marginal acres from production.

The expansion of the conservation reserve which I have recommended and which has now been approved by the Senate requires 5 million acres to be placed into the reserve in 1986, 10 million acres in 1987, 10 million acres in 1988, 10 million acres in 1989, and 5 million acres in 1990. In addition, my proposal mandates that a minimum of 5 million acres of the conservation reserve be placed in trees. At a time when many forestry experts predict that we will have a timber shortage in the Southeastern United States by the year 2000 the conservation reserve will also be a tremendous incentive to reforestation efforts.

President Franklin Roosevelt once stated that "The history of a nation is eventually written in the way in which it cares for its soil." We have made tremendous gains in soil conservation in the past 50 years. Yet, we face a threat today just as serious as was faced by conservation pioneers of the early 1900's. We are losing more top soil to wind and water erosion today than at any time in the 1930's. This nationwide problem is, at least in part, a result of the plant fencerow to fencerow national policy of the 1970's to meet both domestic and international demands. Much of the soil that farmers plowed up during the 1970's to meet rising demand was highly erosive. In more conservation oriented times, these lands would have been left as natural grasslands and pasture. Many of our richest farm regions are losing as much as an inch of topsoil every 15 years and, in some areas, the topsoil has thinned to 6 inches, the minimum needed for commercial farming. Secretary of Agriculture John Block has predicted that during the next 50 years soil damage on 141 million acres of cropland could cut yields in half. Nationally, croplands losses average more than 5 billion tons annually, an amount approximately equal, Mr. President, to skimming 1 inch off the top of Georgia every year. These statistics indicate the serious need for the reestablishment for a Conservation Reserve program.

Studies indicate that a 40-45-million acre conservation reserve would reduce current soil erosion by nearly 40 percent, or 800 million tons annually. A 40-45-million acre conservation reserve would also significantly reduce water pollution from soil and sediment runoff, which currently causes an estimated \$3 billion in annual damages to water quality, navigation, and recreation.

The original conservation reserve in the 1950's was very successful in my home State of Georgia. Approximately 975,000 acres were enrolled. Georgia planted more trees in the original program, approximately 700,000 acres, than any other State. Many Georgia farmers are anxious to participate in the new conservation reserve program. I have had numerous discussions with the Department of Agriculture regarding the need to establish a conservation reserve of at least 40 million acres. Secretary Block has insured me of his enthusiasm for implementing a conservation reserve and his intention to implement the reserve as expeditiously as possible in 1986. The conservation reserve title defines the lands eligible as erosion-prone land. These erosion-prone lands would include all acres in land capability classes 4 through 8 and other lands as determined by the Secretary using his discretion and the universal soil loss equation. The Department of Agriculture has assured me that the Secretary would exercise his discretion to include lands with erosion rates exceeding twice the allowable soil loss (2T). Using this criteria approximately 1.3 million acres would be eligible for participation in the conservation reserve in Georgia.

Mr. President, I would also like to mention a related program contained in the pending bill. The Agricultural Program Adjustment Act of 1984 Public Law 98-258, contained an amendment offered by Senator Cochran and me to mandate a study regarding distressed Farmers Home Administration borrowers. This study explored the possibility that certain of these problem FmHA borrowers would benefit from a program which allowed them to plant all or a portion of their farms in trees with the existing FmHA loans being reamortized and paid from the proceeds of the timber harvest.

The USDA study indicated that more than 1,000 farmers in the Southeastern United States have a debt/equity ratio which would make such a program feasible. Mr. President, this is a program which will benefit all concerned. It will allow a distressed borrower to avoid foreclosure and hold onto his land. This land which is planted in trees will not add

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to the glut of land in the market which has driven down farm values. Also, FmHA will increase its chances, in the long run, of receiving a greater percentage of the existing indebtedness from the timber harvest than would be the case if there were an immediate foreclosure and sale of the farmers' land to pay the outstanding loans.

The pending bill gives FmHA the needed authority to establish such a program in section 1646. I have been assured by Secretary Block that he will implement this program at the earliest opportunity after the farm bill is enacted.

Mr. SASSER. Mr. President, sometime ago, citizens in McMinnville, TN, requested my assistance in the reopening of the Avalon Dairies plant, a cheese reprocessing facility. While researching this project, I was shocked to discover, that no reprocessing facilities for surplus dairy products are located in the South. Local and State officials agreed with me that reopening Avalon would not only correct what we saw as a glaring omission, but would bring relief to McMinnville's continuing unemployment problems. With a persistent unemployment rate of 22 percent, reopening the plant would create a valuable, new commercial facility for area farmers and workers.

The proposal to reopen Avalon Dairies caught the attention of Mr. Ed Vann, a constituent of Senator Chiles from Lakeland, FL. Mr. Vann's entrepreneurial abilities have brought him success in many business ventures. More important, Mr. Vann has been quite successful in helping the State of Florida reprocess and distribute surplus commodities. His experience with this program is an invaluable asset in his plans to reopen Avalon Dairies.

Mr. CHILES. Like my distinguished colleague from Tennessee, I was most surprised to learn there exists no reprocessing facility for surplus dairy products in the South. I think this is a significant oversight and I applaud the efforts of everyone involved to reopen the McMinnville, TN, facility for this purpose. An operational reprocessing plant will not only help McMinnville, but it will also improve the distribution network for surplus commodities in the South. I hope we see this project through to a successful conclusion and I particularly applaud the efforts and expertise of Mr. Vann toward this goal.

Mr. HELMS. Mr. President, I greatly appreciate my two colleagues bringing this matter to my attention. I was not aware of the lack of reprocessing facilities in the South, and I share the Senators' concerns about this omission. If I might inquire of my colleagues, how far have the plans to reopen the Avalon facility progressed?

Mr. SASSER. I would answer my colleague from North Carolina, the distinguished chairman of the Agriculture Committee, that this project commenced in the fall of 1984 and was favorably received by State and local officials, as I have noted, and by officials with the Department of Agriculture. However, in March of 1985, the Department of Agriculture began disallowing State contracts for the reprocessing of surplus dairy products. This has put the Avalon Dairies project in a questionable posture.

I might add, Mr. President, that I know the chairman shares our concern over the surplus dairy problem. Yet, if we are going to rid ourselves of surplus milk and cheese, feed the hungry, and in so doing save the Federal Government some money, we must make a better effort toward equal distribution. We believe locating a reprocessing facility of Avalon Dairies would help reduce spoilage and speed distribution.

Mr. HELMS. I thank the Senator for that information. If I may further inquire, what steps are the Senators seeking at this time?

Mr. SASSER. My distinguished colleague from Florida and I would simply like to request the Department of Agriculture to give this situation further attention at this time. As we strive to reduce our dairy surplus, feed the hungry, and cut Government costs, we urge the Department to closely consider proposals such as this which involve private sector innovation and initiative. I would not ask for specific legislative action at this time, Mr. President, as I am optimistic that the Department of Agriculture will continue to act favorably on this matter. It may well be that we will have to revisit this issue at a later date should this optimism be unfounded. I thank the chairman for his consideration in this matter.

Mr. HELMS. Again, I thank the Senators for bringing this matter to the attention of the Senate. I appreciate their foregoing legislative steps at this time and understanding their desire to see a favorable disposition of this case.

AMENDMENT NO. 1114

Mr. MATTINGLY. Mr. President, for the past 4 years, I have worked with a number of our colleagues in an effort to focus attention on the shabby treatment our U.S. producers have been receiving in the world trade arena. Unfair, predatory foreign subsidies, tariff and nontariff barriers erected against the free international flow of American goods, and our own misguided policies have severely impacted many sectors of our economy including agricultural commodities and products. A prime example of the adverse effect of these practices can be seen in the area of our poultry export figures.

In 1976, the United States supplied over 96 percent of all poultry shipped to the Middle East. The size of that market has almost quadrupled since then, but this year our share of the business has dropped to less than 1 percent. The sole reason for such a disastrous loss of sales is the export subsidy employed by some of our foreign competitors. Through this means, they have literally stolen our Mideast poultry market. Poultry is not the only example of this international piracy, but it is one of the most blatant cases.

I was greatly encouraged earlier this year when the administration made a pledge to utilize \$2 billion worth of surplus Commodity Credit Corporation stocks as an export bonus incentive which the Government would give to foreign buyers as an inducement to purchase other American commodities and farm products. This appeared to be an ideal way to combat the unfair subsidies which have ravaged our foreign markets. Better yet, the program requires no new cash outlays since the commodities to be given away have been bought and paid for in past years. They sit in storage with no ready market, costing us money each day just to keep them there.

Unfortunately, this export incentive program has not been used to our best advantage. In fact, it has been utilized only on a very small scale, and to date has concentrated in moving only grain and wheat flour. There has been no USDA solicitation of bids to promote a sale of poultry or meat products, although there have been numerous opportunities to make such bonus assisted sales and begin recapturing our purloined foreign markets.

So, Mr. President, the amendment which I offered and we adopted last night requires that the Secretary of Agriculture utilize a mere 15 percent of the bonus commodities to stimulate exports for poultry, beef, or pork meats and meat food products. This is certainly a most reasonable request. In fact, we should probably have sought more of the available assistance to help our producers recapture their foreign markets. Increased exports of value-added products such as broilers will actually result in long-term benefits to the Federal Treasury by creating jobs which in turn increases revenues. But I am asking at this juncture for only 15 percent in an effort to get this export incentive off the ground.

I thank my colleagues for supporting this important measure, and the cosponsors for their invaluable assistance in moving the amendment forward. I delighted in having the Senator from Arkansas [Mr. Bumpers] join me in submitting the amendment, and I especially want to thank Chairman Helms and the ranking member [Mr. Zorinsky] for the consideration and cooperation they exhibited in helping to add this provision to the farm bill.

Finally, Mr. President, I express my sincere appreciation for the herculean efforts of the committee staff. Mr. George Dunlop, the staff director, has demonstrated once again his professionalism and tireless dedication. And the committee is also most fortunate to have an individual with the expertise and capability of Mr. Carl Rose on the minority side. I again thank these two gentlemen, in particular, and the many other staff persons who are always so thorough, efficient and courteous.

Mr. BUMPERS. Mr. President, late last night, or more accurately, in the wee hours of the morning, an amendment offered by Senator Mattingly and me, to expand our export markets for poultry, pork, and beef, was agreed to by the Senate. I did not have the opportunity at that time to state for the record my rationale for offering such an amendment.

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Even though it will not influence the outcome in the Senate, I wanted House and Senate conferees to have the benefit of my argument in behalf of the amendment.

This amendment requires the Secretary to use 15 percent of the export enhancement program commodities to be targeted to assist the exports of poultry, pork, and beef. I am extremely pleased that these commodities are included because of the obvious need to help all exportable commodities -- grain, fiber, and meat.

In the case of poultry, such a program will allay a poultry slump that has seen exports decline from a high in 1981 to a near record low in 1985:

POULTRY MEAT EXPORTED

[In metric tons]

1974	85,000
1975	85,000
1976	155,000
1977	194,000
1978	194,000
1979	208,000
1980	320,000
1981	395,000
1982	314,000
1983	251,000
1984	226,000
Forecast for 1985	200,000

POULTRY MEAT EXPORT VALUE

[In millions of dollars]

1974	\$140
1975	143
1976	235
1977	301
1978	332
1979	368
1980	546
1981	765
1982	579
1983	451

In 1981, poultry had a 22-percent share of the world market, and the forecast for the end of 1985 is 12 percent. During this same period Brazilian poultry exports increased from 12 percent to 16 percent of the world market, and the EC share during this period increased from 45 percent to 50 percent. France, alone, has seen an increase in the world market share from 18 percent to 21 percent.

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The tonnage figures for these countries are: Brazil, 170,000 metric tons in 1980, 241,000 metric tons in 1985; the EC, 675,000 metric tons in 1980 to 747,000 metric tons in 1985; and France, 252,000 metric tons in 1980 to 320,000 metric tons in 1985. These countries have been able to dramatically increase their world market share largely through the use of unfair trade practices and largely at the expense of the United States. For this reason, France and Brazil have been the subject of a section 301 complaint filed by the National Broiler Council and 11 other poultry association.

Through the use of an export promotion program as adopted by the Senate, U.S. poultry can recapture its rightful share of lost world markets, hang on to current threatened markets, and successfully explore new markets. Without question our poultry products are naturally competitive, but the program will help us overcome unfair foreign advantages.

Likewise, I am pleased that one export enhancement program has been extended to exports of pork and beef. These commodities have suffered through the use of foreign barriers to these exports and through the use of foreign unfair trade practices. Beef and pork will now, along with poultry, be given a fair shake, and I am extremely pleased that my colleagues adopted the Mattingly-Bumpers export enhancement amendment.

MILK TAXES

Mr. MOYNIHAN. Mr. President, I rise to cosponsor the amendment offered by the distinguished chairman of the Agriculture Committee. Mr. Helms. This amendment, the adoption of which I view as absolutely essential, expresses the sense of the Senate that assessments shall not be used to defray the cost of the Dairy Price Support Program.

Assessments are a tax, pure and simple. A levy not on alcohol or tobacco, but on the most elemental of foods. My State, which is a dairy State, has suffered unduly since milk taxes were first passed by Congress under the Omnibus Reconciliation Act of 1982 and subsequently renewed by the Dairy and Tobacco Adjustment Act of 1983 (P.L. 98-180).

During the 15-month dairy diversion program, New York dairy farmers paid out \$73,784,200 in assessments. All New York dairy farmers. Even though New York's share of sales to the Commodity Credit Corporation [CCC] are a mere 4 percent. The State produces over 8 percent of the Nation's milk.

How much did New York dairy farmers receive in diversion payments? The 12 percent who participated in the program received \$34,484,800, or an average of \$24,749 per participant.

The diversion program caused a shortfall to New York State and its dairy farmers of \$39,299,400. New York had higher collections as a share of payments -- 214 percent -- than any other State save Pennsylvania -- 233 percent. New York ranked third in collections -- because it is third in production -- but eighth in diversion payments.

My State can no longer afford to pay for surplus production elsewhere in the country. New York dairy farmers cannot afford to pay a tax so dairy farmers in Arizona can collect quarter-million-dollar payments not to produce milk.

Three days ago, Paula Hawkins, John Chaffee, and I offered an amendment authorizing the Secretary of Agriculture to reduce the dairy support price by 50 cents per hundredweight on January 1, 1986 if he estimates Government purchases for that calendar year will exceed 10 billion pounds -- milk equivalent.

My intention in offering the amendment was, quite simply, to lower the price support level so producers who exist to sell to the Government would have their profits cut -- perhaps eliminated. Another, equally important, reason was to put Senate conferees on the farm bill, S. 1714, in a position to resist the assessment authorized under the House-passed bill, H.R. 2100.

Unfortunately, the price cut amendment was tabled by a 50-47 vote. Hence the necessity of this amendment, I urge my colleagues to accept it. Milk taxes are counterproductive, and serve only to hurt the small family farmer we profess to care so much about, and consumers.

SUPPORT OF THE PEANUT TITLE

Mr. HEFLIN. Mr. President, I join with my colleagues in a call for the enactment of the peanut title to this legislation as recommended by the Committee on Agriculture, Nutrition, and Forestry.

I might add, Mr. President, that the peanut title of this legislation was agreed to by voice vote in the committee. There was not one dissenting vote. Unlike 4 years ago when members of the Agriculture Committee spent weeks discussing the peanut program.

The reason for avoiding controversy is simple; the peanut program works. This commodity program fits the description of practically every speech given on the Senate floor pertaining to farm legislation. Mr. President, we have all heard that statement, "commodity programs should assure Americans of a plentiful supply of food at a reasonable cost to the consumer and at a minimal cost to the taxpayer while at the same time be fair and equitable to the farmer. In addition, commodity programs should enhance the farmer's marketing position in world trade so as to increase exports."

PLENTIFUL SUPPLY

The current national poundage quota system assures the American consumer of a stable supply of high quality peanuts. Under existing law, if a quota holder fails to produce peanuts on his land in 2 out of 3 years, the quota is assigned to another farmer who will produce the peanuts. There is no boom and bust in the supply of peanuts as there is in other commodities. Unless, a national disaster, such as a drought occurs.

REASONABLE COST TO CONSUMER

Peanuts and peanut producers are available to the consuming public at a reasonable cost, although peanut product manufacturers and their allied groups have argued to the contrary.

The 30,000 family farmers in America receive 59 cents for the peanuts used in an 18-ounce jar of peanut butter that the 3 multinational peanut butter companies sell at retail for \$1.78, while generic brands retail for \$1.35. Name brand peanut butter cost the consumer \$175 million a year more than generic peanut butter, yet by the FDA regulations, both must contain 90 percent peanuts.

Over the last 8 years, peanut butter companies have raised prices 71 percent. Not surprisingly, peanut farmers profits have decreased 70 percent since 1981, while peanut butter companies' profits have increased.

Statements have also been made that the Peanut Program is a hidden tax that cost the peanut butter consumer between \$250 to \$300 million year. The Secretary of Agriculture stated in a letter to the Committee on Agriculture that the hidden tax was only \$170 to \$200 million during 1982-84. I guess it is difficult to determine the magnitude of hidden tax.

I would like to share just two statistics with my colleagues in response to the consumer issue of the hidden tax. The total farm value of all peanuts produced in 1983, which was a record high year for peanut farm prices, was \$786 million. Forbes magazine reported that the net profit from the two largest peanut product manufacturers for the same year was \$1.189 billion.

Let me emphasize, Mr. President, two manufacturers have a profit of \$1.2 billion as compared to a total farm value of \$786 million. If there is a hidden tax I don't think the farmer's raw product prices are responsible.

MINIMAL COST TO GOVERNMENT

Net Commodity Credit Corporation expenditures for peanut price supports declined from \$78.4 million per year during fiscal years 1970-77 to \$8.2 million per year during fiscal years 1978-83, a reduction of 90 percent. Expenditures for peanuts for this same period was only 0.1 percent of net CCC expenditures for all commodities.

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Mr. President, I think it is more important to look at the cost of the peanut program since changes were made in the 1981 farm bill designed to reduce the cost of the program. The USDA's publication, History to Budgetary Expenditures of the Commodity Credit Corporation FY 1980-84 Actual reports cost of the Peanut Program:

	Fiscal year
	Million
1982	\$12.2
1983, profit to CCC	-6.2
1984	1.2

For the last 2 years, Mr. President, according to this USDA publication, the Peanut Program has actually made the Government money.

This is one of the few programs that has been consistent with this administration's philosophy of reducing Federal expenditures.

Although the peanut program has been effective in reducing Government expenditures over the past 4 years, we have further modified the program to ensure that cost are minimal. The Congressional Budget Office has estimated that these changes contained in the peanut title of the committee bill will cut \$11 million from baseline expenditures. Evidence that the committee has further tightened up the peanut program.

FAIR AND EQUITABLE TO FARMERS

Mr. President, I would assume that this provision is fair and equitable to farmers. Some peanut farmers have said it is not enough. Many would like to see an increase in the loan rate.

It should be noted, Mr. President, that the peanut program does not have a target price and, therefore, no Federal funds are used for deficiency payments. No Federal payments are made for set-aside or land diversion programs. Peanut farmers are eligible for a loan rate only.

Again, I would emphasize that this title is in no way a profit guaranteeing provision. All the measure does is simply recognize the necessity for the peanut producer of this country to recover minimum cost.

INCREASED EXPORTS

Mr. President, earlier this year the Senate Agriculture Committee held a series of thematic hearings. At these hearings, Secretary Block emphasized the need to increase the exports of U.S. farm products. He stated it was essential for exports to increase if American agriculture is to survive.

Well this program has allowed peanut exports to increase. Exports of peanuts have increased some 80 percent since 1980. I don't think it is necessary for me to point out that this is unusual. In fact, Mr. President, it is unique. Peanuts are the only commodity to have increased its exports over the past few years.

I certainly feel that the merits of this program justify its continuation. The peanut title, as reported, reauthorized and improves upon the Peanut Program provided in the 1981 farm bill. These improvements are considered necessary by exports in the peanut industry.

Mr. President, I would like to briefly outline these improvements or modifications for my colleagues.

First, the bill seeks to be more flexible in regard to meeting increased market demand, by giving the Secretary of Agriculture discretionary authority to adjust the national poundage quota by the amount he estimates that domestic edible, seed, and related uses of peanuts would exceed the statutory level of 1.1 million tons. Increases in the national

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quota are required to be apportioned among the States so that each States's poundage quota is equal to the percentage of the national poundage quota allocated to farms in the State for 1985.

Second, the bill further expands provisions that establish poundage quota for farms that currently do not have a farm poundage quota. Under the bill, a farm poundage quota for the 1985 crop and for each farm on which peanuts were produced in at least 2 out of the last 3 crop years. In addition, if the national poundage quota is increased by the Secretary, poundage quota would be allocated equally to both quota and nonquota growers.

The bill also provides for reduction of a farm poundage quota if the quota was not produced in 2 of the last 3 years. Voluntary release of quota is also permitted. Quota that is reduced for failure to produce or voluntarily released would be allocated to all farms that produced peanuts in 2 out of the 3 last years.

Third, the bill increases the marketing penalties to 140 percent of the support price for producers and handlers. Previously, handler penalties were 120 percent of the support price. Also, penalties of 140 percent of the support price are imposed on importers of additional peanuts which had been exported from the United States.

Fourth, some physical requirements for exported additional peanuts have been relaxed to improve overseas sales potential.

Fifth, the deadline for contracting for the export or crushing of peanuts has been caused from April 15 to August 1 to allow growers more time to assess their planting and marketing objectives before making commitments on contracts.

Sixth, the bill gives the Secretary authority to adjust the support rate for 1986, based on changes in cost of producing peanuts during the period 1981 through 1985. For subsequent years the price support could be adjusted up or down to reflect any change in the cost of producing peanuts, excluding any change in the cost of land, and that in no event would any adjustment exceed 6 percent.

Seventh, the bill modifies the provisions of law relating to area pools and the buyback from the pools. Currently, farmers may place additional or quota peanuts in the area pool and allow them to be redeemed by shellers into domestic markets within 72 hours. The provision sometimes allows additional peanuts in one pool to displace quota peanuts in another pool. Higher priced quota peanuts remaining in the pool may be crushed, at Government expense. In the past, three separate pools (Southwest, VC, and GFA) operated independently regarding the buyback provision even though redemptions in one area could affect other pool profits. The bill provides that the buyback will remain intact, but a loss sharing requirement will exist among the three pools. Losses sustained from quota peanuts in a pool must be offset by profits from additional peanuts in that pool first. If there is inadequate profit from additional, income from the other two pools will be used to offset the losses. This pool arrangement is designed to reduce Government cost exposure.

Mr. President, in summary, this is one commodity program that works. The peanut program is a minimal cost program. It allows American peanut farmers to actively compete in world markets. I feel strongly that this title should be passed by the Senate without substantial change. I know personally of the many compromises which have been made in the development of this legislation.

Mr. President, it is my intention to oppose, and I would urge my colleagues to oppose any and all amendments that would dismantle this essential commodity program.

PEANUTS

We in the Congress of the United States grope for a solution to the farms problems that confront this Nation. Somehow or another we wish we had the wisdom of Solomon to produce a farm policy that provides adequate food and fiber, and allows the farmer to make a reasonable return on his or her investment and labor without:

First, any deficiency payment; second, any farm subsidy; and third, any cost to the Government, and yet, allowing

for a continuing increase in export sales.

If we could come up with such a policy, there would be shouts of utopia and Shangrila.

The Peanut Program devised by the Senate Agriculture Committee comes close to meeting the foregoing criteria. Under this program there are:

First, no deficiency payments; second, no Government subsidy; third, practically no cost to the Government; and fourth, export sales will continue to rise.

Actually, in addition to the attractive features heretofore listed, the Peanut Program in 1983 and 1984 made the Government more than \$5 million.

The question naturally arises that if this type of program can work in that manner for peanuts, why not adopt it for all farm programs? I wish we could. However, the production of peanuts is unique and the program is fine tuned with many complexities to produce the results. Unfortunately the same sort of circumstances do not exist for other commodities.

But one has to ask the question -- why destroy a program that is working?

In 1977 and in 1981 Congress made changes in the Peanut Program designed to eliminate its ills and reduce costs to the Government. Under the provisions of these two bills, acreage allotments were eliminated and now all farmers can grow peanuts anywhere. Cost to the Government has been eliminated for most years. In fact, it has made the CCC money on occasions.

The statement has been made that peanuts are the only commodity in the farm bill that will receive an increase in price. This is an incorrect statement. First, let it be clearly known there is no Government payment, no Government deficiency payment, no target price for peanuts, no Government subsidy for peanuts, and according to CBO's figures the Peanut Program will make the Government more than a \$1 million profit in 1986.

The language in the bill setting a loan rate is substantially the same language that was in the 1981 bill. Nowhere in this language is there a specific enumerated price figure above the present loan rate. The present loan rate is \$559 a ton for quota peanuts. The bill does recite that the loan rate shall not be lower than \$559 a ton. In the 1981 farm bill the Senate authorized \$590 a ton as the loan rate. The Secretary of Agriculture is authorized to establish the loan rate based on a formula set forth in the bill similar to the same language in the 1981 bill.

Actually, under the Dole-Lugar proposal, the target price is raised as much as 25.5 percent for wheat under certain practices.

The 1981 farm bill called for annual increases in the loan rate for peanuts for each of the 4 years if the cost of production increased. The cost of production did increase. However, the Secretary of Agriculture did not authorize any such loan rate increase for the years 1981, 1983, and 1984. Finally, in 1985 a small addition to the loan rate was added. The loan rate had been 27.5 cents a pound. It was raised to 27.95 cents a pound -- less than a one-half cent a pound raise. When you compare what occurred to increases in target prices for cotton, feed grain, wheat, and rice, you would find that in 1982, 1983, and 1984 each of these commodities received an increase. For example, in regard to wheat, the target price in 1982 was raised 24 cents a bushel. In 1983 it was raised 25 cents a bushel, and in 1984 8 cents a bushel. In another example, cotton was raised 5 cents a pound from 1982 to 1983 and 5 cents a pound from 1983 to 1984. Similar examples can be given for other commodities, but peanuts got no increase. The reason for this was that the Secretary of Agriculture changed cost of production formulas contrary to the intent of the law and prevented any increase in the loan rate for peanuts.

Peanuts are entitled to be placed on the same footing as other commodities during the past 4 years. Peanuts are

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entitled to play catchup. When you consider parity, the committee bill puts the peanuts loan rate at 61 percent of parity while wheat's target price is 65 percent of parity.

In the event that the Secretary of Agriculture makes corrections to put it on the same footing, it will not cost the Government any money, but it actually will result in a profit to CCC.

There is no absolute guarantee the Secretary of Agriculture will grant an increase. He got around mandatory language in the 1981 bill. This time the language is much tighter -- specifically designed to prevent him from escaping the mandatory direction of the congressional enactment.

REASONABLE COST TO CONSUMERS

Peanuts are available to the consuming public at reasonable costs, although peanut product manufacturers and their allied groups have argued to the contrary. The 30,000 family farmers in America who raise peanuts receive 59 cents for the peanuts used in an 18 ounce jar of peanut butter that the three multinational peanut butter companies sell at retail for \$1.78, while generic brands retail for \$1.35 or a difference of 43 cents on the jar. One has to bear in mind that the FDA regulations require that both name brand peanut butter and generic peanut butter must contain 90 percent peanuts.

Over the last 8 years, peanut butter companies have raised prices 71 percent. Not surprisingly, peanut farmers' profits have decreased 70 percent since 1981 while peanut butter companies' profits have increased.

History has proven in the past that any lowering of peanut prices have not been passed on to the consumer. It is interesting to note that using the most advantageous method of calculations the peanut butter manufacturers contend that if the Peanut Program was abolished that it could result in a lowering of the price of peanuts by only 14 percent. Even if their method of calculation was correct, which is not admitted, I think it can be accurately stated that the consumer prices would not correspondingly be lowered. A 14-percent drop in the price of peanuts would add only to the profit of the manufacturers. Time and time again on fluctuations in prices it has been proven that there is no pass-on savings to consumers.

(Earlier in the debate the following occurred:)

Mr. McCLURE. Mr. President, I had announced earlier that I had a number of amendments to reform the Food Stamp Program. I offered two of those amendments yesterday.

I have eight other amendments on the same subject with respect to the same program, but I believe that the Senate is unlikely at this hour and this stage in the proceedings to give the kind of serious attention to those amendments as they deserve and the program reform demands.

It is, therefore, not my intention to offer those amendments, but I do believe that the subject matter needs to be discussed and thought about and refined so that at a future date we will be in a position to make some further corrections in the administration and definition of the Food Stamp Program.

And for that reason and to further that purpose, I ask unanimous consent that my statements and the text of the amendments that I would have otherwise offered be printed in the Record at this point as if delivered.

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

PURPOSE: MINIMUM BENEFIT ISSUANCE TO FOOD STAMP PARTICIPANTS

Mr. McCLURE. Mr. President, this amendment will adjust the minimum benefit issuance to food stamp participants.

The Food Stamp Program currently has several conflicting rules with respect to the issuance of minimum benefits

to various types of households. For one- and two-person households, no benefit less than \$10 per month is issued as long as the household is eligible to participate in the Food Stamp Program. For households of three or more, the exact dollar amount is issued, even if that amount is less than \$10 -- such as \$7, or \$5, or even zero.

The President's Task Force on Cost Control noted the discrepancy between the minimum benefit for one- and two-person households and households with three or more in recommending the elimination of the minimum benefit.

The task force stated "in the case of a one- or two-person household that meet the eligibility qualifications, even if the family's calculation shows that they are to receive no benefit, they will receive \$10. This is not true for households of more than two persons."

The Department of Agriculture estimates that approximately 60 percent of all one- and two-person households would not be entitled to any benefits were it not for the minimum benefit.

The elimination of the minimum benefit would allow each eligible family to receive the true amount for which they are eligible. The Congressional Budget Office estimates the savings from eliminating the \$10 minimum benefit at \$65 million per year. It is time to take some positive action to control the costs of the Food Stamp Program. This amendment does that and I encourage my colleagues to vote for this amendment.

Mr. President, I request that the entire text of my amendment be printed in the Record.

The text follows:

At the appropriate place in the pending amendment insert the following:

MINIMUM ALLOTMENT

Sec. . Section 8(a) (7 U.S.C. 2017(a)) is amended by striking out the colon after "dollar" and all that follows through the period at the end thereof and inserting in lieu thereof a period.

Mr. McCLURE. Mr. President, the following two examples highlight the disparity between one- and two-person households with relation to the minimum allotment. In both cases, a one-person and two-person household have gross incomes under the maximum allowable income ceiling, 130 percent of poverty, and net incomes under 100 percent of poverty.

EXAMPLE 1. -- ONE PERSON HOUSEHOLD

Income:

Maximum possible for a one person household is \$540	\$460
Standard deduction	-95
Excess shelter/dependent care	-125
Net income (net income-max benefit is \$415)	240
Representing household's expected contribution	X0.30
	72.00

Food stamp allotment benefit equals the difference between the maximum allotment, \$79 for a one-person household, and subtracting 30 percent of net countable income, \$72 -\$7. However, because this is a one-person

household, the household receives a \$10 minimum benefit.

Very similar financial circumstances produce significantly different results for larger households.

EXAMPLE B. -- THREE PERSON HOUSEHOLD

Income:

Maximum possible for three-person household is \$917	\$916
Standard deduction	-95
Maximum excess shelter/dependent care deduction	-134
Net income (net income-maximum possible is \$705 for three-person household)	687
Representing household's expected contribution	X0.30
Rounding down to \$206	206.10

Food stamp allotment benefit equals the difference between the maximum allotment, \$208, and subtracting 30 percent of countable income \$206 = \$2. Since this is not a one- or two-person household, the household, receives the exact amount of the benefit, \$2.

PURPOSE: TO REIMPOSE THE PURCHASE REQUIREMENT UNDER THE FOOD STAMP PROGRAM

Mr. McCLURE. Mr. President, this amendment to the Agriculture, Food, Trade, and Conservation Act of 1985, would restore the nutrition focus of the Food Stamp Program.

My amendment will restore the purchase requirement and ensure that households spend for food the full value of the thrifty food plan.

The nature of the purchase requirement was intended to encourage households to increase their food purchases. The history of the Food Stamp Program shows that the purchase requirement was integral to the program. Households were originally required to contribute up to 30 percent of their countable income to the Federal Government in return for the larger value of food stamp benefits. This purchase requirement was eliminated by legislation in 1977.

The elimination of this requirement caused some division in the ranks of those who had been proponents of the program, such as Representative Leonor Sullivan, a Democrat from Missouri. After being an outspoken advocate of the Food Stamp Program during the formative years of the program, she voiced her strong opposition to the elimination of the purchase requirement.

She stated, "I do not endorse the idea of free stamps * * *. But I think it should be something -- at least a token payment, no matter how small." She went on to say that, "If people could have a blank check for a free choice of \$25 worth of food per person in any grocery store each month, and pay absolutely nothing for it, irresponsible use of the stamps could destroy the integrity of the whole program. How do we teach any sense of personal financial responsibility, to people who need such instruction, if they are entitled by right and by law to all the food they require for good nutrition regardless of how they spend, or waste, their own funds?" I believe Representative Sullivan was correct in her fears. The Food Stamp Program has lost some of its integrity by the loss of the purchase requirement.

The elimination of the purchase requirement is widely regarded as the single greatest cause for the rapid expansion of both cost and participation of the Food Stamp Program since 1979.

Since the elimination of the purchase requirement, the program has come to be more of an income transfer program inasmuch as free food stamps are now more likely to replace money which might have been spent for food, freeing up some money for other, nonfood expenditures.

When the purchase requirement was in effect, a household had to buy an amount of stamps equal to full value of the thrifty foodplan by paying in cash up to 30 percent of its net income. Since the household then received stamps worth the full amount of the plan, all households who received stamps had to spend at least this amount on food. However, after the elimination of the purchase requirement, a family would receive in stamps the difference between the full value of the thrifty food plan and 30 percent of its net income. Not only did the household not have to put up the cash, it no longer was obligated to spend an amount equal to the full value of the thrifty food plan for food purchases.

With elimination of the purchase requirement, there is no guarantee that recipients will spend any of their own money -- cash -- on food. Thus, there is no assurance that participating households are purchasing, with food stamps or cash, as much food as they were prior to 1979 relative to their income.

The Food Stamp Program was set up to provide additional nutrition to those in need, and pave the way for substantial improvement in the methods of distributing surplus foods. We should move back to the original intent of the Food Stamp Program by returning the purchase requirement. It would help insure that those who participate in the Food Stamp Program spend a certain part of their income on foods and maintain the extra help from the Government that is necessary for them to provide a nutritious diet for their families.

Similarly, the connection between the Food Stamp Program and one of its initial purposes -- that of reducing surplus commodities needs to be restored. Restoring the purchase requirement would ensure that households spend for food the full value of the thrifty food plan.

The Congressional Budget Office estimates that the impact of reinstating the purchase requirement would be a savings of between \$750 million to \$1.25 billion per year when fully implemented. The CBO estimate is a range based on variations in the assumptions about how many households with relatively high purchase requirements would drop out of the program. The lower, \$750 million figure, is based on an assumption that 60 percent of these households, which have been added since the purchase requirement was eliminated, would leave the program. The higher estimate assumes that all of these new households, about 755,000, would leave the program. Both estimates exclude households with elderly and disabled individuals, and those with net incomes below \$30 per month.

Let me emphasize that my amendment will not force the elderly or disabled or the extremely poor to pay for their food stamps. My amendments exempts them from the purchase requirement. It is not my intention to place undue burden on the elderly or disabled or very poor. My intentions are to restore some integrity to the Food Stamp Program, to restore it to its original intent -- to provide a mechanism to supplement -- not replace -- an individual's dietary needs and to provide for the consumption of surplus commodities.

The text follows:

At the appropriate place in the pending amendment insert the following:

PURCHASE REQUIREMENT

Sec. . (a) Section 3(b) of the Food Stamp Act of 1977 (7 U.S.C. 2012(b)) is amended by inserting "and any amount to be paid by the household for the allotment" before the period at the end thereof.

(b) The first sentence of section 4(a) of such Act (7 U.S.C. 2013(a)) is amended by inserting "that has a greater

monetary value than the charge to be paid for the allotment by the households" before the period at the end thereof.

(c) Section 8 of such Act (7 U.S.C. 2017) is amended --

(1) by striking out the section heading and inserting in lieu thereof the following:

"VALUE OF AND CHARGES FOR ALLOTMENT";

(2) by inserting "that is in excess of the amount charged the household for the allotment" after "household" in subsection (b); and

(3) by adding at the end thereof the following new subsections:

"(e)(1) A household shall be charged for the allotments issued to them, except that --

"(A) allotments shall be issued without charge to a household containing an elderly or disabled member; and

"(B) allotments may be issued without charge to a household with an income of less than \$30 per month for a family of four under standards of eligibility prescribed by the Secretary.

"(2) The amount of the charge shall represent a reasonable investment on the part of the household, except that the charge may not exceed 30 percent of the income of the household.

"(f)(1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for this purpose.

"(2) The deposits shall be available, without limitation to fiscal years, for the redemption of coupons."

(d) Section 11 of such Act (7 U.S.C. 2020) (as amended by sections 1427 and 1434(b)(1)) is further amended --

(1) in subsection (e) --

(A) by striking out "and" at the end of paragraph (24);

(B) by striking out the period at the end of paragraph (25) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(26) notwithstanding any other provision of law, for the institution or procedures under which a household participating in the food stamp program may have any charges for its allotment deducted from any payment the household receives under title IV of the Social Security Act (42 U.S.C. 601 et seq.) and have its allotment distributed to it with the payment."; and

(2) in subsection (h), by striking out "Treasury" and all that follows through the period at the end thereof and inserting in lieu thereof "separate account established under section 8(f), a sum equal to the amount by which the value of any coupons issued as a result of the negligence or fraud exceeds the amount that was charged for the coupons under section 8(e)(2)".

(e) Section 15(a) of such Act (7 U.S.C. 2024(a)) is amended by inserting "purchase," after "for the".

(f) Section 18 of such Act (7 U.S.C. 2027) (as amended by section 1442(a)) is further amended --

(1) by adding after the first sentence of subsection (a) the following new sentence: "Such portion of any such

appropriation as may be required to pay for the value of the coupon allotments issued to eligible households that is in excess of the charges paid by the households for the allotments shall be transferred to and made a part of the separate account established under section 8(f).";

(2) by amending the first sentence of subsection (b) to read as follows: "In any fiscal year, the Secretary shall limit the value of coupons issued that is in excess of the value of coupons for which households are charged, to an amount that is not in excess of the portion of the appropriation for the fiscal year that is transferred to the separate account under subsection (a)."; and

(3) by adding at the end thereof the following new subsections:

"(g) If the Secretary determines that any of the funds in the separate account established under section 8(f) are no longer required to carry out this Act, the unneeded funds shall be paid into the miscellaneous receipts of the Treasury.".

PURPOSE: TO ELIMINATE THE EXEMPTION FOR CERTAIN FEDERAL AND STATE ENERGY ASSISTANCE PAYMENTS BEING COUNTED AS INCOME FOR PURPOSES OF DETERMINING FOOD STAMP ELIGIBILITY AND BENEFIT LEVELS

Mr. McCLURE. Mr. President, this amendment will eliminate the exemption for certain Federal and State energy assistance payments being counted as income for purposes of determining food stamp eligibility and benefit levels. This amendment will make the reporting of income more accurate.

First let me say that I am not against helping people who are poor and find themselves in circumstances which necessitate Federal and State assistance for themselves and their families. The truly needy should be helped. However, it has become painfully clear that the Food Stamp Program has become a classic example of a Government help program out of control. Instead of limiting the program to people who cannot do without the assistance, we have allowed this program to grow to the point where 1 out of 10 people are receiving food stamps, and where 1 out of 7 are eligible. The entire Food Stamp Program is full of loop holes. The abuses of the program are well known.

Legislation to stop this abuse, to close these loopholes must be passed and implemented. The committee has taken some steps to deal with the problems of the Food Stamp Program. The committee adopted a provision to clarify that shelter deductions expenses covered by any kind of Low-Income Home Energy Assistance Act [LIHEAA] payments not qualify as household expenses for the purpose of calculating the excess shelter expense deduction. Such expenses would not be deductible whether the energy assistance payment was made directly to the household or to an energy supplier through a so-called vendor payment.

This committee provision was intended to correct an anomaly created because of some court decisions which have allowed households to claim as a shelter expense those energy expenses that were paid through assistance programs where the payment went directly to the energy provider, thus reducing or eliminating actual out of pocket expenses to the household. This committee correction is necessary to eliminate the double counting of this type of income. The food stamp participant was receiving assistance for energy expenses from Federal or State programs, thus leaving more of their other income free for food uses, at the same time this assistance was not counted in determining eligibility for food stamps. This allowed the food stamp participant to receive a larger food stamp benefit than his income should allow.

This is a commonsense approach. However, I believe that more should be done. Deductions should not be allowed for expenses that are paid for by payments, either direct or indirect, that are excluded as income. Any form of energy assistance payments free up other household income, thereby improving the total financial picture of the household. Ignoring this improvement in household income results in an overly generous food stamp benefit. My amendment will count all funds received by a family for energy assistance as income for food stamp benefit purposes.

The Congressional Budget Office estimates that savings of \$320 million annually can be made by counting energy assistance payments as income for food stamp purposes. I believe an accurate accounting of income is essential to the

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credibility of the program. The exemption of energy assistance benefits allows higher and higher income households to qualify for food stamps. I urge my colleagues to vote in favor of this amendment.

Mr. President, I ask unanimous consent that the text of my amendment be inserted in the Record at this time.

The text follows:

At the appropriate place in the pending amendment insert the following:

"Sec. . (a) Section 5(d) (7 U.S.C. 2014(d) is amended --

(1) by striking out clause (11);

(2) by inserting "and" at the end of clause (10); and

(3) by redesignating clause (12) as clause (10).

(b) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended --

(1) by striking out "food stamps,"; and

(2) by inserting ", other than the Food Stamp Act of 1977" before the period at the end thereof."

On page 237, strike line 14 through line 8 on page 238.

PURPOSE: TO REQUIRE THE USE OF PHOTOGRAPHIC IDENTIFICATION CARDS AND THE COUNTERSIGNATURE OF COUPONS UNDER THE FOOD STAMP PROGRAM.

Mr. McCLURE. Mr. President, this deals with the use of photographic identification cards and countersignature of coupons under the Food Stamp Program.

This legislation requires the implementation of photo identification cards in all project areas. The Senate committee bill requires the use of photo identification cards only in areas which are cost efficient. This is not enough.

One of the most common problems with the current program is that oftentimes identification is not required for issuance or redemption at retail stores. Lost or stolen identification, or duplicate participation frequently is not detected because of the lack of photo identification. The inspector general consistently urged the use of photo identification to reduce the program's susceptibility to fraud.

The president of the National Welfare Fraud Association in 1984 stated in testimony before the Senate Committee on Agriculture, Nutrition and Forestry that photo identification and countersignature of food stamps would be a big step forward for fraud prevention.

The photo identification was one of the first projects urged by the National Welfare Fraud Association years ago. Merchants should be required to have the photo identification shown when taking food stamps and have stamps signed. Just like cashing a check, store personnel want to know that the person signing the check is the rightful owner of the checking account, food stamps should be countersigned and positive identification of the participant should be required. This will help cut down of the misuse of food stamps.

This is a small item that could help restore the integrity of the Food Stamp Program. I urge my colleagues to vote for this amendment.

That text follows:

At the appropriate place in the pending amendment insert the following:

(2) by striking out "in those" and all that follows through "integrity,";

On page 278, after line 26, insert the following new section:

COUNTERSIGNATURE OF COUPONS

Sec. . Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by sections 1427 and 1434(b)(1)) is further amended --

(1) by striking out "and" at the end of paragraph (24);

(2) by striking out the period at the end of paragraph (25) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(26) that the State agency shall require a member of a household to sign a coupon at the time the coupon is issued to, and used by, the member."

PURPOSE: TO PERMIT, RATHER THAN REQUIRE, STATE AGENCIES TO PROVIDE COUPONS ON AN EXPEDITED BASIS TO CERTAIN CATEGORIES OF HOUSEHOLDS UNDER THE FOOD STAMP PROGRAM

Mr. McCLURE. Mr. President, this will make expedited service for food stamps an option of the State.

Because food stamp benefits must be issued to households eligible for expedited service within 5 days, with so little verification achieved in that time period, these issuances have been the subject of several notable abuses.

There have been several notable cases of abuse of the expedited service provision. One man made at least 75 applications for food stamps in 23 States from California to Delaware in a 2-year period, fraudulently receiving at least \$14,000 in food stamps. In the trial, where he was found guilty of welfare fraud, the man described his method as driving through neighborhoods in whatever city he happened to be in and picking a house that looked like somewhere I might live. He would then use that address to apply for food stamps, always stating that he never had applied for them before.

A GAO report done in 1982 indicated that State officials had expected that error rates for expedited cases would be higher than for the overall food stamp caseload because a household could receive 1 month's food stamp benefits just by proving residency and identity. However, the GAO concluded that expedited service cases generally had a lower error rate for all cases reviewed. They added, however, that because of the limited number of expedited cases included in the quality control review and the impact of incomplete case reviews, the error rate data may not accurately reflect the total program picture.

In four States visited by the GAO, food stamp officials said that daily food stamp work schedules are disrupted because caseworkers must interrupt ongoing work to handle expedited cases. Work subsequently hurry to catch up on the work they had to put off and, as a result, may make errors in those cases. Also, clients whose cases are delayed because of the priority given to expedited cases may not get their stamps as quickly as they otherwise would.

In a followup report, the GAO found that food stamp officials in 19 States said that elimination of expedited service would help reduce processing time for regular cases.

It has been argued that elimination of federally mandated expedited service procedures would permit States to attempt better verification for many cases currently processed under expedited procedures. In cases in which States feel continued expedited treatment should be provided, that will remain as a State option. The Federal requirement for

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expedited service was initiated in response to concerns about slow State certification in the early 1970's. As the States are now processing all applications well within the 30-day mandatory period, the accelerated processing is unnecessary and in many cases counterproductive.

The National Eligibility Workers Association representative Virginia Dickinson Giles-Mustain voiced the support of that organization for eliminating the expedited service requirement in 1983: The limited times required for a State agency to make a determination of a household's eligibility for expedited benefits impedes the ability of the agency to verify important information before making its decision. The mandatory requirement and the short turnaround time makes overissuance errors probable. Our membership suggests that expedited services should no longer be a mandated requirement but rather a State option. We further suggest that even when optional, verification of income and resources should be mandatory.

The CBO estimates the savings from eliminating the Federal expedited service requirement would be \$145 million over 5 years. This is another example of a change in the Food Stamp Program which will provide major savings while making no changes in the amount of benefits to participants.

It is necessary for Congress to look at all possible methods to reduce Federal Government spending. I urge my colleagues to look at this as a first small step in reducing spending without reducing benefits to needy participants.

The text follows:

At the appropriate place in the pending amendment insert the following:

EXPEDITED COUPON ISSUANCE

Sec. . Paragraph (9) of section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) at the option of the State agency, for the provision of coupons on an expedited basis to categories of households designated by the State agency to be in immediate need because such households each have --

"(A) household income, as described in section 5(d), that is less than \$85 per month; and

"(B) financial resources, as described in section 5(g), that do not exceed \$100;"

PURPOSE: TO MODIFY THE DEFINITION OF HOUSEHOLD USED UNDER THE FOOD STAMP PROGRAM

Mr. McCLURE. Mr. President, this amendment changes the definition of a household for purposes of the Food Stamp Program.

Probably the most frequent request from eligibility workers relating to reform of the Food Stamp Program has been to simplify the determination of household used to define eligible food stamp recipients. The failure to apply properly the existing household definition is a major source of food stamp issuance error.

As a general rule, all individuals who live together in a common residential unit and purchase food and prepare meals in common constitute a food stamp household and must all be considered together as one unit for determining food stamp eligibility and benefits.

However, there are certain exceptions. While parents and children, or siblings, living together are always treated as one household, that is not automatically the case if one of the parents or siblings is an elderly or disabled member. Certain other elderly individuals who have substantial disabilities are also treated as a separate household even though living with others.

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Difficulties with the general rule occur, however, in establishing whether members of a residential unit who claim to purchase food and prepare meals separately in fact do so. Typically, the recipient's declaration to separateness is taken as sufficient evidence. Further complexities are added by the potential separate household exception for elderly or disabled parents and siblings and by the provision for elderly and disabled recipients who cannot physically purchase food and prepare meals because of subsequent disability.

The tendency to splinter into smaller households occurs since economies of scale provide small households more food stamps per person than larger households and since each household, regardless of size, receives the same standard deduction and separate excess shelter/dependent care deduction.

The need for simplification in this area has been noted not only by food stamp workers but also by the General Accounting office and by the president of the United Council on Welfare Fraud. The GAO stated in 1982 testimony: Treating persons residing together as a single household for food stamp purposes would greatly simplify the procedures and would free staff to concentrate on verifying income, assets, and household size. In addition, Karen Ludwick, president of the United Council on Welfare Fraud gave testimony in 1983 which she stated:

We firmly believe that everyone in the household should be on the food stamp case. We have too many households where our clients are residing with a nonclient, nonrelative, and the client is responsible for household expenses, that is, rent, utilities, et cetera. The definition should include all persons living together, without exception.

My amendment defines a household as any individual living together. Elderly or disabled parents and siblings would continue to be permitted to apply as separate households. The provision for elderly and permanently disabled recipients would also remain unchanged. The main change is that under my proposal the States would be granted the option of establishing criteria for individuals who live together to demonstrate that they do not purchase food or prepare meals together and, thus, should be treated as separate households.

This option would produce savings of \$351 million over 5 years.

We in Congress should look at this not only from a budgetary standpoint but from the standpoint of those who have to make the program work. The individuals who work with this program say that this change would improve the program. Therefore I urge my colleagues to vote for this amendment.

The text follows:

At the appropriate place in the pending amendment insert the following:

HOUSEHOLDS

Sec. . Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended --

(1) by striking out "or who, while living with others," in clause (1) of the first sentence and inserting in lieu thereof "and";

(2) by striking out "separate and apart from the others, or" in clause (1) of the first sentence and inserting in lieu thereof a comma;

(3) by striking out "together" the second time it appears in clause (2) of the first sentence;

(4) by inserting before the period at the end of the first sentence the following: ", or (3) at the option of the State agency, one or more individuals who while living with others, customarily purchase food and prepare meals for home consumption separate and apart from the others"; and

(5) by inserting after the second sentence the following new sentence: "Subject to the preceding sentence and the

limitation of clause (2) of the first sentence of this subsection relating to parents and children, or siblings, who live together, a State agency may prescribe criteria to determine whether one or more individuals who while living with others, customarily purchase food and prepare meals for home consumption separate and apart from the others qualify as a household under clause (3) of the first sentence of this subsection."

PURPOSE: TO FREEZE THE ADJUSTMENT OF ELIGIBILITY AND BENEFIT LEVELS UNDER THE FOOD STAMP PROGRAM

Mr. McCLURE. Mr. President, this amendment will result in significant savings for the American taxpayer. My amendment would adjust the eligibility and benefit levels of the Food Stamp Program.

Congress has discussed various proposals for freezing, delayng, or reducing the indexing of programs that currently have automatic increases through indexation.

Indexation is important to overall program costs. Approximately 50 percent of the program's increased costs since 1971 has been a result of indexing. While the impact of high inflation during the 1970's contributed to these increased costs, even low inflation of the past several years has resulted in significant increased costs. Over half a billion dollars of the fiscal year 1986 costs of the program will be attributable to indexing, even though the inflation rate is estimated to be under 4 percent.

The overall impact of indexing on individual monthly benefits can be relatively small -- \$1 or \$2 per month -- while the cumulative budget impact of 20 million participants is quite high.

Efforts to restrain program costs must focus on reforms in indexing as this can result in significant aggregate savings with relatively little adverse impact on recipients. In particular, most indexing changes result in significant savings without reducing benefits. Further increases are postponed or scaled back.

Indexing in the Food Stamp Program is fairly unique among Federal welfare programs. Neither AFDC nor Medicaid provides any type of indexation, although the SSI Program and Social Security does. About one-third of all Federal expenditures are linked to changes in the Consumer Price Index which is used to adjust food stamp benefits.

The administration proposed in 1981 to eliminate further indexing for the standard deduction. The rationale for any indexing of the standard deduction has been questionable from its inception in the Food Stamp Act of 1977 and has been made more questionable by the addition of new deductions. The standard deduction was originally recommended to target benefits to the poorest recipients and to replace numerous specialized deductions that existed prior to the 1977 reforms. These included a work allowance, mandatory work expenses such as Federal, State, or local income taxes, Social Security taxes, mandatory retirement payments, mandatory union dues, medical expenses, child care, tuition and mandatory fees, support and alimony payments, shelter costs, and unusual expenses connected with a disaster or casualty.

Congress, however, rather than implementing a straight standard deduction as proposed, instead reduced the amount slightly and added several special deductions. These special deductions represented expenses for some of the very items which the standard deduction was supposed to replace. A deduction for dependent care and excess shelter costs were added and an earned income deduction was added. In 1977 even more deductions were added, including the exclusion of low income energy assistance payments, a medical deduction, and an unlimited excess shelter deduction for the elderly and disabled.

It is argued that automatic indexing of what is now a \$95 standard deduction might make sense if it really were a replacement for former itemized deductions. The deductible expenses it replaced would have increased with inflation, and automatically indexing the standard deduction could be justified to adjust for inflation those items contained in the standard deduction. However, because the standard deduction does not replace former itemized expenses deductions, it serves as a device to increase benefit levels. In addition, the whole of the deductions serves to weaken whatever

nutrition purpose remains in the program.

Elimination of further indexing would save significant tax dollars without reducing benefits to recipients. Elimination of the automatic indexation would not preclude future increases on a case-by-case basis if, in future years, Congress deems such increases advisable and affordable.

In addition to freezing the indexing of the standard deduction, the eligibility standards should be frozen also. The gross income ceiling for participation in the Food Stamp Program for the past several years has been 130 percent of poverty for households that do not contain an elderly or disabled member. This figure is indexed each July 1 to reflect changes in the Consumer Price Index for the last 12-month period ending the previous December.

The real income ceiling on participation for households other than those with elderly or disabled members could be reduced by freezing the gross income limit at its present level, that being \$13,260 for a family of four. Since benefits are based on net income, recipients who qualify would not have their benefits affected. Households with elderly and disabled members would not be affected since their eligibility is determined solely by the net income ceiling of 100 percent of poverty, not by the gross income ceiling.

Annual savings would grow over the years. In order to preserve the net income at 100 percent of poverty, the gross income represented by \$13,260 could never be less than 100 percent of poverty.

These changes to the Food Stamp Program are estimated to save \$97 million in 1986, \$245 million in 1987, \$368 million in 1988, \$518 million in 1989, and \$662 million in 1990. This again is a significant reduction in cost. The Federal Government needs to save \$1,890 million. These changes do not reduce benefits, the poor will not lose benefits they are now receiving. I urge all my colleagues to vote for fiscal restraint in the Food Stamp Program by voting for this amendment.

The text follows:

At the appropriate place in the pending amendment insert the following:

ADJUSTMENT OF ELIGIBILITY AND BENEFIT LEVELS

Sec. . (a) Clause (8) of the second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out "and each October 1 thereafter,".

(b) Section 5(e) of such Act (7 U.S.C. 2014(e)) is amended --

(1) by striking out "and each October 1 thereafter," in clause (3) of the second sentence; and

(2) by striking out "and each October 1 thereafter," in subclause (iii) of clause (2) of the fourth sentence.

(c) The amendments made by this section shall become effective on the date of enactment of this Act.

PURPOSE: TO MODIFY THE INCOME STANDARD OF ELIGIBILITY USED UNDER THE FOOD STAMP PROGRAM

Mr. McCLURE. Mr. President, my next amendment deals with income standards of eligibility for the Food Stamp Program.

The present Food Stamp Program provides a gross monthly income eligibility ceiling for most households at 130 percent of poverty. On an annual basis, this corresponds to \$13,260 for a family of four. The imposition of the gross income ceiling was itself a reduction from the effective ceiling which had existed prior to 1981.

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The Food Stamp Program was set up to help those most in need. If the Federal Government sets the poverty line at 100 percent of poverty then why does the Food Stamp Program set eligibility for its benefits at 130 percent of the poverty line. Poverty is poverty, how can one be at 130 percent of poverty.

The Food Stamp Program should focus on those in the greatest need, those with incomes below the poverty line. The eligibility of those above the poverty line is arbitrary and costly. If the poverty level truly represents a standard measuring poverty, welfare programs should be designed to focus on those at or below poverty, not those with incomes above poverty.

Most of those who participate in the current program have reported incomes below poverty, a significant number continue to have incomes between 100 to 130 percent of poverty. These people should not be classified as eligible for food stamp benefits.

The CBO estimates that savings from lowering the income eligibility ceiling for households, other than households with elderly and disabled, to 100 percent of poverty would be \$240 million in 1986, \$250 million in 1987, \$260 million in 1988, \$275 million in 1989 and \$290 million in 1990. This is a substantial savings of \$1.4 billion over 5 years. This is a significant savings that will not hurt the elderly, disabled or those below the poverty line. I urge my colleagues to vote in favor of returning the Food Stamp Program to its intended purpose of helping those at or below the poverty level and eliminating a Federal expenditure which is outside of the scope of the initial program.

Mr. McCLURE. Mr. President, may I make a few additional comments?

Is 130 percent of the poverty line an appropriate ceiling? Statistics from the Department of Agriculture indicate that 95 percent of all participants are at or below 100 percent of the poverty line while they participated in the program. These people are the ones we want to reach. Those over the poverty line, 100 percent of poverty, should be excluded.

Using an annual definition of income -- as is done by the Bureau of the Census -- 72 percent of food stamp households are below poverty. We should target food stamp benefits to those who really need them.

The text follows:

At the appropriate place in the pending amendment insert the following:

INCOME STANDARDS OF ELIGIBILITY

Sec.. Section 5(c)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(c)(2)) is amended by striking out "by more than 30 per centum".

(Conclusion of earlier proceedings.)

Mr. ZORINSKY. Mr. President, I intended to offer my bill -- S. 360 -- as an amendment to the pending legislation. S. 360 would direct the Secretary of Agriculture to convey, within 180 days following enactment, a 160-acre tract of land in the Nebraska National Forest, Dawes County, NE, to the Nebraska Game and Parks Commission. The tract would be conveyed to the State agency without consideration and would become a part of the Chadron State Park. Subsurface rights owned by the United States would be retained. Title to the tract would provide that the tract would revert to the United States if the land ceased to be used for park purposes.

The administration agrees that the tract should be conveyed to the Nebraska Game and Parks Commission. They do not agree that it should be conveyed without consideration.

I have conferred with the chairman of the Public Lands, Reserved Water and Resource Conservation Subcommittee, the distinguished Senator from Wyoming, and have decided not to offer this amendment.

Mr. President, the distinguished chairman of the Public Lands, Reserved Water and Resource Conservation Subcommittee has indicated that he will place the bill S. 360 on the business agenda of the Senate Committee on Energy and Natural Resources for consideration by that committee and, therefore, I will not offer an amendment at this time.

Mr. WALLOP. Mr. President, the Senator from Nebraska is correct. The Public Lands, Reserved Water and Resource Conservation Subcommittee held a hearing on S. 360 on October 4, 1985. I will ask that the bill be placed on the business agenda for consideration by the Energy Committee in the near future. The concerns of the Senator from Nebraska will receive close attention.

Mr. ZORINSKY. I thank the distinguished Senator. I appreciate his cooperation.

Mr. BINGAMAN. Mr. President, regrettably, I rise to speak in opposition to the farm bill that we are voting on tonight and that we have labored over for the past 4 weeks. It has been one of the most important and most difficult pieces of legislation to come before the 99th Congress.

Unfortunately, the bill that has emerged does not provide a long-term solution to the agriculture crisis crippling the American agriculture industry. Nor does it promise to restore our Nation's agricultural competitiveness.

The problems confronting the U.S. agriculture industry are enormous. Agriculture accounts for one-fourth of our Nation's employment, one-fourth of our international trade, and one-fifth of our GNP. Yet this powerful industry is burdened by a \$211 billion debt, crippled by high interest rates, and haunted by strong competitors in an already crowded international market. If steps are not taken to reverse these present trends we will cripple our ability to compete and endanger the future of an industry and lifestyle that have been the backbone of our Nation.

During the past 4 weeks, the challenge before us has been to develop a long-term-agriculture policy that would bring a measure of stability to the agricultural sector and its producers as well as to ensure continued high-level, stable contributions to the U.S. economy. Instead of developing a creative solution to the problems facing U.S. agriculture we have merely tinkered with the existing, expensive, and inefficient programs that have encouraged overproduction and exacerbated financial distress. In not acting in a more responsible manner we have failed in our commitment to deal with a tremendous problem.

I fully understand the difficulty of developing sound agriculture policy and I do commend my colleagues for their efforts; however, from the very start this bill has been fraught with tremendous problems and internal disagreements. These disagreements resulted in a bill that was \$20 billion over budget. These problems and disagreements were never resolved and remained an obstacle throughout the lengthy debate on the farm bill.

What we have done here is literally to rewrite the bill on the Senate floor. I would like briefly to review the chronology, to try to put the events of the last month in perspective.

Early on in the debate, the distinguished majority leader, Senator Dole, offered his own farm package. In an effort to bring the bill within budget and bring stability to farm prices and income, the Dole package proposed a 1-year freeze in target prices for feed grains, cotton, and rice at 1985 levels. For wheat, target prices would be tied to specific acreage reductions under which producers would choose their own target price and acreage reduction.

The package also included a 4 year freeze in target prices for wheat, feed grains, cotton, and rice. Other provisions were added to address specific agriculture problems. After much negotiating the substitute package was completed and presented. It claimed savings of \$14 billion, therefore bringing the farm bill within the required budget figures. I voted against the Dole package because I felt it was full of contradictory proposals and claimed savings that do not actually exist. Moreover Senator Dole had brought the bill within the budget at the cost of the producer's income stability. The Dole package passed, however, by a vote of 56 to 41.

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The distinguished Senator from Montana, Senator Melcher, then offered an amendment that increased savings by \$3.1 billion by reinstating the farmer-owned grain reserve, by increasing the required acreage reduction programs for wheat and feed grains and by increasing export sales. I voted in favor of Senator Melcher's amendment because I felt it was a responsible effort to make necessary savings without further affecting farmers' welfare. Unfortunately the amendment failed 46 to 50.

Late in the afternoon on Saturday, following a very late session on Friday and working in the early morning hours Saturday, a compromise agreement was adopted. The new package was not vastly different from the previously adopted Dole amendment, except that it changed the most controversial and most important issue, the target price provision. The compromise established a 2-year target price freeze for feed grains and maintained the wheat referendum. It also freezes acreage yields at the average of 1981-1985 crops, excluding the low-and high-yield years.

I respect the efforts of the Senators who labored hard to reach this compromise. It is a bipartisan compromise and it makes significant increases in cost savings while protecting producers' incomes and the resources of our Nation. Although I support the compromise at this time, I remain concerned about the complete bill.

It is clear what we need. We must limit production. But surely it is possible to restrict production in some way other than pushing more and more of our Nation's farmers into insolvency.

We need a long-term-agriculture policy, a policy that ensures continued high-level, stable contributions to the U.S. economy while operating in a global environment. U.S. agriculture is not longer substantially independent of national economics; it now operates as a global industry, and, therefore, is affected by global economic conditions.

U.S. agriculture today must react to national and international political and economic factors. As I have said, the time has come to change the structure of our farm programs to make us again competitive in the international market, to restore the profitability of agriculture, to preserve and promote the health of our environment and resources, and to maintain the option for a rural lifestyle.

Mr. President, this bill does not do that. The product of our labors here have resulted in a continuation of failed policies and no new vision for the future. As a result, our farmers will suffer and our consumers will suffer as we fail to realize the full potential of the American farm.

For all these reason, Mr. President, I must vote against the bill. I am sorry we have not done better.

Mr. EVANS. Mr. President, I am pleased we are taking final action on the 1985 farm bill. We have deliberated this issue for well over 10 months, and now, when our farmers need to know what to expect next year, we do not need further delay.

As I stated earlier in this debate, I have long held the view that the 1985 farm bill must initiate a transition toward reduce Government support of, and involvement in, agriculture. If done gradually in a manner fair and equitable for all major commodities -- taking into account the structural differences among the various commodity programs -- I believe that our farm programs can become a significant contributor to solving what is perhaps the central problem facing American agriculture: our \$200 billion deficit.

I emphasize "fair and equitable," because some proposed program changes that this body deliberated appeared logical and responsible on the surface, but were not necessarily correct in the short term. This is especially true as we seek to make major directional changes in our current agricultural policies. Moving toward a more market-oriented environment will not be easy, and cannot be done without some pain. But if we are to retain any competitiveness in world agricultural markets, and accomplish the necessary deficit reduction to strengthen the national economy and U.S. trade in farm products, it must be done.

Mr. President, the debate last night and early this morning perhaps tells a greater story about why so many of our

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farmers are in trouble. We have had a farm bill of some kind for each of the past 4 years. Congress cannot seem to devise changes in the existing agricultural policy framework that will not require more congressional action some short distance down the road. I urge my colleagues to reflect not only on the importance of this farm bill, but also on the length of time it has taken us to get this far in changing the existing agricultural policy framework. Is this framework still truly of service to the needs of our farmer constituents nationwide?

I hope my colleagues will remember this debate when work begins on the 1989 farm bill, or whatever year it might be. I hope they will remember the spirit in which Senators Boschwitz and Boren put forth their alternative farm bill last night. That bill is perhaps not the best plan for now, but it nonetheless does represent a departure from the existing farm policy framework we have had in place for five decades. We really ought to be looking at alternatives, and should not be content with limiting ourselves to working only within the existing framework of price supports, target prices, and deficiency payments.

Mr. President, continuous congressional amending of farm programs has left most of our farmers uncertain about what to expect in the future, and less able to make long-term business decisions. Businessmen can be expected to anticipate changing market forces, but it is not fair to expect them to continually anticipate congressional action. I hope that one day we will acknowledge this in our farm policy, and perhaps agriculture will suffer less at the hands of Congress in the long run.

FARM BILL HURTS TAXPAYERS AND DOES NOT HELP FARMERS

Mr. PELL. Mr. President, we have labored for many days and have made many improvements in the farm bill but it remains too expensive and too ineffective for me to support.

The expense of the farm bill to the taxpayers clearly is enormous. As we began work on the committee-reported version, the Department of Agriculture estimated it might cost as much as \$70 billion. The Federal Government deals in costs of billions of dollars, but that figure remains difficult to comprehend.

Perhaps one way to bring it into focus is to divide it equally among the States on a per capita basis, in which case each Rhode Islander would be responsible for paying \$350.

We have been laboring for weeks and into the early morning hours to bring the cost of this measure down to earth. To a degree we have succeeded, but smoke and mirrors have helped considerably. One of the most successful tricks has been to shorten the bill's duration.

Estimates drawn with assistance from Agriculture Committee staff this weekend, based on Congressional Budget Office figures, were that a 3-year version -- including all the cost saving changes made on the Senate floor -- would cost in the range of \$40 billion.

That is still far too high and, using the same rule of thumb, would cost every man, woman, and child in Rhode Island a total of about \$200 to underwrite farmers, including the agribusiness industry, for 3 years. Several major changes have been made since that estimate, but not major enough to bring the measure down to earth.

It is hard to estimate just how much we have saved and, as we have learned from bitter experience, farm bill costs have a way of skyrocketing beyond estimates. Regardless of the estimates, I am convinced that the cost to the taxpayers cannot be justified for a program that will not help stabilize our farm economy.

During our consideration of the farm bill, I have opposed efforts to boost Federal payments to corporate agricultural interests. At the same time, I have supported efforts to reduce the bloated subsidies that push our farm economy even more off balance by encouraging our farmers to overproduce.

It is becoming increasingly apparent that our agricultural policy is bankrupt, like many of the farmers who trusted

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the easy credit made available by the Federal Government and over extended their operations.

We need to aid the farmers and, as some observers have said, we need to set an income floor to assure that farmers are not wiped out by the vagaries of weather and market conditions beyond their control.

I understand and support the need to establish an income floor, but we are not doing that in this bill. We are targeting most of our aid to the wealthiest farmers who need it least and we are encouraging farmers to produce for Government warehouses and not consumers.

This same pressure to overproduce for unnaturally high prices is harming more than the taxpayers, the consumers, and even the farmers. It is harming the land and threatening to cause another Dust Bowl by encouraging farmers to plow even the most marginal land for planting.

Now we are addressing the problem, not by changing the subsidy structure that caused the overproduction but by offering incentives for farmers to take land out of production. That means rewarding farmers for not farming and that translates into another bankrupt farm policy.

Clearly, we must act to protect the farm economy. This farm bill, however, only repeats the mistakes of the past by continuing enormous farm subsidies that reward the wealthy, at great cost to the taxpayers and consumers, and do little for those who need help the most.

I have worked for measures that would have reduced some of these enormous subsidies and eliminated some of the needless Federal largesse in the farm bill. Those changes, unfortunately, have failed to cut this expensive bill down to size or to make it an effective vehicle to aid the Nation's farmers.

For that reason, after considerable reflection, I decided I could not support final passage of the farm bill in its current form.

Mr. DURENBERGER. Mr. President, as this farm bill demonstrates, a lot can change overnight. As I said last evening, my expectations for this year's farm bill were not high. I did not believe Congress would be able to pass a bill that adequately addressed the needs of this Nation's farmers. Unfortunately, even as amended, this farm bill largely confirms my suspicions.

It seemed to me last night -- and indeed it still seems to me -- that my colleagues are having great difficulty understanding the crisis in the Corn Belt. Senator Grassley talks about the incredible overload of farm cases in bankruptcy court, and I talk about Minnesota's 24 percent drop in farmland values this year and our loss of 5,000 family farms last year. And I have to wonder who is really listening.

But something happened overnight. The dogged persistence of my colleague from Minnesota, Senator Boschwitz, along with Senator Dole and others, has produced a proposal which, although leaving much to be desired, deserves the Senate's support.

Mr. President, I must remind my colleagues that things could be worse. Wheat, corn, sugar, soybean, and dairy farmers could have lost more but for the tremendous efforts of Senator Boschwitz. He has done much to educate the Senate about the need for a new direction in agriculture. And his commitment has improved a bad bill.

Last night I was prepared to vote against this farm bill. I communicated that fact to many of my constituents as well as to my colleagues. But the changes made in the package over the last 18 hours has led me to a different conclusion.

Without question, the most important change is the extra 1-year freeze on target prices. When compared to the earlier Dole proposal, this change adds \$110 million to the income of Minnesota corn growers in 1987.

Another significant change is the \$1/bushel soybean payment which, when compared to current laws, puts \$180

million in the pockets of Minnesota soybean growers this year.

Finally -- and this is a vital point -- passage of this bill will ensure final action on a farm credit relief package before the Senate adjourns this session. Mr. President, at the very least we owe that to struggling farmers in Minnesota and nationwide.

So, I will vote for this farm bill, albeit reluctantly. I apologize to my farmers who had yearned for more -- as I did -- and I'm hopeful that the conference report on this farm bill will provide more income protection to the farmers on the Plains. I also apologize to my farmers for their uncertainty over fall field preparation, and I wish we could have let them know earlier what type of program they would end up with.

But right now, America's farmers need a farm bill, and that, perhaps more than anything else, is why I lend my support to this final package.

Mr. DOLE. Mr. President, I ask that a statement by the distinguished Senator from Georgia, Senator Mattingly, an amendment that he intended to offer but was unable to offer, be printed in the Record.

It is an important amendment. I wish we had thought about bringing it up. It is an indication we have to stay within the budget when we go to conference. I hope the fact it is in the Record will be helpful to those of us who are conferees.

The statement and amendment follow:

Mr. MATTINGLY. Mr. President, the measure which the majority leader has sent to the desk is completely self-explanatory. There is no smoke -- no mirrors to be found in the lines of text -- no complicated formulas or confusing phraseology. The purpose of this language would give our Senate conferees some additional support when they meet with the House members to iron out differences between the two bills. We would be very simply instructing our conference committee members to keep the final version of the measure within the levels established by the 1986 budget resolution for this year, and within the estimates for the years of 1987 and 1988.

Obviously, due to the many amendments in the last several days, we do not have precise figures on the budget authority and projected outlays under the bill we are now wrapping up. However, by the time we return from the holiday, the Congressional Budget Office should be able to provide the numbers, and we will have a better idea of exactly where we stand in relation to the budget.

I feel my colleagues would have acted in a responsible manner by adopting this simple, but logical, amendment -- if it had been offered. I will not take any further time belaboring this suggestion. I think we have all sufficiently exercised our vocal cords and taxed the endurance of our colleagues during the past week, so this Senator will not further add to your burden.

(Purpose: Providing that programs and activities authorized in this act should comply with budget authority and outlay totals approved in Senate Concurrent Resolution 32, the first concurrent budget resolution for fiscal year 1986)

At the end of the pending amendment add the following new section:

"Sec. . Notwithstanding any other provisions of law or any provisions of this Act, the Senate Members appointed to the Committee of Conference with respect to this Act shall not recede to any House direct spending provision or accept any direct spending provision on behalf of the Senate if the cumulative sum of such direct spending provisions would result in exceeding the Congressional Budget Act, section 302(a) allocation of \$18,198,000,000 in budget authority and \$17,275,000,000 in outlays for fiscal year 1986, or the assumed cumulative totals for fiscal years 1986, 1987, and 1988 of \$51,014,000,000 in budget authority and \$50,650,000,000 in outlays for programs and activities falling within the jurisdiction of the Senate Committee on Agriculture, Forestry and Nutrition, and totals in excess of such section 302(a) allocation shall not be authorized for appropriation."

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Mr. ZORINSKY. Mr. President, the compromise farm bill the Senate is passing today is not as good as the Agriculture Committee's bill. But the 2-year target price freeze will buy time for farmers to free themselves from the current economic crisis. And, most significantly, the bill preserves the wheat referendum I have fought so hard for all year.

Likewise, the bill retains the unprecedented conservation measures contained in the committee bill, a modified version of the pork "check-off" I sponsored, my amendment making certain surplus Government grain available free or at reduced cost for processing into ethanol, and other provisions that will benefit midwestern farmers. It also reinstates the farmer-owned reserve. On balance, I believe the bill deserves support. I'm hopeful the bill can be improved in conference, and I expect to devote the majority of my time in the weeks ahead to achieving that goal.

It does not necessarily follow that I will sign the conference report or vote "yea" on final passage if the farm bill is, in my view, weakened or eroded in conference to the extent that I can no longer support it.

I am also pleased the Senate is scheduling a definite time to consider and vote on the legislation Chairman Helms and I introduced early today concerning the Farm Credit System. Without some signal to financial markets that Congress and the administration are prepared to address the Farm Credit System, its problems will only worsen. The Senate today is providing that signal.

Mr. BURDICK. Mr. President, this bill has been improved through the legislative process, and while it falls short of what is needed for a viable agriculture, I shall vote for it in the hope that the conference will strengthen it.

Mr. DOLE. Mr. President, I know a number of my colleagues wonder where we have been all day, but we have been nearby. We have been meeting with Senators, the Secretary of Agriculture, officials of the Farmers Home Administration, and others who have responsibility for farm credit. I think most of the principals are on the floor who have been involved, including the chairman and the ranking member of the Agriculture Committee. I want to thank them for their assistance. I will thank them more after we have agreement because you do not know until you get unanimous consent around here who to thank and who not to thank.

Mr. President, let me indicate before I make a unanimous-consent request that I hope we can do this quickly. I have been told by 20 Senators, 10 on each side, that they have last minute takeoffs around 6:30 and I hope we can voice vote the amendment and have a rollcall on final passage -- what we have agreed to throughout the day. Then, if there are things I miss, I will be happy to call on the chairman, Senator Helms, and Senator Zorinsky.

What we have concluded covers three areas. Under the 2-year income support compromise, target prices are maintained at the level set for the 1985 crops, except for wheat. For wheat, the TOP program and the poll referendum are maintained.

The Secretary is required to make 5 percent of the deficiency payment using commodities for the 1987 crop.

The Secretary may reduce the target price for the 1988 crop by up to 5 percent from the cash target price established for the 1987 crop. The Secretary is required to pay up to an additional 5 percent of deficiency payments for the 1988 crops in commodities, to the extent that CCC inventories are available.

The Secretary is authorized to reduce the 1989 target prices up to 5 percent from the cash target price level for the 1988 crops.

We made a change in the soybean program. In discussing the soybean provision with a number of my colleagues, particularly the junior Senator from Iowa [Mr. Harkin], and, a couple days ago, the Senator from Minnesota [Mr. Boschwitz] and the senior Senator from Iowa [Mr. Grassley]. I raised the point that some States have low yields and other States have higher yields. They noted that, under the program, everybody will get the same payment. That did not seem to be equitable, so we have adjusted that in the following way. For the 1985 crop, the \$5.02 per bushel loan rate is

maintained. For 1986 and subsequent crops, the minimum loan rate is \$4.25 per bushel.

For the 1985 crop, soybean producers are eligible to receive a payment equal to not more than \$1 per bushel or \$35 per acre, whichever is higher, in exchange for agreeing to redeem loans on the 1985 crop at \$5.02 per bushel. If a producer has not placed any portion of his crop under loan and agrees to forgo placing any portion of his crop under loan, he also receives the payment. Producers who have already marketed their 1985 crop of soybeans are also eligible to receive such payments. Up to 15 percent of the soybean payment may be paid in commodities to the extent they are available in CCC inventory.

Soybean yields computed for the purpose of making payments may be adjusted to compensate for any reduced yield caused by natural disasters this year. We have had disasters in the States of Louisiana and I think Mississippi, so we do not want to deny those producers an opportunity to participate in this program.

Finally, on bases and yields, the distinguished Senator from Minnesota offered an amendment -- as a matter of fact, I think it may have been withdrawn early this morning -- with reference to freezing bases and yields and he feels very strongly about it. We were able to work that amendment out. The calculation of acreage bases for wheat, feed grains, cotton, and rice, will remain the same as in S. 1714 as reported by the committee.

The program yields are to be frozen at the average of the 1981 to 1985 crops, excluding the years in which the yield was highest and lowest during the 5-year period. In any year in which a producer has not produced a crop, the producer may use the county or State average yield. And then, finally there is the provision of the distinguished Senator from Oklahoma, the so-called target price tiering provision. We have been able to partially accommodate the distinguished Senator's request and incorporate his idea in the TOP program. I want to thank the Senator from Oklahoma for his cooperation in that matter.

We have also been working on the Helms-Zorinsky bill on farm credit. We have had a number of Senators discuss it with farm credit people and the Secretary. Part of this overall agreement will be to take up the Helms-Zorinsky farm credit bill on December 3. I believe we have cleared that all the way around. It is very important we act quickly on the farm credit issue, and we hope we can include that as part of our request.

Mr. ANDREWS. Will the Senator yield?

Mr. DOLE. Yes.

Mr. ANDREWS. I understand in talking with staff, the Senator mentioned the soybean program which has been converted to a payment per bushel. The sunflower program has also been converted to a payment per hundredweight, \$2 per hundredweight, similar to the soybean program?

Mr. DOLE. The Senator is correct. And that was his situation, that if you are going to do it on a yield basis, it ought to be done by hundredweight. That change has been made.

Mr. HEFLIN. Mr. President, I have a couple of questions.

The Senator mentioned studies with respect to disaster -- any States having a disaster. On the freezing of the yields, he mentioned any year in which the producer does not produce a crop or has not produced a crop. I suppose we are looking at the freeze years of 1981 to 1985, and going back in those years. I suppose the Senator is talking about during the years of 1981 to 1985 -- not future.

Mr. DOLE. The Senator is correct.

Mr. President, I should like to propound a unanimous-consent request.

First, I move that the Senate proceed to the consideration of H.R. 2100.

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Mr. BYRD. Mr. President, will the distinguished Senator withhold that?

Mr. DOLE. Mr. President, I withhold that request temporarily.

Mr. President, I think we are going to be able to do all this, but just to make certain we do not move to H.R. 2100 and then someone objects later, I am going to propound a unanimous-consent request that we take up immediately H.R. 2100, conditioned on getting the balance of the agreements agreed to.

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

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2100) to extend and revise agricultural price support and related programs, to provide for agricultural export resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to assure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

AMENDMENT NO. 1167

Mr. DOLE. Mr. President, I send an amendment to the desk -- if we can get a truck. It is about 440 pages.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. Dole] proposes an amendment numbered 1167, to strike all after the enacting clause and insert new language.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment will be printed in the next edition of the Record.)

By unanimous consent, the names of Mr. Helms, Mr. Zorinsky, Mr. Grassley, and Mr. Andrews were added as cosponsors of amendment No. 1167.

Mr. DOLE. Mr. President, I have explained the amendment. So far as I know, it is satisfactory if we adopt the amendment on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 1167).

Mr. BYRD. Mr. President, reserving the right to object, I want to be sure that those who have been involved in this, on all sides, are all protected because we are adopting a 400-some-page amendment by unanimous consent, which few Senators have seen and fewer know what is contained in the amendment.

I have no objection.

Mr. MELCHER. Mr. President, reserving the right to object -- and I certainly will not object -- none of us can say that we diligently read the whole bill at any one time. We have scanned it and gone through it.

What the majority leader has produced is a good, solid, proven job of putting together all the various agreements he has propounded. I am certain that nothing is in there that does not accurately reflect what we agreed to, so far as any

human being is able to be sure of it.

The majority leader has been very diligent to make sure that our understanding would be reflected in the bill itself. I have faith that it is accurate. If there is any error, it is only human error. I also have faith that if there is any human error, the majority leader and the distinguished chairman of the committee will want to make sure that it is corrected in conference.

Mr. BUMPERS. Mr. President, reserving the right to object, and I shall not object, I want to make one observation.

The PRESIDING OFFICER. The Chair observes that there is not a unanimous-consent request.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I understand that everybody wants to catch a plane, and I can say everything I want to say in 30 seconds.

No. 1, a lot of people worked very hard on a bill that I think most people in this body thought we would not be able to come up with.

No. 2, I intend to vote for the bill. The only problem I have with it is the \$4.25 loan price on soybeans. The \$35 an acre the soybean farmers are going to get this year on the 63 million acres they planted comes to about \$2.2 billion. But if the price support of 25 cents comes to the floor -- the ceiling as well as the floor -- as I expect it will in 1986 and 1987, that will cost the soybean farmers of this country \$1.5 billion per year. So they are getting a little over \$2 billion for this year's crop, and it will cost them dearly in the years to come.

All I am saying is that I will vote for this bill now, and I trust that when it comes from conference, that loan rate will be higher than it is in this measure. I reserve the right to vote against the conference report when it comes here, if that loan rate is still \$4.25.

The PRESIDING OFFICER (Mrs. Kassebaum). The Senator from Arizona.

Mr. DeCONCINI. Madam President, I am going to be just as brief as the Senator from Arkansas or briefer.

I regretfully rise in opposition to final passage of the farm bill. I say regretfully because like my colleagues I believe that the family farmer is an important and integral part of our society, and I want to help the farmer. Unfortunately, I have come to the sad conclusion that not only does this bill fail to provide a panacea for the problems facing American farmers, it is at the same time an extremely expensive proposition. In fact it is so expensive that it is almost impossible to get an accurate read on what the total cost is of this bill.

During the past hours, days, and weeks of deliberation on this farm bill I have heard colleagues on all sides of every issue say that they are representing the best interest of the family farmer. Now, I do not know what is in the best interest of the family farmer; but I do know that when deals are made late at night, in back rooms that it is unlikely that the best interest is being served. And whenever I see the galleries full of prosperous looking lobbyists claiming to represent the downtrodden, I grow suspicious.

There are people in this world who are starving. For that matter there are people in this Nation going hungry. At the same time we sit here day after day and talk about the problems of too much food. We have had votes to reduce acreage in production, we have even had votes on mandatory production controls. I have trouble believing that we are doing something in the best interest of the farmer when we tell the farmer to stop doing what they do best.

I have talked to many farmers. And to a person they have told me that they wish that they could get out of the business of lobbying Congress and could get back to the business of growing food. I do not believe that the farm bill we are passing today will do this. And frankly I do not think it matters whether we have a 1-year, 2-year, 3-year or 4-year

freeze, because either next month or next year many of these same issues will be before us, because this bill is not a solution.

I am afraid that many Americans have begun to look upon the farmer with disdain. I have heard people say that the farmer is only looking for a handout and an easy way out. Well I am here to say that is not an accurate portray. Farmers in Arizona have never lined up for handouts. My office has not been flooded with letters, phone calls, and visits from Arizona farmers. Frankly, most farmers I have spoken with in Arizona have simply asked to be left alone. They did not ask the Carter administration for a handout and they have not asked the Reagan administration for a handout. They have asked to be left alone to do what they do well -- grow food.

I am not blind to the fact that the reason farmers in Arizona are not hollering is because they have not faced the same crisis facing many midwestern farmers. And because of that realization I have joined with farm-State Senators many times in recent days on votes they believe are urgently necessary to protect their constituents. But I cannot in all good conscience vote for final passage of this bill. It is too expensive, it is too complex, and it does not serve the long-term interest of American farmers.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Madam President, I wish to include in the Record at this point a summary of the 2-year target price support freeze compromise which now includes the special target price tiering program for certain wheat producers.

I ask unanimous consent to have that summary printed in the Record.

There being no objection, the summary was printed in the Record, as follows:

SUMMARY OF TWO YEAR TARGET PRICE SUPPORT FREEZE COMPROMISE

TARGET PRICES

Two year target price freeze (target prices maintained at the level set for the 1985 crops) except for wheat -- for wheat the "TOP" program and the poll/referendum is maintained.

The Secretary is required to make 5 percent of the deficiency payment using commodities for the 1987 crop.

The Secretary may reduce the target price for the 1988 crop by up to 5 percent from the cash target price established for the 1987 crop. The Secretary is required to pay up to an additional 5 percent of the deficiency payment for the 1988 crops with commodities to the extent that CCC commodities in inventory are available if the cash target price is reduced.

The Secretary is authorized to reduce the 1989 target prices up to 5 percent from the cash target price level for the 1988 crops.

SOYBEANS

For the 1985 crop, the \$5.02 per bushel loan rate is maintained. For the 1986 and subsequent crops, a floor loan rate is established at \$4.25 per bushel.

For the 1985 crop, soybean producers are eligible to receive a payment equal to not more than \$1 dollar per bushel or \$35 per acre, whichever is higher, in exchange for agreeing to redeem loans on the 1985 crop at \$5.02 per bushel or, if a producer has not placed any portion of his crop under loan, agreeing to forego placing any portion of his crop under loan.

Producers who have marketed their 1985-crop soybeans are also eligible to receive such payments. Up to 15

percent of the soybean payment may be paid in commodities to the extent they are available in CCC inventor.

Soybean yields computed for the purpose of making payments may be adjusted to compensate for any reduced yield caused by natural disasters. Sunflowers: Payment for the 1985 crop will be based on \$2 per hundredweight or \$75 per acre, whichever is higher.

BASES AND YIELDS

Calculation of acreage bases for wheat, feed grains, cotton, and rice will remain the same as in S. 1714 as reported by the Committee. Program yields are to be frozen at the average of the 1981-85 crops, excluding the years in which the yield was highest and lowest during the 5-year period. In any year in which the producer does not produce a crop, the producer may use the county or state average yield.

SPECIAL WHEAT TARGET PRICE PROGRAM FOR CERTAIN WHEAT PRODUCERS

For 1986, wheat producers who choose to idle 20 percent of their acreage under the Target Option Program, a tiered scale of target prices will apply as follows:

- \$3.85 per bushel for the first 2,000 bushels produced;
- \$4.65 per bushel for the next 18,000 bushels produced;
- \$4.15 per bushel for production in excess of 20,000 bushels.

In the event these levels do not result in outlays equivalent to the scheduled target price level of \$4.38 per bushel, they shall be adjusted accordingly.

For the 1987 and 1988 crops, the tiered levels shall be comparable to those established for other acreage reduction percentages.

If a producer has total program production of less than 2,000 bushels, but has gross agricultural sales of over \$20,000 per year, that producer's target price would be less than \$4.65 per bushel.

If the producer has total program production of less than 2,000 bushels, regardless of the acreage reduction percentage selected, the target price will be \$3.85 per bushel, unless the producer's gross agricultural sales exceed \$20,000.

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

The amendment (No. 1167) was agreed to.

Mr. DOLE. Madam President, let me now propound a unanimous-consent request, and this is all part of the agreement, and this is why the distinguished majority leader suggested we do the other conditionally.

I ask unanimous consent that the Secretary of the Senator be permitted to make such changes in the engrossment of the Senate amendment to H.R. 2100, the House farm bill, as will reflect the actions contained in the statement just sent to the desk and eliminate duplications.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. BYRD. Madam President, reserving the right to object, there is no assurance in this request that the Senator will have an opportunity to vote on any of the separate and individual changes that are made in the engrossment.

Let me put it this way: There is no assurance that the Senate will have any opportunity to vote individually on these changes as reflected in the conference report when and if it comes back to the Senate.

Am I correct?

The PRESIDING OFFICER. The conference report would be voted on as a package.

Mr. BYRD. Yes.

Madam President, may I direct my comments to the distinguished majority leader and all Senators. Here is a 400-page amendment. The request before the Senate is that the Secretary of the Senate be permitted to make such changes in the engrossment of the Senate amendment to H.R. 2100 as will reflect the actions contained in the summary which the distinguished majority leader read to us earlier.

This is an extremely precarious way to legislate. Maybe it is the only way to get this bill passed.

I feel embarrassed to have to make any reference to the officer who is to make the changes.

I hope that we will take this in the spirit that I say it. There can be substantive mistakes in the engrossment of this amendment. It is over 400 pages in length, and I just want the Senate to have an opportunity, if need be, to vote on any or more of those engrossed changes just to be sure that they do accurately reflect the provisions in the summary so that Senators will be sure that they do indeed comport with what was agreed to by all Senators who participated in reaching agreement on the amendments.

Now, I do not mean to say I do not have any concern. I do have. I do not know what is in this amendment. I am not on the committee.

But there are Senators who are on the committee and whose proposed changes are involved here.

A moment earlier I referred to the Chair in discussing order in the Senate without any desire to appear to cast any aspersions on the particular occupant of the chair at that time -- Mr. Wallop. He just happened to be in the chair at that time.

So in this case, someone has to be the Secretary of the Senate. It is not actually that person who will personally go over these provisions and changes in the engrossment. It is staff people.

Mr. HARKIN. Madam President, excuse me. I hate to interrupt. I cannot hear the distinguished minority leader. I might have comments.

The PRESIDING OFFICER. The Senator from Iowa is correct.

Would there please be order in the Chamber so we can proceed.

The minority leader.

Mr. BYRD. Madam President, I thank the Chair.

I just want to be sure that every Senator on both sides of the aisle who had some input into these changes has an opportunity and a right, when the conference report comes back, not only to scrutinize those changes but also to request a vote on any separate item and to offer a corrective amendment.

The Chair has just responded to me or to my parliamentary inquiry that that opportunity does not now automatically exist. So I wonder if the distinguished majority leader would include that safety valve in the request?

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Mr. DOLE. Madam President, will the minority leader state the request? Let me indicate before the distinguished minority leader does that, we understand that this is a bit unusual. That is why we have been 5 hours in there meeting with Senators primarily. Staff were present, but Senators were directly involved in this.

I must say that 470-page amendment for the most part represents all the amendments we have added over the last week, plus the committee bill and the amendment.

So we are talking about three basic changes, and that is what we have been working on today, the soybean change, the target price change, and the changes in yields. They were all amendments we discussed earlier in some form. We were told to draft those would take 2 or 3 or 4 hours. We think they are accurately drafted or about drafted.

So what we agreed to do, those of us who had a principal interest and those who had opposing views, we have had both parties present so that no one's rights would be in any way abridged. But I am happy, if the minority leader would state his request, to respond.

Mr. BYRD. Madam President, I compliment the distinguished majority leader and others who participated in those discussions.

What I am trying to be sure that we are aware of is, that in the final analysis Senators are going to be passing on the final product of the hands, minds and eyes of trusted staff people. I cast no reflections. I cast no suspicions or doubts. But I think that the Senate should protect itself in that kind of situation. It is a very complicated area and we may do it again. We may have reason to use this methodology again at some point.

I think the Senate always has to be very careful that it does not shift its responsibilities to persons whose intentions are good but let us say I have a staff member here and I say I want that provision done this way.

Mr. DeCONCINI. Madam President, will the minority leader yield for a question?

Mr. BYRD. I think the remainder of the Senate should have an opportunity before that product passes the Senate finally and goes to the desk of the President, to see that language that may have directed my staff member to put in, as mine, as reflecting what that Senator or this Senator or another Senator intended to be in that measure. That opportunity is what I am seeking here.

Mr. DeCONCINI. Madam President, will the minority leader yield for a question?

Mr. BYRD. I yield.

Mr. DeCONCINI. Madam President, I appreciate the minority leader raising this. I did not realize until the question was made. Of course, I am not going to object to it. But I wonder if the minority leader has any alternative or other procedure. I cannot think of any. But I share my concern and I am glad he brought it to our attention. Maybe there is another unanimous consent that we could designate someone to review or someone like that. I just put that out.

Mr. HARKIN. Madam President, will the minority leader yield?

Mr. BYRD. I yield.

Mr. HARKIN. I thank the distinguished minority leader for yielding.

I am glad he raised this point. Just yesterday when this Senator was engaged in some negotiations with the distinguished Senator from Florida, Senator Hawkins, on a provision in the child nutrition amendment we had all our agreements worked out. We all agreed on what it was going to be. Then when the final draft came through there was a paragraph that was not involved in our discussions. It was part of the underlying bill and one word was changed from "shall" to "may." Neither Senator Hawkins nor I had agreed upon that and, of course, we got it changed again. But had

we not found this out that would have slipped through unnoticed because one person changed one word and, of course, changed the whole thrust of that one very important paragraph.

So, I am very appreciative of what the distinguished minority leader is saying. Like the Senator from Arizona I am wondering is there any way we can take care of this without holding people up there through a suggestion of a way out.

Mr. BYRD. Madam President, I apologize if I am holding people up, except I believe it is in the best interest of the Senate, not only in connection with this particular package but in the future when things may happen in this way.

I just want to be sure that the Senate will see the handiwork of staff people and be able to correct any specific language that does not comport with the agreement between Senators. We have to trust our staffs. We could not do without staff. Yet, we have a responsibility to see their final work and to judge whether it accurately reflects the agreements reached by Senators.

I am just asking the majority leader if he would include in his request that, when the package comes back before the Senate, Senators have an opportunity to vote on each of those amendments that have been put into that 470-page package by direction of this unanimous-consent request.

Mr. DOLE. By voting on each item in a conference report?

Mr. BYRD. I am not saying "by voting on each item," but the Senate have an opportunity, if it wishes, to have a vote on those items that Senators agreed to add into the engrossment.

In other words, it is for the safety of the majority leader as well as anyone else. If the staff errs in the engrossment and it is not reflective of the agreement reached among the majority leader and Senators, such error cannot be corrected, except by unanimous consent, unless we here and now provide otherwise. This is what I am trying to take care of.

Mr. DOLE. Could we limit this proposal to the things we changed? There were not many items changed. Is the Senator talking about the three basic changes?

Mr. BYRD. Will the Senator put in a quorum call?

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

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

Mr. DOLE. Madam President, I have had a discussion with the managers of the bill and the Parliamentarian.

I believe that we can provide the protection that the Senate should have. Let me state the entire request.

UNANIMOUS-CONSENT AGREEMENT

I ask unanimous consent that the Secretary of the Senate be permitted to make such changes in the engrossment of the Senate amendment to H.R. 2100, the House farm bill, as will reflect the actions contained in the following summary and eliminate duplications.

The summary has been sent to the desk.

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Provided, that on December 3, 1985, a motion to reconsider H.R. 2100 be in order which, and if successful, would return the Senate to the question of agreeing to amendment No. 1167, and that amendments to bring the Senate into conformity with the memorandum be in order, that there be no more than 2 hours of debate allowed for the process to follow the disposition of the farm credit bill.

Mr. BYRD. Madam President, reserving the right to object, I want to thank the distinguished majority leader, and both managers for the understanding that they have demonstrated, and the willingness they have shown in making this change.

I apologize to other Senators for delaying. But I think it is better to take the precaution now rather than to look back later and wish we had taken the precaution.

Mr. DOLE. Madam President, the final part of this package is the time agreement on the farm credit bill.

TIME AGREEMENT ON THE FARM CREDIT BILL

Madam President, I ask unanimous-consent that immediately following the vote as specified in the unanimous consent agreement on November 14, dealing with the Boren PAC amendment to S. 655, the Senate turn to S. 1884, the Helms-Zorinsky farm credit system bill, and it be considered under the following time agreement:

That 4 hours on the bill to be equally divided between the majority and minority leaders, or their designees; that debate on all amendments be limited to 20 minutes each, to be equally divided; that any second-degree amendment be germane to the first-degree amendment it proposes to amend; that there be no time on debatable motions, appeals or points of order, and that no motions to recommit with instructions be in order; and that the agreement be in the usual form.

Finally, I ask unanimous consent that final passage occur on the farm credit system bill no later than 7 p.m. on Tuesday, December 3, 1985, and that paragraph 4 of rule XII be waived.

Mr. HARKIN. Reserving the right to object, I would like to inquire of the distinguished majority leader. I do not have any problems with any of this with the possible exception of the third paragraph, that any second-degree amendment be germane to the first-degree amendment it is proposed to amend.

This Senator's concern is that the bill S. 1884 would be on the floor, and since this unanimous consent asks that it be in its usual form, there could be an amendment offered at that time which would preclude us from offering amendments in the first degree. That is, every amendment we would have to offer would be in the second degree. I would like to have the assurances of the majority leader that we would be protected, that any amendment I wanted to offer could be in the first degree. Of course, in the usual form and it would have to be germane to the bill.

Mr. DOLE. I am advised that that could be accommodated. It is provided for in the agreement.

Mr. HARKIN. I did not understand.

Mr. DOLE. I am advised that can be accommodated. We think it is covered by the agreement. If there is something the distinguished Senator would like to add, I would be happy to do that.

Mr. HARKIN. I will still reserve the right to object. My concern is not that there could be an amendment offered, as on the farm bill, to be frank about it, and that those of us who would want to offer an amendment could offer it in the second degree. I want to be sure that we can offer our amendments in the first degree.

Mr. BYRD. Madam President, will the Senator yield? Will the majority leader allow us to complete action on the farm bill before we go to the farm credit?

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Mr. DOLE. I think the only thing remaining -- --

Mr. BYRD. I do not think the Chair has ordered the request.

Mr. DOLE. The only thing remaining on the farm bill is to ask for the yeas and nays on final passage.

Mr. BYRD. No; the other item we were talking about.

The PRESIDING OFFICER. Is there objection to the previous unanimous-consent request?

Mr. DOLE. This is for the previous item, not this one.

The PRESIDING OFFICER. Hearing no objection, without objection, it is so ordered.

The text of the unanimous consent agreement is as follows:

UNANIMOUS CONSENT AGREEMENT

ORDERED, That on December 3, 1985, a motion to reconsider H.R. 2100 be in order, following the disposition of S. 1884, the farm credit bill, which motion, if successful, would return the Senate to the consideration of amendment No. 1167, and that amendments to bring the Senate into conformity with the memorandum of intent submitted with the agreement on H.R. 2100 on Nov. 23, 1985, be in order, provided that no more than 2 hours of debate be allowed for this process.

Mr. HARKIN. Again, I want to make myself clear on what my reservation is.

Mr. DOLE. I would suggest the Senator put the question to the Chair and the Chair can rule.

Mr. HARKIN. Madam President, could there possibly be an amendment offered, let us say by the distinguished minority leader, that would fill in that first-degree level so that all following amendments would have to be in the second degree, and, therefore, germane to that first-degree amendment, knowing full well that at the end of the time when that first-degree amendment is disposed of, that the bill would be open to amendment but the 4 hours would have run and we would have no time to debate that amendment?

The PRESIDING OFFICER. The Parliamentarian advises there is nothing that precludes a Senator from offering the second-degree amendment to the first-degree amendment.

Mr. HARKIN. May I inquire whether it would be possible under this unanimous-consent request for the majority leader to offer an amendment at the beginning of the debate time on the bill, S. 1884, at the first-degree level so that all amendments would have to be in the second degree?

The PRESIDING OFFICER. The Parliamentarian advises that the choice is in the hands of the offerer of the second-degree amendment not in the hands of the offerer of the first-degree amendment.

Mr. HARKIN. Then under this agreement I would be assured that I could offer a first-degree amendment.

Mr. DOLE. I ask unanimous consent that the Senator have the right to offer a single first-degree amendment.

Mr. HARKIN. Offering a first-degree amendment, but at some point before the 4 hours had been extinguished?

Mr. DOLE. Yes.

The PRESIDING OFFICER. Is there objection?

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Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Reserving the right to object, I would like to ask a question of the majority leader. I understand that Senator Helms will introduce the farm credit bill. It is a major bill, obviously, addressing a very important problem across the country. But the bill has just been introduced. As I understand the agreement, nongermane amendments would not be in order, because the agreement is in the usual form.

The difficulty is this: because we have not had an opportunity to see and to read provisions of the Zorinsky-Helms bill, it is unclear as to what amendments we contemplate at this point would be in order or not in order.

I introduced a bill dealing with farm credit legislation, as has the Senator from Minnesota [Mr. Boschwitz].

I wonder if there is a way that we can work out an agreement so that our amendments can be accommodated as we debate the farm legislation.

I am a little concerned, too, because there are only 4 hours of debate on a major bill which has not been in markup in the Agriculture Committee. It seems to be that on the issue of farm credit restructuring, we should have a little time to debate it, to examine various points of view and alternative points of view so that we come up with the best bill.

I wonder if the majority leader would agree to change the consent agreement to allow the Senator from Montana to offer an amendment regardless of its germaneness.

Mr. DOLE. Madam President, I ask unanimous consent that substitute amendments be in order and limited to 20 minutes provided they are relevant to the subject matter.

Mr. BAUCUS. Reserving the right to object, Madam President, a parliamentary inquiry. I wonder what the difference between germaneness and relative to the subject matter would be. What is the difference between those two?

The PRESIDING OFFICER. Relevancy is broader than germaneness, it is a subject matter test.

Mr. BAUCUS. A further parliamentary inquiry. That means if the Senator from Montana has an amendment which has something to do with farm credit legislation, it would be in order under this agreement?

The PRESIDING OFFICER. As long as it deals with the subject of the farm credit bill before us.

Mr. BAUCUS. I thank the Chair.

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

Let me make clear to the distinguished majority leader what my position is on this. The bill itself may only pertain to the Farm Credit System as I see it and I have not had a chance to more than briefly look at it. I may have an amendment which covers something broader than just the Farm Credit System itself but deals with farm credit. Would that be allowed under the modification just mentioned by the distinguished majority leader?

The PRESIDING OFFICER. We shall have to consult with the Parliamentarian.

Would the Senator from Iowa repeat his question for the Parliamentarian?

Mr. HARKIN. As I understand the modification just mentioned by the distinguished majority leader, we could offer amendments that dealt with the subject matter. My concern is that I may have an amendment which goes broader than just the Farm Credit System. It will deal with farm credit but it may go beyond the bill itself, which talks basically or

only about the Farm Credit System itself.

The PRESIDING OFFICER. It would not be relevant if it does contain any significant matter that is not dealt with in the farm credit legislation.

Mr. HARKIN. So, Madam President, if I had an amendment that dealt with farm credit that applied both to the Farm Credit System and to, let us say, private lenders or private banks, would that be in order under the modification mentioned by the majority leader?

The PRESIDING OFFICER. If private lenders and private banks are not dealt with in the original amendment, it would not be in order.

Mr. HARKIN. Madam President, I may have to object, because from my initial reading of the bill, private lenders and private banks are not dealt with in this measure. I believe that we are going to have to address that in the farm credit bill.

Mr. BOSCHWITZ. Madam President, may I ask the majority leader if he has any objection -- since there is a time agreement, with a time certain to vote, does he have any objection to amendments coming in that might deal with agricultural lenders other than the Farm Credit System?

Mr. DOLE. None, no objection.

Mr. HARKIN. I could not hear what the Senator from Minnesota asked.

Mr. BOSCHWITZ. The majority leader would not object to having the unanimous-consent agreement broadened to include other people involved than the Farm Credit System in the business of lending to agriculture?

Mr. DOLE. That is correct.

Mr. HARKIN. Madam President, if I understand the request, the majority leader would not object to a unanimous-consent request, and I can offer an amendment that might go beyond the scope of the bill. Does that unanimous-consent request apply to any other Senator?

The PRESIDING OFFICER. The Senator is advised that it does.

Mr. HARKIN. I remove my objection.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Madam President, reserving the right to object.

Mr. GARN. Reserving the right to object, Madam President.

The PRESIDING OFFICER. The Democratic leader has reserved the right to object.

Mr. BYRD. Madam President, would the distinguished majority leader include in his request a provision that would require any committee substitute that might be called up to be germane and relevant?

Unless this protection is provided, the committee could bring in an entirely new committee substitute that would not necessarily be relevant and germane.

Mr. DOLE. I include that in the request, Madam President.

Mr. BYRD. Madam President, I thank the majority leader and I have no objection.

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Mr. GARN. Madam President, reserving the right to object, and I shall not object for only one reason: I have absented myself from this floor since 1 p.m. I have not been here all day long because I was so irritated by the process last night and I was so concerned about what I might say that I thought it would be better if I were not here.

Part of this agreement was that there would be nothing in it to do with the banking system. The Agriculture Committee has been tromping all over the expertise in the Banking Committee for several days. I speak for a majority of the Banking Committee right now.

I am not going to object even though the Senator from Iowa is now tromping again trying to broaden it and get into banks far beyond the Farm Credit System. I hope, if we do bring up a bill which touches in a very sensitive area, in several areas, I hope the bill would be pulled down.

The PRESIDING OFFICER. Is there any objection to the unanimous-consent request? Hearing none, without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time. The bill was read the third time.

Mr. DOLE. Madam 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.

Mr. DOLE. I thank my colleagues. I hope they have a nice Thanksgiving.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? 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 New Mexico, [Mr. Domenici], the Senator from North Carolina [Mr. East], the Senator from Arizona [Mr. Goldwater], the Senator from New Hampshire [Mr. Humphrey], the Senator from Idaho [Mr. McClure], the Senator from Alaska [Mr. Murkowski], and the Senator from Connecticut [Mr. Weicker], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. Kennedy], the Senator from Massachusetts [Mr. Kerry], the Senator from New Jersey [Mr. Lautenberg], and the Senator from Louisiana [Mr. Long], are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. Lautenberg], would vote nay.

The PRESIDING OFFICER (Mr. Durenberger). Are there any other Senators in the Chamber desiring to vote?

The result was announced -- yeas 61, nays 28, as follows:

(See Rollcall Vote No. 343 Leg. in the ROLL segment.)

So the bill (H.R. 2100), as amended, was passed.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I move that the Senate insist on its amendment and request a conference with the House of Representatives on the disagreeing votes thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. Durenberger] appointed Mr. Helms, Mr. Dole, Mr. Lugar, Mr. Cochran, Mr. Boschwitz, Mr. Zorinsky, Mr. Leahy, Mr. Melcher, and Mr. Pryor conferees on the part of the Senate.

Mr. HELMS. Mr. President, I ask unanimous consent that S. 1714 be indefinitely postponed.

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

Mr. DOLE. Mr. President, the Senator from Kansas is pleased the long-awaited first step toward enacting a new farm bill has passed this body by a 61 to 28 margin. This vote marks the culmination of months and months of work not only by my colleagues but by a group of staff members who were absolutely indispensable to this process.

The days were always long and many times so were the nights. Nevertheless, the men and women with the fact and figures, the expertise and above all the dedication were always there when we needed them. Therefore, Mr. President I would like to pay special tribute to the outstanding staff members who worked so very hard to make tonight's majority vote a reality.

Mr. President, I want to particularly thank the managers of this bill. The Senate has spent 12 days, 87 hours, on this bill, with 41 rollcall votes and 141 amendments considered. That is a reflection of the efforts by the distinguished Senator from North Carolina, the chairman, and the distinguished Senator from Nebraska, the ranking minority member.

I thank all members of the Agriculture Committee and all my colleagues for their patience and understanding and those colleagues with whom we had meetings over the last few days. I particularly thank my good friend, the distinguished Senator from Montana, Senator Melcher, because we have been here the longest. I also thank Senator Exon and Senator Harkin, and Senator Grassley, who has been working not only on the soybean and corn provisions, but also on farm credit, trying to make certain that he can restrain foreclosures in the State of Iowa. His efforts will have an impact not only in Iowa but in our States, and we thank him for that.

I certainly want to thank the distinguished minority leader, who has been most helpful as we have gone through this process in moving it along and also in working out the parliamentary agreements that made it possible to complete action today.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I do not think we should depart consideration of this farm bill without paying respects to the majority leader. I have been around this place a while, and I have never seen any leader operate with more class, more dignity, than he did last evening and had he not done the job that he did I am not sure we would have reached this point.

But I notice his record here of 87 hours and 14 minutes consideration of this farm bill. Is that all?

Mr. DOLE. That is the Senator's record. The chairman had 5 months before that.

Mr. HELMS. Yes, I had 5 months before.

But seriously, I do thank the majority leader. I wish to say to the staff of the Agriculture Committee that I have

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never been prouder of a group of young people than in the production of this farm bill. I hope I am not overstepping propriety when I mention the conversation I had with the distinguished men and women who handled the paper up at the desk. They were paying tribute to the staff of the Agriculture Committee in terms of the excellence of the work, the absence of confusion, and I was very proud to have that report.

But I will save for another day to mention names in particular, but I do wish to pay my respects to Ed Zorinsky, who has just been a trooper in this thing.

There have been difficult times, difficult months, but finally we have a farm bill up to this point; but this is just the first round. Now comes the second round.

Thank you, Mr. President.

Mr. COCHRAN. Mr. President, will the Senator yield?

Mr. HELMS. I yield the floor.

Mr. COCHRAN. Mr. President, I am glad to see the distinguished chairman of the committee singling out the staff for special commendation. My purpose is simply to personally thank all of them, particularly the staff of the Agriculture Committee, headed by George Dunlop. He individually has just spent an enormous amount of time on this matter from the heading stage up through the development of the bill and the presentation of it on the floor.

But I personally commend in addition to George Dunlop, Carl Rose, who is the very able senior staff person for the minority side of the committee; John Gordley, the staff assistant for the majority leader; and David Graves, my personal staff assistant, who has worked so hard on this legislation.

They have really put in a lot of very hard work, very capable work, and are outstanding members of our staff here in the Senate.

Without them, we would not have a farm bill.

I thank the distinguished chairman.

Mr. HELMS. Mr. President, if the Senator will yield, he is absolutely correct. He started off mentioning George Dunlop who is almost a second son, and Carl Rose is also a North Carolinian. So the Senator is being surrounded by North Carolinians in the production of this farm bill. Whether that is a plus or minus, I do not know; we will find out.

Mr. DOLE. Mr. President, if I may just take 1 minute, and I know the distinguished Senator from Texas has been waiting. But again, I wanted to say a special thank you to all the staff members, particularly John Gordley, who has been my right arm in this debate and throughout the months we have been working on the farm bill: Mark Scanlon, on my staff, and others. Certainly the Secretary of Agriculture, Jack Block, and his Executive Assistant, Randy Russell, have been up on this Hill almost every day. Frank Naylor has been working on farm credit and a number of USDA officials have made a contribution to the effort.

I turn around and I see Senators Boschwitz, Cochran, Lugar, and they all have played a role in what I consider to be rather historic legislation, not perfect -- certainly we can do better in conferences. I know the distinguished chairman feels that way.

I would also like to list several of my colleagues on this side of the aisle who have made important contributions along the way. The Senator from Florida [Mrs. Hawkins] is playing a key role in farm credit reform, and was instrumental in obtaining changes in provisions for the sugar import program in the bill. My colleague from North Dakota [Mr. Andrews] has long championed his soybean and sunflower as well as wheat producers. His participation was decisive in changes affecting these crops. Of members not represented on the Agriculture Committee, I would

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mention the successful efforts of the Senator from South Dakota [Mr. Abdnor] to obtain increases in feed grain target prices and the reforms pursued by the Senator from Oklahoma [Mr. Nickles] to reduce the planting requirements for eligibility for wheat programs benefits. The Senator from Wisconsin [Mr. Kasten] did yeoman service in increasing the size of the long-term conservation reserve and expanding its application to erosion-prone acres. My colleague from Georgia [Mr. Mattingly] was equally forceful in protecting the interests of his producers. Finally, I would mention the signal contribution of the Senator from Indiana [Mr. Quayle], who led the successful effort to eliminate the honey program from the Federal farm program.

On the budget side, we have a reduction of \$11 billion, and that is not all bad. So perhaps we can fashion a bill that the President will sign. I know he wants to sign a farm bill. He does not want to veto a farm bill.

So it is now going to be incumbent upon the conferees to work out whatever budget matters we need to work out so that we can get the President on board and get a bill signed and out to the farmers.

The PRESIDING OFFICER (Mr. Armstrong). The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, I do not want to interrupt the very well-deserved accolades and if that moment has passed, then I wish to say that in a few minutes I will be sending to the desk a piece of legislation on behalf of myself and Senators Cochran, Stennis, Pryor, Gramm, Bumpers, Heflin, and others. This is a bill that I was urged not to introduce during the debate on the bill with the concern that it might be used as a vehicle for something else.

But now that that has been resolved, what I am asking for is what we did in an amendment to the farm bill which deals with this problem in future years. But, through this bill, I am trying to give some immediate information so these farmers can understand how much set aside they are going to have, the very minimal type of information.

We are not talking about the target prices. We are not talking about the loan limits. We are not talking about deficiency payments.

All we are saying is the minimal information so that fellow knows how much to put the plow to, what the set aside is going to be. Farming is an all-year process, of course, and down in south Texas now they are ready to put the herbicides on that land that they are going to plow and to plant under the farm program.

They are starting in January to plant their milo and February plant their cotton, and we now have a situation where about 75 percent of the Nation's wheat has already been planted, but do not have a farm program. I am asking that we at least tell them now whether to graze and whether to hay that wheat land.

So that is all I am asking for in this piece of legislation.

What you may find is on the farm bill that has been passed by the Senate and what was passed by the House of Representatives, you may be in conference for a very long time. If we can have a separate piece of legislation on these narrow issues, hopefully the House might accept it and provide our farmers this minimal amount of information that is based on the farm bill that has just been passed.

So we are not talking about something new. We are just talking about letting this kind of information get out to the farmer now.

Here is the distinguished Senator from Nebraska. I will defer to him. But after he has a chance to speak, I wish to send this to the desk and ask for unanimous consent that it be given immediate consideration and passed. It is really an adaptation of what has been passed now by this body.

I defer to the distinguished Senator from Nebraska.

Mr. ZORINSKY. Mr. President, we have examined the bill described by the distinguished Senator from Texas. We

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think it is very timely and necessary. I compliment the Senator for developing a measure that will help farmers in making plans for future crop years. I hope that its passage will give a signal that there are those of us here who are concerned with the future direction of agriculture. We have looked at the bill on this side of the aisle and support its immediate passage.

Mr. BENTSEN. Mr. President, I say to the distinguished Senator from Nebraska, after hearing many of the marvelous accolades that were made in his absence, I appreciate his commenting on this piece of legislation that Senator Cochran and I will introduce. He has been spoken of in words of high praise for some time here, and I agree that that praise is well deserved.

Mr. ZORINSKY. Mr. President, I thank my colleagues. I am pleased that we were able to complete the farm bill. I believe the distinguished chairman of the Agriculture Committee has done yeoman service -- and outstanding service -- in managing this comprehensive legislation which, as I understand, had in excess of 130 amendments offered. It has been a pleasure for me, as the Democratic floor manager, to work with him on this measure.

In addition, I wish to thank the committee staff -- both the majority and the minority -- for their assistance and hard work throughout this process. I especially wish to recognize and commend George Dunlop and Bob Franks; Carl Rose, my staff director; Ben Baker, David Dyer, David Fischer, Laura Rice, Robyn Fontes, and Mary Dunbar from the committee staff; and also Art Jaeger and Rick Pasco from my personal staff; and Jack Cassidy. They each supported me through this effort and provided their energies and expertise toward the successful completion of the legislation. It was obviously a team effort and a bipartisan one, for which I am very thankful.

Mr. HELMS. Will the Senator yield to me?

Mr. BENTSEN. Yes, of course.

Mr. HELMS. I thank the distinguished Senator from Nebraska for his compliments to the staff. We really do not have a minority staff and a majority staff. Everybody works together, and they have certainly done that in connection with this farm bill.

I have not gone down the list to single out because I want to do that at a later time. But all of them have pitched in with yeoman work. I say again what I said before, that nobody ever had a finer Senator to work with than Ed Zorinsky. It has been a pleasure and I am grateful to you.

I thank the Senator for yielding to me.

S. 1886 -- FARM PROGRAMS PREDICTABILITY ACT

Mr. BENTSEN. Mr. President, I am pleased to be joined by the distinguished Senator from Mississippi [Mr. Cochran] and a number of other concerned Senators in introducing this bill. We are asking the Senate to pass this legislation to provide farmers with some minimal relief from the problems that have been caused by the late announcement of the 1986 farm programs.

This legislation will provide that cotton, wheat, feed grain, and rice producers in early-planting areas of the country will have some immediate information on the 1986 farm program. It will be very minimal information, but it is better than no information at all. It will not help as much as I would have liked to, but it will help some. And with the financial state of agriculture today, with many farmers right on the brink, they need every little bit of help they can get.

Today is November 23, and we still have not passed a farm bill into law. The bill was ordered reported from the Senate Agriculture Committee on September 19. Yet we still have no law enacted. More importantly, our farmers have no farm program.

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Wheat farmers have had to plant without knowing what the wheat program would be. Farmers in Texas and other winter wheat States have planted 75 percent of our Nation's wheat crop without knowing what the program would be. They do not know how to qualify for price supports, or what those price supports will be. They do not know how much land they must set aside. They do not know whether they can graze cattle as they normally do on those acres. They are flying blind. They are being forced to guess at the farm program requirements that will eventually be announced, and they will be penalized if they guess wrong.

Cotton, rice, and feed grains do not have a program either. Cotton planting starts in February and feed grains start the last week of January. We start that annual planting process with milo in the Rio Grande Valley of Texas, and from there it sweeps north across our Nation. But many people do not realize that farming is a continuous process. Land must be prepared, herbicides bought and put down, seed purchased, financing arranged. All this must be done weeks and months before actual planting.

At today's prices, many farmers cannot get financing without being eligible for farm price supports. Bankers cannot make loans on speculation of what a farm program might be, so farmers are being forced to wait. They have been waiting for weeks now. And while they wait they must forgo normal crop preparations, which increases their costs and decreases their efficiency.

This Senator has not delayed the farm bill and does not intend to do so. Yet I do not think that it would be appropriate for us to recess for a week at Thanksgiving without telling our farmers anything about the coming farm program. Mother Nature does not recess. Time marches on inexorably. Every day tightens the squeeze on farmers who must plan well in advance and cut all possible corners in order to survive.

I am further concerned that the farm bill the Senate just passed must still go through conference. That will take more precious time, possibly much more. Our farmers cannot afford that delay, and there is need to force them to suffer the full force of that delay.

I believe that it is time that we pull together, that we build on our areas of agreement to help farmers. It is totally unfair to hold innocent farmers hostage as pawns in the legislative process.

I have been told that hostages are necessary in order to pass a farm bill, that we need pressure to force a bill on through. However, what we are doing now is not holding hostages -- we are shooting them. Our farmers are left in the lurch again in the south. Under a very optimistic scenario for the farm bill we could get a program announcement by late December. It might be much later. This would devastate farmers who are squeezed between Mother Nature and the legislative process.

I am willing to allow the keeping of sufficient hostages to assure quick enactment of a 4-year farm bill. There were 19 titles in the Senate committee bill. There are titles such as exports, conservation, food stamps, research, and credit that contain provisions that are badly needed. There are commodity titles that require passage of the full title to have a farm program. We only need to enact three provisions to get some minimal but badly needed relief for our farmers.

Those three provisions are very simple -- the base, the acreage reduction required to qualify for the price supports, and the authority to hay and graze winter wheat. These by themselves are worthless if no farm bill is enacted. But early information on those provisions is vital if a farm bill is enacted.

This bill will tell winter wheat producers that, if their State chooses to allow haying and grazing of set-aside acres, they can do so on 25 percent of their acres and that this will not disqualify them from participating in the wheat program that will be authorized by the 1985 farm bill. Farmers who graze wheat must put cattle on it now if they are to get much benefit at all.

This bill will tell producers of cotton, feed grains, rice, and spring-planted wheat that, not later than 60 days before planting time, they will be told a base and an acreage reduction that will allow them to qualify for the farm program that

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will be announced later. With that information they can start the cultivation that must be done months in advance. For example, we normally put down herbicides on our cotton in the Rio Grande Valley before Thanksgiving. Farmers must know how many acres they can plant before they can do that. This bill will give them that information 60 days before planting, which is late but is still a great improvement over some possible alternatives.

Mr. President, I do not take the time of the Senate lightly. I assure my colleagues that any inconvenience from dealing with this bill now is very slight compared to the problems suffered so far this year by wheat, cotton, feed grain, and rice farmers or to the problems that are to come. They are getting worse by the day.

This bill might be able to be enacted sooner than the 1985 farm bill. This bill is very simple and a conference with the House might not be necessary. It is the least that the Senate should do to try to offset some of the inconvenience and harm which we have collectively helped cause to farmers.

This is a simple and long-overdue proposal. If we can pass this bill, then farmers throughout the United States will have some cause for celebrating the Thanksgiving holiday.

Mr. President, I send a bill to the desk and ask unanimous consent for its immediate consideration.

Mr. BOSCHWITZ. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard and the bill, accordingly, will remain at the desk until the next legislative day when it will receive its second reading.

Could I ask, Mr. President, who the Senator is who objected? Is it the Senator from Minnesota who is objecting?

Mr. BOSCHWITZ. Does the Senator wish that the bill be considered right now?

Mr. BENTSEN. Yes, that is what we have been discussing for several days now. I am talking about a minimum amount of information. I am just talking about the set-aside and the base. I am talking about the haying and grazing for winter wheat. I am not talking about any of these other 19 titles, at least, in the previous bill; I do not know how many there are now.

It is just a problem that the South has been held hostage for so long in agriculture insofar as the announcement of what we can put the plow to and what we will see as a set-aside. We are just trying to have that information in a timely fashion, as our northern neighbors always do. You see, we are caught in a crunch of the legislation and the weather. It is really critical to us that we have this kind of information.

It was suggested to me by those managing the bill on the majority and minority sides that I defer until this time to make this particular offer.

Mr. BOSCHWITZ. Mr. President, I am not familiar with the bill and have not been made a party to the considerations that had been given to it up until this time.

Mr. HELMS. Does the Senator yield the floor?

Mr. BOSCHWITZ. I yield the floor.

Mr. HELMS. Mr. President, had not the Senator from Minnesota objected, I would have had to do so on behalf of a couple of Senators on this side.

Let me say this to the Senator from Texas: We will work with him on his bill and be helpful to him in any way we can to expedite it. I assure him we want to do that.

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Mr. BENTSEN. I appreciate that from the distinguished chairman of the committee. I know he means that. It is just if we can keep it to just this very simple elemental part of the bill, hopefully we can get that information out and the committee would address it early on when we get back, because I am deeply concerned that the conference may go on for some time. We have put a fail-safe thing in this so if you do not finally have a successful conference, this does not take effect. We have tried to take care of that argument. It is just the simple objective of trying to get information out to farmers, and I hope that we might do it soon after we return from Thanksgiving.

I thank the distinguished chairman and the distinguished ranking member of the Agriculture Committee for their consideration on this and other issues in the farm bill, and I also appreciate the excellent work that their staffs have done on these issues.

Mr. HELMS. We want to be helpful in any way we can.

Mr. BENTSEN. I appreciate that.

Mr. BYRD. Mr. President, I join in the accolades, kindly deserved, as they have been stated with reference to the work that has been done by the distinguished chairman, Mr. Helms, and the distinguished ranking member on this side of the aisle. Mr. Zorinsky. Those accolades are deserved. These gentlemen have, by their work here, indicated a knowledge and also a dedication that made it possible for this measure to be passed by the Senate today.

I also congratulate the distinguished majority leader. "Uneasy lies the head that wears the crown." And the job of the majority leader is not an easy job. The majority leader is the servant especially of Senators on his side of the aisle and he cannot always do as he personally wishes. He has done his job well. His was a heavy task, but he stuck to it. He was tenacious and he is to be congratulated for the skill that he has displayed and for the work that he has accomplished.

I also commend the staff members of the Democratic Policy Committee and my own office for the work that they have done. They stayed up late, as we stayed up late. They worked hard, as we worked hard. I want the Record to show that they were recognized for their efforts:

Marty Paone, Charles Kinney, and Abby Saffold. May I say that their work has been on behalf of all Senators, particularly on this side of the aisle. And I especially thank Abby Saffold.

In that connection, I would like to include Scott Bunton, director of the policy staff, Linda Peek, and Tom Sliter; Barbara Videnieks, my own executive secretary; and Melissa Wolford and Carol Mitchell from my West Virginia office.

Then, too, I should recognize on this side of the aisle the extraordinary performance of Elizabeth Baldwin on the other side, who is always so congenial, easy to work with, and who performs a great service for the Senate of the United States.

In closing, let me commend Senators Jim Exon, Tom Harkin, and John Melcher. They stood up for their convictions. It was not easy. They demonstrated great determination and dedication to purpose. They are to be commended, not only for their courage, but also for the changes they effected in the legislation for which we have all labored for so long.

Mr. President, I thank the Chair, and thank other Senators for their patience.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I thank the Chair. I also thank the various members of the staff and my colleagues with whom I worked for so very many months. I enjoyed getting to know many of them quite intimately

over a period, particularly the chairman of the committee, and the ranking member of the committee. I found it to be a very enriching and learning experience, I must say.

I also must extend my thanks to my staff, Dan Pearson in particular, who contributed so much to that experience.

I agree with the comment that this is not a perfect bill, but I think it does set the stage to better form legislation in the future. I think it also sets the stage for us to be competitive on world markets because indeed the loan rates over the entire time of the consideration of this bill, even though they have been lowered quite remarkably -- that element was not in debate.

One other element, however, that we also achieved is the credit element. We have set by unanimous consent a time certain for a credit bill, and perhaps that is as important, Mr. President, as the farm bill itself; that we will move on credit because those farmers who are in trouble in this country are principally in trouble because of the amount of credit they hold, the interest rates they have to pay, and the cash flow problems they resultingly have in their own affairs.

I might say it is important to note that in this credit bill that is going to be coming up we have very specifically worked on -- the Senator from Iowa, myself, and others -- a provision to prevent what is becoming a rash of foreclosures in some of the Farm Credit System districts, particularly in the Omaha district. It is our intention to bring them to a halt, to bring them to a halt immediately so that as we try to bring a firmness and a backing to the Farm Credit System so that doubts with respect to it will not be raised either in the press, in the bond market, nor otherwise be part of our consideration for doing so.

Indeed, an important element of our consideration in doing so, perhaps even the most important element in doing so, is to stop this rash of foreclosures that are coming.

We indeed say to the Farm Credit System, "Hold off and abate these practices until we can get this bill passed." And you will see that we try to breathe a little bit of health and vigor into the Farm Credit System, and that we would look with great chagrin -- we would look with strong, strong feelings -- if these foreclosures and other actions of that nature continue.

So I say I thank my friends in the Senate for working with me on this farm bill. It was a remarkable learning experience for me. And I think that we have a piece of farm legislation, and if we can hold it in the House, we are going to make some forward motion indeed.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

ROLL:

[Rollcall Vote No. 343 Leg.]

YEAS -- 61

Abdnor	Andrews	Armstrong
Baucus	Bentsen	Boren
Boschwitz	Bumpers	Burdick
Byrd	Chiles	Cochran

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Cranston	D'Amato	Danforth
Denton	Dole	Durenberger
Eagleton	Evans	Exon
Ford	Glenn	Gore
Gorton	Grassley	Hart
Hatch	Hatfield	Hecht
Heinz	Hollings	Inouye
Johnston	Kassebaum	Laxalt
Leahy	Levin	Lugar
Matsunaga	Mattingly	McConnell
Melcher	Nickles	Nunn
Packwood	Pressler	Pryor
Quayle	Riegle	Rockefeller
Sarbanes	Sasser	Specter
Stafford	Stennis	Stevens
Symms	Thurmond	Trible
Zorinsky		

NAYS -- 28

Biden	Bingaman	Bradley
Chafee	Cohen	DeConcini
Dixon	Dodd	Garn
Gramm	Harkin	Hawkins
Heflin	Helms	Kasten
Mathias	Metzenbaum	Mitchell
Moynihan	Pell	Proxmire
Roth	Rudman	Simon
Simpson	Wallop	Warner
Wilson		

NOT VOTING -- 11

Domenici	East	Goldwater
Humphrey	Kennedy	Kerry
Lautenberg	Long	McClure
Murkowski	Weicker	

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SUBJECT: FARMERS & RANCHERS (79%); AGRICULTURE (79%); LEGISLATION (79%); AGRICULTURAL LENDING (79%); AGRICULTURAL LAW (79%); RURAL DEVELOPMENT (59%); EROSION CONTROL (59%); RESEARCH & DEVELOPMENT (59%); RESEARCH (59%); AGRICULTURAL SUBSIDIES (59%); PUBLIC POLICY (59%); LEGISLATIVE BODIES (59%); MUSHROOM PRODUCTION (59%); US STATE GOVERNMENT (59%); PUBLIC DEBT (59%); AGRICULTURAL COMMODITY REGULATION (59%); AGRICULTURE REGULATION & POLICY (59%); APPROVALS (59%); AGRICULTURAL OUTPUT (59%); FAMILY FARMS (59%); AGRICULTURE DEPARTMENTS (59%); TALKS & MEETINGS (59%); PEANUT FARMING (59%);