United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

Vol. 142 WASHINGTON, MONDAY, JULY 22, 1996 No. 108

Senate

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God of all nations, Lord of all life, we thank You that You place within all of us the pursuit of excellence. The longing to be our best is stirred in us as we watch the creative competition of the Olympics in Atlanta. It is inspiring to see men and women press the limits as they go for the gold. Whether it is the 100-meter short run for lasting fame, or the daring high dive with no splash, we look on with renewed desire to live at full potential in our own responsibilities and relationships. We admire the dedication, the sacrifice, the indefatigable practice, the mastery, the joy of the Olympic athletes. Today we join the Nation in cheering Tom Dolan's gallant victory over physical limitations to win the swimming 400-meter individual medley.

Then we wonder about our own discipline in prayer, spiritual growth, and character development. What could happen in our lives if we had the commitment of these runners, gymnasts, swimmers, and team players have to their sport and their nation. Today we want to run the race of our lives, stretching every part of our being toward the high calling of serving You with excellence in our work in Government. Bless the men and women of this Senate and all of us called to work with them as we make this a day to go for the gold of glorifying You with all the intellect of our minds, the passion of our hearts, and the strength of our souls. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able chairman of the Budget Committee, Senator DOMENICI, is recognized.

SCHEDULE

Mr. DOMENICI. This morning the Senate will immediately resume consideration of the reconciliation bill until the hour of 2 p.m. Any Senator still intending to offer an amendment to that bill must do so prior to that time. Under the consent agreement reached on Friday, all previously ordered votes on amendments as well as votes ordered today will begin at 9:30 a.m. tomorrow morning. No rollcall votes will occur today. However, all Senators should be notified that there will be a lengthy series of rollcall votes on Tuesday morning. Also, at 2 o'clock today the Senate will begin the Agriculture appropriations bill, and once again any votes ordered in relation to that bill will occur following the stacked votes at 9:30 a.m. tomorrow morning.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDENT pro tempore. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for the fiscal year 1997.

The Senate resumed consideration of the bill.

Pending:

Faircloth amendment No. 4905, to prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities.

Harkin amendment No. 4916, to strike section 1253, relating to child nutrition requirements.

D'Amato amendment No. 4927, to require welfare recipients to participate in gainful community service.

Exon (for Simon) amendment No. 4928, to increase the number of adults and to extend the period of time in which educational training activities may be counted as work.

Feinstein-Boxer amendment No. 4929, to provide that the ban on supplemental security income benefits apply to those aliens entering the country on or after the enactment of this bill.

Chafee amendment No. 4931, to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Roth amendment No. 4932 (to amendment No. 4931), to maintain the eligibility for Medicaid for any individual who is receiving Medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional Medicaid for families moving from welfare to work.

Chafee amendment No. 4933 (to amendment No. 4931), to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Conrad amendment No. 4934, to eliminate the State food assistance block grant.

Santorum (for Gramm) amendment No. 4935, to deny welfare benefits to individuals convicted of illegal drug possession, use or distribution.

Graham amendment No. 4936, to modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State.

Helms amendment No. 4930, to strengthen food stamp work requirements.

Graham (for Simon) amendment No. 4938, to preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act.

Shelby amendment No. 4939, to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses.

Mr. DOMENICI. Mr. President, let me summarize where we are for Senators and staffers. We have used approximately 16 of the 20-hour statutory time. Amendments can be offered and debated today between 10 a.m. and 2 p.m. The amendments have to be on the general list of amendments agreed to last Thursday.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

As of today, we will have disposed of over 23 amendments. We have had 10 rollcall votes and 13 voice votes. As of Friday night, we have 15 amendments pending for possible votes beginning tomorrow at 9:30, and we could add to that list today as many as another 19 amendments. I am not saying we will, but we could if all of those remaining on the agreed-on list that we agreed on Thursday night are offered today. So it is possible that beginning tomorrow we could have as many as 34 rollcall votes but certainly at least 20, not counting final passage.

It is my understanding that the distinguished Senator from Kentucky [Mr. FORD], is first. It is on that side.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

AMENDMENT NO. 4940

(Purpose: To allow States the option to provide non-cash assistance to children after the 5-year time limit, as provided in report No. 104–430 (the conference report to H.R. 4 as passed during the lst session of the 104th Congress))

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

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 4940.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 250, line 4, insert ''cash'' before ''assistance''.

Mr. FORD. Mr. President, this is an amendment that I think could almost be accepted. Although we could not agree on the Breaux amendment of last week regarding noncash assistance for children, I hope we can agree on this one. One of the reasons welfare reform is so complicated is that it is usually hard to separate the adults on welfare from the children. Many want to get tougher on the adults, especially those who have been on welfare for a long period of time. But I do not hear anyone who says get tougher on children. This amendment separates those issues because it is about how we as a Nation are ultimately responsible for the welfare of our children.

Under the Republican bill, after 5 years, States may not use any Federal block grant money to assist families whatsoever. This applies to cash and noncash benefits as well. The current bill goes much further than H.R. 4, which passed Congress last year and was vetoed by the President. In my view, this makes the bill much tougher on children. H.R. 4 prohibited cash assistance after 5 years. It did not prohibit noncash assistance like vouchers that could be used for clothing or medicine or other needs of our children.

My amendment makes this bill identical to H.R. 4 by allowing States to use Federal block grant funds to provide noncash assistance after adults on welfare have reached their 5-year limit.

If you favor State flexibility, you should support this amendment. Some supporters of this bill have said State flexibility is one of their top priorities, yet on this issue the bill is less flexible than H.R. 4. We say send this welfare reform back to the States, but yet we say: States, do it the way we tell you to do it. That is not flexibility for the States.

The National Governors' Association supports this amendment. This amendment does not increase the cost of the bill, nor add to the deficit. It deals with how the Federal block grant funds allocated to each State may be used. And so, Mr. President, in a letter dated June 26, 1996, the National Governors' Conference urged support for an amendment to apply the time limit in the bill only to cash assistance.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 26, 1996.

SENATE FINANCE COMMITTEE,
U.S. Senate, Washington, DC.

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governors' bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you mark up S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

THE GOVERNORS URGE YOU TO SUPPORT THE FOLLOWING AMENDMENTS:

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (Breaux). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (Breaux). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the Breaux amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Service Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (Breaux). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator Breaux. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements,impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, increase work participation rates, further restrict what activities count toward the work participation rate or change the hours of work required. The Governors' policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirements would limit state flexibility.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE AREA OF WORK

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workfare or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE CHAIRMAN'S MARK IN THESE ADDITIONAL AREAS

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (Breaux, Moseley-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The Governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH.

Mr. FORD. The administration supports this amendment, Mr. President. In a letter dated July 16, 1996, the acting OMB Director urges the adoption of voucher language that protects children.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 16, 1996.

Hon. JOHN R. KASICH,

Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to transmit the Administration's views on the welfare provisions of H.R. 3734, the ''Welfare and Medicaid Reform Act of 1996.'' We understand that the Rules Committee plans to separate the welfare and Medicaid portions of the bill and consider only the welfare provisions on the House floor.

We are pleased that the Congress has decided to separate welfare reform from a proposal to repeal Medicaid's guarantee of health care for the elderly, poor, pregnant and people with disabilities. We hope that removing this ''poison pill'' from welfare reform is a breakthrough that indicates that the Congressional leadership is serious about passing bipartisan welfare reform this year.

It is among the Administration's highest priorities to achieve bipartisan welfare reform reflecting the principles of work, family, and responsibility. For the past three and a half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to create legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent to Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is also pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements that were also included in the bipartisan National Governors' Association and Castle-Tanner proposals. We urge the Committee to build upon these improvements. At the same time, however, the Administration is deeply concerned about certain provisions of H.R. 3734 that would adversely affect benefits for food stamp households and legal immigrants, as well as with the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of working families by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN H.R. 3734

We appreciate the Committees' efforts to strengthen provisions that are central to work-based reform, such as child care, and to provide some additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. H.R. 3734 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding $4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work and protect the health and safety of children in care.

Food Stamps. The bill removes the annual spending cap on Food Stamps that was included in H.R. 4, preserving the program's ability to expand during periods of economic recession and help families when they are most in need.

Child Nutrition. The bill no longer includes the H.R. 4 provisions for a child nutrition block-grant demonstration, which would have undermined the program's ability to respond automatically to economic changes and maintain national nutrition standards.

Child Protection. We commend the Committee for preserving the open-ended nature of Title IV–E foster care and adoption assistance programs, current Medicaid coverage of eligible children, and the national child data collection initiative.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI that was included in H.R. 4, and retains full cash benefits for all eligible children.

Work Performance Bonus. We commend the Committee for giving states an incentive to move people from welfare to work by providing $1 billion in work performance bonuses by 2003. This provision is an important element of the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the National Governors Association (NGA) recommendation to double the size of the Contingency Fund to $2 billion, and add a more responsive trigger based on the Food Stamp caseload changes. Further steps the Congress should take to strengthen this provision are outlined below.

Hardship Exemption. We commend the Committee for following the NGA recommendation and the Senate-passed welfare reform bill by allowing states to exempt up to 20% of hardship cases that reach the five-year time limit.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, requiring minor mothers to live at home as a condition of assistance—in this legislation.

The Administration strongly supports several provisions included in S. 1795, as reported by the Senate Finance Committee. These provisions include: allowing transfers only to the child care block grant, increasing the maintenance of effort requirement with a tightened definition of what counts toward this requirement, improving the fair and equitable treatment and enforcement language, and eliminating the child protection block grant. We urge the Congress to include these provisions in H.R. 3734.

KEY CONCERNS WITH H.R. 3734

The Administration however remains deeply concerned that the bill still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts that were in the vetoed bill—$59 billion over 6 years (including the EITC and related savings in Medicaid) over six years. These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposes the inclusion of a Food Stamp block grant, which has the potential to seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration is also concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work, but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and AFDC, the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on all other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 0.3 million immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires virtually all Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create significant administrative burdens for State, local, and non-profit service providers, and barriers to participation for citizens.

Medical Assistance Guarantee. Even after the proposed removal of the Medicaid reconciliation provisions from H.R. 3734, the Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. Specifically, we are concerned that families who reach the 5 year time limit or additional children born to families that are already receiving assistance could lose their Medicaid eligibility and would be unable to receive the health care services that they need.

Protection in Economic Downturn. Although the contingency fund is twice the size of that contained in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for states that access the fund for periods of less than one year.

State Maintenance of Effort. Under H.R. 3437, States could reduce the resources they provide to poor children. We are deeply concerned that the bill provides the proposed cash assistance block grant with transfer authority to the Social Services Block Grant(SSBG). Transfers to SSBG could lead States to substitute Federal dollars for State dollars in an array of State social services activities, potentially cutting the effective State maintenance of effort levels required for the cash block grant.

Resources for Work. Based on Congressional Budget Office (CBO) estimates, H.R. 3734 would leave states with a $9 billion shortfall over six years in resources for work if they maintained their current level of cash assistance. Morever, the Economic and Educational Opportunity Committee increased this shortfall and cut State flexibility by raising the weekly number of hours that States must place recipients in work activities and increasing the participation rates. The Economic and Educational Opportunities amendments would also create a shortfall in child care funding. As CBO has noted, most states would probably accept block grant penalties rather than meet the bill's participation rates and truly refocus the system on work.

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of the voucher language that protects children similar to that in the Administration's bill and Castle-Tanner.

Worker Displacement. We are deeply concerned that the bill does not include adequate protections against worker displacement. Workers are not protected from partial displacement such as reduction in hours, wages, or benefits, and the bill does not establish any avenue for displaced employees to seek redress.

Family Caps. The House bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provisions in H.R. 3734 that increase the EITC phase-out rates thereby raising taxes on more than four million low-income working families, with seven million children. In addition, the budget resolution instructs the revenue committees to cut up to $18.5 billion more from the EITC. Thus, EITC cuts could total over $2 billion, and such large increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We are also concerned that the bill repeals the Family Preservation and Support program, which may mean less State spending on abuse and neglect prevention activities.

We strongly support the bipartisan welfare reform initiatives from moderate Republicans and Democrats in both Houses of Congress. The Castle-Tanner proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which this Committee should build in order to provide more State flexibility, incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good strong bill that would end welfare as we know it. Castle-Tanner provides the much needed opportunity for a real bipartisan compromise and should be the basis for a quick agreement between the parties.

The President stands ready to work with the Congress to address the outstanding concerns so that we can enact a strong bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. FORD. As I have stated, my amendment makes the bill identical to H.R. 4. If we are serious about passing a welfare reform bill acceptable to both the Congress and the administration, why should we allow this bill to be even tougher on children than H.R. 4 which the President vetoed?

Mr. President, the American Public Welfare Association also supports this amendment. I ask unanimous consent that a copy of a June 26, 1996, letter from APWA be printed in the RECORD.

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

AMERICAN PUBLIC
WELFARE ASSOCIATION,
Washington, DC, June 26, 1996.

DEAR SENATOR: As the Senate Finance Committee considers amendments to S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, the American Public Welfare Association (APWA) urges your commitment to increased state flexibility in the design and implementation of welfare programs in light of the promising reform efforts underway in states throughout the country. Listed below are amendments that may be offered during the Committee's consideration of S. 1795. In accordance with the policies adopted by the APWA, we urge your support or opposition to the following amendments:

AMENDMENTS TO SUPPORT

Calculation of Work Participation Rate (Breaux): An amendment to count clients who leave welfare for work in the work participation rate calculation. States would be permitted to count their participation for the first 6 months they are engaged in at least 25 hours of work per week in a private sector job. APWA strongly supports this amendment to credit states with successfully moving welfare clients off welfare and into private sector employment.

Child Welfare Information Systems (Chafee/Rockefeller): An amendment to extend the enhanced match rate of 75% for federal fiscal year 1997 for the statewide automated child welfare information systems (SACWIS). APWA strongly supports continued funding for SACWIS systems which are critical to improving child welfare services.

Title XX Reductions (Rockefeller): An amendment to reduce the proposed 20 percent cut in the Social Services Block Grant

(Title XX) to 10 percent. APWA urges the adoption of this amendment to reduce cuts in the Title XX Block Grant which states use to provide critical supportive work and family services.

AMENDMENTS TO SUPPORT

Contingency Fund (Breaux): An amendment to clarify the calculation of state maintenance of effort in the contingency fund. APWA strongly supports this clarification of qualified state expenditures for the purpose of calculating state maintenance of effort.

Contingency Fund (Breaux): An amendment to modify the contingency fund to provide that states which access contingency fund during only part of the year are not penalized. APWA strongly supports this amendment to ensure that states do not have their federal match rate for contingency funds reduced if these states only require funds for part of the year.

Child Welfare Services (Chafee): An amendment to retain current law that makes alien children, who do not qualify for AFDC, eligible for IV–E foster care and adoption assistance if they meet the other eligibility requirements. APWA policy supports current law for Title IV–E or its optional block grant proposal for this program. Consistent with this policy, APWA supports retaining this particular provision in current law that has been omitted in the bill.

Five Year Time Limit (Breaux): An amendment to provide states with the flexibility to use Temporary Assistance to Needy Family (TANF) block grant funds as in-kind assistance to children of families which have reached the 5 year lifetime time limit.

AMENDMENTS TO OPPOSE

Work Exemption (Conrad): An amendment to exempt single parents with children under age 11 who cannot find child care from the penalties for refusing to meet work requirements. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Increased Hours of Work (Pressler): An amendment to increase hours of work required per week. APWA opposes this amendment because it fails to provide additional funds for the provision of child care services needed to meet increased hours of work.

AMENDMENTS TO OPPOSE

Decreased Job Search (Pressler): An amendment to decrease the number of weeks job search activities can count towards the work participation rate. APWA supports job search as a valid work activity that should count toward work participation.

Increase work participation rate (Pressler): An amendment to increase work participation rates contained in the bill. APWA opposes this amendment because it fails to provide additional funds for placement, child care and other supportive work services needed to meet increased work participation rates.

Work Participation Rate Penalties (Gramm): An amendment to impose an additional 5 percent penalty on states for consecutive failure to meet the work participation requirements. APWA opposes this amendment to increase penalties on states beyond those contained in the bill.

Work Participation Rate (Gramm): An amendment to limit to one year the exception to the work participation rate calculation for families with children under 1 year of age.

Exemption (Gramm): An amendment to allow states to exempt families with children under 1 year of age from the work requirement, but require that such exempt families count for purposes of determining the work participation rate. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Work Requirement (Gramm): An amendment to increase the work requirement on families if they receive federally funded child care assistance by: 1) 10 additional hours a week for a single parents and b) 30 hours per week for the nonworking spouse in a two-parent family. APWA opposes this amendment because it fails to recognize the additional funds required for placement, child care and other supportive work services needed to meet increased work requirements.

Paternity Establishment (Gramm): An amendment to strengthen the requirements for paternity establishment as a condition for receiving benefits, with a state option to exempt as much as 25% of the population. APWA believes states should have the option to impose this requirement, but it should not be a mandate.

Hardship Exemption (Gramm): An amendment to limit the hardship exemption from the five year lifetime time limit to 15 percent from the 20 percent exemption in S. 1795. APWA supports the hardship exemption of at least 20 percent of the entire caseload.

Thank you for your consideration of these APWA positions. If you have any questions, please feel free to contact me or Elaine Ryan at (202) 682–0100.

Sincerely,

A. SIDNEY JOHNSON III,
Executive Director.

Mr. FORD. Mr. President, we can keep the restriction on cash assistance after 5 years, but let us not take a step backward and prohibit all forms of noncash assistance. This prohibition is aimed directly at our children, and I think it is misguided.

If we want a welfare reform compromise, if we want to avoid being unnecessarily harsh on our children, if we want to maximize State flexibility, we should pass this amendment. It is supported by the National Governors' Association, and it makes the bill identical to H.R. 4, which passed the Congress last year. It does not add to the cost of the bill and it promotes State flexibility.

During the conference last year, the Governors lobbied hard for this particular amendment. I know none of my colleagues take these decisions lightly, but I hope you will remember that each one of us will be forever wedded to these decisions. We are essentially providing a road map for the future, the futures of hundreds of thousands of children in this country. Make no mistake about it, 5 or 10 or 15 years from now, when these children have become young adults, you and I must take some responsibility for their successes or failures.

Of course, they will have their setbacks, just like you and me. But let us assure that those setbacks are not set in motion by the decisions we make today. By passing this amendment, I believe one day each of us can look at our future parents, doctors, lawyers, farmers and teachers, taking pride in our role to assure they grew up with a safe place to sleep at night, clothes on their backs, and food in their stomachs.

If we fail to pass this amendment, the children who become trapped in lives of mediocrity or fall through the cracks to obscurity will belong to us as well.

Mr. President, I ask unanimous consent a letter from my Governor in Kentucky, who is now part of the leadership of the National Governors' Association, supporting this amendment be printed in the RECORD at this point.

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

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR,
Frankfort, KY, July 18, 1996.

Hon. WENDELL FORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As the Senate begins its welfare debate this week, I understand you plan to offer an amendment that would allow states to use federal block grant funds to provide non-cash assistance to the children of welfare families, after a family has reached the proposed five-year lifetime limit on benefits. I am writing to offer my full support of that amendment.

Welfare has always been a federal-state partnership and responsibility. The federal government must continue to assist states' efforts to support children of welfare parents. To abandon these children after any amount of time is a horrible breach of this partnership and adds up to nothing but an over-burdensome unfunded mandate on the states. As a nation, we have committed ourselves to protecting the lives and well-being of the innocent. In this case, we are talking about the most innocent of all—our children.

Any welfare reform legislation must include provisions to move recipients to work. I support a tough and responsible approach that makes welfare recipients work and urges them to move off the program. However, any welfare reform must also continue to provide a safety net for those recipients' children. These children have no control over the direction of their young lives.

It is also conceivable that in a span of 20–30 years, a hard working family trying to carry their own weight in our society and provide for their families could fall on hard times during downturns in the economy. It would be particularly unfortunate to punish these families who are attempting to contribute to society but who from time to time need limited assistance.

Therefore, I fully support your amendment to insure the federal government does not shirk its responsibility to our children and lay an inappropriate fiscal burden on the states. You will find that other governors across the nation will also support this action. The National Governors' Association, in a June 26 letter to Congress, expressed its support for the content included in this amendment. Congress should defer to this bipartisan support from the nation's governors. After all, it is we governors who will be charged with implementing any national welfare reform program.

Thank you and please contact me if I can be of any further assistance on this matter.

Sincerely,

PAUL E. PATTON.

Mr. FORD. Mr. President, the Catholic Bishops' Conference supports this amendment. I ask unanimous consent a letter from the Catholic Bishops' Conference in support of my amendment be printed in the RECORD.

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

U.S. CATHOLIC CONFERENCE,
Washington, DC, July 17, 1996.

DEAR SENATOR: The Catholic Bishops' Conference has long suggested genuine welfare reform that strengthens families, encourages productive work, and protects vulnerable children. We believe genuine welfare reform is an urgent national priority, but we oppose abandonment of the federal government's necessary role in helping families overcome poverty and meet their children's basic needs. Simply cutting resources and transferring responsibility is not genuine reform.

As Chairman of the Domestic Policy Committee of the United States Catholic Conference, I share the goals of reducing illegitimacy and dependency, promoting work and empowering families. However, I am writing to you to express our concern about provisions in S 1795, (Senate Budget Committee's Reconciliation report S 1956), which would result in more poverty, hunger and illness for poor children. As the Senate considers this bill, we strongly urge you to support amendments in five essential areas.

(1) FAMILY CAP

We urge the Senate to support efforts to *remove the family cap* which denies increased assistance for additional children born to mothers on welfare unless state law repeals it. See the attached briefing sheet on why the ''opt out'' is effectively a mandatory cap which the Senate rejected on a bipartisan basis 66–34. We urge the Senate again to reject this measure which will encourage abortions and hurt children.

We believe the so-called ''opt-out'' provision is, in reality, a federally mandated family cap because it can only be removed by the unprecedented and extreme requirement that both houses of a state legislative pass and the Governor sign a law repealing the federal mandate. The Bishops' Conference's opposition to the family cap is based on the belief that children should not be denied benefits because of their mothers' age or dependence on welfare. These provisions, whatever their intentions, are likely to encourage abortion, especially in those states which pay for abortions, but not for assistance to these children. These states say to a young woman, we will pay for your abortion, but we will not help you to raise your child in dignity.

New Jersey is the state with the most experience with a family cap. In May 1995, New Jersey welfare officials announced that the abortion rate among poor women increased 3.6% in the eight months after New Jersey barred additional payments to women on welfare who gave birth to additional children. This increase is exactly what pro-life opponents of the family cap predicted. A study conducted by Rutgers University also has shown that the New Jersey law barring additional payments to welfare mothers who have more children has not affected birthrates significantly among those women. The study refutes several earlier announcements that birth rates among New Jersey welfare mothers had dropped dramatically since the state implemented the policy in 1992. While state officials recently reported a drop in the birth rate among welfare mothers, officials are wary of linking this deline with imposition of the family cap.

Although these results are prelimary, the abortion increase coupled with the absence of an association between the family cap and birth rates suggest that the policy of denying children benefits doesn't do much to reduce illegitimate births except by increasing abortions.

On a related matter, we support efforts to assure that teen parents are offered the education, training and supervision necessary for them to become good parents and productive adults. We also believe that teen parents should be discouraged from setting up independent households and endorsed this approach in our own statement on welfare reform.

(2) NATIONAL SAFETY NET

We urge the Senate to permit states to provide vouchers or cash payments for the needs of children after the time limits have been reached. The Senate bill cuts off all assistance after two consecutive years on welfare and five years in a lifetime, regardless of the efforts of the family or the needs of children.

We support more creative and responsive federal-state-community partnership, but we cannot support destruction of the social safety net which will make it more difficult for poor children to grow into productive individuals. We cannot support reform that destroys the structures, ends entitlements, and eliminates resources that have provided an essential safety net for vulnerable children or permits states to reduce their commitment in these areas. Society has a responsibility to help meet the needs of those who cannot care for themselves especially young children. In the absence of cash benefits, vouchers would provide essential support for poor children.

(3) FOOD AND NUTRITION

We urge the Senate to remove the optional state block grant and reduce the cuts in food stamps. The Senate bill cuts more than $25 billion in food assistance to poor children and families, permits a state block grant of the federal food stamp program, and cuts single adults (18–50) from food stamps even if they have made every effort to find a job or a training slot.

We cannot support ''reform'' that eliminates resources that have provided an essential safety net for vulnerable families and children. Over half the cuts in this bill are in the Food Stamp program. These cuts will likely create an even greater burden on children and families when coupled with other changes called for in this bill. The optional food stamp block grant also troubles us. These fixed payments will make it difficult for states to respond to increased need in times of economic downturns.

(4) EARNED INCOME TAX CREDIT

We urge the Senate to reduce the cuts in the EITC. S 1795, as passed by the Finance Committee, includes $5 billion in EITC cuts, nearly 40% coming from the credit for low-income working families without significant assets. These reductions would affect nearly five million families with children.

We support real welfare reform which leads to productive work with wages and benefits that permit a family to live in dignity. Real jobs at decent wages, and tax policies like an effective Earned Income Tax Credit [EITC], can help keep families off welfare.

(4) LEGAL IMMIGRANTS

We urge the Senate to permit legal immigrants to receive essential benefits and at the very least to receive health care through Medicaid. The Senate bill denies assistance to all legal immigrants in ''means-tested programs'' (i.e., AFDC, Medicaid, Food Stamps). We urge the Senate to reject this unfair provision and, at least, substitute the less punitive restrictions contained in the recently passed Immigration bill (i.e., permit Medicaid assistance, etc.).

We cannot support punitive approaches that target immigrants, including legal residents, and take away the minimal benefits that they now receive. The provisions in the Immigration and Reform Act of 1995 [H.R.2202] would at least leave fewer families and children without essential health care and cash supports, even though these provisions go beyond what the bishops would support.

In summary, we urge you to support genuine welfare reform, not this legislation which simply reduces resources and reallocates responsibilities without adequately protecting children and helping families overcome poverty. Without substantial changes, this legislation falls short of the criteria for welfare reform articulated by the nation's Roman Catholic bishops and we urge you to oppose it.

Sincerely,

REV. WILLIAM S. SKYLSTAD,
Bishop of Spokane,
Chair, Domestic Policy Committee.

Mr. FORD. Mr. President, the Catholic Conference of Kentucky has written a letter endorsing and supporting my amendment. I ask unanimous consent it be printed in the RECORD also.

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

CATHOLIC CONFERENCE OF KENTUCKY,
Frankfort, KY, July 19, 1996.

Senator WENDELL FORD,
Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As you are well aware from previous correspondence with the Catholic Conference of Kentucky, the Bishops have major concerns about the welfare reform legislation which passed the House on Thursday. The United States Catholic Conference Office of Government Liaison has informed staff that the Senate is expected to take this up immediately. On behalf of the Bishops, I'd like to touch upon key issues with you.

The Family Cap, which your voting record has been perfect on, will prohibit states from using federal funds to provide cash assistance to children born to current welfare recipients. The ''opt-out'' provision is virtually a federal mandatory cap. We ask you to continue to support removing this prohibition on Kentucky's use of federal funds for Kentucky's children.

The Social Safety Net would no longer exist as this bill ends the guarantee of basic assistance to poor children and families. Please support any amendments which would allow Kentucky to meet their needs through continued support either as cash payments or vouchers when they reach the time limit.

The Food Stamp program would experience massive spending reductions. Please support any amendments to remove the optional food stamp block grant and ease the harshness of the provision which terminates food stamps to individuals, 18 to 50 years old, who cannot find work.

Legal Immigrants would be denied benefits when, despite their contributions through work and taxes, they fall on hard times. Please support any amendments which would permit legal immigrants to receive benefits and, at the very least, to receive health care though Medicaid.

We know that the debate will be heated and the rhetoric will flow, but we know that Kentuckians can look to their Senior Senator for balance. Thanks so much for your consideration of these matters and for all that you do for us in Washington, D.C. Please do not hesitate to call if you have questions concerning any of this. See you at Fancy Farm!

Sincerely,

JANE J. CHILES.

Mr. FORD. So, Mr. President, I think this amendment moves us closer to compromise. I urge the adoption of my amendment. As I said earlier, this is

one that ought to be accepted. The distinguished former Governor of New Hampshire, on the floor of the Senate last week said, as it related to the Breaux amendment, he did not like the first half, but the second half of the amendment he liked very much, which is basically the amendment I offered here today.

I yield the floor.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee is recognized.

Mr. DOMENICI. Mr. President, as I understand it, nothing we are doing here today precludes us from raising a point of order on this amendment?

The PRESIDENT pro tempore. The Senator is correct.

Mr. DOMENICI. If one lies. We are not sure at this point. We are going to go see if it does.

Mr. FORD. If I may say to my friend, Mr. President, the point of order would lie against the Breaux amendment. But in talking with the Parliamentarian and others, this particular amendment would not have a point of order against it. I hope the Senator would not do that.

Mr. DOMENICI. We are not going to do that unless it lies. If it lies, we will do that.

Mr. FORD. Fine. Let us find out.

Mr. DOMENICI. Let me say, the arguments have been made more eloquently than I can make them. As I understand it, tomorrow, when this matter comes up for a vote, we will each have a minute to respond. I think I will not respond at this point other than to say clearly there are benefits beyond the cash assistance benefit that is being modified here. That program called AFDC, the cash assistance, we are trying to terminate that as a way of life after 5 years. That does not mean that other programs that assist people who are poor, including poor children, are terminated by this bill. So voucher-type programs in the housing area and others are still going to be available.

The question is, Do you want to break the cycle of dependency in this basic AFDC Program at 5 years, or do you want to break that and then start up another one? That is the issue. Do you want to start up a whole new bureaucracy of vouchers and the like, or do you want to break that dependency and get on with changing the very culture of the welfare system.

I think part of that is what this amendment addresses. We will have to decide as a Senate what we want to do about that.

I yield back any time I have in opposition to the amendment at this point. I assume the Senator is going to yield his back shortly, I say to my colleague?

Mr. FORD. Yes, I will.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

Mr. FORD. Mr. President, flexibility by the Governors of the various States, I think, is very important. Regarding the Governors who will be responsible for this, their association has asked they be allowed to do this without being cut off.

Last week they said this amendment would be unnecessary because States can already use title XX money, the social services block grant, to fund these vouchers. Social services block grant, title XX, is simply inadequate to meet those needs. Title XX has been funded at essentially the same level since 1991. There is a greater demand on these funds today than ever before.

Title XX funds are used to provide—now listen to this—title XX funds are used to provide aid to the homebound elderly. What the opponents of this amendment are saying to States is: Choose between your homebound elderly and your poorest children, but do not expect any State flexibility to use your welfare block grant. That is what they are saying.

I have never seen and heard people being against poor children as I have heard for the last several days. Everyone says to Governors, to whom we want to give flexibility and give this block grant to, that you cannot have flexibility with children. It just does not make sense. I have been a Governor. We have had hard times. My State is one of the States that has not asked for a waiver. Our welfare rolls are down 23 percent. It is because of the economy, basically. We still have about 14 or 15 counties that are in double-digit unemployment. They have problems.

What if we have an economic downturn? We are going to need all the flexibility in the States we can have. But we come here and listen, day after day after day: ''There are other programs you can use. You can use title XX,'' the Republicans said last week. But that is aid to the homebound elderly. Are you going to force a Governor to make the decision between the homebound elderly and our poorest children? Do not expect any State flexibility to use your welfare block grant, Governor.

Title XX block grants are also used for preventing or remedying neglect, abuse, exploitation of children unable to protect their own interests, like preventing or reducing inappropriate institutional care by providing community-based or home-based care, or other alternatives. That is title XX.

Why not give the Governors and the States the flexibility they are asking for? All we are doing is just returning this bill to the same position as H.R. 4, in the last session, that most people on the other side voted for.

Now we say, ''Oh, they've got other places.'' This bill allows States to exempt 20 percent of the welfare rolls, it does not count time spent on welfare as a minor—it allows all these things. But after 5 years, you are through. Period.

If you are going to give them the welfare block grant, they ought to have an opportunity. It is just beyond me, after you work your heart out to try to eliminate poverty in your State and your counties and your cities and you know what needs to be done, that we say up here, for sound bites—sound bites—we are going to give it back to the States, but we are going to tell the States how to do it. That does not make sense to a former Governor. It does not make sense. If you are going to put the responsibility on my back, if you are going to put the responsibility on a Governor somewhere, give him the ability to make decisions and not strip him of that ability, do not keep him in a box where he cannot reach out and help children.

That is all I am asking for, Mr. President, is the ability of a Governor to have flexibility to use the money that we send to him, and it will be shorter than it is this year. Do not kid yourself about title XX. It has not been increased in 5 years. It is the same amount of money, and we are growing—more people. The percentage of elderly is growing every year, but we are not sending any more money. It is the same amount. It has been level, it has been flat for 5 years, and they say, take it out of title XX, take it out of homebound elderly, and give it to the poorest of children? That is a heck of a choice to give to an individual who has the responsibility of leading his State.

So, Mr. President, I hope that my colleagues will join with me in saying to those Governors out there, ''We're going to give you a very heavy load to carry, and that load is trying to work out welfare reform and make it work in your State.'' Let's not handcuff him or her. Let's give him or her the flexibility to do what is in the best interest, particularly for children.

I yield the floor.

I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee.

Mr. DOMENICI. I yield back the remainder of my time.

I gather now, under previous arrangements, Senator ASHCROFT is going to offer an amendment. Mr. President, is the Senator ready?

Mr. ASHCROFT. Yes, I am.

The PRESIDENT pro tempore. The junior Senator from Missouri is recognized.

Mr. FORD. Will the Senator yield for 10 seconds? I apologize for this.

Mr. ASHCROFT. No problem at all.

Mr. FORD. Mr. President, I ask unanimous consent that Senator REID be added as a cosponsor of my amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. I thank the Senator from Missouri.

The PRESIDENT pro tempore. The able Senator from Missouri is recognized.

AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship, and that a family may not receive TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school or such adult does not have, or is not working toward attaining, a high school diploma or its equivalent)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk for consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4941.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), and insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS; FOR FAILURE TO ENSURE MINOR DEPENDENT CHILDREN ARE IN SCHOOL; OR FOR FAILING TO HAVE OR WORK TOWARD A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance—

(i) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government—

(I) for 60 months (whether or not consecutive) after the date the State program funded under this part commences; or

(II) for more than 24 consecutive months after the date the State program funded under this part commences unless such adult is engaged in work as required by section 402(a)(1)(A)(ii) or exempted by the State by reason of hardship pursuant to subparagraph (C); or,

(ii) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, unless such adult ensures that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside; or,

(iii) to a family that includes an adult who is older than age 20 and younger than age 51 who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A)(i), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A)(i) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

Mr. DOMENICI. Mr. President, I say to the Senator from Missouri, do we have a copy of the Senator's amendment?

Mr. ASHCROFT. The Senator will be pleased to send a copy of the amendment to the Senator from New Mexico.

The Senator from Missouri inquires, should we be operating under a time agreement here?

Mr. DOMENICI. We do not have to. I know of no other Senator prepared to offer an amendment. Take as much time as you like. You are entitled to an hour.

Mr. ASHCROFT. I am sure we will be able to accomplish what we need to accomplish in substantially less time.

Mr. President, thank you for this opportunity to offer an amendment. I believe that it is important for us in this Congress, and in the bill which is before the Senate, to change the character of welfare. That is the challenge which is before us. We have to change a system which has provided people with a condition—a condition of dependence, a condition of relying on others, a condition which has been a trap—and we need to change welfare from being a condition to being a transition.

The welfare situation should be a time when we prepare ourselves for the next step in our lives, when we prepare ourselves to be out of dependence and out of reliance on others, we prepare ourselves to be industrious, to be independent and reliant upon ourselves.

Welfare cannot be something that is a lifestyle. It has to be something that is just for a while. It has to be something that moves us forward. I believe there are fundamental components of this bill which will do that, but we can enhance them substantially in their capacity to change the character of welfare, to change it from a way of life, to change it to a way of escape, to change it from a lifestyle, to change it to being a transition, to change it from a condition to being a transition.

Mr. President, according to Senator MOYNIHAN, the average welfare recipient spends 12.98 years on the rolls. That is a substantial and monumental waste of human resource. We have individuals who are reliant, who are dependent, whose level of contribution and productivity in our culture is very, very, very low, and that 12 years is a teaching time as well as a time of existence.

Unfortunately, that 12 years becomes a time when young people are taught dependence instead of independence. They are taught reliance on Government instead of self-reliance.

One of the things we should ask ourselves about everything we do in Government is: What does it teach? What does it reinforce? What basic principles and values are advanced by it? And a welfare system that provides for 12.98 years as the average time a welfare recipient spends on the rolls—what about those that are on there longer? This is not teaching something that is valuable to our culture. We need to be reinforcing, providing incentives for support for a system that does not institute a condition for life, making a career of welfare, but energizes a transition for life, leaving welfare and going to work.

The 12.98 years is reflected in the fact that we have had soaring rates in the kind of social conditions that intensify the challenge and the condition of welfare—a 600-percent increase in illegitimacy over the last three decades. I think we can agree that the welfare system we now have is a miserable failure, but if we do not build into this system things to change the outcomes, we are going to end up with the same problems just being tougher and tougher to solve.

Industrialist friends of mine tell me that whatever system you have, you can be assured that it is perfectly designed to give you what you are getting, and if you do not like what you are getting, you need to change the system.

This welfare bill that we are debating today will shorten the time from 12.98 years down. It will limit most welfare recipients to a 5-year lifetime limit on temporary assistance to needy families.

The big challenge of the 12-year problem is, What kind of habits do you build in 12 years?

I suspect that if you involve yourself in a routine for 12 years, it is very difficult ever to break that routine. Sociologists tell us, if you want to lose weight—that is one of the things I want to do—they say you have to change your habits for about 6 or 7 weeks in order to have a new habit of diet, a new way to consume food. We are talking about changing habits that people have hardened for 12.98 years on average.

One of the problems I have is that we have said we are going to change this by shortening the time period to 5 years. Well, 5 years will build a habit which is so strong that it is almost impossible to break. I think we need to find a way to restructure the system so that everyone looks at that 5-year period as if it is an insurance policy and they do not want to take any more out of that bank of 5 years than they need to at the moment because there might come a time sometime later in life when they would have a desperate need for assistance. I believe that is what we need to do.

So we need to help people understand that there is 5 years. That is a lifetime limit. You should only draw from that savings account or reserve for emergencies what you desperately need and not use that 5 years as a way to create the habit of dependence which will be almost impossible for you to break.

But this bill would allow for most individuals 5 years—5 years—without work. Five years without work would build such a habit that I believe we would nearly disable the individuals, as we have with our current system.

I was stunned when I read in one of my home State papers last year that there was an experiment under a waiver granted by the Federal Government where they invited 140 welfare recipients to show up at a Tyson Foods plant. Only half of them showed up for work. They were invited to come in to look for a job. Of the half that showed up, only 39 accepted jobs. Of the 39 that accepted jobs, fewer than 30 were on the job a week after.

See, what we have done is we have built habits. We have established a condition for welfare. We do not have welfare as a transition, as a place of movement; it has become a place of repose. I believe we need to change that. For us to say that, even under this bill, which is a significant reform, for us to say that we would allow people to have 5 straight years without work, where your self-esteem or your skills, your motivation would atrophy, would wither—if you do not use a muscle for 5 weeks, it gets weak. If you do not do not use it for 5 months, it almost disappears. If you do not use it for 5 years, it is gone.

We have here the most important muscle in human character—self-esteem, skills, motivations. We are still providing in this bill that for as long as 5 years you can simply be there not working. The bill, as it stands, requires 15 percent of the unexempted population to work in the first year period, and 25 percent in the second year period—25 percent. That is one out of four. So for three out of four, they could go right by the first 2-year period and not even be involved in work.

I believe, though, as a result of this, that welfare recipients, other than that 25 percent who actually went to work, could just choose to coast along for the full 5 years of benefits with no additional incentive to get a job. I think that is where this bill needs correction. It needs dramatic correction.

I propose to amend this welfare bill to allow welfare recipients, able-bodied welfare recipients without infant children, to collect only 24 months of consecutive temporary assistance-to-needy-families benefits. At the end of those 2 years, if the recipient still refuses to work, I say, cut the benefit. What this really does is not result in cut benefits; this results in more people being willing to work.

Instead of saying to an individual who gets on welfare, if you work the system, you can last for 5 years, create the habits of reliance, create the habits of repose, reject the habits of industry and work; this would basically say, you better get to work, learning to get a job right away, because after 2 years, in spite of the fact that there is a 5-year lifetime limit, there is a 24-month consecutive receipt-of-benefit limit for able-bodied adults without infant children.

If a welfare recipient then decides not to work in the 2-year time span, the payment would cease. By doing this, we simply hope to inject a concept which is too novel which ought to be commonplace. That is the concept that work is beneficial and that it pays better and is better than welfare. Otherwise, we are simply going to be tempting people to stay on and approximate, or approach at least, as much as they can of the 12.98 years of time on welfare, which is now a debilitating and disabling influence in the American culture for too many Americans.

Our intention is to leave the time period between any times you consume your 24 consecutive months total up to the States, so that recipients could not leave the welfare rolls and sign up again a week later. I think States could make these judgments about what kind of interval that would be needed between the 24-month periods. Our central point, our responsibility here, is to say that we want to provide as part of the structure of our reform the energy to change, legislation that changes welfare from being a lifestyle to being a transition. We want to start to energize a commitment on the part of recipients to make the changes in the way they live so that they avoid prolonged exposures to the welfare system and find themselves at an earlier time being capable of sustaining themselves.

We want welfare recipients to look at this 5-year period as a lifetime cushion, not to be consumed in the first need or the second need, hopefully never to be consumed. Our objective should be that no one ever bumps the 5-year limit. Our objective should be that we energize people to go to work so quickly and so enthusiastically that they maintain their reserve to the day they die.

Permitting able-bodied welfare recipients to remain on assistance for a straight 5-year-long block of time simply would reinforce, reteach, perpetuate, and underscore the current cycle of dependence. We need to stop this cycle of dependence, not just for individuals, but for what it teaches to our children. Welfare has become an intergenerational phenomenon, where people are on so long that their children grow up knowing only one lifestyle—it is welfare. By limiting the uninterrupted block of time that welfare recipients remain on the rolls, we will reduce the level of dependence on government assistance.

Welfare can be habit forming, and has been habit forming. It can be addictive. It can be destructive, and it has been. We need to take the structural components of the welfare system, which are dehumanizing, demeaning and disabling, out of the system. We need to energize each individual to view welfare as transitional. We should do that by saying there can be no more than 24 consecutive months on welfare for any able-bodied individual without infant children, unless they will work.

I just indicate that on Tuesday of this last week President Clinton ordered that in case we do not pass welfare reform in the next few months, the Department of Health and Human Services will give States the power to cut off benefits if an able-bodied adult refuses to work after 2 years. This is not a Draconian message. This is a message and this is a concept called for by the President of the United States.

For us to deliver a welfare system back to the American people which reinforces, underlines, and strengthens the bad habit of long-term dependency would not only be an affront to the American people, but it would be our failure to respond to a President who has asked us to do much better. There is something much better that we should be doing, and something we can do. If we want to break the long-term aspects, the intergenerational aspects of welfare, we have to be a part of this teaching idea in a real way.

When I was Governor of the State of Missouri and I had the great privilege of serving the people of my State, we came to Washington to ask for a waiver, a waiver from the regulations of the Federal Government. The waiver was simply this: We said, please give Missouri the right to say to welfare recipients, if you do not make sure your kids are in school, you will not get your full benefit. It was a way of saying welfare is not a place where you can throw responsibility to the wind. It was a way of saying, if you are a parent, you have to be responsible for at least some fundamental basic things, like getting

your kids to school, because we do not want your kids to stay at home and learn welfare, we want your kids to go to school and learn how to be productive. We were able to get that waiver. The program was called People Attaining Self-Sufficiency, PASS. PASS had some reference to school. We wanted kids to pass in school by having good attendance.

I think there is another part of the structure of welfare reform that we should embrace as we send the bill to the President of the United States. We should not have to have States coming to Washington, waiting 2 or 3 years, filling out enough paperwork to choke a horse in order to have the privilege of saying to people, ''We expect you to make sure your kids are in school or we are not going to make sure your check is in the mail.'' It is that simple. It is very fundamental. If you are on welfare, your kids should be in school, because it is especially important to break the intergenerational chain of dependence. Part of this measure is to make sure we say to the individuals, ''You have some responsibility.''

Another important concept of this amendment is that it would allow States to require temporary assistance to needy families and food stamp recipients to either have a high school education or work toward attaining a high school education. It is my judgment that it is not very realistic to say to people, ''We are sending you to work, but you do not have to have the kind of fundamental and basic skills that come from education.'' I am not talking about worker training here, I am talking about education. I am talking about the fact that an educated person can read the manual and train himself or herself. I am talking about the fundamental responsibility of culture, not the responsibility of a business to train people to do its business. I am talking about the fundamental responsibility of a culture to train its citizens by way of education.

Education is different, really, from training. Education is the basis upon which training builds. A person who cannot read or write will have a hard time, no matter how much training she gets. I believe if a person is going to be receiving this assistance that we need to say to them, ''You are going to have to invest in yourself to the extent of having a high school education or a general equivalency diploma. The truth of the matter is you have a responsibility, and you have to be prepared to meet that responsibility.''

As a matter of fact, this is a far more important thing than it has ever been before, because once we put a time limit on these matters, we need to energize people to be ready in order to fend for themselves when the time limit has expired. I hope we will have a 2-year time length on consecutive months of benefits, 24 months, and I believe in a 5-year lifetime benefit, as well. With that in mind we will have to make sure that people can fend for themselves at the expiration of that time.

Mr. President, I reserve the balance of my time, but I am happy to yield back my time on the amendment when all time is ready to be yielded back.

Mr. LEAHY. Mr. President, I see the distinguished chairman of the Budget Committee on the floor; is he seeking recognition?

Mr. DOMENICI. I wondered who on the Democratic side was going to oppose this amendment.

Mr. LEAHY. Mr. President, I was going to make a general statement. I will be introducing an amendment later. I was going to be making a short but general statement, if there is no objection to that.

Mr. DOMENICI. Mr. President, might I ask staff, perhaps they could confer with Senator LEAHY.

Is there somebody on your side that wants to respond to this amendment?

Mr. LEAHY. Mr. President, I say to the distinguished Senator from New Mexico, I came to the floor because there was not anybody on the floor at this moment. I notice there that have been some quorum calls. I thought rather than hold up anything later on, as I would take probably less time than it would take now in discussing this, if I could just make a couple of comments about the nutrition aspects of the reconciliation bill.

Mr. DOMENICI. Mr. President, I have no objection if the distinguished Senator from Missouri has no objection to temporarily setting this aside while the Senator from Vermont proceeds.

Mr. LEAHY. Mr. President, I wish to speak just briefly on matters involving nutrition aspects of the reconciliation bill. I will, later on, have amendments in that regard. It seems like this was a good time to speak.

Mr. DOMENICI. Mr. President, we need not set anything aside, but give him unanimous consent to proceed on a matter not related to this amendment.

The PRESIDING OFFICER (Mr. MCCAIN). The unanimous-consent request by the Senator from New Mexico is agreed to, and the Senator from Vermont is recognized to speak.

Mr. LEAHY. I thank my distinguished friend from New Mexico, the distinguished Presiding Officer from Arizona, and the distinguished Senator from Missouri.

Mr. President, my message today is very simple—my concern is that the nutrition cuts in the reconciliation bill are going to make children go hungry if they are allowed to stay as they are.

At the beginning of this Congress, I attacked some of those people with the Contract With America crowd because they wanted to repeal the School Lunch Act, at that time in the name of balancing the budget. I also attacked them because they wanted to repeal the school breakfast program and then they wanted to repeal the summer food service program. I am not sure why they did that, but it was interesting to see how the American public reacted. They reacted with outrage.

Now I am afraid that the same American public is being fooled, because these nutrition cuts are now being made in a reconciliation bill. The same nutrition cuts that could not be made frontally are going to be made indirectly in the reconciliation bill.

It appears to me that the Contract With America crowd has totally abandoned its effort to balance the budget. Now they will settle for just taking food from children. The amendment to strike Medicaid without an offset means that senior citizens vote, but it shows they understand that children do not vote. If children could vote, there is no doubt in my mind these nutrition cuts would not be in this bill. In fact, if children could vote, the nutrition cuts that cut the school lunch, school breakfast, and summer reading programs would not even be attempted.

Nationwide, the nutrition cuts will take the equivalent of 20 billion meals from low-income families over the next 6 years. Children do not have political PAC's. Children do not vote. But now we find out what happens, children are the ones that will be hurt by these cuts.

If these cuts had something to do with balancing the budget, or were part of a larger effort to balance the budget, that would at least provide some justification. These programs that the Republican majority propose in child care food programs, these cuts hurt preschool-age children in day care homes in my home State of Vermont and in the rest of the Nation. Families with children will absorb at least 70 percent of the food stamp reductions. The impact on Vermont will be significant. The average food stamp benefit will drop to 65 cents per person per meal. Defy anybody to eat at 65 cents per meal. I think parents will have a very difficult time feeding hungry children on a 65-cent budget. I remember my three children when they were going up could eat you out of house and home. They certainly could not be fed on 65 cents a meal.

Most of these food stamp cuts are done cleverly. There is $23 billion that comes from provisions that alter the mathematical factors and formula used in computer software, so nobody sees or figures it out. But the end result is there are lower benefits for children.

Children will go hungry because new computer programs are used. These hungry children will not even know they have been reformed; neither will their parents. All they will know is they are going to be a lot, lot hungrier once the computers turn on.

Over 95 percent of the cuts in nutrition programs are unrelated to welfare reform. Most cuts are simply implemented by computer software. I do not know how that represents reform—unless somebody feels that a computer can think and feed and knows hunger, and a computer can recognize hungry children.

In fact, in a couple of years, hunger among Vermont children will dramatically increase under this bill. As it is

now written in the nutrition areas, it is antifamily, antichild, it is mean-spirited, and it is really beneath what a great country should stand for. It takes food from children, and it does virtually nothing to reform or improve nutrition programs. In fact, it is not even an attempt to balance the budget, so we can at least say we are doing that for the children in future years.

A lot of talk was made last year about the Contract With America and about how the budget will be balanced with real cuts. I said at that time that I did not think the people who were ''talking that talk'' would ''walk the walk'' by making the real cuts. I was right.

That net result of this Congress will be that the Agriculture Committee baseline is greatly reduced, and that other committees will get away without contributing a penny, let alone their fair share, toward balancing the budget. But what that means is, when it works its way down, it works its way down to children. Why? As I said before, children do not vote, children do not contribute to PAC's, children do not hire lobbyists, children do not get involved in campaigns. So children will go hungry. It is as simple as that. Everybody else gets protected.

The distinguished chairman of the Budget Committee was on the floor here a minute ago. I remember when he came before the Agriculture Committee in 1990. He called the Food Stamp Program ''the backbone of our way of helping the needy in this country.'' I agreed with Senator DOMENICI when he said that. But now that backbone is being broken in this bill. In a couple of years, there will be a stream of news stories about hungry children standing in lines at soup kitchens, because over 80 percent of food stamp benefits go to families with children.

Let us not have a bill that punishes children because they cannot vote. Let us do what the distinguished Senator from New Mexico said in 1990. Let us remember our children. Let us remember the Food Stamp Program, which, as he said so eloquently, ''is the backbone of our way of helping the needy in this country.''

So, Mr. President, I will have amendments later on to improve this, unless improvements are made before that time. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I understand that the Democratic side will have no one responding to the Senator from Missouri. If the Senator finishes, he can yield back the remainder of his time, and we will ask that they yield back any time they have, and the Senator's amendment will be final, unless the point of order lies, and the Senator will have time tomorrow to explain it.

I appreciate the comments of the distinguished Senator from Vermont. I say, however, that statements I made with reference to food stamps should not mean that the Senator from New Mexico does not think that, from time to time, we must look at the program, because it is frequently abused and abused in many ways. We have lent ourselves to some of that abuse by the way we have written the law.

I know we are setting about in this bill to reform food stamps and make sure that it is less fraudulently used. But I wanted to make sure that my entire thoughts about it, as I went before the committee in 1990, are at least here in principle in the RECORD today.

Mr. LEAHY. If the Senator will yield on that point, would the Senator from New Mexico agree with me that the Food Stamp Program, properly used, can be of extreme benefit to low-income children.

Mr. DOMENICI. There is no question about it. We do not have a better program——

The PRESIDING OFFICER. I admonish both Senators to observe the rules of the Senate. You must address each other through the Chair.

Mr. LEAHY. I believe I had, Mr. President. I believe I asked if the Senator would yield so I might ask him a question.

The PRESIDING OFFICER. But the Chair did not rule. Without objection, the Senator from Vermont is recognized to ask a question of the Senator from New Mexico.

I think the Senator from Vermont knows the rules.

Mr. LEAHY. Mr. President, I repeat my question to the Senator from New Mexico. Would he not agree that the food stamp proposal, properly used, is extremely helpful in feeding low-income children in this country?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I was going to respond to the question.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Certainly, I agree. I do not know that we have found a better way, yet, even with all of its faults, to get nutrition into the hands of the poor. I repeat that, however, I think the Senator from Vermont knows that no matter how good it is, it is frequently abused. We sometimes ''right it'' in ways that make it subject to being abused more so. I only wanted to make that comment. I agree that we have not yet found a better way. Cash benefits do not seem to work as well because, indeed, they are not used for nutritional items. If we keep a tight grasp on making sure they are not fraudulently traded and they are used for nutrition, we do not have anything better yet that I am aware of.

Mr. LEAHY. Mr. President, my point is that we have seen some great changes in the Food Stamp Program, some very significant improvements, over the years. We have seen other improvements that we wait to come forth, like the use of electronic benefit transfer.

I have been very proud to work very closely with the now chairman of the Senate Agriculture Committee and, before that, the ranking member of the Senate Agriculture Committee, the senior Senator from Indiana, in making these improvements. They have saved a lot of money. I also point out that the Food Stamp Program is extremely important.

During the last administration, 40,000 to 45,000 people were added every single week in the 4 years President Bush was President—40,000 to 45,000 every single week for 4 years were added. That is, in over 200 weeks they were added to the food stamp rolls.

Let me just remind my friend from New Mexico and others about this. When we talk about whether this program is utilized in a Republican or Democratic administration, it is a program for everybody. During the Bush administration, every single week, because of the way the economy was, 40,000 people were added, at the taxpayers' expense, to the food stamp rolls.

We have been fortunate with the efforts to balance the budget and improve the economy, and since President Clinton came in, 2 million people have been able to drop from the food stamp rolls, as compared to 40,000 people a week being added in the 200 weeks during the past administration. Two million people have now been taken off in this administration. That is good news for the economy and good news for the taxpayers. But it also points out that in both Democratic and Republican administrations, we should be protecting the Food Stamp Program.

Reform it? Yes. My point is, of course, that a computer program that simply cuts children off without reform is not reform. We should be willing to stand up as legislators and make the tough decisions on how to reform the Food Stamp Program, and not simply say to a computer program: Here, you do it. We cannot totally cut off children because they do not vote, they do not contribute, and they are not part of the political process. They will never complain.

We will not touch anything in areas of senior citizens, or anybody else, because they do vote and they do complain. By golly, those children—tough. Go hungry.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HATFIELD). Who seeks recognition?

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. I will make a few remarks about the amendment which I proposed.

I want to reinforce again the concept that we need to change the character of welfare. We need to change welfare from being a condition in which people exist to being a transition from dependency—not only from dependency but long-term dependency—to independence, to work, to growth, and to opportunity. If we are going to do that,

we should not acquiesce to a 5-year limit which allows people to go onto welfare and just get on it and stay for 5 years without doing anything. We should require of individuals—or at least provide that States require of individuals—that a number of things be done.

One, we should say no longer can you stay on welfare for more than 24 months in any one stretch without going to work or preparing for work by taking work training and getting an education.

Second, we should say never can you stay on welfare if you do not fulfill your responsibility to send your kids to school. If you are going to be on welfare, your kids ought to be in school. Children who are in school are less of a burden to individuals on welfare than children who are allowed to stay home or otherwise avoid their responsibility.

Third, if we expect people eventually to become self-reliant in their own setting, we are going to have to ask those individuals to have fundamental educational qualifications as well. In my judgment, that is the reason we ought to allow States to require that individuals who are seeking to continue to receive welfare benefits either have or be in the process of attaining the kind of educational qualifications that would come with a high school diploma or a GED.

Mr. President, I ask unanimous consent that all time be yielded back on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4942 TO AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship)

Mr. ASHCROFT. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4942 to amendment No. 4941.

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

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

The amendment is as follows:

In lieu of the matter proposed to be inserted by the amendment, insert the following:

''(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for 60 months (whether or not consecutive) after the date the State program funded under this part commences. However, a State shall not use any part of such grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for more than 24 consecutive months unless such an adult is—

(i) engaged in work as required by Section 402(a)(1)(A)(ii); or,

(ii) exempted by the State from such 24 consecutive month limitation by reason of hardship, pursuant to subparagraph (C).''.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) Limitation.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

Mr. ASHCROFT. I ask unanimous consent that all time be yielded back on the amendment.

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

AMENDMENT NO. 4943 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4943 to amendment No. 4941.

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

Mr. DOMENICI. I object. I do not know what the amendment is.

Mr. President, I no longer have an objection, if he would renew his request. I understand what he is doing now. I did not understand. I do now.

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

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

The amendment is as follows:

In the language proposed to be inserted by the amendment, strike all after the first word and insert the following:

SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

Mr. DOMENICI. Mr. President, without the Senator losing his right to the floor, might I ask unanimous consent to have the privilege of the floor to ask a question of the Senator?

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

Mr. DOMENICI. Is it the purpose of the amendment—it is perfectly legitimate and proper—to make sure that there is no second-degree amendment offered to the Senator's amendment?

Mr. ASHCROFT. That is correct.

Mr. DOMENICI. I believe I have authority from the other side. If the Senator wants to propose a unanimous consent request that there be no second-degree amendment, it would be granted. Does the Senator prefer not to do that?

Mr. ASHCROFT. Yes. I would prefer to have the amendment.

AMENDMENT NO. 4944 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT) proposes an amendment numbered 4944 to amendment No. 4941.

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

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

The amendment is as follows:

In the language proposed to be stricken by the amendment, strike all after the first word and insert the following:

REQUIREMENT FOR HIGH SCHOOL DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

Mr. ASHCROFT. Mr. President, there are three basic thrusts that are undertaken in these amendments. They are the conversion of a system from being a system of conditioning people to be dependent to transitioning people to be at work.

The first thrust is that we would have a 24-consecutive-month limit on welfare for those who refuse to work or get training at the end of the 24 months. It seems to me that is something that the President of the United States called for last week and which we ought to have.

The second component of this strategy is to say that those who are on welfare should have their children in school. It is not something that is unknown or mysterious. The fact of the matter is that high school dropouts average $12,809 a year, a poverty-level standard of living for a family of three. For an individual who has a high school degree, the average is $18,737, a 46-percent higher income than the average for dropouts.

Half of those arrested for drug violations in 1995 did not have a high school diploma. And the preponderance of all crimes, 40 percent of all crimes, were committed by those who did not finish high school. It is time for us to ask those who are involved in the welfare system by way of receiving benefits under temporary assistance to needy families to make sure that their children are in school.

A high school degree is a key to escaping from the welfare trap. Statistics show that it keeps kids out of jail. Every parent has a principal and primary responsibility to make sure their children receive the kinds of fundamentals that will allow them to fend for themselves. Every child can attend school in America. Every child can earn a high school diploma. It costs nothing but commitment and responsibility. Too often this opportunity is ignored—even trashed. Teens drop out of school, grade school, or skip classes. This is a tragic waste of a precious resource, one on which our culture must rely.

All of our Government institutions should do everything possible to ensure that children go to school and earn a degree. Government should certainly not be paying parents to let their kids play hooky and skip school. If you are on welfare, your kids should be in school. Parents should not be coconspirators in perpetuating their children in a lifetime on and off of welfare, in and out of minimum-wage jobs, and irresponsibility. Children must go to school in order to break the cycle of dependency, to change welfare from being a long-term condition into being a transition.

The amendment that I propose allows States—I repeat, allows States—to sanction welfare recipients of the temporary assistance to needy families that do not ensure that their children are attending school. It also allows States to sanction food stamp recipients who do not send their children to school. Children who graduate from a welfare system should be armed with a degree rather than with a habit of dependence. It is the key to self-reliance and success.

We have watched, as the Nation has watched, the Olympics. We need our full team on the field whenever we play. Even ''The Dream Team'' would have a tough time if they did not have the entire capacity of the team available as a resource. And yet we allow our citizens sometimes to ask for our help and to persist in receiving it without equipping themselves, without making a commitment to themselves. The last component of my amendments is really a way of saying if you are going to be on welfare, you have to have or be working toward a high school diploma so you can work for yourself and help yourself.

It is no mystery. States may require that temporary assistance to needy families and food stamp recipients work toward attaining a high school diploma or its equivalent as a condition of receiving welfare assistance. This requirement would not apply if an individual was determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to attain a high school diploma or GED.

During the debate this year in the Senate, Senator SIMON once said, ''We can have all the job training in the world, but if we do not face the problem of basic education, we are not going to do what we ought to do for this country.''

I cannot agree more with that statement. It does not pay us to provide job training upon job training upon job training when welfare recipients have not achieved proficiency in the fundamental underlying skills of mathematics, English, and reading which provide people with the tools to benefit from job training and to assimilate changes in the job market. We do not have jobs and crafts that do not change. They all have new processes and new procedures. As technology marches on, it is important to make sure that individuals cannot only get the right kind of job training but they possess the fundamental characteristic of being educated in order to be able to take advantage of job training when it comes along.

A person over 18 without a high school diploma averages $12,800 in earnings; with a high school diploma, $18,700 in earnings. A $6,000 difference is the difference between dependence and independence, the difference between self-reliance and reliance on Government. The U.S. Sentencing Commission determined that 40 percent of the individuals who commit crimes are individuals without high school diplomas. The Commission also found that these individuals are responsible for 50 percent of all drug violations. If people are going to receive welfare benefits, they should at least be working toward the fundamental equipping, enabling, freeing achievement of having a high school education.

Mr. President, I would be pleased together with the opponents of this amendment on the other side of the aisle to yield back the remainder of the time.

The PRESIDING OFFICER. The Senator has yielded back the remainder——

Mr. DOMENICI. Mr. President, I need somebody from the other side of the aisle to yield back their time or we cannot proceed with any other amendments.

Mr. CONRAD. We are willing to yield back the time on this side.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DOMENICI. Mr. President, pursuant to the previous understanding, I believe the distinguished Senator is entitled to offer his amendment at this point.

AMENDMENT NO. 4945

(Purpose: To expand State flexibility in order to encourage food stamp recipients to look for work and to prevent hardship)

Mr. CONRAD. Mr. President, I would call up my amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. LEAHY, proposes an amendment numbered 4945.

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

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

The amendment is as follows:

On page 6, strike lines 14 through 16 and insert the following:

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking ''21 years of age or younger'' and inserting ''19 years of age or younger (17 years of age or younger in fiscal year 2002)''.

On page 21, line 3, strike ''$5,100'' and insert ''$4,650''.

On page 49, line 3, strike ''10'' and insert ''20''.

On page 49, line 12, strike ''1 month'' and insert ''2 months''.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

I am joined in this amendment by my colleague from Vermont, Senator LEAHY, the ranking member of the Senate Agriculture Committee. This amendment addresses a serious problem with the food stamp provisions of the welfare bill that is before us now.

As I describe our amendment, I would like to bring my colleagues' attention to the chart beside me and the number 600,000 because that is the impact of the food stamp provisions before us; 600,000 Americans will lose eligibility each month under the provision that is in the bill before us.

The 600,000 estimated by the Congressional Budget Office is to be the number of people who would be terminated from the Food Stamp Program in any given month because they are unable to find a job within the 4-month time limit provided for in this legislation. Our amendment insists on work, and that is as it should be. But it promotes State flexibility by giving States an option to assist people who would otherwise be at risk of going hungry. Our amendment achieves these goals in two ways. First, the amendment would expand the State option to exercise a hardship exemption. The amendment increases the hardship exemption from 10 percent to 20 percent of the eligible population and makes it consistent with the AFDC block grant.

Simply stated, we are allowing States, instead of being able to declare 10 percent of their eligible population hardship cases not bound by the 4-month limit, to increase that at State option to 20 percent.

Second, the amendment allows States to count job search as work for 2 months instead of the 1 month provided in the bill before us. I want to be clear to my colleagues that the cost of this amendment is fully offset over the 6-year budget period. The Agriculture Committee will still be in full compliance with its budget reconciliation target.

Mr. DOMENICI. Will the Senator yield?

Mr. CONRAD. I would be happy to yield to my colleague if we do not have an interruption.

Mr. DOMENICI. I want to use my time.

Mr. President, in behalf of the distinguished chairman of the Agriculture Committee, I understand the amendment offered by Senator CONRAD allows States to exempt up to 20 percent of the able-bodied 18 to 50-year-olds from the work requirement and allow up to 2 months of job search per year to count as work.

Mr. CONRAD. That is correct.

Mr. DOMENICI. I believe the Food Stamp Program should have a strong work requirement as the Senator has indicated. I am now speaking in behalf of the chairman of the Agriculture Committee. Senator LUGAR understands the Senator's concern about the individuals who are willing to work may be unable to find a job due to circumstances beyond their control. Senator LUGAR continues on that in behalf of the Agriculture Committee, he finds the offsets acceptable and the amendment acceptable.

So at this point I want the Senator to know I am going to yield back all the time we have in opposition and indicate for the RECORD we are willing to accept the amendment.

Mr. CONRAD. I appreciate that from the able manager of the bill. I will just proceed briefly to outline the rationale for the amendment and then yield back our time as well.

Mr. President, everybody here agrees that work is important and that food stamp benefits should be temporary. But the work requirement provision in the pending welfare bill would have the unintended effect of preventing people who want to find work from securing a job. How can my colleagues seriously argue that people can be expected to find a job, to sit through an interview when they have not eaten? It does not work. I understand and support the work ethic in America, but I also believe our society has achieved a level of decency where we will not deny food assistance to people who have been unable to find a job in just 4 months.

The reason I felt it was important to offer this amendment is I have dealt with people who are in this exact circumstance. I remember very well a young fellow who worked construction in my State—very frankly, not the smartest guy in the world, and he had a hard time finding work, but he was able to work construction. He was a strong kid and he was able to work in that way. But the construction season in my state is not very long. You are lucky if you can be in construction 6 months out of the year in North Dakota some years.

This young fellow would work during the construction season, which usually starts in April in North Dakota, but come winter, November, the construction season ended. He was not able to find additional work. And I tell you, he came from a family that had next to nothing. He had next to nothing, lived in a very modest basement apartment, and that fellow needed some help during the winter to eat. That is just the reality of the circumstance.

Under this legislation, after 4 months, that guy would not get any help. Is that really what we want to do in America? Is that really what we want to do? We want to say to somebody, if you cannot find a job in 4 months, you do not get any food assistance? Is that what we have come to in this country? I find that hard to believe.

I really must say to my colleagues, if that is where we are, then something is radically wrong in this country. America is better than that. We are a wealthy nation, with a rich and abundant food supply. We should not knowingly adopt a national policy which promotes hunger. Certainly we should promote work, but not cut people off from food if they have not been able to find a job in 4 months. This amendment gives States the option to provide food for people who are unable to find a job within 4 months, at least 20 percent they can exempt as hardship cases, and they can count 2 months of looking for work as part of work.

As I already mentioned and as the chart serves to remind us, in addition to the number of people cut off the Food Stamp Program because of the tightened eligibility requirements and work registration requirements, the Congressional Budget Office has estimated the welfare bill before us will cut 600,000 people off of food stamps each month because they cannot find a job within the 4-month time limit. These 600,000 people will then be at risk of going hungry, more worried about finding their next meal than finding a job.

I cannot believe that is what we are about here in the U.S. Senate. According to a study done in 1993, 83 percent of the people who would be affected by this draconian provision are below 50 percent of the poverty line. We are talking about folks who do not have anything. Now we are going to say to them, ''If you do not get a job within 4 months, you do not get to eat''? I cannot believe we are going to do that.

I am all for strong work requirements. I introduced my own welfare reform bill that had the toughest work requirements of any bill before us. But this is not a work provision. This is a hunger provision. We are talking about food for people who cannot find a job. I think it is entirely reasonable to give States the option to continue food stamp coverage for an additional month of intensive job search, to help make sure that poor people complete the transition from welfare to work.

The Senate-passed welfare reform bill that was supported by 87 Senators contained 6 months of food stamp eligibility for people in this category. Bipartisan efforts to reform the welfare system, including the Chafee-Breaux approach and the Specter-Biden proposal, also contained a 6-month food stamp time limit. These are far more humane and realistic provisions.

Mr. President, for those who think the majority of people affected by this provision are just scamming the system and are not interested in working, let me put this in perspective by translating it into dollar terms. Under the Food Stamp Program, the maximum level of benefits for a single person is $119 a month. That is about $4 a day. The Congressional Budget Office estimates that every one of the 600,000 who cannot find a job would accept job training or a work slot if one was available through the Food Stamp Employment Training Program. These 600,000 people are, consequently, receiving less than $4 a day in food stamps.

I ask my colleagues to think seriously about what this means, less than $4 a day in food stamps. Does it not make sense if there were actually minimum wage jobs available for $4.25 an

hour that individuals would work at these jobs? Why would anyone trade a $4.25-an-hour job for $4 a day in food stamps? I do not think the vast majority of people would make that kind of trade. Clearly, we are talking about circumstances in which those jobs are not available. People cannot find those jobs. This is not a case of they are better off taking welfare than taking a job for $4 in food assistance. You would be much better off, clearly, with $4 an hour in a job.

Before I close, I want to spend just a minute talking about the hardship exemption. Again, I share the view of those who believe we must set limits and push people from welfare to work. But I think it is important to recognize there are people who just do not have the skills to find a job, or else have some personal hardship that means they will not be employed after 4 months on food stamps. Every one of us know people who, frankly, are marginal in the employment arena. They cannot find work. They are not educated, they are not trained, they may have one or more disabilities.

It is important, I think, also, to consider the devastating effects of natural disasters or economic downturn on a particular area, which may make it difficult for people to find employment in 4 months. If you have a natural disaster like a hurricane, tornado, earthquake, or a series of disasters as we have seen in California, all of a sudden an area may not have much in the way of employment. People may not be able to find a job.

I think it is also important for us to understand this issue affects urban areas and could cause increased tensions in some of America's biggest cities. A recent study showed that for every McDonald's opening in New York City, there were 14 applicants. They wanted to work, wanted to have a job. For whatever reason, they were not able to find a job. That circumstance has improved because the national economy has improved, but we all know the economy is subjected to cycles. Sometimes it is good and strong and sometimes it is not so good, not so strong.

What are we going to say to people who cannot find a job after 4 months? We are going to deny them food stamps? What are we telling them? Telling them to go to the garbage can to find something to eat?

I have people right now going through my neighborhood who are looking in garbage cans trying to find something to eat, and my neighborhood in this town is eight blocks from where we are right now, eight blocks due east of the Capitol of the United States. I have people every day going through my neighborhood, going through garbage cans. If we want more of it, I suppose we just stick with what is in the underlying bill.

I might say it is not just urban areas, but rural areas as well. There are parts of my State which have very low populations, small communities, and jobs are scarce in some of these areas. An individual who has worked hard for 20 years in a small business in a rural area, and maybe that business fails, now this person may be willing to work all night and all day if given the chance, but the harsh reality is he or she may not be able to find a job. The truth of the matter is, it may take more than 4 months for a new business to come to that community.

We need to give States the option to offer food assistance to hard-working people who experience extreme hardship. It is wrong to force States to cut these people off from food assistance. Instead, we should give States the flexibility to continue to provide food stamps to a limited number, up to 20 percent of individuals who face some special hardship, Mr. President, 20 percent of the eligible population, instead of 10 percent that is in the underlying bill.

Mr. President, it may not be politically popular to care about adults who are hungry and cannot find a job, but I want my colleagues to think about what it would be like to be without food. We are not talking here about the luxuries. We are talking about food. It strikes me it is bad policy, and bad for the country, to knowingly create a class of desperate people across the country, struggling for the most basic human necessity, food.

Fundamentally, it does not make sense to deny food to people who are working hard to find a job and cannot find one. These people are less, not more likely to find a job if they are spending their time trying to find their next meal instead of trying to find their next job.

I ask my colleagues to join me in giving States additional flexibility to continue to provide food assistance to people who are unable to find work within the 4 months provided for in this legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4945) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I have two amendments by Senator LIEBERMAN which we are going to accept.

AMENDMENT NO. 4946

(Purpose: To add provisions to reduce the incidence of statutory rape)

Mr. DOMENICI. Mr. President, on behalf of Senator LIEBERMAN, I send an amendment to the desk. This amendment has been agreed to on both sides. I ask unanimous consent that it be agreed to and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4946.

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

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

The amendment is as follows:

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting ‘‘, and protection of teenage girls from pregnancy as well as predatory sexual behavior’’ after ‘‘birth’’; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

‘‘(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting ‘‘(a) SENSE OF THE SENATE.—’’ before ‘‘It’’; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in

particular on the commission of statutory rape by predatory older men committing repeat offenses, and any links to teenage pregnancy.

(c) ''VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4946) was agreed to.

Mr. DOMENICI. Mr. President, that was an amendment to minimize the incidence of statutory rape that is occurring in the United States.

AMENDMENT NO. 4947

(Purpose: To require States which receive grants under title XX of the Social Security Act to dedicate 1 percent of such grants to programs and services for minors)

Mr. DOMENICI. Mr. President, I have a second amendment on behalf of Senator LIEBERMAN. I make the same unanimous-consent request. I ask unanimous consent that this amendment be agreed to and that the motion to reconsider be laid upon the table.

I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4947.

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

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

The amendment is as follows:

Section 2903 is amended—

(1) by inserting ''(a) IN GENERAL.)—'' before ''Section''; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter of preceding paragraph (1), by inserting ''(a)'' before ''For''; and

(2) by adding at the end the following:

''(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to—

''(1) avoid out-of-wedlock pregnancies; and''.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4947) was agreed to.

Mr. DOMENICI. Mr. President, the subject matter of this amendment is a 1 percent setaside from the social services block grant which has been agreed to on our side by the respective chairman of the committee.

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

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

Mr. DORGAN. If I might ask the manager of the bill, Senator BYRD and I would like to introduce a piece of legislation. Inasmuch as I see no other Member seeking recognition to offer an amendment to the pending business, I ask unanimous consent to proceed as if in morning business with the understanding that if additional amendments become available, we——

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, could you give us an estimate as to how much time you might use?

Mr. DORGAN. I ask for 30 minutes and would expect not to use the entire 30 minutes.

Mr. DOMENICI. Mr. President, I will not object so long as the Senator would add that the time used, even though it is as in morning business, would be charged against the time remaining on the bill.

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

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

(The remarks of Mr. DORGAN and Mr. BYRD pertaining to the introduction of S. 1978 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. MACK). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the Senator from Florida, Senator GRAHAM, offered an amendment on behalf of himself and the Senator from Arkansas Friday afternoon. Unhappily, I was not here and did not get a chance to speak on it. I would like to seize the opportunity now to just make a few remarks.

Before doing that, I ask unanimous consent that I be permitted to yield to the Senator from North Dakota to allow him to lay down an amendment without debate.

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

AMENDMENT NO. 4948

(Purpose: To strike provisions relating to the Indian child care set aside)

Mr. DORGAN. Mr. President, I send an amendment to the desk sponsored by myself and cosponsored by Senator MCCAIN and Senator INOUYE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. MCCAIN, and Mr. INOUYE, proposes an amendment numbered 4948.

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

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

The amendment is as follows:

In section 2813(1), strike subparagraph (B).

Mr. DORGAN. Mr. President, I intend to discuss this amendment briefly at some point following the presentation by the Senator from Arkansas, and I very much appreciate his indulgence.

Mr. DOMENICI. Mr. President, will the Senator yield for a moment?

Mr. BUMPERS. Yes.

Mr. DOMENICI. This is child support regarding Indians?

We passed it on voice vote on Thursday.

Mr. BUMPERS. Will the Senator repeat that. I am sorry; I did not hear him.

Mr. DOMENICI. I just addressed the amendment sent to the desk.

Mr. DORGAN. It is a different amendment. It deals with the 3 percent set aside, and I do not believe it has been passed.

Mr. DOMENICI. Could we have the amendment?

I thank the Senator.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 4936

Mr. BUMPERS. Mr. President, the amendment being offered by Senator GRAHAM of Florida and me is the same one we offered last year. It might have a few minor changes in it, but essentially it simply says that the block grant formula in this welfare bill should be changed to take into consideration the number of poor children in each State.

I am not very crazy about this bill to begin with, but I cannot possibly vote for a bill that discriminates against the State of Arkansas to the extent this one does. It is not just Arkansas, it is particularly Southern States, but a lot of other States get caught up in it, too.

Under the formula, the District of Columbia will get $4,222 for each welfare recipient and the State of Arkansas will get $390. Why is a child in the District of Columbia worth 11 times as much as a poor child in Arkansas? That is a legitimate question, is it not?

I will tell you the answer. The answer is, through the years, the Federal Government has matched the States to some percentage or another. It is not the same in every State. For example, in my State, because we are a relatively poor State, we get a big match, I think 73 to 75 percent. So for every dollar we put up, we get about $3 from the Federal Government. The District of Columbia does not do quite as well. But the reason the District of Columbia gets such a staggering amount of money per child is because they have used a tremendous amount of their resources to put into the AFDC Program.

That is perfectly laudable and I am not criticizing the District of Columbia. But I will tell you something, and it gives me no joy to say it publicly, I come from a State which has one of the lowest per capita incomes in the Nation. We are a poor State. We have been ever since the War Between the States. We have tried everything in the world and continue to strive to do everything we can to improve the plight of our people. We tried to improve our

economy so there would be more jobs and better paying jobs, and in the past several years we have met with some success. But we are not New York, California, or New Jersey in per capita income.

The reason this bill is fundamentally flawed and unfair is because it says to you, the State of Arkansas, this is what you have received for the last 3 years, 1991 through 1994, and that is what you are going to continue to receive. In short, if you were poor, no matter how hard you tried to do better under the AFDC program, if you were poor and simply could not do it, it is tough.

What does this bill do? It says we are locking you in on the basis of what you got during that 3-year period. I do not care if you had floods, tornadoes, if you had a wave of immigrants move into your State, which brings a lot of poverty to States like Florida, you are still going to get what you got for 3 years, on average. There is a little 2½ percent ''gimmie'' in the bill, but not enough to amount to anything.

One of the things that really is a travesty in this bill is the treatment of AFDC administrative costs. I hate to say these things because I am not jumping on other States. I am simply trying to defend my own. But look what has happened in New York and New Jersey. The nationwide average, in 1994, of administrative costs for administering the program we have now was $53.42. During that same period of time, the average cost of administering the program in New York was $106.68 and in New Jersey $105.26. What do we do under this bill? We lock that administrative cost in and say we will continue to compensate you, no matter how inefficient you may have been.

I am sorry the Senator from West Virginia left the floor. The average administrative cost for administering the AFDC Program in West Virginia is $13.34, and that is what they are going to get through the year 2000 if this bill passes, while New York will be receiving eight times as much. We are going to give them that, lock them in, no matter how inefficient they may be in administering the program.

One of the interesting things about this bill was pointed out in the New York Times this morning. Let us take my State as an example, and let us assume push comes to shove and we are running out of money, we are suddenly not going to be able to continue. The Federal Government says, ''That's tough, we gave you the block grant, you have to live with it. We do not care how many poor children you have, we are going to give you what you got as an average between 1991 and 1994, and you will live with it. Do not come back up here with your hand out.''

Do you know what they allow the States to do? Kick people off welfare. Each State can make it's work requirements as stringent as they want to make them. What does the Federal Government do in such a case? We do not say, ''If you kick those people off welfare we are going to quit giving you the money for that family.'' We continue to give them the money for the family. So there is an incentive to the States, if they have any difficulty at all with the program, to kick people off, knowing they are going to continue to get the same amount of money.

I do not want to take too much time. I know there is not a lot of time between now and 2 o'clock when we go to the agricultural appropriations bill. But one of the most troubling things about this bill, completely aside from this grossly unfair funding formula, is that I have heard people in the U.S. Senate and in Congress say things that are so punitive in nature. It is as though we are passing this bill to punish people for being poor. You can call that bleeding heart liberalism—call it whatever you want to call it. I am not for keeping people on the welfare cycle. I am for reforming welfare, to make jobs a lot more attractive to those people. I am for reforming welfare so women can have day care for their children and get job training and find a job, preferably one that provides health care so we do not have to pay for Medicaid for them.

But in the debate, just to use my own State as an example, there is sort of the suggestion that the youngsters, the babies that are born in College Station, AR, which is an unspeakably poor area, have the same opportunities as the children born in Pleasant Valley, our most affluent suburb. And everybody who does not happen to make it as well as the people in Pleasant Valley, somehow or another we seem to think they are lowdown.

I said on the floor before and I will say it again, my brother went to Harvard Law School, courtesy of the taxpayers of the United States on the GI bill. We have a little difficult time sometimes discussing these issues, but I remind him that it was more than Harvard Law School that made him successful.

I would not be a U.S. Senator if I had not been able to go to a good law school, like Northwestern, also compliments of the U.S. Government, who paid for all of it, except what Betty made working.

So I remind my brother about the largess of the Federal Government, which I have been trying to pay back all of my life, by thanking the taxpayers, being a good public servant, and doing my dead-level best to make this a better country for my children and grandchildren to grow up in. But I also remind my brother that we were also fortunate because we chose our parents well. These AFDC children did not choose their parents well. Somehow there is a certain vindictiveness, a punitive aspect to this bill toward those children, a lot of whom are going to suffer under the terms of this bill, and suffer a lot, because they had the temerity not to choose their parents well.

So, I do not have any trouble voting against this bill, especially because it discriminates against my State in a totally unacceptable way. I know my State. I was Governor of my State. I know where the money comes from, and I know where it goes. We have areas along the Mississippi River, which we call the delta, and if we are going to pass a bill to alleviate the tax burden on people in the District of Columbia because their people are moving out because of crime or the tax rate or something else, I want to include the delta.

I can tell you, you will not find an inner city in America with more deplorable poverty than you will find in the delta of Mississippi and Arkansas. So I want them to have the same break.

As I say, if we were not struggling to do the best we can, I would not object. But we do not have the money that New York, New Jersey, California, and other States have to put into this program. It is not just Arkansas. Mr. President, your home State of Florida, as you know all too well without me saying it, will lose $1 billion under this bill.

The two Senators from Texas voted against the Graham-Bumpers proposal last year—and I assume they will do it again—and it cost the State of Texas $3 billion. And on it goes. It is a grossly unfair formula. It is indefensible.

In this morning's New York Times, my position is vindicated at least by one columnist, David Ellwood, who is professor of public policy at Harvard School of Government. He says, and this is just a portion of it:

> States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare, and cash assistance combined would amount to less than $15 per poor child per week in * * * Mississippi and Arkansas.

Mr. President, $15 a week for all of those things.

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

Mr. BUMPERS. I will be happy to yield.

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. I beg your pardon?

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. It means that is what they have gotten as an average for 1991 and 1994.

Mr. DOMENICI. Are you suggesting it is appreciably better than 1994?

Mr. BUMPERS. Well, I am sure it is somewhat better.

Mr. DOMENICI. Will the formula become more satisfactory if it was brought to 1995? I do not think we got the evidence. My point is, however we go—I do not know which way the Senate is going to go—the truth of the matter is, those poor children you are speaking of in those two States are not getting very much now. That is the reason they are not going to get very much under this bill.

Mr. BUMPERS. They are not going to get very much, but why do you want

to lock in an inequity? You say it has always been unequal but want to lock it in?

Mr. DOMENICI. I did not say that. I wanted to make sure the RECORD reflected when you expressed yourself—and I have great respect for you. You are representing a cause and an approach that ought to be looked at carefully. But when you say they are only going to get $15 on average, it has to be made clear they are not getting much more than $15 now.

Mr. BUMPERS. That's true, they are not getting much more than that. I can tell you the number of poor children in my State is higher by far than the national average.

What I am saying is that if you want to address the problems of poor people, go where the poor people are, not where the people are more affluent. That is the reason I object; I object to these staggering sums going to the other States.

In 1994, Arkansas had a terrible Medicaid shortage of funds. We could not come up with our matching share to the extent that was necessary to provide health care for all of our poor children. Do you know what the State legislature did under the Governor's leadership? They passed one of the most unpopular taxes you can pass in any State. It was a nickel a bottle on soft drinks, and the money it raised kept us from kicking people out of nursing homes, and it kept us from having poor children on the streets who need health care and are not able to get it.

That is the reason I am complaining today. It was a monumental effort on the part of Arkansas to come up with our share of the money so we could take care of our children.

So here we have a formula that says in the future you are going to get $390 a year per poor child. And there are 38 additional States that will be hurt by this bill. You would think it would be adopted with flying colors.

If I may continue with the article from Mr. Ellwood of the New York Times:

> Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier States like Wisconsin, California, and New York as it does for many States with much higher levels of poverty. Even if they wanted to, there is no way poor States could carry out plans like Governor Thompson's.

Here is a man who spent his entire life studying this problem. He closes this article by saying:

> Welfare politics has turned ugly.
>
> Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But Members of Congress and President Clinton need to stand up for our children. This bill should not be passed. If legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

Mr. President, I spoke about election-year issues the other day in the Energy Committee, on which I sit, when we were dealing with the Boundary Water Canoe Wilderness Area, about 1,100 lakes along the Minnesota-Canadian border. I went out there in 1978 for Wendy Anderson, who was serving in the Senate from the State of Minnesota at the time and with whom I served as Governor. The Boundary Water Canoe Wilderness Area came up the year Wendy was running for reelection. It was a big political issue. Wendy lost his seat, not for that reason only. But he lost plenty of votes because of the Boundary Water Canoe Wilderness Area dispute.

Now we have another big Boundary Water Canoe Wilderness Area dispute in Minnesota. I am not taking sides on that necessarily, but there are a lot of ads being run in Minnesota right now. I said in the committee—and I mean it—I will do everything I can to keep a bill of this kind from passing this year, because it is entirely too important for the U.S. Congress to be dealing with in an election year.

That is exactly the way I feel about this welfare bill. It ought to be passed next year, not now in an election year where everybody is trying to grow hair on their chest to prove they are tougher on welfare than everyone else. But we are not going to wait. As a consequence, we are getting ready to pass a bad bill.

Mr. President, I ask unanimous consent that the article by David T. Ellwood in the New York Times be printed in the RECORD.

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

WELFARE REFORM IN NAME ONLY

(By David T. Ellwood)

BONDURANT, WY.—I have spent much of my professional life seeking to reform welfare. I have worked with Republican and Democratic governors. And until I returned to academia a year ago, I was fortunate to be a co-chairman of President Clinton's welfare reform effort. I deeply believe that the well-being of the nation's children depends on real reform. We must turn away from the failed system focused on determining eligibility and check writing and create a new one based on work and responsibility.

But the Republican bills in the House and Senate are far more about budget-cutting than work. Bathed in the rhetoric of reform, they are more dangerous than most people realize. No bill that is likely to push more than a million additional children into poverty—many in working families—is real reform.

Proponents claim the bills are about work, and the legislation does obligate states to require large numbers of recipients to work. Fair enough. Serious work requirements are crucial to meaningful change. But it's one thing to write work into legislation, and it's another to get recipients jobs.

Gov. Tommy Thompson of Wisconsin, a Republican, has emphasized that reform often involves spending more, not less, money on things like job training and child care. Instead, the Congressional bills would make major cuts—reducing food stamps for the working poor, aid to disabled children and to legal immigrants who are not yet citizens. When the dust settles, there would not be much money for welfare reform at all.

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare and cash assistance combined would amount to less than $15 per poor child per week in poor Southern states like Mississippi and Arkansas. Moving people from welfare to work is hard. On $15 a week—whom are we kidding?

Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier states like Wisconsin, California and New York as it does for many states with much higher levels of poverty. Even if they wanted to, there is no way poor states could carry out plans like Governor Thompson's.

States cannot and will not do the impossible. The legislation gives them an out. They may set time limits of any length and simply cut families off welfare regardless of their circumstances—and still get their full Federal block grants.

It won't matter if the people want to work. It won't matter if they would happily take workfare jobs so they could provide something for their families. It won't matter if there are no private jobs available.

States may want to offer workfare jobs, but limited Federal grants may preclude that. People who are willing to work but are unable to find a job should not be abandoned. If they are, what happens to their children?

What is dangerous about the Republican legislation is not that it gives states the lead or reduces Federal rules. States really are the source of most creative work on true reform. Witness the approximately 40 states for which some Federal regulations have been waived.

It is worrisome that this legislation places new and often mean-spirited demands on states while changing the social and financial rules of the game in a way that strongly encourages cutting support rather than getting people jobs.

What is particularly distressing about the pre-election rush to enact legislation is that significant reform is finally starting at the state level, with active support from the Clinton Administration. Some remarkably exciting ideas (as well as some alarming ones) are being tried. There is no evidence that a lack of Federal legislation has seriously slowed this momentum.

Indeed, President Clinton has talked about issuing an executive order requiring states to put people to work after two years—without new legislation and without any danger of sizable rises in child poverty or major benefit cuts. Passing the legislation now in Congress seems far more likely to slow reform than speed it—and it could result not in greater independence of poor families but in a spiral of ever-increasing desperation.

Welfare politics has turned ugly. Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But members of Congress and President Clinton need to stand up for our children. These bills should not be passed. And if legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

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

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am certain that we will have some arguments in opposition to the amendment for doing the formula differently than Senator BUMPERS has addressed. I am

trying to see if one of those who is from the committee that wrote the bill would come down and do that. If not, I will address the issue.

But I say, the part of your argument—I say this to Senator BUMPERS—that says we ought to put this matter off, I do not think so. I think you ought to get your chance here to present your case. I think we ought to proceed.

Part of the argument you make indicates that we have waited far too long to do something to reform this system and reforming the system in the context I am speaking of right now. I am not necessarily speaking about the workfare approach. It is way past due for that.

But essentially we have sat by for years since AFDC, a cash program, came into being decades ago. We have let it develop to the extent it has characteristics of the type you are speaking to. Obviously, poor States were given the option to have very poor programs. But if we would have told them, ''You ought to have richer programs,'' they would have said, ''We can't afford any richer program.''

A State like New York, which you speak of, has very, very high taxes. They have had a very, very liberal approach to taxing their people. Thus, they can put up a lot of money for welfare. Since it is a high-pay State, they decided to have a very hefty welfare program. As a matter of fact, they have plenty of poor people in spite of all that.

I did not interrupt when you said we ought to put the money where the poor people are, but I would venture to say that there are far more poor people in the State of New York than there are in three or four of the States you spoke of combined, certainly more than Arkansas, Mississippi, States of that size.

Just because New York has a very high wage scale does not mean there are not a lot of poor people there. But the problem is, we are confronted with a welfare program that grew in an environment where we asked States to match. We gave them options as to how much they wanted to put into welfare. We even gave them options of how much they would pay the beneficiaries and how much per child in a welfare home. We have just left it there for years and did not do anything about it.

Now we have States with hardly a program in terms of real dollars and States like New York, which has spent a lot of money on the program. Sooner or later we have to decide, in reform, what do we do about that? Perhaps you suggest that you have a better idea on what we do to make that a situation in the future that is not as bad as you see it in the past. But this is not an easy one. Nor is it an easy one in Medicare. You addressed Medicare for a fleeting moment about——

Mr. BUMPERS. Medicaid.

Mr. DOMENICI. Excuse me. Medicaid. About your State being unable to pay. One of the things we are forgetting here in the United States and in this land when we debate Medicaid reform is that States cannot afford the Medicaid Program we are telling them to have.

Your State fell short of money a few years ago. Mine is short this year. There is $21 million they do not have to pay for the program in Medicaid. We only match it with 25 cents on the dollar. I do not know what yours is, but I would imagine, considering the profile of poverty, the demographics of poverty, you are probably at a 25-percent match, meaning that the Feds pay most of it, but it is so expensive to provide the service under the current system the States cannot even pay for it.

If we think here the evolution of a formula in transition was difficult for welfare, it is much more difficult on Medicaid because of the very same facts, plus the program is much, much more encompassing in terms of how many billions of dollars it spent. Welfare is a small program in terms of the dollars spent on Medicaid, even in your State and my State.

So it is not going to be easy to come up with a formula because we have let them grow up side by side with States like New York and States like Arkansas and States like Mississippi or New Mexico. I take that back. New Mexico's welfare program is in the middle of the ranks. Its Medicaid is about in the middle of the Nation.

So I would have asked that Harvard professor who wrote that article you quoted from—it sounded brilliant—I would ask—maybe he has done it—but where is his welfare program? He says we ought to have welfare reform. We need one. It is easy to say, throw one out. We need one. We have to make some decisions and get on with trying it. I yield the floor at this point.

Mr. BUMPERS. I wonder if the Senator would yield for a moment? Would the Senator yield for a unanimous consent request?

Mr. DOMENICI. I would be pleased to.

Mr. BUMPERS. Let me make one other observation, because I know the Senator has labored in the vineyard a long time on welfare. It is one of those issues for which the time never seems right. I said we ought to do it next year. We tried to do it last year, which was not an election year. It did not work out.

But I think the Senator, for whom I have the utmost respect—and when I talk about Members of Congress that seem to lack some compassion, I am certainly not talking about my friend from New Mexico. I know he has labored long and hard for this. It is a complex issue. The deeper I got into it on this amendment, the more complex it became.

But I will say this—and I think the Senator would agree with me—you cannot make a program like this work, not the way it ought to work, when, for example, a child in Massachusetts or New York or someplace else is worth 10 times as much as a child in Arkansas or Mississippi. We are not ever going to get our act together when we have that much disparity. I am not saying there does not have to be effort, because effort is important.

Some of these States have made monumental efforts. But effort is a comparative thing. We have made efforts, too. Compared to some others maybe it was not as great. When the Senator talks about how many poor children there are in New York, I know the Senator is correct when he says there are probably more poor children in New York than there are in Mississippi, Alabama, and Arkansas put together.

But we are talking about poor children as a percentage of the population. We are talking about how many poor children you have compared to all the children in the State or all the people in the State. When you get to that point, New York is not in the running with Arkansas. I want to say to the Senator from New Mexico, I appreciate his comments. As I say, I have the utmost respect for his efforts to get this bill passed and all the effort he has made in the past. I just happen to disagree with him. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if we could do this, I say to Senator BUMPERS. The time is 1 o'clock. We are going to be finished and run out of time at 2 o'clock. I want to offer an opportunity for a couple of Senators who would be very adversely affected by the Senator's amendment to speak, not as long as the Senator did, but for some period of time. I am going to make one observation and then ask consent.

I say to Senators, they should know, for instance, under this amendment the State of Arkansas will have 151 percent increase; the State of Louisiana will have 170 percent; New Mexico would have an increase of 3 percent; California would have a reduction of $1.2 billion, a 31 percent reduction, New York a reduction of 49 percent; Massachusetts, 50 percent; and on and on. I think some of those Senators might want to come down and make their case as to why the formula should be based on what they have been putting into the program during the immediate past decade or so.

Having said that, I ask unanimous consent we set aside the Bumpers amendment, but from the Republican side we reserve up to 10 minutes of the hour that we might have in rebuttal, and that Senator BUMPERS be allowed, if that occurs, an additional 5 minutes, if we use 10.

Mr. BUMPERS. Either Senator GRAHAM or myself.

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

Mr. BUMPERS. Mr. President, let me make one other observation: According the charts Senator GRAHAM has compiled, I do not know where the Senator got the figure that we will get such a

big increase. The truth is we will get $282 million less per capita over the next 6 years simply because we are using the 1991 and 1994 formula.

Mr. DOMENICI. I will be happy to make available the formula of the Congressional Research Service, July 18, 1996. This formula has a chart for the increase in every State, and we just took your increase and put the percentage on it. That is where we got that number. We will be happy to make the chart available.

Mr. President, let me make one last point, then we will move to the next amendment. I use this time off the bill.

Mr. President, whatever the distinguished Senator from Arkansas has said relative to what we have been paying as part of the welfare program of the United States for children and this huge disparity of 10 to 1, the point I want to make is that is not the feature of this bill. That is what has transpired over time. It is the reality today. Maybe Senator BUMPERS and others would say that is why welfare has failed. I did not hear that before. I thought it was some other characteristic, but that is the truth.

Now we are confronted with, if you are going to change the basic quality of welfare and what is expected, what do you do about that financial disparity that existed over time, which is extreme. This bill tends to perpetuate that for 5 years in the form of a block grants, but there is a lot of flexibility added.

I do not want to speak to that amendment any more because we reserved time. I yield the floor.

Mr. DORGAN. Mr. President, just prior to Senator BUMPERS making his statement, I offered an amendment. This is not the amendment that was agreed to last week. This is a different amendment. We have provided the amendment, I believe, or at least discussed it with both sides.

I wanted to take just 2 or 3 minutes to discuss that amendment, and I also wanted to introduce a second amendment which I believe is going to be agreed to. I am offering the second amendment on behalf of Senator DASCHLE, myself, Senator DOMENICI and Senator MCCAIN. It is an amendment that has been worked out by both sides to exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance.

If I might, in a capsule, point out that the welfare reform bill provides a 20-percent exemption that is available to the States. What we could have and likely would have are circumstances where there are areas in which virtually no jobs are available and you have very high unemployment. That situation would soak up the exemption almost immediately. This amendment addresses and corrects that and provides some more flexibility to the States.

AMENDMENT NO. 4949

(Purpose: To exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance)

Mr. DORGAN. I offer this amendment, and I send it to the desk.

Mr. DOMENICI. I ask unanimous consent that the amendment be in order.

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

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. DOMENICI, and Mr. MCCAIN, proposes an amendment No. 4949.

Mr. DORGAN. I ask unanimous consent the reading of the amendment be dispensed.

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

The amendment is as follows:

On page 250, line 2, strike ''and (C)'' and insert '', (C), and (D)''.

On page 252, between lines 9 and 10, insert the following:

''(D) EXCEPTION FOR EXTREMELY LOW LABOR MARKET PARTICIPATION.—

''(i) IN GENERAL.—In determining the number of months for which an adult received assistance under the State program funded under this part, the State may disregard any and all months in which the individual resided in an area of extremely low labor market participation (as defined under clause (ii).

''(ii) EXTREMELY LOW LABOR MARKET PARTICIPATION AREA.—For purposes of clause (i), an adult is considered to be living in an area of extremely low labor market participation if such adult resides on a reservation of an Indian Tribe—

''(I) with a population of at least 1,000 individuals; and

''(II) with at least 50% of the adult population not employed, as determined by the Secretary using the best available data from a Federal agency.

On page 252, line 10, strike ''(D)'' and insert ''(E)''.

Mr. DOMENICI. Mr. President, I am a cosponsor, and I indicate so that everybody would understand this does not say this is mandated. This says that the Governors, in putting together their plan for their State, can, if they find an area—and this is pretty much going to be Indian areas, I believe, because of the enormous unemployment number; it is 50 percent—it will be available as a flexible tool in terms of putting together packages.

Mr. DORGAN. The Senator is correct.

Mr. DOMENICI. We accept the amendment on our side.

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

The amendment (No. 4949) was agreed to.

Mr. DORGAN. I move to table the amendment.

Mr. DOMENICI. I move to reconsider the vote.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4948

Mr. DORGAN. Mr. President, if I might just for a couple of minutes address the previous amendment that I offered that deals with the tribal child care set-aside. I hope we perhaps might be able to see this amendment accepted before we go to votes tomorrow.

The amendment I have offered on behalf of myself, Senator MCCAIN, and Senator INOUYE, restores the current set-aside for Indian child care funding. The current set-aside is 3 percent of the child care development block grant, which is now available to Indian tribes for child care. The welfare reform bill cuts that 3 percent down to 1 percent.

The funds the Indian tribes are now able to access with the child care development block grant have been very important. They have allowed the tribes to successfully run a wide range of child care programs. In 1994, that set-aside helped more than 500 tribes provide child care.

Last year, when the welfare reform bills passed both the House and the Senate, they retained the 3-percent set-aside for tribal child care programs. The conference bill inexplicably reduced that tribal allocation from 3 percent to 1 percent, the same level that is now contained in this reconciliation bill.

The reduction in the tribal set-aside occurs at the very same time that State child care funds would increase substantially. The question I ask is, if an increase in child care is critical to State efforts to move people from welfare to work, and I believe it is, then why is it not also critical for real welfare reform in Indian country and for Indian tribes to provide child care?

I want to make a point that Indian children under age 6 are more than twice as likely as the average child in America to live in circumstances of poverty. Indian children under 6 who live on reservations are three times more likely to live in circumstances of poverty than non-Indian children.

I toured, not so long ago, a child care center on a facility in North Dakota that is jointly run by four tribes, United Tribes Technical College. It is a wonderful place where American Indians come to receive educational and vocational training. They study, they graduate, they go out and get work. That center is run by a wonderful man named David Gipp, who does an extraordinarily good job. They have a child care center at U-Tech. I have toured that child care center a couple of times.

U-Tech reminds you of the need and the importance of child care in this building-block process to move people from welfare to work. You have to be able to get the job skills. Often, to get job skills, if you have children, you have to try to find child care. All of us know that it is not just in Indian country, but across this country, increasingly, that poverty is a problem often faced by young women with children in single-parent households.

Now, when they try to get skills and then get a job, the question is, What

kind of child care can they access to take care of their children? To them, just like in every other household, the most important thing in their lives are their children. They want to make sure the children have an opportunity. If they go to work, when they go to work, they want to have an opportunity to place their children in child care in a place where they have some confidence and trust. That is why this amendment is so important.

It breaks your heart to take a look at what is happening in some areas of the country with very high unemployment, especially Indian reservations, with people who want an opportunity to work. They want a job. On many of these reservations—and we have a couple in North Dakota—there virtually are no jobs. If you look at the map and try to figure out, where do we carve out a reservation and say these are Indian reservations, do you think they carved out the fertile Red River Valley? No. They carved out reservations where there are no great opportunities and where there has not been a substantial amount of economic activity, not very many jobs, not very many companies moving in to provide opportunities.

As we attempt to decide how to reform the welfare system—and we should, because it does not work very well—we need to understand that the two linchpins that can help people move from welfare to work are child care and health care. The absence of one or both means that you cannot succeed in moving someone from welfare to work. The presence of both means that you can say to people that we expect something from you in response to what we are going to offer for you. Part of that is job training and employment, but also attendant to it is adequate and proper child care. I do hope that, between now and tomorrow, we might find an opportunity to see whether this amendment might be accepted.

Mr. MCCAIN. Mr. President, I rise today in support of the amendment offered by my colleague, Senator DORGAN. The amendment ensures that Indian tribes will continue to receive 3 percent of funding provided under the child care development block grant program, as it stands under current law.

I am pleased that the proposed budget reconciliation measure under consideration includes provisions which I and other Senators sponsored to address the unique needs and requirements of Indian country to directly administer welfare programs.

Mr. President, welfare assistance programs are intended to protect poor people and children. As reported, the bill does not go far enough to ensure that Indian tribes, particularly Indian children, who are the most vulnerable of our population and among the poorest of the poor, will be protected. Indian children under the age of 6 are more than twice as likely as the average non-Indian child to live in poverty. Indian children under the age of 6 residing on Indian reservations are three times more likely than non-Indian children to live in poverty.

The need in Indian country is enormous and far outweighs the limited Federal dollars allocated to Indian tribal governments. Because the need for assistance to Indian children is so compelling, I have been quite concerned that the reported bill reduced the tribal allocation from 3 percent to 1 percent. Such a cut would have harmed tribal efforts to bring more Indian people into the work force and resulted in diminishment of existing tribal child care programs.

Mr. President, I believe we should maintain the 3-percent-funding allocation under present law to ensure that Indian children receive an equal and fair opportunity to a brighter future as is provided to all other American children. This commitment also honors the unique trust relationship that the United States has with Indian tribal governments.

I am pleased that we have reached agreement to adopt this amendment and thank Senator DOMENICI, chairman of the Budget Committee, and Senator ROTH, chairman of the Finance Committee, for accepting it. I also want to thank Senator DORGAN for once again demonstrating his commitment to improve the lives of Indian children. I urge my colleagues to work diligently at conference with the House to ensure that the welfare bill we send to the President maintains this provision.

AMENDMENT NO. 4934

Mr. DORGAN. Mr. President, I want to make one additional comment, not on this amendment, but on the one offered by Senator CONRAD. That amendment is the issue of the optional food stamp block grant.

My understanding of the amendment is that the block grant option that exists in the bill is a problem, and the amendment would repeal the block grant. The amendment's supporters believe—and I firmly believe—that if we decide that it is a function of national will, a national objective to decide that those who do not have enough to eat, then we are going to try to help get them some food.

If that is a national issue, it is not an issue between one county and another county, or one State and another State, or one city and another city. It is an issue of national determination that we do not want people in this country to be hungry. We do not want kids to go without meals. We want to develop a national standard that makes sure this country, as good and generous and as strong as this country is, can feed those people among us who have suffered some difficulties, who were unfortunate enough to be born into circumstances of poverty, who have had some other disadvantages, and who find themselves down and out, down on their luck, and also hungry.

We know what to do about hunger. This is not some mysterious disease for which there is no cure. We know what causes hunger and how to resolve it.

Part of this bill deals with the issues of resolving hunger and helping people get prepared for the workplace. Another part says you cannot prepare 8-year-olds for a job. We ought not to prepare 10-year-olds for a job. If we have kids living in poverty, or grownups living in poverty, we want to make sure that we have a system to say that we will help them get back on their feet. While we are helping them get back on their feet, we do not want them to be hungry—kids, adults, anybody in this country. That is why we have had a Food Stamp Program. Is it perfect? No. Has it worked well? Sure. We ought not, in any way, decide that we should retreat from that. That is why I so strongly support the amendment offered by Senator CONRAD and Senator JEFFORDS.

Mr. President, I yield the floor.

AMENDMENT NO. 4948

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, on the amendment which is pending, with reference to the 1 versus 3 percent set-aside, we have cleared this with the committee of jurisdiction. What will happen when we adopt this amendment is that we will return the percentage to its current law. This is a ceiling, not a mandated level. For those reasons, the committee indicates that we will accept it on our side.

Therefore, I yield back any time on the amendment and indicate that we are willing to accept the amendment.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 4948) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the Senator for offering the amendment.

Mr. DORGAN. I thank the Senator from New Mexico for his help.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4950

(Purpose: To strike amendments to the summer food service program for children)

Mr. FORD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mrs. MURRAY, proposes an amendment numbered 4950.

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

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

The amendment is as follows:

Strike section 1206.

Mr. FORD. Mr. President, Senator MURRAY is unavoidably detained. I am proposing her amendment.

This is an amendment she discussed last week and withdrew with the opportunity to be able to submit it today. It strikes section 1206. The bill reduces the rate of the Summer Food Service Program.

The Food Research Action Council's surveys and past experience leads them to conclude that the cut could result in:

A 30- to 35-percent drop in the number of sponsors;

A 20-percent cut in the number of children participating;

Many larger sponsors dropping their smaller sites;

A significant decline in meat quality as sponsors cut food costs.

I ask unanimous consent that ''the need for the Murray amendment striking provisions relating to the Summer Food Program'' be printed in the RECORD.

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

The need for the Murray amendment striking provisions relating to the summer food program:

The Senate bill makes an eleven percent cut to the reimbursement rate for lunches provided in the summer food program. The reduction (a 23/20 cent cut on each lunch, from $2.16/$2.12 to $1.93) is substantial. Many programs around the country serve 50 or fewer children. Over half of current sponsors already lose money under current rates. Their margins to absorb cuts are extremely narrow. Estimates vary by state, but the Food Research Action Council's surveys and past experience lead them to conclude that the cut could result in: a 30–35 percent drop in the number of sponsors (especially in rural districts); a 20 percent cut in the number of children participating; many larger sponsors dropping their smaller sites; weaker supervision and monitoring and a decline in program integrity; a significant decline in meal quality as sponsors cut food costs; and very few new sponsors. It is already difficult to recruit new sponsors, even though only one in six eligible children receive meals. The recruitment of new sponsors by advocacy groups would likely stop, and with it, future growth.

The effect of the amendment:

Strikes section 1206 of the bill, which reduces the rates for the Summer Food Program.

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

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum. We are not going to respond yet. We are just beginning to understand the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4951

(Purpose: To provide additional amendments)

Mr. DOMENICI. Mr. President, I offer in behalf of Senator ROTH technical amendments to the bill. These have been requested by the Finance Committee and been approved and recommended for adoption by the majority and the minority of the Finance Committee. I send the technical amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. DOMENICI], for Mr. ROTH, proposes an amendment numbered 4951.

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

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

The amendment is as follows:

On page 193, line 8, strike ''is'' and insert ''has been''.

On page 238, line 4, insert ''any temporary layoffs and'' after ''including''.

On page 238, line 6, strike ''overtime'' and insert ''nonovertime''.

On page 238, strike line 7 through 13, and insert the following:

''wages, or employment benefits; and''.

Mr. EXON. No objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4951) was agreed to.

AMENDMENT NO. 4952

(Purpose: To strike additional penalties for consecutive failure to satisfy minimum participation rates)

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I rise for purposes of offering an amendment. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 4952:

Strike section 409(a)(3)(C) of the Social Security Act, as added by section 2103(a)(1).

Mr. GRAHAM. Mr. President, as read, the purpose of this motion to strike is to strike section 409(a)(3)(C) which was added to this bill during its consideration before the Senate Finance Committee. The provision which I would offer to strike provides:

Notwithstanding the limitation described in Subparagraph (A), the Secretary shall reduce the grant payable to the State . . . for a fiscal year, in addition to the reduction imposed under subsection (A), by an amount equal to 5 percent of the State family assistance grant, if the Secretary determines that the State failed to comply with section 407(a) for 2 or more consecutive preceding fiscal years.

That language was added in the Senate Finance Committee to language that had been in the bill in its previous form, in its current reconciliation version, as well as in other versions of welfare reform. That previous version states that the Secretary can sanction a State which fails to meet its work requirements by an amount up to 5 percent of the State's family assistance grant.

The amendment that was offered, first, removes the discretion from the Secretary; second, instead of saying up to 5 percent, it makes it an absolute 5 percent in addition to whatever sanction has been levied in the previous fiscal year against a State which failed to meet its work requirement.

Why am I offering this amendment? I am offering it, first, because the language of the amendment is very obscure. In its claimed reading, it seems to say that there will be an additional amount, equal to 5 percent of the State's family assistance grant, as a sanction if the State had failed for 2 consecutive years to meet its work requirements. That, apparently, is not the way it is being interpreted by others, including one of the groups which is strongly opposed to this provision, which is the National Conference of State Legislatures. They are interpreting this to be a cumulative sanction. That it would be, if you failed to meet your work requirements for 2 consecutive years and had been subject to a penalty because of failure to do so, you would be subject to an additional mandatory 5-percent cut in the third year; an additional 5-percent cut, or a cumulative 15 percent in the next year; an additional 5 percent in the year after that, up to a maximum of a 25-percent reduction in your grant.

So one of my concerns with this very important provision that was added—frankly, as a member of the Finance Committee, I can stipulate, without any consideration by the committee—is, just what does it mean? It could be very draconian in its impact. It could be only very serious.

So that is one issue. A second issue is the fact that the States, through the organizations that we have looked to, to do much of the policy work for a bill which purports to grant increased authority to States, are opposed to this provision.

I ask unanimous consent to have a series of letters from State-based organizations printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRAHAM. I would like to use, illustrative of the letters I received, this letter dated today, July 22, from the National Conference of State Legislatures. This letter states, in part:

State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to

strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of numerous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.

The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high unemployment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner.

Mr. President, the letter from the National Conference of State Legislatures points out a fundamental difference between the sanction that we had previously proposed, and which stays in this bill, and that which was added in the Finance Committee. The previous sanction made it in the discretion of the Secretary of HHS as to whether to levy such a penalty, and at what level to do it up to 5 percent. So the Secretary could take into consideration—maybe the reason the State of Vermont failed to meet its work requirement was because they had an unexpected natural disaster in Vermont, as we did in Florida with Hurricane Andrew, or maybe they had an unusual economic recession and more people were unable to find work, and therefore they could not meet the work requirements for those persons who are coming off welfare. The cumulative language gives no such discretion to the Secretary to take those kinds of real-world conditions into account.

A third reason for offering this amendment is the reason that was the basis of discussion earlier today by my colleague, Senator BUMPERS, and myself on Friday. That is, we start this process from a very inequitable allocation of funds among the 50 States. The reason it is so inequitable is because we are basically using the status quo which was based on a State's financial ability and political willingness to put up substantial amounts of money for welfare and then draw down an equivalent amount of Federal matching funds. That formula has resulted in disparities of in the range of 4 and 5 to 1 between high-benefit States and low-benefit States in the amount of funds that they have per poor person.

For instance, in the State of Arkansas, for every person in their State who has an income below the poverty level, they would get $397 of Federal support. In the State of New York, under this legislation, in the year 2000 they would get $1,961 for every person below 100 percent of poverty level. When you compound that large inequity in the amount of Federal funds per State with a common requirement that all States have to meet in terms of getting a proportion of their welfare population off welfare and into work, you have enormous differences in the impact of this legislation.

Mr. President, I am going to truncate my remarks because I know there are some amendments that have to be offered before 2 o'clock. But let me, just for my colleagues, point out that the State of Arkansas, in the year 2000, has estimated it will have to spend 49 percent of the funds which today go to provide economic support to pay for everything from school supplies to clothing to diapers to utilities, 49 percent of those funds will have to go to meet the work requirements, that is, to pay for the job training, to pay for the child care, to pay for the other support services such as job placement. That is in the State of Arkansas.

In my State, which is a middle State in terms of benefits, 36 percent of our funds would have to go to meet those requirements, whereas in New York State, only 14 percent of their combined State-Federal funds would be required in order to pay for exactly the same work assistance that Arkansas and Florida would have to provide, thus leaving a very inequitable amount left over for the fundamental economic support that this program for 60 years has been providing to indigent families in America.

So, for those three reasons—lack of clarity as to what this amendment is supposed to mean; second, the strong opposition of the States because of its lack of flexibility; and, third, the inequitable application of this cumulative sanction amendment—I offer this amendment. At the appropriate time, I will urge its support.

EXHIBIT 1

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
Washington, DC, July 22, 1996.

DEAR SENATOR: The National Conference of State Legislatures (NCSL) is committed to continuing our work with the Congress to enact comprehensive, bipartisan welfare reform legislation this year. As you consider amendments to S. 1956, state legislators offer the following positions for your consideration. We strongly believe that the final welfare reform bill must: (1) provide maximum flexibility to state and local governments; (2) preserve existing state authority and avoid preemption; (3) fund federally-mandated activities; (4) avoid cost-shifts to states; and (5) ensure that states have adequate implementation time for programs fully- or partially-devolved to the states.

State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin in the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of numerous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.

The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high employment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner. Senator Graham's amendment also allows the Secretary to reduce state penalties after assessing the individual experience of that state. We have always opposed cookie-cutter welfare reform. The current bill does not allow for the diversity of state experience in reforming the system and the timing of state legislative sessions to enact the laws necessary to change the system.

The Congressional Budget Office has estimated that there is a $13 billion shortfall in the cash assistance block grant to meet the work requirements. NCSL has always supported deficit reduction and we understand the limitation on available funds for work. However, the current bill as drafted penalizes us as we charter unknown waters to create a new system to retrain state workers, create employment slots, verify work slots and, of course, be successful at moving recipients to work. A distinction is not made for states who have made a good faith effort but fail to meet the requirements for reasons beyond their control. We are very concerned that this will hamper state creativity, innovation and excellence. State legislators urge you to support Senator Graham's amendment.

Sincerely,

CARL TUBBESING,
Deputy Executive Director.

NATIONAL GOVERNMENT ASSOCIATION,
Washington, DC, June 26, 1996.

Senate Finance Committee,
U.S. Senate,
Washington, DC

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governor's bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare

reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you markup S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

The Governors urge to support the following amendments:

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (Breaux). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (Breaux). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the Breaux amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Services Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (Breaux). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator Breaux. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements, impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, increase work participation rates, further restrict what activities count toward the work participation rate, or change the hours of work required. The Governor's policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirement would limit state flexibility.

The Governors urge you to oppose the following amendments or revisions in the area of work:

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workfare or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

The Governors urge you to oppose the following amendments or revisions in the chairman's mark in these additional areas:

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (Breaux, Mosely-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH,
Executive Director.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, July 12, 1996.

DEAR MEMBER OF CONGRESS: You may be voting soon on the Welfare and Medicaid reform bill (H.R. 3507/S. 1795). The National Association of Counties (NACo) is encouraged that there were improvements to the welfare section of the bill, including: increased funds for child care; maintaining current law for foster care adoption assistance maintenance and administration payments; and no funding cap for food stamps nor a block grant for child nutrition. However, there are not enough improvements to warrant our support. In some respects, particularly the work requirements, the bill has become even more burdensome. NACo particularly opposes the following welfare provisions:

1. The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the safety net for children and their families.

2. The eligibility restriction for legal immigrants goes too far. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. In fact, by changing the implementation date for these provisions, the bill has become more onerous. NACo is also very concerned about the effect of the deeming requirements particularly with regard to Medicaid and children in need of protective services.

3. The participation requirements have become even more unrealistic. NACo particularly opposes the increased work participation rates and increased penalties, the changes in the hours of work required, and the new restrictions on the activities that may count toward the participation rates.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. While NACo is glad that the bill does contain language that requires some consultation with local officials we prefer the stronger language that is contained in the bipartisan welfare reform bill (H.R. 3266).

NACo also continues to oppose the Medicaid provisions. By capping the fiscal responsibility of the federal government and reducing the state match for the majority of the states, the bill could potentially shift billions of dollars to counties with responsibility for the uninsured. Allowing the states to determine the amount, duration and scope of services even for the remaining populations which would still be guaranteed coverage, will mean that counties will be ultimately responsible for services not covered adequately by the states. While we support the increased use of managed care and additional state and local flexibility in operating the Medicaid program, we do not support the repeal of Medicare as envisioned in the current legislation.

As it is currently written, the Medicaid and Welfare Reform bill could potentially shift costs and liabilities, create new unfunded mandates upon local governments, and penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. NACo therefore urges you to vote against H.R. 3507/S. 1795.

Sincerely,

DOUGLAS R. BOVIN,
President.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. DOMENICI. Mr. President, I take 1 minute from our side to indicate our objection to the amendment. In the bill on page 273, there is a section that reads: ''Reasonable Cause for Exception.—'' And it applies to the areas the Senator from Florida is referring to.

It says:

The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

Then it has two exceptions to this, and neither of the two are matters covered by the concern of the Senator. So I believe there is flexibility, and for those State legislators and staff up here who looked at it, I suggest they read that provision.

In addition, there is a whole process following that provision for how a State would determine that they had reasonable cause.

Having said that, I am going to yield back any time I have on the amendment.

ELECTRONIC BENEFIT TRANSFER SYSTEMS AND WELFARE REFORM

Mr. KENNEDY. Mr. President, a number of consumer groups have expressed concern about a provision in the pending welfare reform bill that exempts users of electronic benefit transfer systems [EBT's] users from the protections of the Electronic Benefit Transfer Act.

EBT's are a useful reform to modernize the distribution of welfare benefits. They are comparable to automated teller machines. They offer a convenient way for welfare recipients to use a card to withdraw their cash benefits from a bank machine or pay for food at a grocery store. Although a few States may now have in place such a program, it is likely to become much more common in the years ahead. Massachusetts is in the process of implementing such a system for its 80,000 welfare recipients.

If the final welfare reform bill includes the exemption from consumer protections, EBT users will not have the same basic safeguards against benefit losses caused by computer error, merchant fraud, or theft that other credit card holders now have. Clearly, it is unfair to deny reasonable safeguards to welfare beneficiaries.

I understand that a realistic compromise is being developed to protect EBT users from benefit losses while ensuring that States are not exposed to unmanageable costs. I am hopeful that any welfare reform bill enacted into law will contain such protections, and I urge all Senators to support them.

TEEN PREGNANCY AND STATUTORY RAPE

Mr. LIEBERMAN. Mr. President, I am pleased that the Senate has made progress in two areas critical to reforming welfare—teen pregnancy and statutory rape. Both sides of the aisle have worked together to bring about this progress, and I am left hopeful that we can infuse future negotiations on other welfare issues with this bipartisan spirit of cooperation.

Mindful of the American public's demand for legislative progress this year, I joined other colleagues in sponsoring initiatives that would not only benefit children, but also reduce welfare spending. Budget specialists and community leaders emphasized the necessity of dealing with two underlying welfare problems—teen pregnancy and statutory rape. In examining these problems, we answered two necessary questions: First, who is on welfare? and Second, how did they get there?

Teenage out-of-wedlock pregnancy is a primary cause of long-term welfare dependency. Currently, 53 percent of AFDC funds go to households begun by teenage births. Senator CONRAD and I proposed an amendment to last year's Senate bill which requires teen mothers to live at home or in adult-supervised settings, establishes national goals regarding education strategies and reduction of pregnancy rates, and rewards States who meet these goals with a cash bonus.

The Senate included these provisions in the bill in front of us and strengthened the Federal role in combating this problem. However, teen pregnancy prevention is a battle that must be fought at the local level, as troubled teens demand direct individual attention and investment. By accepting my amendment which compels States to devote 1 percent of their Social Security block grant—$23.8 million—to prevention services, the Senate has spurred them to assume this responsibility. We are succeeding in aiding President Clinton as he endeavors, in his own words, ''to get all the leaders of all sectors of our society involved in this fight.''

The Federal Government, too, recently assumed more responsibility in accepting my amendment which targets the crime of statutory rape, a direct and indirect cause of teen pregnancy. The great majority of babies born to teen mothers are fathered by adult men, and the partners of the youngest mothers under the age of 14 are on average 10 to 15 years older than them. This Senate is sending sexual predators an unequivocally stern message—that we choose abstinence for children, and that we will not tolerate those who take advantage of a child's inability to form and articulate a decision about her body. Previously, we concurred that it is the Sense of the Senate that States should aggressively enforce statutory rape laws. Now, we are taking additional steps. The amendment requires the Justice Department to pay strict attention to this crime. They are to research the link between statutory rape and teen pregnancy, as well as those predatory men who commit these crimes repeatedly. They will also educate State and local law enforcement officials to effectively prevent and prosecute statutory rape.

Again, we include the States in this fight. This amendment compels the States to create and expand criminal law enforcement, public education, and counseling initiatives and to restructure teen pregnancy prevention programs to include men. Finally, States must certify to the Federal Government that they are engaged in such activities to stop statutory rape.

By focusing on the problems of teen pregnancy and statutory rape through these amendments, we are economizing our future welfare expenditures and improving the lives of poor children. The reality of mothers sacrificing educational opportunities to give birth to fatherless babies and live in poverty is not a choice. It is partly a result of the greater problems these amendments address.

I appreciate, and the American public will appreciate our bipartisan unity in demanding responsibility from fathers. They must own up to their paternity, pay child support, and set a good example for their children by working in private sector or community service jobs. A certain group of men must refrain from sexually preying upon young girls and dispossessing them of their fundamental right to make sexual, educational, and career choices.

Problems remain in this bill. I appeal to my colleagues to work together so that we can present not just a few amendments, not just one improvement, but an entire bill to the American citizenry that truly reforms the current system.

Mr. DOMENICI. Mr. President, I know Senator EXON needs some time.

Mr. EXON. Mr. President, I thank the chairman for his consideration. I will say, there are several matters that I must, as manager of the bill on this side, have very limited and short debate on, things I need to enter. I might be able to do that between now and 2 o'clock, but if not, in order to protect the interests of those I represent, I ask unanimous consent that the 2 o'clock hour be extended by 10 minutes, to 10 minutes past 2, if necessary, to accommodate the Senator from Nebraska to carry out the duties that I must address.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I do not know what it is you want to do. Do you want to offer amendments on behalf of Senators?

Mr. EXON. Yes, these are things I have to do as a manager of the bill on this side, including points of order requests.

Mr. DOMENICI. Let me make one further request. Are any of those amendments for Senators who did not come today to offer their amendments? How many are those?

Mr. EXON. There are three amendments that were on the list that the Senators have not come to formally offer today, and I intend to perform that duty for them.

Mr. DOMENICI. So long as we clearly understand, this does not flow to Senators who come in here at 5 minutes after, this applies to you.

Mr. EXON. I amend the request, if I might. I ask unanimous consent that, if necessary to discharge the duties assigned to the Democratic leader of the Budget Committee, that the additional 10 minutes be assigned to this Senator and this Senator only.

Mr. DOMENICI. I have no objection.

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

Mr. EXON. I thank my friend for his usual good cooperation. There are two amendments I will offer. They have been cleared on both sides. I think we can dispose of them quickly.

AMENDMENT NO. 4953

(Purpose: To allow States to choose the most appropriate agency to assist abused and neglected children, by enabling them to choose proprietary as well as non-profit or government agencies to care for children in foster care, as provided in report number 104–430 (the conference report to H.R. 4 as passed during the 1st session of the 104th Congress), and S. 1795, as introduced in the Senate during the 2d session of the 104th Congress, and before the Finance Committee Chairman's modifications to such bill)

Mr. EXON. Mr. President, on behalf of the Senator from Louisiana [Mr. BREAUX], I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BREAUX, proposes an amendment numbered 4953.

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

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

The amendment is as follows:

At the end of section 2109(a), add the following:

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking ''nonprofit''.

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

Mr. DOMENICI. We have no objection. We accept that amendment.

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

The amendment (No. 4953) was agreed to.

AMENDMENT NO. 4954

(Purpose: To provide for community steering committees demonstration projects)

Mr. EXON. Mr. President, in similar fashion, on behalf of the Senator from Nebraska [Senator KERREY] I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KERREY, proposes an amendment numbered 4954.

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

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

The amendment is as follows:

At the end of chapter 1 of subtitle A of title II, add the following:

SEC. . COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(III) assess the needs of children of recipients of temporary assistance to needy families; and

(IV) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

Mr. DOMENICI. Mr. President, let me just mention that amendment we had agreed to over the weekend. We worked on that with Senator KERREY. We have no objection. We had already agreed to it.

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

The amendment (No. 4954) was agreed to.

AMENDMENT NO. 4935

Mr. EXON. Mr. President, under the previous order, all points of order must be raised today before the 2 o'clock deadline, or under the extended time that we have agreed to.

Pursuant to that order, I now address amendment No. 4935, offered by the Senator from Texas, Senator GRAMM. Mr. President, the amendment is not

germane, and I raise a point of order that the Gramm amendment violates section 305(b) of the Congressional Budget Act.

Mr. DOMENICI. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4901

Mr. EXON. Mr. President, also pursuant to the previous order, I now address amendment No. 4901, offered by the Senator from North Carolina, Senator FAIRCLOTH.

The amendment is not germane, and I raise a point of order that the Faircloth amendment violates section 305 of the Congressional Budget Act.

Mr. DOMENICI. Pursuant to the appropriate provisions of the Budget Act, I move to waive the point of order against the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4955

(Purpose: To permit assistance to be provided to needy or disabled legal immigrant children when sponsors cannot provide reimbursement)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4955.

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

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

The amendment is as follows:

On page 572, strike out line 10 and all that follows through page 577, line 10, and insert the following:

(E) EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the following:

(i) SSI.—An alien who has not attained the age of 18 years and who is eligible by reasons of disability for supplemental security income under title XVI of the Social Security Act.

(ii) FOOD STAMPS.—An alien who has not attained the age of 18 years, only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''specified Federal program'' means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)), except that States shall not ban from such programs qualified aliens who have not attained the age of 18 years.

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''designated Federal program'' means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) EXCEPTION FOR CHILDREN.—An alien who has not attained the age of 18 years.

Mr. KENNEDY. Mr. President, I am deeply concerned that for the first time in history, Congress will ban legal immigrants from most assistance programs. Banning legal immigrants from these programs will also deny their children the assistance they need to become healthy, productive members of society. The amendment I am offering will exempt children from these bans.

The Republican bill permanently bans legal immigrants from SSI and food stamps. It bans them for 5 years from Medicaid, AFDC and other programs. It also gives States the option of going even farther, and permanently banning them from Medicaid, AFDC, and social service block grants.

Several preliminary points are important to understand about this issue.

First, this bill is a ban. Banning is not the same as deeming. In deeming, we look to the sponsor for payment before the Government pays. Under banning, the sponsor is not involved. The ban covers legal immigrants, with or without sponsors.

Second, we are not talking about illegal immigrants. This bill bans legal immigrants from safety net programs. These are individuals and families who come here legally, play by the rules, and pay their taxes. They are future citizens trying to make it in this country. Yet this bill would repay them by banning them from assistance if they fall on hard times.

Third, the ban's application to children makes no sense. Many children will be affected and harmed, but many others will not. It depends entirely on where they were born. Children born in the United States are U.S. citizens and will be eligible for assistance, even if their parents are legal immigrants. But children born overseas will be caught by the ban. So children in the same

family will be treated differently, depending on where they were born. This is unfair.

Fourth, the children involved often live in the families of U.S. citizens. A typical case involves a citizen who has married and brought his new spouse and the spouse's child to America. Surely, they deserve help.

AFDC, SSI, food stamps and Medicaid are programs which are especially critical to children's health and development. Banning legal immigrant children from these programs puts their well-being at stake, and it puts the public at risk, too.

Legal immigrants can get sick like everyone else. Their families can fall on hard times. They can become disabled. Banning them from basic assistance programs means that when their sponsors can't provide support, immigrants won't get the help they need. Their medical conditions will go untreated and their disabilities will worsen.

These children are future citizens. Like all other children in America, they need and deserve to be assured of good health and good nutrition. If the Federal Government abandons them, communities will suffer.

When immigrant children get sick, they infect other children. By banning them from Medicaid, we are also banning them from school-based care under the Early and Periodic Screening, Detection, and Treatment Program, which provides basic health care to school-age children. It is part of Medicaid in most states.

Under this bill, legal immigrant children will be banned from going to the school nurse when they feel sick in school. If they try to see the nurse, the nurse cannot treat them because they are immigrants. They have no private insurance and they are banned from Medicaid. If the illness gets worse, their parents may take them to the local emergency room—a very expensive alternative and not likely to be pursued unless the illness seems severe.

Suppose a child has tuberculosis. In the time it took for the illness to worsen enough to be covered by emergency Medicaid, many classmates have been exposed—all because no early help was available.

In addition to Medicaid, the Republican bill bans legal immigrant children from SSI, which provided assistance to the blind and disabled. Nine thousand legal immigrant children are blind or disabled. They have some of the most complex and life-threatening needs of all. As a practical matter, such cases often involve tragic accidents, where expensive long-term care is needed to deal with debilitating conditions. If SSI is not available, children literally will die.

The Republican bill also bans legal immigrant children from food stamps, which could sentence them to a lifetime of health problems due to poor nutrition. Parents will have to turn to soup kitchens and food pantries just to feed their children. Yet, soup kitchens are already stretched beyond their capacity. Almost all soup kitchens limit the number of times a person can come to the kitchen for food. Some kitchens allow one visit a month. Others allow only three to six visits a year. If we cut off food stamps, many legal immigrant children will have nowhere to turn for food.

Nutrition is vital to the development of a child. Immigrant children are no exception. Without access to food stamps, some immigrant children will suffer a lifetime of anemia, stunted growth, and even permanent brain damage.

Finally, it makes no sense to ban legal immigrants from AFDC payments. AFDC allows mothers to place their children in child care, so that the parent can work or go to school. Without AFDC, parents will have to stay home to take care of their children. This bill is not welfare reform for legal immigrants. It will push families further into poverty, with no chance of escape.

For all of these reasons, I urge the Senate to adopt this amendment, and reject this harsh and extreme attack on immigrant children.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Pursuant to section 310(d)(2), I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second

The yeas and nays were ordered.

AMENDMENT NO. 4956

(Purpose: To allow a 2-year implementation period under the Medicaid program for implementation of the attribution of sponsor's income, the 5-year ban, and other provisions)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4956.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. KENNEDY. Mr. President, the changes in Medicaid for legal immigrants in this legislation will have a major impact on health care institutions and on the public health.

Virtually all of the Nation's hospitals have called on Congress to delay implementation of these changes for at least 2 years because of their far-reaching consequences. Those who have urged such a transition include:

The American Association of Eye and Ear Hospitals,

The American Hospital Association,

The Association of American Medical Colleges,

The American Osteopathic Healthcare Association,

The Federation of American Health Systems, InterHealth,

The National Association of Children's Hospitals,

The National Association of Community Health Centers,

The National Association of Psychiatric Health Systems,

The National Association of Public Hospitals,

Premier, Inc.; and

The Catholic Health Association of the United States.

My amendment responds to their concern by postponing the implementation of the Medicaid changes on immigrants for 2 years, in order to enable State and local governments and hospitals and clinics to make the major adjustments required under this bill.

Even with this transition, these changes will hurt the health care system and harm the public health. It is bad public health policy to deny Medicaid to legal immigrants. Last April, the National Conference of State Legislatures, the National Association of Counties, and the National League of Cities wrote to Congress stating:

Without this program eligibility, many legal immigrants will not have access to health care. Legal immigrants will be forced to turn to State indigent health care programs, public hospitals, and emergency rooms for assistance or avoid treatment altogether. This will in turn endanger the public health and increase the cost of providing health care to everyone.

But if these changes are to take place, then we should at least give health providers the time they need to adjust.

Although the bill continues emergency Medicaid for legal immigrants, they would be banned from regular Medicaid for 5 years. After that, they can qualify for Medicaid only if their sponsor's income and resources are too low to assist them. But States can decide to ban legal immigrants permanently from Medicaid.

Hospitals fear that if Medicaid is restricted, the loss of funds will require them to reduce services for everyone—citizens and non-citizens alike. Especially vulnerable are the most costly services, such as trauma care, burn treatment, and neonatal intensive care.

This crisis in funding will particularly affect hospitals that serve communities with large numbers of immigrants. In the case of public hospitals, most patients have Medicaid coverage. Today, at Cambridge City Hospital in Massachusetts, 48 percent of the patients are immigrants. That means the hospital could lose half of its Medicaid funding under this bill.

For Los Angeles County Hospital, the figure is 60 percent. For Jackson Memorial Hospital in Miami, 40 percent. For San Francisco General Hospital, 30 percent. For Harris County Hospital in Houston, 30 percent.

The sudden loss of Medicaid income when the immigrant population is denied coverage may well jeopardize the quality of health care in the entire community those hospitals serve.

In addition, those without health coverage through insurance or Medicaid are less likely to receive preventive medical care and timely immunization. The result is unnecessarily higher risks of disease in the community as a whole. The care system will try to prevent this result, but it is a gamble that Congress should not impose.

At a minimum, the health care system needs time to adjust. Under this bill, the Medicaid changes go into effect immediately for future immigrants. States may choose to deny Medicaid starting on January 1, 1997. That's unfair and unrealistic. Hospitals and State and local governments need time to adjust. Community health centers need to find ways to expand, as Medicaid resources dry up for hospital care. State legislatures will need to adopt new laws and adjust spending to compensate for the loss of Medicaid.

These complicated changes cannot occur overnight, especially in California, Texas, Florida, New York, New Jersey, Massachusetts, Pennsylvania, Illinois, and other States with large immigrant populations..

These changes should not go into effect at all. But if they do, I urge my colleagues at least to hear the pleas and heed the plight of the hospitals. They need more time and they deserve it.

I urge the adoption of this amendment.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Mr. President, pursuant to appropriate sections of the Budget Act, I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, at this point, I move to waive all points of order against the pending amendment. 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.

AMENDMENT NO. 4957

(Purpose: To modify remittance requirement from 5 to 7 days for child support enforcement payments)

Mr. DOMENICI. Mr. President, since the hour of 2 is arriving and we have agreed to extra time just for Senator EXON, I send an amendment to the desk in behalf of Senator NICKLES. It was on the list. It modifies the requirement for remittance, making it 7 days instead of 5 for child support payments. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. NICKLES, proposes an amendment numbered 4957.

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

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

The amendment is as follows:

On page 438, line 15, strike ''5'' and insert ''7''.

Mr. EXON. We have no objection to this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4957) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, in 1986, the Congress enacted the so-called ''Byrd rule,'' named for our esteemed colleague, Senator BYRD, now incorporated into the Congressional Budget Act of 1974 as section 313. Although it may seem arcane to those not immediately involved in the budget process, the Byrd rule has become a very important tool to curb provisions in the reconciliation bill that are extraneous to the purpose of deficit reduction. It helped close Pandora's box of reconciliation abuse, of which Senator BYRD so eloquently warned more than 10 years ago.

The Byrd rule provides six definitions of what constitute extraneous matter, but the term generally applies to provisions unrelated to the reconciliation deficit reduction goals.

For example, a provision in reconciliation could be challenged by a Senator if it produces no changes in revenue or spending or if such changes are merely incidental. Sixty votes are necessary to waive a point of order raised under the Byrd rule. Last year's reconciliation bill contained numerous Byrd rule violations. This year's bill is also brimming with violations. I will shortly present a full list to the Chair and raise a point of order, but I want to highlight two of them.

First, there is a provision that deletes a requirement that the Secretary of Agriculture promulgate rules so that school lunch contracts comply with the applicable meat inspection laws.

Second, there is a provision that strikes the requirement that positive efforts shall be made by service institutions to use small business and minority-owned businesses as sources of supplies and services for these school lunch programs.

Mr. President, once again, these are simply other add-ons that we should look to. Once again, this is not an all-inclusive list, but it gives the Senate a flavor of the violations that I will shortly raise.

With that, Mr. President, I send a list of provisions to the desk that I have referenced, and pursuant to section 313(d) of the Congressional Budget Act, I raise a point of order that these provisions violate section 313(b)(1) of that act.

The list follows:

EXTRANEOUS PROVISIONS IN S. 1956

Section	Subject	Violation	Rationale
Section 1206(h)	Positive efforts		
	Title I—Committee on Agriculture—Agriculture and Related Provisions Subtitle A—Food Stamps and Commodity Distribution Chapter 1—Food Stamp Program		
Section 1126	Caretaker exemption	313(b)(1)(A)	No budgetary impact.
Sec. 1148	Expedited service	313(b)(1)(A)	No budgetary impact.
Sec. 1159	Waiver authority	313(b)(1)(A)	No budgetary impact.
	Subtitle B—Child Nutrition programs Chapter 1—Amendments to the School Lunch Act		
Sec. 1202(b)	Annual announcement of child nutrition income eligibility limits	313(b)(1)(A)	No budgetary impact.
Sec. 1205(g)	Vermont food works	313(b)(1)(A)	No budgetary impact.
Sec. 1207(b)	Meat inspection		
Sec. 1209(c)	Eliminating projects	313(b)(1)(A)	No budgetary impact
	Subtitle B—Child Nutrition programs Chapter 2—Amendments to the Child Nutrition Act of 1966		
Sec. 1259(d)(1)	Delete requirement for WIC particpants to be provided drug abuse education.	313(b)(1)(A)	No budgetary impact.
Sec. 1259(e)(2) line 13 strike ''(2)'' and ''(8)''.	Announcing annual WIC income	313(b)(1)(A)	No budgetary impact.
Sec. 1259(g)(1)(C)	Deletes USDA's authority to use a portion of WIC carryover funds for innovative demonstration projects to find more innovative ways of promoting breastfeeding among WIC participants..	313(b)(1)(A)	No budgetary impact.

EXTRANEOUS PROVISIONS IN S. 1956—Continued

Section	Subject	Violation	Rationale
	Title II—Committee on Finance Subtitle A—Welfare Reform		
In Chapter 1:			
"Sec. 403(b)(9)"	Budget Scoring—directs CBO not to include program in the baseline after 2001.	313(b)(1)(C)	Not in Finance's jurisdiction.
"Sec. 405(e)	Collection of State overpayments to families from Federal tax refunds	313(b)(1)(A)	No budgetary impact.
"Sec. 408(a)(2)"	No additional cash assistance for children born to families receiving assistance.	313(b)(1)(A)	No budgetary impact.
"Sec. 409(a)(7)(C)"	Applicable percentage reduced for high performance States	313(b)(1)(A)	No budgetary impact.
Sec. 2104	Services provided by charitable, or private organizations	313(b)(1)(A)	No budgetary impact.
Sec. 2113	Disclosure of receipt of Federal funds	313(b)(1)(A)	No budgetary impact.
In Chapter 2:			
Sec. 2225	Repeal of maintenance of effort requirement—applicable to optional State programs for supplementation of SSI benefits.	313(b)(1)(D)	Budget impact is merely incidental to policy change.
In Chapter 4:			
Sec. 2403(c)(1)	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2412(c)	State public benefits defined	313(b)(1)(A)	No budgetary impact.
In Sec. 2423:			
"Sec. 213A(f)(2)	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2424	Consignature of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Sec. 2424	Cosignature of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Chapter 5	Reductions in Federal Government	313(b)(1)(A) 313(b)(1)(C)	No budgetary impact. Not in Finance's jurisdiction.
In Chapter 8:			
Sec. 2815	Repeals	313(b)(1)(A) 313(b)(1)(C)	No budgetary impact. Discretionary programs. Not in Finance's jurisdiction.
In Chapter 9:			
Sec. 2909	Abstinence education	313(b)(1)(A)	No budgetary impact. Affects discretionary programs.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I inquire of the distinguished Senator, before I lodge my waiver with this, have we finished the work that you had alluded to that you had to do?

Mr. EXON. We have one other matter. It is simply something to offer into the RECORD, a letter from the President on the matter that I think you will have no objection to. Other than that, I have nothing further, after the motion that I have just made.

Mr. DOMENICI. I assume when we dispose of that, and you get your insertion, we are finished and have complied with the order about completing the work on this bill?

Mr. EXON. The Senator is correct.

Mr. DOMENICI. Mr. President, since I have not had time nor has our staff had time to review the list of subject matters for Byrd rule points of order—and I want to state in a very specific way that I totally agree with the statements of the Senator from Nebraska as to why we have a Byrd rule. It is not totally perfect, but it is much better than having this law and this reconciliation without that kind of limitation. Nonetheless, we have not had a chance to review them. So what I would like to do—and I am going to do this now; I want to explain it to Senator EXON—I am going to move to waive each one and then we will reserve until tomorrow and consult with all of you on which ones we may indeed seek a vote, if any.

Mr. EXON. Mr. President, the request from the Senator is entirely in order. I had anticipated that they would have some time to look at the list because we have just completed it ourselves and sent it to the desk. Therefore, I have no objection to the request just made and would agree to it.

Mr. DOMENICI. Mr. President, I move to waive the Budget Act with respect to each individual point of order that has just been sent to the desk and lodged by the minority.

I might inform the Senate that, without votes on the points of order if we elect to seek waiver, there are 22 stacked votes now in the event we vote on everything that we have heretofore cleared. The starting time, according to the previous order, unless changed, will be 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that a letter stating the administration's position on the bill be printed in the RECORD.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 18, 1996.

Hon. J. JAMES EXON,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR EXON: I am writing to transmit the Administration's views on S. 1956, the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996."

We understand that the Senate Republican leadership plans to move to strike the Medicaid provisions of this reconciliation legislation—leaving a welfare-only bill for Senate floor consideration.

We are pleased with this decision to separate welfare reform from provisions to repeal Medicaid's guarantee of health care for the elderly, the poor, pregnant women, and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that shows that the Republican leadership seriously wants to pass bipartisan welfare reform this year.

Enacting bipartisan welfare reform reflecting the principles of work, family, and responsibility is among the Administration's highest priorities. For the past three-and-a-half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to enact legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements also included in the bipartisan National Governors' Association (NGA) and Breaux-Chafee proposals. The Senate bill improves upon the bill that the House is now considering. We urge the Senate to build on these improvements, and to continue the bipartisan spirit displayed in last year's debate on welfare reform. At the same time, however, the Administration is deeply concerned about certain provisions of S. 1956 that would adversely affect benefits for Food Stamp households and legal immigrants, as well as the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of workers by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN S. 1956

We appreciate the Finance and Agriculture Committees' efforts to strengthen provisions central to work-based reform, such as child care, and to provide additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. S. 1956 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding $4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work.

Food Stamps. The bill removes the annual spending cap on Food Stamps, preserving the program's ability to expand during periods of economic recession and help families when they are most in need. We are concerned, however, with other Food Stamp proposals, as discussed below.

Maintenance of Effort. The Administration strongly supports the Finance Committee's changes to State maintenance of effort

(MOE) and transfer provisions and believes these are critical elements of bipartisan welfare reform. The Committee removed the objectionable transfer authority to the Title XX Social Services Block Grant and other programs and would allow transfers to child care only. In addition, the Committee restored the 80 percent MOE level in last year's Senate bill and tightened the definition of what counts toward this requirement.

Work Performance Bonus. We commend the Committee for giving States an incentive to move people from welfare to work by providing $1 billion in work program performance bonuses by 2003. This provision was an important element of last year's Senate bill and the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the NGA recommendation to double the Contingency Fund to $2 billion, and add a more responsive trigger based on the Food Stamp caseload. Below, the Administration recommends further steps that Congress should take to strengthen this provision.

Equal Protection. The Committee includes provisions that would require States to establish objective criteria for delivery of benefits and to ensure equitable treatment. We are pleased that the Committee also incorporates appropriate State accountability measures.

Hardship Exemption. We commend the Finance Committee for following the NGA recommendation and restoring last year's Senate provisions allowing States to exempt up to 20 percent of hardship cases that reach the five-year limit.

Transitional Medicaid. We are pleased that the Finance Committee has taken steps to ensure the continuation of Medicaid coverage for some of those who are transitioning from welfare to work. We are concerned, however, that States could deny this transitional Medicaid to many who would lose cash benefits for various reasons. In addition, we still have concerned with Medicaid coverage for those on cash assistance, as noted below.

Worker Displacement. We are pleased that the bill incorporates provisions against worker displacement, including protections from partial displacement as well as avenues for displaced employees to seek redress.

Child Nutrition. The bill now includes many provisions proposed by the Administration, and no longer includes H.R. 4's provisions for a child nutrition block-grant demonstration. In addition, the bill exempts the child nutrition program from burdensome administrative provisions related to its alien provisions. We believe that the Senate could further improve the bill by including the Administration's proposed 8 percent commodity floor.

Child Protection. We commend the Finance Committee for preserving the Title IV-E foster care and adoption assistance programs (including related Medicaid coverage), and other family support and child abuse prevention efforts.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI, and retains full cash benefits for all eligible children.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, and the requirement that minor mothers live at home as a condition of assistance—in this legislation.

KEY CONCERNS WITH S. 1956

The Administration, however, remains deeply concerned that S. 1956 still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts in the vetoed bill—about $60 billion over six years (including the EITC and related savings in Medicaid). These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's Budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposed the inclusion of a Food Stamp grant option, which could seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration also is concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and Aid to Families with Dependent Children (AFDC), the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on most other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 300,000 immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires most Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create extremely difficult and costly administrative burdens for State, local, and non-profit service providers, as well as barriers to participation for citizens. Also, the Administration urges that Senate not go in the harsh direction that the House Rules Committee did yesterday in reporting a provision that would broaden the ban on current immigrants from receiving Medicaid coverage.

Medical Assistance Guarantee. The Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. We are concerned that families who lose cash assistance for various reasons, such as reaching the five-year limit or having additional children while they are receiving assistance, could lose their Medicaid eligibility and be unable to receive the health care services that they need. In addition, State flexibility to change these AFDC rules could adversely affect Medicaid eligibility determinations, including eligibility for poverty-related pregnant women and children.

Protection in Economic Downturn. Although the Contingency Fund is twice what it was in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for States that access the fund for periods of under a year.

Resources for Work. S. 1956 would not provide the resources States need to move recipients into work. The bill increases the work mandates on States above the levels in H.R. 4 while providing no additional resources for States to meet these more stringent rates. Based on CBO estimates, the Senate bill would provide $12 billion less over six years than is required to meet the bill's work requirements and maintain the current level of cash assistance to poor families. CBO notes that ''most States would be unlikely to satisfy this requirement.'' Moreover, the Senate bill would lead to a $2.4 billion shortfall in child care resources (assuming States maintain their current level of cash assistance benefits, continue current law Transitional and At-Risk child care levels, and do not transfer amounts from the cash block grant to child care).

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of voucher language, similar to that in the Administration's bill and Breaux-Chafee, that protects children.

Child Care Health and Safety Protections. The bill repeals current child care health and safety protections and cuts set-aside funds to the States to improve the safety and quality care. We strongly urge the Senate to restore these basic health and safety protections, which were enacted with strong bipartisan support in 1990 and maintained in last year's Senate bill and are essential to the safety and well-being of millions of young children.

Family Caps. The Senate bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as the NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provision in S. 1956 that raises taxes on over four million low-income adult workers by ending inflation adjustments for working households without dependent children, and thereby substantially cutting the real value of their tax credit over time. Raising taxes on these workers is wrong. In addition, the budget resolution instructs the revenue committees to cut up to $18.5 billion more from the EITC. Thus, EITC cuts could total over $20 billion. Such large tax increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We strongly support the bipartisan welfare reform initiatives of moderate Republicans and Democrats in both the House and Senate. The Breaux-Chafee proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which the Senate should build in order to provide more State flexibility; incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good, strong proposal that would end welfare as we know it. Breaux-Chafee provides the much needed opportunity for a real bipartisan compromise, and it should be the basis for a quick agreement between the parties.

The President stands ready to work with Congress to address the outstanding concerns so we can enact a strong, bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is it correct, pursuant to the regular order, we would

now proceed with the agriculture appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, what is the business now before the Senate?

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the clerk will report the agriculture appropriations bill.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic).

H.R. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary[: *Provided further,* That none of the funds appropriated or otherwise made available by this Act may be used to detail an individual from an agency funded in this Act to any Under Secretary office or Assistant Secretary office for more than 30 days]: *Provided further,* That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104–127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $4,231,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

CHIEF FINANCIAL OFFICER

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

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $120,548,000: *Provided,* That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, [$5,000,000], *$25,587,000* to remain available until expended; making a total appropriation of [$125,548,000] *$146,135,000.*

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

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

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, [$28,304,000] *$30,529,000,* to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558*: Provided further, That of the total amount appropriated, not less than $11,774,000 shall be made available for civil rights enforcement.*

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, [$3,728,000] *$3,668,000*: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further,* That not less than $2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

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

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,028,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: *Provided,* That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or

through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,749,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$54,176,000] *$53,109,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture notwithstanding 13 U.S.C. 142(a–b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$100,221,000] *$98,121,000,* of which up to $17,500,000 shall be available until expended for the Census of Agriculture: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, [$702,831,000] *$721,758,000*: *Provided,* That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

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

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [$59,600,000] *$59,200,000,* to remain available until expended (7 U.S.C. 2209b): *Provided,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [$163,671,000] *$168,734,000* to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–361i); [$19,882,000] *$20,497,000* for grants for cooperative forestry research (16 U.S.C. 582a–582–a7); [$26,902,000] *$27,735,000* for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); [$44,235,000] *$46,068,000* for special grants for agricultural research (7 U.S.C. 450i(c)); $11,769,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); [$96,735,000] *$93,935,000* for competitive research grants (7 U.S.C. 450i(b)); [$4,775,000] *$5,051,000* for the support of animal health and disease programs (7 U.S.C. 3195); [$650,000] *$500,000* for supplemental and alternative crops and products (7 U.S.C. 3319d); [$500,000] *$700,000* for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants (7 U.S.C. 3331–3336); $3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,000,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); [$2,000,000] *$1,500,000* for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $4,000,000 for aquaculture grants (7 U.S.C. 3322); [$8,000,000] *$8,100,000* for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants *(7 U.S.C. 3152(b)(4))* to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University [7 U.S.C. 3152(b)(4),] to remain available until expended (7 U.S.C. 2209b); $1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and [$9,605,000] *$10,644,000* for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, [$411,849,000] *$418,358,000.*

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

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 130–382 (7 U.S.C. 301 note), $4,600,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, [$30,449,000] *$55,668,000 (7 U.S.C. 390 et seq.),* to remain available until expended (7 U.S.C. 2209b).

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [$260,438,000] *$268,493,000; $2,500,000 for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3))*; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [$58,695,000] *$60,510,000*; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, [$2,855,000] *$2,943,000*; payments for the pesticide impact assessment program under section 3(d) of the Act, [$3,214,000] *$3,313,000*; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), [$7,549,000] *$7,782,000,* to remain available until expended; *$1,700,000 for institutional capacity building grants at the 1994 Institutions (7 U.S.C. 301 note), to remain available until expended (7 U.S.C. 2209b);* payments for the rural development centers under section 3(d) of the Act, [$908,000] *$936,000*; payments for a groundwater quality program under section 3(d) of the Act, [$10,733,000] *$11,065,000*; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), [$1,167,000] *$1,203,000*; payments for youth-at-risk programs under section 3(d) of the Act, [$9,554,000] *$9,850,000*; payments for a food safety program under section 3(d) of the Act, [$2,365,000] *$2,438,000*; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, [$3,192,000] *$3,291,000*; payments for Indian reservation agents under section 3(d) of the Act, [$1,672,000] *$1,724,000*; payments for sustainable agriculture programs under section 3(d) of the Act, [$3,309,000] *$3,411,000*; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), [$2,628,000] *$2,709,000*; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University,

[$24,337,000] *$25,090,000*; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [$6,271,000] *$11,331,000*; in all, [$409,670,000] *$431,072,000*: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, [$435,428,000] *$432,103,000*, of which [$4,500,000] *$5,000,000* shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further,* That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further,* That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1997 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1997, $98,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $3,200,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, [$37,592,000] *$47,829,000*, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

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

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $59,012,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided,* That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

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

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,576,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

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

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $22,728,000: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed $43,207,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided,* That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, [$574,000,000] *$557,697,000*, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided,* That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): *Provided further,* That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the [Consolidated] Farm Service Agency, Foreign Agricultural Service, and the Commodity Credit Corporation, $572,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of

programs administered by the Farm Service Agency, [$746,440,000] *$795,000,000*: *Provided,* That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further,* That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further,* That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

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

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, to remain available until expended (7 U.S.C. 2209b): *Provided,* That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further,* That this amount shall be transferred to the Commodity Credit Corporation: *Provided further,* That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $1,000,000, to remain available until expended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $600,000,000, of which $550,000,000 shall be for guaranteed loans; operating loans, $2,345,071,000, of which $1,700,000,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, [$25,000,000] *$75,000,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $15,384,000;* and for credit sales of acquired property, $25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $27,975,000, of which $22,055,000 shall be for guaranteed loans; operating loans, $96,840,000, of which $19,210,000 shall be for unsubsidized guaranteed loans and $18,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $54,000; for emergency insured loans, [$6,365,000] *$19,095,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $2,000,000;* and for credit sales of acquired property, $2,530,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $221,046,000, of which $208,446,000 shall be transferred to and merged with the ''Farm Service Agency, Salaries and Expenses'' account.

[OFFICE OF RISK MANAGEMENT

[For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $62,198,000: *Provided,* That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).]

CORPORATIONS

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

FEDERAL CROP INSURANCE CORPORATION FUND

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

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1997, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $1,500,000,000 in the President's fiscal year 1997 Budget Request (H. Doc. 104–162)), but not to exceed $1,500,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1997, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided,* That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [$619,392,000] *$638,954,000,* to remain available until expended (7 U.S.C. 2209b), of which not less than $5,835,000 is for snow survey and water forecasting and not less than $8,825,000 is for operation and establishment of the plant materials centers: *Provided,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: *Provided further,* That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further,* That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c)): *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2)*: Provided further, That of the total amount appropriated, no more than $250,000 may be available for purposes authorized under sections 351–360 of Public Law 104–127.*

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1009), [$10,762,000] *$14,000,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be

available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $101,036,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $29,377,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: $3,300,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $2,300,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $15,000,000 for section 514 farm labor housing; $58,654,000 for section 515 rental housing; $600,000 for section 524 site loans; $50,000,000 for credit sales of acquired property; and $600,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $89,210,000, of which $6,210,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $11,081,000; section 514 farm labor housing, $6,885,000; section 515 rental housing, $28,987,000[: *Provided*, That no funds for new construction for section 515 rental housing may be available for fiscal year 1997]; credit sales of acquired property, $4,050,000; and section 523 self-help housing land development loans, $17,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $366,205,000, which shall be transferred to and merged with the appropriation for ''Rural Housing Service, Salaries and Expenses''.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, $493,870,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 1997 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

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

RURAL HOUSING ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, agreements, and grants, as authorized by 7 U.S.C. 1926, 42 U.S.C. 1472, 1474, 1479, *1485*, 1486, and 1490(a), except for sections 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$73,190,000] *$136,435,000*, to remain available until expended, for direct loans and loan guarantees for community facilities, community facilities grant program, *rental assistance associated with and direct loans for new construction of section 515 rental housing*, rural housing for domestic farm labor grants, supervisory and technical assistance grants, very low-income housing repair grants, rural community fire protection grants, rural housing preservation grants, and compensation for construction defects of the Rural Housing Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary[: *Provided further*, That no funds for new construction relating to 515 rental housing may be available for fiscal year 1997]: *Provided further*, That of the funds made available in this paragraph not more than $1,200,000 shall be available for the multi-family rural housing loan guarantee program as authorized by section 5 of Public Law 104–120: *Provided further*, That if such funds are not obligated for multi-family rural housing loan guarantees by June 30, 1997, they remain available for other authorized purposes under this head: *Provided further*, That of the total amount appropriated, not to exceed $1,200,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, [$53,889,000] *$66,354,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, [$18,400,000] *$17,270,000*, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of [$40,000,000] *$37,544,000*: *Provided further*, That through June 30, 1997, of the total amount appropriated $3,345,000 shall be available for the cost of direct loans, for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $12,865,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $2,830,000. In addition, for administrative expenses necessary to carry out the direct loan program, $654,000, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses.''

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), [$6,000,000] *$10,000,000* is appropriated to the alternative agricultural research and commercialization revolving fund.

RURAL BUSINESS—COOPERATIVE ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$51,400,000] *$53,750,000*, to remain available until expended, for direct loans and loan guarantees for business and industry assistance, rural business grants, rural cooperative development grants, and rural business opportunity grants of the Rural Business—Cooperative Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That $500,000 shall be available for grants to qualified nonprofit organizations as authorized under section 310B(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, of the total amount appropriated, not to exceed $3,000,000 shall be available for cooperative development*: Provided further, That of the total amount appropriated, not to exceed $1,300,000 may be available through a cooperative agreement for the appropriate technology transfer for rural areas program*: *Provided further*, That, of the total amount appropriated, not to exceed $148,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for business and industry loans for empowerment zones and enterprise communities as authorized by Public Law 103–66 and rural development loans for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

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

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $125,000,000, 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $300,000,000; municipal rate rural electric loans, $525,000,000; and loans made pursuant to section 306 of that Act, rural electric, $300,000,000, and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $4,818,000; cost of municipal rate loans, $28,245,000; cost of money rural telecommunications loans, $60,000; cost of loans guaranteed pursuant to section 306, $2,790,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

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

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1997 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $2,328,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,500,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., as amended, [$7,500,000] *$10,000,000*, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

RURAL UTILITIES ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$496,868,000] *$657,942,000*, to remain available until expended, for direct loans and loan guarantees and grants for rural water and waste disposal, and solid waste management grants of the Rural Utilities Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, through June 30, 1997, of the total amount appropriated, $18,700,000 shall be available for the costs of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That, of the total amount appropriated, not to exceed $18,700,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of the Consolidated Farm and Rural Development Act, as amended: *Provided further*, That, of the total amount appropriated, not to exceed [$5,000,000] *$5,400,000* shall be available for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That an amount not less than that available in fiscal year 1996 be set aside and made available for ongoing technical assistance under sections 306(a)(14) (7 U.S.C. 1926) and 310(B)(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932).

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, as amended, and cooperative agreements, $33,195,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Consumer Service, [$454,000] *$554,000*.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1772–1785, and 1789); except sections 17 and 19; [$8,652,597,000] *$8,654,797,000*, to remain available through September 30, 1998, of which [$3,218,844,000] *$3,221,044,000* is hereby appropriated and $5,433,753,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)[: *Provided*, That none of the funds made available under this heading shall be used for new studies and evaluations]: *Provided, That not to exceed $2,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further*, That up to $4,031,000 shall be available for independent verification of school food service claims.

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

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,729,807,000, to remain available through September 30, 1998: *Provided*, That none of the funds made available under this heading may be used to begin more than two studies and evaluations: *Provided further*, That up to $6,750,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels[: *Provided further*, That, of the total amount of fiscal year 1996 carryover funds that cannot be spent in fiscal year 1997, any funds in excess of $100,000,000 may be transferred by the Secretary to other programs in the Department of Agriculture, excluding the Forest Service, with prior notification to the House and Senate Appropriations Committees]: *Provided further, That once the amount for fiscal year 1996 carryover funds has been determined by the Secretary, any funds in excess of $100,000,000 may be transferred by the Secretary of Agriculture to any loan program of the Department and/or to make available up to $10,000,000 for the WIC farmers' market nutrition program*: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics

except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further,* That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786)*: Provided further, That State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996 only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than five percent.*

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. [2011–2029] *2011 et seq.*), [$27,615,029,000] *$28,521,029,000*: *Provided,* That funds provided herein shall remain available through September 30, 1997, in accordance with section 18(a) of the Food Stamp Act: *Provided further,* That [$100,000,000] *$1,000,000,000* of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations[: *Provided further,* That none of the funds made available under this heading shall be used for new studies and evaluations]: *Provided further, That not to exceed $6,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further,* That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That $1,174,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), the Emergency Food Assistance Act of 1983, as amended, and section 110 of the Hunger Prevention Act of 1988, $166,000,000, to remain available through September 30, 1998: *Provided,* That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), [section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)),] and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), [$205,000,000] *$141,250,000,* to remain available through September 30, 1998.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, [$104,487,000] *$107,769,000,* of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [$128,005,000] *$138,561,000,* of which [$2,792,000] *$3,231,000* may be transferred from the Export Loan Program account in this Act, and [$1,005,000] *$1,035,000* may be transferred from the Public Law 480 program account in this Act: *Provided,* That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392)[: *Provided further,* That funds provided for foreign market development to trade associations, cooperatives and small businesses shall be allocated only after a competitive bidding process to target funds to those entities most likely to generate additional U.S. exports as a result of the expenditure].

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

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) [$216,400,000] *$218,944,000* for Public Law 480 title I credit, including Food for Progress programs; (2) $13,905,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) [$29,500,000] *$40,000,000* is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided,* That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further,* That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, [$177,000,000] *$179,082,000.*

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, [$1,750,000] *$1,818,000.*

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, [$3,381,000] *$3,820,000*; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed [$2,792,000] *$3,231,000* may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency.

EXPORT CREDIT

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

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $907,499,000, of which not to exceed $87,528,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: *Provided,* That fees derived from applications received during fiscal year 1997 shall be subject to the fiscal year 1997 limitation: *Provided further,* That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

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

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

[None of the funds appropriated or made available to the Federal Food and Drug Administration shall be used to implement any rule finalizing the August 25, 1995 proposed rule entitled ''The Prescription Drug Product Labeling; Medication Guide Requirements,'' except as to any specific drug or biological product where the FDA determines that without approved patient information there would be a serious and significant public health risk.]

GENERAL PROVISIONS

SECTION 601. EFFECTIVE MEDICATION GUIDES.—

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Department of Health and Human Services shall request that national organizations representing health care professionals, consumer

organizations, voluntary health agencies, the pharmaceutical industry, drug wholesalers, patient drug information database companies, and other relevant parties collaborate to develop a long-range comprehensive action plan to achieve goals consistent with the goals of the proposed rule of the Food and Drug Administration on ''Prescription Drug Product Labeling: Medication Guide Requirements'' (60 Fed. Reg. 44182; relating to the provision of oral and written prescription information to consumers).

(b) PLAN.—The plan described in subsection (a) shall—

(1) identify the plan goals;

(2) assess the effectiveness of the current private-sector approaches used to provide oral and written prescription information to consumers;

(3) develop guidelines for providing effective oral and written prescription information consistent with the findings of any such assessment;

(4) develop a mechanism to assess periodically the quality of the oral and written prescription information and the frequency with which the information is provided to consumers; and

(5) provide for compliance with relevant State board regulations.

(c) LIMITATION ON THE AUTHORITY OF THE SECRETARY.—The Secretary of the Department of Health and Human Services shall have no authority to implement the proposed rule described in subsection (a), or to develop any similar regulation, policy statement, or other guideline specifying a uniform content or format for written information voluntarily provided to consumers about prescription drugs if, not later than 120 days after the date of enactment of this Act, the national organizations described in subsection (a) develop and begin to implement a comprehensive, long-range action plan (as described in subsection (a)) regarding the provision of oral and written prescription information.

(d) SECRETARY REVIEW.—Not later than January 1, 2001, the Secretary of the Department of Health and Human Services shall review the status of private-sector initiatives designed to achieve the goals of the plan described in subsection (a), and if such goals are not achieved, the limitation in subsection (c) shall not apply, and the Secretary shall seek public comment on other initiatives that may be carried out to meet such goals. The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration.

SEC. 602. Section 3 of the Saccharin Study and Labeling Act (21 U.S.C 348 nt.) is amended by striking out ''May 1, 1997'' and inserting in lieu thereof ''May 1, [2002] *1998*''.

SEC. 603. AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.—

(a) IMPORTS FOR EXPORT.—Section 801(d)(3) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by striking ''accessory of a device which is ready'' and inserting ''accessory of a device, or other article of device requiring further processing, which is ready'';

(2) in subparagraph (A), by striking ''is intended to be'' and inserting ''is intended to be further processed by the initial owner or consignee, or''; and

(3) in subparagraph (C)—

(A) by striking ''part,'' and inserting ''part, article,''; and

(B) by striking ''incorporated'' and inserting ''incorporated or further processed''.

(b) LABELING OF EXPORTED DRUGS.—Section 801(f) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) in paragraph (1), by striking ''If a drug'' and inserting ''If a drug (other than insulin, an antibiotic drug, an animal drug, or a drug exported under section 802)''; and

(2) in paragraph (2), by adding at the end the following new sentence: ''A drug exported under section 802 is exempt from this section.''.

(c) EXPORT OF CERTAIN UNAPPROVED DRUGS AND DEVICES.—Section 802(f)(5) of the Federal Food, Drug, and Cosmetic Act is amended by striking ''if the drug or device is not labeled'' and inserting ''if the labeling of the drug or device is not''.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $21,350,000, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act, $46,294,000: *Provided,* That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized $10,290,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; [$55,101,000] *$56,601,000,* including not to exceed $1,000 for official reception and representation expenses*: Provided,* That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

[FARM CREDIT ADMINISTRATION

[LIMITATION ON ADMINISTRATIVE EXPENSES

[Not to exceed $37,478,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249.]

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1997 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 667 passenger motor vehicles, of which 643 shall be for replacement only, and for the hire of such vehicles.

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

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

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

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

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

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

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

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

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

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1996 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise

available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

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

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

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

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1997 shall remain available until expended to cover obligations made in fiscal year 1997 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the ''Buy American Act'').

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a ''Made in America'' inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 717. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 718. None of the funds in this Act may be used to retire more than 5% of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute*: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.*

SEC. 719. None of the funds appropriated or otherwise made available by this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

SEC. 720. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the U.S. Mink Export Development Council or any mink industry trade association.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837.

SEC. 722. Of the funds made available by this Act, not more than $1,000,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings *and panels used to evaluate competitively awarded grants.*

SEC. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds $100,000,000.

[SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a farmland protection program in excess of $2,000,000 authorized by section 388 of Public Law 104–127.

[SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a wildlife habitat incentives program authorized by section 387 of Public Law 104–127.

[SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a conservation farm option program in excess of $2,000,000 authorized by section 335 of Public Law 104–127.]

SEC. 727. None of the funds made available in this Act may be used to pay the salaries of employees of the Department of Agriculture who make payments pursuant to a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 7 U.S.C. 7211) when it is made known to the Federal official having authority to obligate or expend such funds that the land covered by that production flexibility contract is not being [used for the production of an agricultural commodity] or is not devoted to a conserving use, unless it is also made known to that Federal official that the lack of agricultural production or the lack of a conserving use is a consequence of drought, flood, or other natural disaster] *used for an agricultural or related activity, including conserving use, as determined by the Secretary.*

SEC. 728. None of the funds appropriated or otherwise made available by this Act shall be used to extend any existing or expiring contract in the Conservation Reserve Program authorized by 16 U.S.C. 3831–3845.

[SEC. 729. None of the funds made available in this Act may be used to maintain the price of raw cane sugar (as reported for an appropriate preceding month for applicable sugar futures contracts of the Coffee, Sugar, and Cocoa Exchange, New York) at more than 117½ percent of the statutory loan rate under section 158 of the Federal Agriculture Improvement and Reform Act (title 1 of Public Law 104–127).]

SEC. 730. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

[SEC. 731. (a) IN GENERAL.—Any owner on the date of enactment of this Act of the right to market a nonsteroidal anti-inflammatory drug that—

[(1) contains a patented active agent;

[(2) has been reviewed by the Federal Food and Drug Administration for a period of more than 96 months as a new drug application; and

[(3) was approved as safe and effective by the Federal Food and Drug Administration on January 31, 1991, shall be entitled, for the 2-year period beginning on February 28, 1997, to exclude others from making, using, offering for sale, selling, or importing into the United States such active agent, in accordance with section 154(a)(1) of title 35, United States Code.

[(b) INFRINGEMENT.—Section 271 of title 35, United States Code shall apply to the infringement of the entitlement provide under subsection (a).

[(c) NOTIFICATION.—Not later than 30 days after the date of the enactment of this section, any owner granted an entitlement under subsection (a) shall notify the Commissioner of Patents and Trademarks and the Secretary for Health and Human Services of such entitlement. Not later than 7 days after the receipt of such notice, the Commission and the Secretary shall publish an appropriate notice of the receipt of such notice.]

SEC. 732. [Funds] *Hereafter, funds* appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the U.S. Department of Agriculture; and for promotional items of nominal value relating to the U.S. Department of Agriculture Volunteer Programs.

[SEC. 733. It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

[(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

[(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including

how contract and spot market prices will be handled; and

[(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

[(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.]

SEC. 734. Not to exceed 10 percent of the amounts appropriated or otherwise made available by this Act for the Rural Housing Assistance Program, the Rural Business-Cooperative Assistance Program, and the Rural Utilities Assistance Program may be transferred between these programs for authorized purposes.

SEC. 735. None of the funds appropriated or otherwise made available to the Department of Agriculture by this Act may be used to detail or assign an individual from an agency or office funded in this Act to any other agency or office for more than 60 days, unless the Secretary provides notification to the House and Senate Committees on Appropriations that an employee detail or assignment in excess of 60 days is required.

SEC. 736. Section 747(e) of the Federal Agriculture Improvement and Reform Act of 1996 is amended by inserting, ''effective October 1, 1996'' following ''The Secretary shall make grants'' in Section 747(e)(2).

SEC. 737. LABELING OF RAW POULTRY PRODUCTS.—

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be used to implement or enforce the final rule related to the labeling of raw poultry products promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44395), and the final rule shall not be effective during fiscal year 1997.

(b) FINAL RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall issue a revised final rule related to the labeling of raw poultry products that—

(1) maintains the standard that the term ''fresh'' may be used only for raw poultry products the internal core temperature of which has not fallen below 26° Fahrenheit;

(2) deletes the requirement that poultry products the internal core temperature of which has ever been less than 26° Fahrenheit, but more than 0° Fahrenheit, be labeled as ''hard chilled'' or ''previously hard chilled'', except that—

(A) the products shall be prohibited under the rule from being labeled as ''fresh'' but shall not be required to bear any specific alternative labeling; and

(B) nothing in this section shall be interpreted as modifying the requirements for labeling of all poultry products the internal core temperature of which has ever fallen to 0° Fahrenheit as ''frozen'';

(3) provides for a tolerance from the 26° Fahrenheit standard established by the rule of—

(A) 1° Fahrenheit for poultry products within an official processing establishment;

(B) 2° Fahrenheit for poultry products in commerce;

(4) exempts from temperature testing wings, tenders, hearts, livers, gizzards, necks, and products that undergo special processing, such as sliced poultry products; and

(5) in all other terms and conditions (including the period of time permitted for implementation) is substantively identical to the rule referred to in subsection (a).

(c) REVISED LABELING STANDARDS.—Not later than 60 days after the issuance of a revised final rule under subsection (b), the Secretary of Agriculture, acting through the Administrator of the Food Safety and Inspection Service, shall issue a compliance directive for the enforcement of the revised labeling standards established by the rule, including standards for—

(1) temperature testing that are based on measurements at the center of the deepest muscle; and

(2) sampling methods that ensure that the average of individual temperatures within poultry product lots of each specific product type (such as whole birds, whole muscle leg products, and whole muscle breast products) meet the standards.

(d) SEVERABILITY.—If any provision of this section or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this section and of the application of the provision to any other persons or circumstances shall not be affected.

SEC. 738. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

''(j) ELECTRONIC BENEFIT TRANSFERS.—

''(1) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this subsection, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits pursuant to this Act by establishing an account that may be accessed electronically by a recipient of the benefits or payments.

''(2) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1692b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

''(3) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.''.

Mr. COCHRAN. Mr. President, I am pleased to present to the Senate today the bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1997. This bill provides funding for all of the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and pays for expenses and payments of the Farm Credit System.

This bill recommends total new budget authority of $54.3 billion. This is $9 billion less than the 1996 enacted level for these programs and these activities. It is $4 billion less than the President's fiscal year 1997 budget request. It is $1.2 billion more than the level recommended by the House.

Over 76 percent of the total to be spent under this bill will go for funding of the Nation's domestic food assistance programs. That represents $40.5 billion of this $54.3 billion bill. This is up from 63 percent of the total funding in the bill in 1996. These programs include food stamps, the national school lunch and elderly feeding programs, and the supplemental feeding program for women, infants and children.

The bill recommends total discretionary spending of $13.118 billion in budget authority and $13.409 billion in outlays for fiscal year 1997. These amounts are consistent with the allocation the subcommittee has received under the Budget Act.

Senators should also be aware these allocations are approximately $510 million in budget authority and $440 million in outlays less than what would be required under a freeze. The suggestion this year, for those who are following the budget debate, was that spending under the discretionary programs of the Federal Government ought to be held level with last year's spending. That was the goal, that was the objective. This bill meets that target and then some. There is actually a reduction in spending from the freeze level in this bill as compared with last year's or the current fiscal year's budget and appropriations levels.

We do have some parts of this bill where spending is increased. Among the discretionary spending increases recommended are an additional $12.8 million to continue the efforts of the Food Safety and Inspection Service to ensure the safety of our Nation's food supply. The level recommended for the Food Safety and Inspection Service is adequate to maintain the current inspection system and to provide the needed investments required to implement the new hazard analysis and critical control point meat and poultry inspection system. We are hopeful that by bringing this new system online we can take advantage of new technologies, new scientific advances, in the detection of those contaminants in the food supply that we would not be able to detect otherwise, and we will help ensure that we are doing everything that possibly can be done to safeguard the food supply and the consumers of food in America from harm and ill health.

In order to implement the system, the bill provides funding to fill all inspector vacancies, funding to train inspectors in the new inspection system, and funding for the annualization of fiscal year 1996 pay raises and anticipated 1997 pay raises. This demonstrates the high priority this committee places on the safety of our Nation's meat and poultry and our commitment to ensure that American consumers continue to have the safest food in the world.

Another area of emphasis in this bill is agriculture research. The bill provides $1.1 billion for funding of agriculture research. This is approximately $7.3 million below the level requested by the administration, but it is $25 million above the House-recommended level. Included in this amount is $52 million for food safety research. The committee has provided the full increase of $7.5 million requested for food safety research.

For extension activities, the bill recommends $431 million, which is $3.3 million above the fiscal year 1996 level. The Smith–Lever and Hatch Act formula funding are continued at 1996 levels. The increase recommended for extension activities will provide first-time funding for institutional capacity

grants and extension work at the 29 tribally controlled colleges, or 1994 Institutions.

Farm credit programs are funded by the bill, which provides $3.1 billion in loan levels for the coming fiscal year. This is an increase of $65 million over the House-recommended level.

The bill also recognizes that efficiencies can be gained through the consolidation of programs to improve their efficiency in terms of administrative costs and paperwork and the like. So the bill consolidates funding for 14 rural development grant and loan programs into a rural community investment program. It is divided into three subprograms: housing, business cooperative assistance, and rural utilities assistance. The 1996 appropriations act created the first of these consolidations for rural utilities. The funding levels provided for all three of the programs were equal to the comparable levels requested in the budget.

On an aggregate basis, the funding levels in the bill represent an increase of $231 million more than the House-passed bill. The bill funds, as I mentioned before, the Commodity Futures Trading Commission and the Food and Drug Administration. We are trying to provide levels of funding that will enable these two agencies to do the job they are required to do by law and that will enable them to discharge their responsibilities under the law.

The bill also carries a provision to ensure the continuation of WIC Program funding and Food Stamp Act funding, as well. The bill includes a provision to amend the Food Stamp Act, to exclude electronic benefit transfer systems for the delivery of food stamp benefits from the Federal Reserve Board's ''Regulation E.''

There are other provisions of the bill that seek to deal with challenges in the food service area, and we hope Senators will find that we have demonstrated a sensitivity to the needs of those who cannot adequately provide for their own nutrition needs and need Government help to do it. But we also reflect in this bill changes and reforms that have been made by law to try to ensure that there is a sense of personal responsibility for one to take care of himself and his family, and that also is reflected in this legislation.

Senators may remember that, last year, when this bill was on the floor, there was a big debate over a regulation being proposed by the administration—the Food Safety and Inspection Service, specifically—dealing with when poultry products could be labeled as ''fresh'' or ''frozen.'' Well, I am happy to report to the Senate that a compromise has been reached among those who were directly interested in the debate last year, so that the definition of the term ''fresh,'' as used in labeling of raw poultry products, is reflected and included in this legislation. We hope that resolves the issue. Of course, the administration still has differences of opinion about it, and those may be heard at some point in the debate.

We think this is a responsible way of resolving that issue. There are other provisions related to legislative changes the House recommended that we deleted. The House rewrote some provisions that were included in the farm bill, and we did not go along with those House provisions. So Senators will notice that we do not provide a cap on the price of raw sugarcane, for example. We do not approve a provision relating to planting requirements under the farm bill that would be required to meet eligibility standards for a market transition payment. We revised that to make it consistent with the language of the law, the farm bill that was passed by both Houses and signed by the President. So we do not try to go in and rewrite the farm bill in this bill. We urge Senators not to try to do that with amendments.

Only 24 percent of the total funding recommended by this bill is discretionary. These have been difficult challenges for the committee to resolve, trying to determine how to allocate scarce funds that are made available to this subcommittee under the budget resolution. We hope Senators will agree that we have undertaken this and presented a bill that is done in a fair way, so that those essential activities in the Department of Agriculture that are authorized and required by law are funded. But we have tried to be responsible, and we hope Senators agree that we have. These are recommendations that we make to the Senate, which we hope will be approved.

Let me say that this bill could not have been written without the excellent cooperation and dedicated and intelligent assistance of the distinguished Senator from Arkansas, the ranking Democrat on the subcommittee. He has served as chairman of this subcommittee in the past, and it has been a pleasure to work with him and the members of his staff in the development of this bill.

We had hearings all through the earlier parts of this year. We heard from all of the agencies and departments, whose budgets were reviewed by our subcommittee very carefully. We have considered the suggestions of others outside of the Congress, who have opinions to be expressed on these subjects. So we have tried to consider all of the relevant evidence and facts that ought to be considered before presenting this bill to the Senate. We hope the Senate will approve it, and we recommend that it be adopted.

We know that Senators may have amendments. If they do have amendments, we will be glad to debate them. Let me repeat the suggestion of the majority leader when he was asking consent to go to this bill today. We hope to complete action on this bill today. That means that all amendments that are going to be offered should be offered today and debated today. We will reserve any votes on those amendments, and any vote on final passage, until tomorrow. We appreciate the cooperation of Senators that will enable us to accomplish that goal.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, parliamentary inquiry. Has there been a unanimous-consent agreement entered that we would start back-to-back votes on welfare bill amendments in the morning?

The PRESIDING OFFICER. At 9 o'clock, yes, that is correct.

Mr. BUMPERS. Does the consent agreement continue on what we will do after those votes and final passage on the welfare bill?

The PRESIDING OFFICER. The Chair is reminded that it is at 9:30 that we vote and 9 o'clock that we meet. After getting rid of the list of votes, we will resume consideration of the agriculture bill.

Mr. BUMPERS. That is the reason I was asking. I hope we do not have to resume. I hope we can finish the bill this afternoon and this evening.

I am pleased to join my very able colleague, Senator COCHRAN, in bringing to the Senate floor the fiscal year 1997 appropriations bill for Agriculture, rural development, the Food and Drug Administration, and related agencies. This bill, reported by the Senate Committee on Appropriations, provides $54.276 billion in total obligational authority for the coming year. That is $1.224 billion more than the House provided and $4 billion below the President's request. It is within the subcommittee's 602(b) allocation. This bill is nearly $10 billion below the amount under which we are operating this year, 1996. That will be $10 billion less than in 1997. The subcommittee's discretionary allocation has again been reduced this year from $13.31 billion in budget authority for 1996 to $12.102 billion for 1997. That is a reduction in discretionary spending of $529 million dollars. Unfortunately, we have received an increase of $300 million-plus in our allocation, which gets us a little closer to last year's level, but still the bottom line is that we have less to spend again this year.

Mr. President, in all of my years on this subcommittee, the Agriculture Subcommittee, this year has been the most difficult. That causes me to, again, congratulate Senator COCHRAN for his leadership in working through these very difficult problems and crafting a bill to meets the expectations of most Senators. It meets the hard-pressed needs of rural America and, also, America's dependence on a safe supply of food and drugs.

There are still plenty of unmet needs in rural America, but, given the constraints under which we are operating, this is an excellent bill.

One item in the bill is very important to all of us, and it is greatly improved over last year's funding level.

The Water and Sewer Program in the U.S. Department of Agriculture, in my opinion, is just about the very best investment we make. It improves the quality of life for all people when they have pure water and sewer systems that are safe. Last year, these programs were severely underfunded. But this year, Senator COCHRAN has been able to provide an increase that almost brings us to our budget request. That is an admirable achievement.

Let me digress to point out that people who travel around the world find that there are very few countries that you can visit where you can turn on the tap water and feel relatively safe in drinking it. As a matter of fact, I can only think of one or two right now where you can do that. The people who live in and near Washington, DC, have just recently found that not only happens in other countries but it happens right here in the United States in some of the major metropolitan areas.

In other areas, this bill provides level funding for the WIC Program—women, infants and children. Historically, this program has witnessed annual increases in funding that have actually exceeded the caseload. So we have been carrying over money in the WIC Program. This program has accumulated, and it has reduced the pressure on us to continue increasing the amount of money every year. Even considering the general budget constraints, we are within reach of full funding for WIC, a goal which I believe is shared by every Member of the U.S. Senate.

As WIC administrators work this coming year to provide nutritional assistance to women, infants, and children, I hope that next year we will finally reach the goal of full funding and the more important goal of full participation.

Last year, Congress passed and sent to the President a new farm bill. This year, when the bill was considered by the House, a number of provisions were included to change some of the underlying philosophy of the farm bill. I did not vote for the farm bill. I did not like it, and I still do not like it. But that is beside the point at this stage of the game.

Contracts that farmers all across America thought would guarantee them payments for 7 years were being reduced by the House Appropriations Committee even before the farmers got their first payment. Regardless of my views of the so-called freedom to farm payments, we need to remember that farmers are now in the middle of their growing season. Their investments are on the line, and they deserve to know what to expect and that the rules are not going to be changed in the middle of the game. The chairman has already alluded to the fact that he hopes Senators will not try to redebate that bill. In the bill before us, we have taken great pains not to amend the basic rationale for last year's farm bill.

There is one major concern I have that deserves mention. When the President's budget was presented to this subcommittee, loan authority assumptions were much too high to be met considering the small subsidy provided. Mr. President, let me just explain that.

Every loan program is scored by OMB and the Congressional Budget Office as to how much money you have to assume you are going to lose. If you are going to loan $1 million, you have to put some amount in there for what the banks would call reserve for loan losses. That is called the subsidy rate. The subsidy rate in this bill as provided by the administration, in my opinion, is much too small to fund the authority of loans set out in all of these different Federal programs. In my opinion, we are not going to be able to loan as much unless we have a supplemental appropriation sometime next spring to raise that subsidy level.

We are including in the managers' package an amendment that will allow the Secretary to transfer excess WIC funds to meet the needs of loan programs such as those tied to water and sewer programs in rural housing.

Mr. President, before anybody thinks that is cruel and taking money from women, infants and children to fund a subsidy rate for water and sewer programs, bear in mind that this is money not used by WIC. This is similar to an amendment I offered last year that provided an additional $36 million in the Water and Sewer Program with no detrimental effect to the WIC participation. This amendment will help, but it probably will not provide enough additional budget authority to achieve full program levels. That is the reason I mention additions to the subsidy in some supplemental appropriations next spring.

I hope in future budget submissions, the administration will take greater care to make sure that rising interest rates or other economic conditions do not provide falsely optimistic assumptions of what may be the reality on the first day of the following fiscal year.

I also want to mention an issue which I raised during subcommittee consideration of this bill related to an FDA proposal to require certain labeling requirements for prescription drugs—the so-called med-guide rule.

Let me digress just a moment to say that—this is a little personal—I recently had an illness. I went to the drugstore to get four different medications. I have studiously avoided taking aspirin all of my life. I hate medicine. I do not like to take it. But in this case it was required. For the first time in my life, the pharmacist with each of the four prescriptions handed me a rather detailed description of the medicine—what it was designed to do, contraindications to look for, any reactions that you might have. I read it very carefully. It is the first time I had ever gotten anything like that.

As it turned out, I was allergic to one of the drugs, which caused me to have a fever, a rash, and I had to quit taking it. But the informational sheet that the pharmacist gave me had pointed out that that very thing might happen.

That is good information. It is the information that the pharmaceutical-buying public is entitled to. I understand—and I agree with the concerns of the Food and Drug Administration—that consumers need to be provided with this information.

As I pointed out, some pharmacies are already doing it on a voluntary basis. Of course, they are getting their information from the pharmaceutical manufacturers of those drugs. But all pharmacies are not doing this now. In some cases, the information is not totally accurate or complete.

So in the full committee, I offered report language that will help relieve some of the concerns that Commissioner Kessler expressed to me about the statutory language contained in this bill. I understand the House has similar language but of a nature more to the liking of the commission. In my report, language is designed to give FDA assurances that the information to be provided to consumers will be appropriately crafted and higher rates of participation by pharmacies will be obtained.

Mr. President, that concludes my remarks. Again, I want to congratulate my good friend and colleague, Senator COCHRAN and his able staff in drafting the bill now before us.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks and again repeat my expression of appreciation for his hard work and his good assistance in the preparation of this legislation.

Mr. President, I ask unanimous consent that the committee amendments which are at the desk to H.R. 3603 be considered and agreed to en bloc; that no points of order be waived thereon; that the measure, as amended, be considered as original text for the purpose of further amendment.

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

The committee amendments were agreed to.

Mr. COCHRAN. Mr. President, I know that some Senators are considering amendments. One Senator has just come to the floor—Senator GREGG of New Hampshire—who wanted to give the Senate notice that he intended to offer an amendment on a subject. Maybe, if he can tell us when he wants to do that, we can reach some agreement as to the time. I know there are a couple of other Senators who have asked that they be permitted to offer amendments early in the consideration of the bill. Senator MCCAIN is one, and there may be others.

So we are ready to accept the suggestions of Senators for changes in the bill. I would be happy to yield to my

friend from New Hampshire if he would like to respond to my inquiry.

Mr. GREGG. I am happy to respond to the inquiry of the Senator from Mississippi. I would like to offer my amendment when it is convenient to the Senator from Mississippi.

I ask if he would ask unanimous consent that no second-degree amendments be offered to my amendment.

Mr. COCHRAN. Mr. President, I can say that we have gotten notice—and maybe the Senator from Arkansas has heard of this—from one Senator on this side of the aisle who asked that no unanimous-consent agreement be made on any amendment relating to the issue of sugar.

Having heard that—I do not know whether the Senator has heard that or not—I do not know of any objection to any agreements on this side of the aisle on that subject. We have not heard of any. My thought would be if the Senator has an amendment to simply go ahead and offer it and let us see what happens. If Senators want to debate it, they can come and debate it.

Mr. GREGG. In a prior discussion with the Senator from Mississippi, it was my understanding this was going to be subject to a time limitation of 40 minutes.

Mr. COCHRAN. I have no objection to that. I have heard there may be an objection on the other side of the aisle. There is no objection on this side.

Mr. BUMPERS. There will be an objection, I say to the Senator from Mississippi, on this side.

Mr. GREGG. I guess if I had known that I would not have foreclosed my rights on other parts of this bill.

Mr. COCHRAN. The Senator has all of his rights. There are no rights of his whatsoever that have been extinguished in any way or diminished in any way.

Mr. GREGG. There are a few that have been extinguished and diminished, I point out to the Senator, in allowing——

Mr. COCHRAN. The committee amendments to be adopted.

Mr. GREGG. The committee amendments to go forward. It was my understanding that committee amendments would go forward because I was going to be given a specific time and time limit. That does not appear to be the case. I find that to be inconsistent with the understanding I had. And I guess I just have to accept the fact things happen that way around here.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. If I may just in a general colloquy with the distinguished chairman of the committee say that normally when we have a series of amendments to be offered on a bill like this, we sort of go back and forth between the Democratic side and the Republican side. I would suggest that that is fine if you have the Republicans and Democrats waiting to offer amendments, but that very seldom happens on this bill. And if there are three Republicans and no Democrats in the Chamber waiting to offer amendments, then I suggest we take them and not sit around waiting for somebody on the other side to come and offer amendments in order to accommodate a protocol we have used in the past.

Would the Senator agree with that?

Mr. COCHRAN. I certainly agree with the Senator. We want to complete action on all the amendments. The majority leader wanted to have votes on whatever amendments have to be voted on tomorrow and final passage tomorrow. To do that we are going to have to move along because I have seen a list of amendments that we have heard may be offered, and there are some 20 on that list. So in order to expedite the handling of those amendments, I agree with the Senator that we should move along. We would like for Senators to come now to the floor and start offering these amendments so we could dispose of them.

Mr. BUMPERS. I noticed that the Senator and I each have an amendment which I think have been agreed to. The Senator has one to provide for electronic warehouse receipts, is that correct? Could we dispose of that one now?

Mr. COCHRAN. Senator PRESSLER was going to offer that. We could offer it for him, but if he wants to be here and offer that amendment, we will give him an opportunity to do so.

Mr. BUMPERS. All right.

Mr. COCHRAN. Maybe we will let him know he should come and offer that amendment if it is convenient at this time for him. We are actually waiting on some language before we could offer that. The Senator could go ahead and proceed to offer his amendment, if he would like.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, we are scratching through here trying to find this amendment. Until we can find it, let me suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislate bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4958

(Purpose: To transfer $50,000 from CSREES research and education to extension activities)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and I ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 4958.

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

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

The amendment is as follows:

On page 12, line 25, strike ''$46,068,000'' and insert in lieu thereof ''$46,018,000''.

On page 14, line 10, strike ''$418,358,000'' and insert in lieu thereof ''$418,308,000''.

On page 17, line 8, strike ''$11,331,000'' and insert in lieu thereof ''$11,381,000''.

On page 17, line 8, strike ''$431,072,000'' and insert in lieu thereof ''$431,122,000''.

Mr. COCHRAN. Mr. President, this amendment would reduce the total recommended for special research grants under research and education activities of the Cooperative State Research, Education, and Extension Service by $50,000 and increase the amount recommended for Federal administration under extension activities of the service by the same amount.

The amendment would affect only funds recommended for research and extension work in Mississippi. It would create a new grant under Federal administration for an extension specialist in Mississippi of $50,000 to cover an unfunded requirement which was just brought to my attention. To offset this additional funding, the amount recommended for aquaculture research in Mississippi would be reduced from the $642,000 to $592,000, eliminating the additional funds recommended to enable the National Center for Physical Acoustics to provide additional support to the National Warmwater Aquaculture Center.

Mr. President, we have shown this amendment to the other side, and we understand there is no objection.

Mr. BUMPERS. Mr. President, that amendment is acceptable to this side. Has it been agreed to?

The PRESIDING OFFICER. It has not been agreed to.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 4958) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, since it is 3 o'clock, this being the time I was advised to bring this amendment to the floor and at that time there was to be a time agreement, which appears now will not occur, I thought I would discuss my amendment and point out some of the problems with the sugar program and then make a decision later on as to whether or not I will

offer it in this context or not. But essentially what this amendment deals with is the sugar program.

For those who may be following this debate in some other venue other than this floor, because I know everybody who is a Member of the Senate understands the sugar program, the sugar program is the last vestige of gross corporate welfare in the farm community.

In the farm bill that was just recently passed, there was a major initiative undertaken to try to put the farm community generally on a more market-oriented approach, although some arguments might claim it is even less market oriented. At least it was an attempt to have some forces brought to bear on what farmers would plant, how much they would plant of a certain commodity which would be something other than a decision made by a Government leader. It would be the marketplace.

However, there still exists this sugar program which has just the opposite approach toward financing and growing and creating of sugar in this country. The sugar program, as it is basically structured today, is a classic, what can best be defined as a Marxist system of economics. Essentially, the Government sets a price for a commodity which far exceeds what the marketplace would set for that commodity were the marketplace allowed to work in its ordinary fashion, and then it requires the consumer to pay that price no matter what the consumer's interest may be. As a result, the growers of that product grow it, make a great deal of money and have no relationship between what they grow and what the market wants or what they grow and what the market wishes to pay. It is a classic definition of Marxism.

In fact, this program is so outrageous that it costs the American consumer approximately $1.4 billion a year of subsidies to a very small cadre of very influential sugar growers. In fact, I think the number I saw was something like less than 70 sugar growers obtaining a huge percentage of the income from this program.

This subsidy is a function of the fact that it costs about 23 cents a pound for sugar in the United States, whereas on the world market, it costs about 13 cents a pound for sugar. Think about that for a minute. It is hard to believe that an American product would cost American consumers twice what the world market is. You might expect that in the old Soviet Union. You might even expect it in Cuba today. But in the United States, for somebody to be paying twice the cost of a product that is paid by people in other countries for that same product when that product is fully fungible around the world is incomprehensible. It just runs against the whole concept of a market economy, of an American system, what the United States theoretically stands for in the international community, what we stood for years against the Soviet system and what has theoretically, at least, won the debate of international economics—something called market forces.

If a commodity costs 10 cents or 13 cents in Brazil, or let's take a more industrialized state—although Brazil is a very industrialized state—say, Spain, Japan, or France, and that commodity, that item you want to buy costs 13 cents, in this case that is called a pound of sugar—if you wanted to make some chocolate chip cookies maybe or a cake—and in the United States, it costs 23 cents, you would say, ''Well, that can't be, that can't be. Why would that be?''

Why, in a country that professes a free-market approach to economics, an international world free market, would one commodity that we grow in the United States that is grown around the world and moves from country to country with fair ease, why would that commodity cost 10 cents more in the United States per pound than it does in some other reasonably industrialized nation?

The reason is because the influence of the people who make all the money on this product is so great that they are able to set up a system which benefits a few at the cost of many. It is pretty much the last surviving system of this type of productivity in our country in the farm program area. There is still some of this, obviously, in the peanut area, and to a slighter degree, you can argue in the dairy area, but a much slighter degree. But clearly, sugar is unique in having this level of perversion of the marketplace for the benefit of a few at the expense of the many, at the rather significant expense, $1.4 billion of expense.

You might think that people who would be getting a $1.4 billion extra price for their product beyond what the market usually bears or would reasonably bear, would think that they were satisfied, but that is not the case here. I suppose greed feeds on greed, and it is inevitable, if you have proven that you can be really greedy and successful, you can get even greedier.

So this group of great troughers—by troughers, I mean porker, corporate pork—this group of magnificent troughers—these folks would win just about any contest at any country fair in the pork-producing category—decided that not only do they have to have a price that is almost twice the world price for the product, which the American consumer has to pay, they do not even want to have to pay off—when they borrow from the Federal Government to produce that product, should they by some unbelievable process lose money, they do not even want to pay it off.

Not only do they want a product that is priced at twice what it is worth, but should they actually lose money producing a product that is priced twice what it is worth—it is hard to believe they might lose money—but should they lose money, they do not even want to have to pay it off. They have something called the Nonrecourse Loan Program. This is almost beyond belief. It is so egregious in its attack on all sensibility relative to the marketplace—a nonrecourse loan.

If you are a student in the United States and you find yourself going to a school that costs you more than you can afford to pay from the summer job you have been working for the last 5 or 6 years, and it costs more than your parents can afford to pay because they cannot simply scrape together enough, because a college education has become so expensive, if you are a student and you borrow $1,500, $2,000 from the Federal Government, and you cannot pay it back, does the Federal Government say, ''That's OK, forget it, you don't have to worry about it''? No. The Federal Government requires you to pay it back. We do not do a very good job of collecting it. I admit that. We have to change our collection system. But to those people who are honest and sincere—that is the majority of our American students—they have to pay their loans back.

But not the sugar industry. No. The sugar industry, after ripping the American public off, after the $1.4 billion a year, after being the biggest porkers in America, they do not even want to pay back their loans.

If you are a veteran, and you get a VA loan, have served this country—maybe you have even given blood for this country, maybe you are even a wounded veteran—and you get a VA loan, and you find that you cannot pay that loan back, does the American Government say, ''OK. OK. Forget it. We won't collect that debt''? No. It does not. It duns your VA benefits, probably garnishes them, takes them as payment even though you may not be able to afford it because you may have other expenses at that time.

But do we say that to the sugar producers in this country? No. We do not. To the sugar producers, we say, because they have the power to demand it, ''If you don't want to pay your loans back, tens of millions of dollars of loans back, it's OK. Forget it. That's all right. The American taxpayers are already paying $1.4 billion to your industry. Why not pay a little bit more through a nonrecourse-loan process?''

If you happen to be a homeowner who borrows money through the HUD program, and you have your first home, and something goes wrong with your family finances, and the Government comes in and takes your home—which might be similar to a recourse loan—does the Government stop there, to the nonrecourse loan? No. It does not. No. It does not. If there is a debt above the obligation that is available through the repossession of your home, the Government has the right—may not exercise it—but it has the right to collect that extra debt from your wages.

So if you own a home, and through some real tragedy or some unfortunate situation your home is taken from you as a result of your not being able to

pay back that debt—and it is a Government loan—the Government has the right to sell the home, and to the extent that the price of that home, as sold, does not cover the cost of your loan, and you personally are liable, you personally, you, John or Mary Jones, working down at the pizza store or working on an assembly line in Detroit or working at a computer shop in New Hampshire, you are personally liable for that loan.

Is the sugar producer—even though his or her company may have borrowed millions of dollars—are they liable for that loan? No. They are not. No. They are not. It really is hard to believe that that would be the case in this economy, in this structure we would have that sort of situation. But that is the way it is. That is the way it is structured, as unbelievable as it may seem.

I guess it survives because of the fact that it has what is known as logrolling. ''You scratch my back; I'll scratch your back.'' There are enough people producing this product in the country, although many of them are not very large compared to the big guys, that they all feel they have to protect the program and, therefore, everybody helps everybody else out. But it is pretty hard to defend this program under any sort of—you do not have to look through a magnifying glass to defend this, to look at this program, and see it is an outrage. You can take this glass of water, and put this on top of the program, and you would see that this program is just an unbelievable outrage on the body politic of the American consumer, and $1.4 billion a year in the process.

Nonrecourse loans. Just imagine it. If you are a student you have to pay your loan back. If you are a homeowner, you have to pay your loan back. If you are a veteran who served this country, you have to pay your loan back. Even if it is only $1,000, you have to pay it back.

If you are a sugar grower, processor, you do not have to pay it back. You do not have to pay it back. That is after you made the price of the product twice what it is worth. Pretty outrageous. ''Sweetheart deal'' I think is the term that most appropriately comes to mind. Corporate pork would be an understatement.

There is some logic, I suppose, to say that small farmers need to be protected. Maybe you will hear small farmer stories. Well, maybe small farmers do need to be protected. And to the extent we have good stories about small farmers, I suspect there will be some nice sad stories told. But the fact is that the amendment I am going to offer is not going to affect any small farmers. It is going to affect farmers of over $10 million in sales. And that is not a small farm. This is not a small farm in New England, not small anyplace. And $10 million is a good many sales. So small farm stories are not applicable to this issue at this time, although certainly they will be raised.

This issue, the issue of the sugar program, has been brought up on a number of occasions in this body. It has always been defeated. Any attempt to address the sugar program has been defeated. It was defeated last year even in the midst of major rewriting of the farm programs generally, as I mentioned earlier. Defeated a couple of years ago. It has always lost, but usually the amendments have been directed at substantive reform of the pricing mechanism. You know, this fact that you, the consumers, are paying 23 cents for a pound of sugar when your neighbors, maybe relatives in Canada, are paying 13 cents.

So that has been the usual target of the amendments. That has been soundly defeated because the influences I mentioned of so many different groups growing this product around the country is so pervasive. So my amendment—which the recourse issue does not take on that core issue of pricing policy, although pricing policy certainly should be addressed. And I would be happy to do it if I thought I had a chance of being successful. But I know I do not. My amendment takes on the issue of recourse.

As a practical matter nobody in this body should object to this, because, as I mentioned, the price of the product has been made so high that how can you object to the concept of having to pay back your loans when you are already getting such a huge subsidized price? Then if you compare the fact that you are requiring people to pay back their loans who are fairly large businesses—$10 million in sales—well, that is not too outrageous, not too outrageous, to require them to pay back their loans.

So I am talking about really a peripheral amendment here. I have to admit to that. I wish it was more at the heart of the sugar program. I wish it went to the pricing mechanism. But you know, I accept reality. I cannot win that one. I got 35 votes last year, probably about the same this year. So what this amendment does—I hope my fellow Members of the Senate will take a look at it who voted against affecting the pricing mechanism. It does not address that. So all the sugar beet growers and all the sugarcane growers are still going to get their 23 cents a pound out of the American consumer. They are going to get their pound of sugar out of the American consumer.

What they should not get, however, is this nonrecourse treatment that we do not give to students, we do not give to homeowners, we do not give to veterans. I mean, let us have some decency around here. Let us admit that we will let them go to the trough and maybe eat everything in it, but let us not let them eat the trough, too. It is getting a little outrageous.

So that is the purpose of this amendment. And I regret that the context of offering this amendment puts me in a difficult position, because I understand that I am not going to be protected on second-degrees, and I understand I am not going to be protected on time. I will say this, however, that I do think this is an important issue to vote on, that we will vote on this issue, I hope, before we complete this bill. I have no desire to delay this bill.

I know the Senator from Mississippi and the Senator from Arkansas have worked hard to move this bill quickly, and they have done a superb job of getting it out of committee. On the general farm programs, they have done an extraordinary job of funding those in, I think, a responsible way. This program, really, is independent of that effort. They have done an excellent job on this bill. I do not want to delay it. I want the bill to get through as soon as it can.

I do think this has to be voted on. I hope when I send this amendment to the desk, it will not be subject to a second-degree amendment. It can be couched in a variety of terms, so obviously we can return to this issue if it is, ad nauseam.

AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest)

Mr. GREGG. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4959.

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. I thank the clerk for reading the amendment. I did want the whole amendment read so it would be understood. It is an amendment which on its face says, as I stated, if somebody is going to borrow from the Federal Government, even when they are getting twice the price for their product they should be getting, if somebody is going to borrow from the Federal Government, they ought to pay the Federal Government back.

Now, some will claim they can take the sugar and then the Federal Government can sell the sugar. That is true, but if there is a difference, the Federal Government eats the difference. There is no reason the Federal Government should be put at that risk. They are not put at risk for students, veterans or homeowners, so we should not be put at that risk for sugar growers simply because they have the capacity to protect themselves in the legislative arena better than students, homeowners or veterans.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is now a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, I was listening attentively to the Senator describe his amendment dealing with the issue of sugar. He finished by talking about sugar growers. Of course, the Senator understands that no one grows sugar; they grow sugar beets, to be sure, and the beets are processed into sugar.

The issue as presented by my colleague is an interesting issue and an important issue. This morning in North Dakota and elsewhere in the country, some folks got up and ate breakfast early. These were families with a full day's work to do. They need to keep their machinery in order, tend to their land, look over their sugar beet crops. Farmers work pretty hard. They invest a fair amount of money into a farmstead and try to make a living.

One of the circumstances we find in the farm programs is that there are difficult times for people who are out there living. There are difficult times for those trying to make a living because there is so much uncertainty. You can plant, and in no time at all through a whole series of things over which you have no control, you see everything gone. Acts of nature, a whole range of circumstances can conspire to wipe you out completely and quickly.

For that reason, the Federal Government has had a farm program. The Federal Government has said we believe there ought to be a network of family farmers in this country who have an opportunity to make it. So for a whole series of farmers raising crops, we have tried to create a safety net.

Now, within that farm program is a sugar program. The sugar program tries to provide a safety net for those folks, particularly in my part of the country, who raise sugar beets. As I listen to this debate, it is interesting how this issue is described because the description is so at odds with what the reality is.

I hear people stand on the floor of the Senate and talk about 10 cents being the world price for sugar. Well, that is not a legitimate free-market price for sugar. That is the dump price for sugar. People who study this issue understand that most sugar is traded country to country through long-term contracts. Only the residual sugar produced over that is dumped on the open market, at dump prices, dirt-cheap prices, and then some people say that is the true market price. Nonsense. That is not the true market price. It has nothing to do with a true free market price. It is a dump price for residual sugar supplies above that which is needed and above that which is traded country to country.

In this country, we have developed a program that provides loans. Those loans, through the Commodity Credit Corporation, cannot be made directly to sugar cane and sugar beet growers because sugarcane and sugar beets are not storable commodities. So the loans are made to the raw cane farmers and the beet sugar processors. I must point out, in North Dakota, those processors are by and large cooperatives. Those cooperatives are owned by the growers. The growers are the farmers.

The fact is I am proud of what has happened under this sugar program. I am proud because we have a circumstance where one part of this farm program, at least, works well and works to provide some stability in price to the beet growers—yes, in North Dakota and other parts of the country.

Now, that stability has given them an opportunity to make a living out there on the land. This is not, as some would suggest, some giant giveaway program. It is not a program that will require people at the grocery store to pay an extraordinarily high price for sugar. That is not what the program is about.

This program happens to be one of the programs that I think is good for both the producer and the consumer. It is especially good for those consumers who care about whether producers are able to live on a family farm, who understand that this matters to our country. I think it does matter to our country. It is good not only for those objectives, but it is also good for the general consumer.

You go back some years and evaluate what happened in this country when we had a shortage of sugar, and sugar prices jumped up, skyrocketed at the grocery store counter. Then there was a lot of concern about what this meant to the consumer. Well, the consumer, then, had to pay more for sugar because we had uncertain supplies, unstable supplies.

What the sugar program has done is merge two different approaches. One side of the approach says that we will try to provide something that gives some price stability to those who raise beets. The other side of the approach says that we are going to provide an advantage to the consumer who will have price stability on the grocery store shelf.

Is that price stability higher than it might be if, during years of world surpluses, we could have accessed the cheapest possible dump price for sugar? Sure. But is that price lower than it would be in times of shortage because we have a more stable capability in this country of providing for those needs? Yes. My point is this kind of program advantages both the producer, the family farmer being the producer, and also the consumer.

We have fought this battle before. We have had those persons who feel strongly about it come to the floor and say this is a program completely without merit. They say that it is a program that ought to be abolished, and they have tried to abolish it in a dozen different ways.

I must admit this amendment is a crafty technique, I say to my colleague, to try to essentially obliterate the sugar program. However, Congress has reviewed this and Congress has said this program makes sense. This program is not costing the taxpayers money. It is a program that has worked well. It is a program that has achieved its objectives of trying to provide some stability and some help for the family farmers out there, who in my part of the country raise sugar beets. It is a program also that has the ancillary benefits of helping the consumers in this country with some price stability.

Let me mention one other thing. As all of us know, in this debate there are competing forces. There is a force out there in our country—maybe I should not name it—that uses a great deal of sugar. The companies that make candy bars and other things use a great amount of sugar, and they very much want to see the dump price of sugar prevail for a while in this country as the U.S. price. I understand that. I suppose if that were my business, I would be arguing for the same thing. But that happens to be, in my judgment, a selfish position, looking after only their own interests.

But there are other considerations. The Senate and the House have gone through this and debated to try to determine where the reconciliation is here. We have tried to discover how we do this the right way, and is there a need to provide some stability in the price of these commodities. Is there a reason to give a hard working family farmer an opportunity to take advantage of that stability? The answer has been yes. Do we want that level of stability to be something that is so artificially high that it injures others that are involved in other businesses? The answer to that is no. That is what the compromise has been.

This compromise has been worked and reworked. I must say that I compliment the Senator from Mississippi, Senator COCHRAN, and so many others. Let me compliment someone who is leaving this Congress—Congressman KIKA DE LA GARZA. This is his last year in Congress. But those who understand the sugar program, especially in modern days, and its genesis, understand that KIKA DE LA GARZA has played a large role in shaping it. Republicans and Democrats have thought this through to determine what is the best public policy here. They have, I think, come to a reasonable position of supporting the provisions that are now in law, provisions that I think make sense for this country.

On a broader question, one can always, it seems to me, on almost every issue, come to the floor of the Senate and argue some kind of global construct that persuades us that there is a cheaper price somewhere. You can always find a price or position, in some nook or cranny of the economy, that you can access and that somehow

would be beneficial for the country. I do not think that is what we are searching for. I think what we are searching for is public policy, especially in the area of commodities, that represents this country's interests.

Part of this country's interests lie in trying to maintain a network of family farms in our country. I am proud to tell you that at least North Dakota, one of the most agricultural States, has a network of family farms. The Red River Valley contains a network of those family farms that are trying to raise sugar beets. They have come together in cooperatives that process the sugar beets and have been quite successful. I commend them for it. I only wish that our farm programs for other commodities were as successful as this program is.

It seems to me that it ill-behooves this Congress to take a look at what works and take that apart and stop it, as opposed to evaluating what does not work and seeing if we cannot fix it. It really does not serve our interests to start deciding that those things that do function well are things that we ought to try to mess up in one way or the other.

So I very much admire the Senator who is the author of this amendment. We have worked together on many things, and will again, but he is dead wrong, in my judgment, on the sugar program. It is not new to him. He has been dead wrong on it for some long while. I know he feels strongly about it. We have a fundamental disagreement. I do hope that the Senate recognizes the balance that has been struck. I think it is good for producers and good for consumers.

It is a balance that augurs for this kind of a program to try to help family farmers in our country. I hope the Senate will, at the appropriate time, reject the amendment offered by Senator GREGG.

Mr. President, I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I come to the floor this afternoon, once again, to find myself in opposition to my colleague from New Hampshire on an issue that we both feel very strongly about. So for the next few moments let me say to my colleague from New Hampshire that while I disagree with him on this issue—and we very clearly disagree—we remain good friends and working partners on a lot of other issues. I must look at his amendment and what he has said about his amendment in relation to the sugar program in the new farm bill and take issue with it on an item-by-item basis, as I think is necessary. It is important for the record, so that the facts of this issue come forward.

Mr. President, when I first came to Congress in 1980, I came from a farming and ranching background, and for the 1980's, I remained actively involved with my family in farming and ranching. But I must say that my family never was involved in raising program crops. So I, frankly, did not know a lot about farm programs. I did not know a great deal about farm programs and program crops. It was not until I became a Congressman, representing the First Congressional District of Idaho, that I found it necessary to look at these programs on a program-by-program basis, Mr. President, and try to understand what they were all about.

My colleague from New Hampshire and I are pretty much alike. We are fiscal conservatives. We tend to be free marketers. And so when I began to look at the sugar program, I saw something that I had heretofore not understood. One of the first things I found out about it was that no check went to the farmer. The farmer, whether he be a cane grower or a sugar beet raiser, never received a check from the Federal Government. They received their payment from the sugar processor, who they were contracted with to raise the beets, or to raise the cane. So there was no, if you will, direct subsidy to the farmer, direct check to the farmer, as is true in other program crops.

One of the reasons this program had been developed, in a way, in that nature was because both the plant itself, the sugar beet, and the beet itself, in storage, are quite perishable. Because it was a nonrecourse loan program, it would not have been wise for the Federal Government, in this instance, to produce a loan when there was no collateral. And so as a method of even marketing into the system, it became the sugar processor who was the individual who took loans out from the Government inside a Government program, a sugar program, and they used, as collateral, refined sugar. So there was no direct payment to the farmer.

So the Senator from New Hampshire is wrong today. We will not hear a story about the plight of the small farmer. The small farmer, in this case the sugar beet raiser, whether it is in North Dakota or whether it is in Idaho, does not receive a check from the Federal Government. They receive a stable price for their product from a refiner that is engaged in a nonrecourse loan program with the Federal Government, which allows that refiner to market sugar into the market in a stable way.

So I am sorry that I will disappoint my colleague from New Hampshire. No story about the plight of the small farmer. Although I am very much concerned about the small farmer, I will tell my colleague from New Hampshire, with the hundreds of thousands of acres of sugar beets in Idaho, it is a good and profitable crop. One of the reasons it is is not because they get a check from the Government, but because the industry, through the program, is allowed to develop a loan relationship with the Federal Government, which creates stability in the marketplace. Therefore, it affords a stable price for the crop, and that creates stability at the farm itself. That is a point that I think is very important to remember.

So, in essence, the amendment that my colleague from New Hampshire is offering today, which is a cap, if you will—or it says loans are limited to those under $10 million—there is not a refiner in the market that grosses less than $10 million. So the amendment, for all intents and purposes, destroys the sugar program as we know it.

The second point, this is not just a refinement of the existing program. This is a killer amendment of a program that we spent over 12 months negotiating about with the industry and the growers associations. The reason we did that is because I, along with my colleague from New Hampshire, said it was time to reform the farm bill and get Government out of agriculture as much as we could. As a result of that, we put major reforms into the sugar program.

Mr. DORGAN. Will the Senator yield for a moment on that point?

Mr. CRAIG. Yes.

Mr. DORGAN. The Senator talked about family farmers. I want to try to understand the point he made.

The point, as I understand it, is not that this does not help family farmers. This ultimately does help family farmers. But it helps family farmers through price stability—not a Government check. I think that is the point the Senator from Idaho was making.

The reason I asked the question is that I was making the point that this matters to a lot of family farmers. It matters because if you destroy this program you destroy their price stability; and, frankly, a lot of them will not be farming anymore. But this is not a Government check to those farmers. As the Senator from Idaho properly said, it helps the processors to provide price stability for farmers, which is exactly what makes this a successful program and one that does not cost the taxpayers' money.

I appreciate very much the Senator yielding.

Mr. CRAIG. Mr. President, so the point I think that my colleague and I are trying to make here is that, if there is a role for Government in agriculture—I think there is one, and I think it ought to be a very limited one—I see it in one of two or three areas. That is not to directly prop up or to subsidize a producer who has to produce to a market but allowing Government to help facilitate at no cost to the taxpayers anomalies within a market environment that only the Government can maybe help in because of their scope and their size, or in an instance where there is direct competition from foreign markets in which cheap product is produced either because of ''near slave labor'' or because of subsidized Government programs in other producing areas of the world than the necessity of a relationship there where our Government can facilitate without it being a cost to the taxpayer.

In all of those instances the sugar program meets those tests. In the area of trade, where you have real political consideration and political powers vying against each other that distort the marketplace, I believe our Government can be a facilitator to production agriculture, and it works in this instance. And it works so to create stability in the marketplace. When you create stability in the marketplace you benefit the small farmer producer, and you do in real terms because you do not have the kind of gyrations in the market where one year wheat is worth a great deal of money and the next year you ought to plow it under because it is worth no money. That is the kind of instability we saw in the sugar pProgram in the late 1970's and the early 1980's.

Those are some of the issues and items that I learned, Mr. President, when I got here as a freshman Congressman and I knew very little about sugar. I also learned something else: That when we began to make reforms in the program starting back in 1980 when we found out that we could not operate under the kind of program we were living under, and because of the boom and bust in the marketplace, with the tremendous influence of dumping raw cheap foreign sugar on our market we came back to a Government program, or at least a program where the Government became a participant to facilitate.

When we did that we said something very important. We said that this ought not be a subsidy—that it ought to be no net cost to the taxpayer.

Since 1980 my colleague from New Hampshire knows as well as I do that this has been a no net cost to the taxpayer because that is what the law says. And in that context, while I was listening to my colleague a few moments ago, I became frustrated when he began to insinuate that this was costing the taxpayer money—or that in fact it was costing the Government money—that is a nonrecourse loan if defaulted upon costs the taxpayer money.

Two years ago, when we did have some default because the loans were collateralized on refined sugar, the Government took the sugar, sold it, and made money—no net cost. Technically inside the law my colleague from New Hampshire, the Senator from New Hampshire, is right. From a technical point of view he is absolutely right—that, if the price of refined sugar had dropped dramatically, there might be a loss. But the law says no net cost to taxpayers.

As a result of that we have put the loan rate at a rate to cover those margins, and it has no cost. He used an example of the veterans; the homeowner. I must tell my colleague from New Hampshire, my Senator friend, that he knows this—that when the Government loans money on a house they have the house as collateral. And if the person who borrows walks away from the house—and that happens—the Government has the house and they sell the house. They have the sugar and they sell the sugar.

He used student loans. Student loans are the only area where Government loans do not have collateral. Many students have walked away from their loans and the taxpayers had to eat them. That was increasingly so until the Senator from New Hampshire and I came in the early 1980's and said, ''No. You can't do that kind of thing anymore. If we are going to loan money to students they have to pay it back.'' That became an increasing prerequisite of student loans throughout the 1980's and into the 1990's as we increasingly provided more money in the student loan program.

So if you loan money to a GI, in many instances on education, that is an outright gift. If you loan money to a student, you hope they pay it back. They are obligated to pay it back. If they declare bankruptcy and walk away from it, even though we put a no-bankruptcy clause in, some of them do not. Most of them do, thank goodness. But if the Federal Government borrows money on a house and the person walks away from the house, they can follow the person legally through the channels; and, if the person does not have any money, the Government has the house. That is the reality. We know those things.

In a nonrecourse loan to the refiner the Government has the sugar. The example of default cannot be painted to be dramatic because it hardly exists. It rarely exists. Over the last 2 years it has existed, and, when it did, the Government took the refined sugar, sold it, and made a little money above and beyond their expenses.

Mr. President, if the Government can operate a program like that that creates stability in the marketplace, that keeps thousands of farmers producing, that disallows the dumping of cheap sugar in our market and does so in a way that is of no net cost to the taxpayer, I would say that is probably a pretty good program. Maybe that is the way Government ought to work in this instance. It creates the kind of stability we want.

The amendment that the Senator from New Hampshire offers imposes an eligibility test for participation in what is now a new sugar program. For over 12 months we worked at defining a new program, and we put it in a 7-year farm bill. Growers began to plant to that farm bill this spring.

I would have hoped that my colleague would have accepted those reforms. But I understand that he does not. He wants the program eliminated. That is his choice to offer on the floor his amendment, and clearly he does that because nobody in my opinion can largely agree with his $10 million revenue threshold to establish it. If a refined cane miller or a sugar beet processor has annual revenue which exceeds $10 million they are not eligible for the program as written in the farm bill. Currently all U.S. raw cane millers and sugar beet processors have annual revenues above $10 million. Thus, no domestic produced sugar would be eligible for current loan programs if this amendment were enacted. This amendment will invalidate and render useless the hard-fought reform that I have just mentioned that won on this floor of the Senate by 61 to 35 vote.

In the loan program, while I think I have discussed that in a reasonably thorough way, Mr. President, USDA cannot make loans directly to the sugarcane or the sugar beet grower, as I have mentioned.

The reason is that raw sugarcane and beets are perishable, and although my colleague did not specifically speak to the collateralization of the loan, the loans are collateralized by refined sugar, and that is why the Government has not lost any money on this, not only by actual practice but by the law itself.

The loan rate for raw cane sugar is 18 cents under the new program and has been frozen at that level since 1985. The farm bill makes that freeze level a permanent one. The current loan rate is well below the domestic market price of 22 cents. So you have that cushion of protection between the 18 cents and the 22 cents.

USDA loans on sugar have consistently been repaid, as I have mentioned, with interest. It sounds as if our Government, in this instance, was a pretty good banker. The sugar program has been operated at no net cost. Meanwhile, U.S. consumers continue to buy sugar at a price some 28 percent below the average price in the rest of the world's developed countries.

For just a moment, Mr. President, let me speak briefly again about the nonrecourse versus recourse loans that go to the heart of the amendment of the Senator from New Hampshire. Currently, all sugar loans, along with wheat, cotton, rice, and corn, are nonrecourse loans. This means that the only way to collect repayment of the loan is to assume the collateral. Rather than collect massive stocks, USDA operates the program so that there are no loan forfeitures or cost to the Government.

What the opponents suggest is that this system be changed to basically a recourse loan program and the $10 million threshold. Under this system, the Government could use any means necessary to collect the value of a loan. No other commodity has a recourse loan.

Those are some facts that I think are extremely important as we deal with this issue.

Mr. President, because we are now just at the beginning of a new farm bill, and while all of us spent nearly 2 years crafting this document—and the Senator from New Hampshire was directly involved in trying to change it with amendments in this Chamber, which was certainly his right and his prerogative, so he and I and everyone

else have had a substantial part in shaping the new farm policy, but we did it. We put it in effect for 7 years. As a result of that, scores of farm organizations around the country have said now it is time to leave it alone and let it work for a while under the promises that the Government collectively made would be a part of the program.

The American Farm Bureau Federation, the American Sheep Industry, the Society of Farm Managers and Rural Appraisers, the Soybean Association, National Association of Wheat Growers and Barley Growers, the National Corn Association, the National Cotton Council, the National Council of Farm Cooperatives, the National Sorghum Producers, the National Milk Producers Federation, the National Peanut Growers Association, the National Pork Producers Association, and the National Sugar Farmers and Processors, all of them have basically said now that you have crafted a farm bill, we urge you to stay with it because this is something you just do not change overnight. Certainly in my State of Idaho, the millions and millions of dollars of investment it takes to farm and to produce means that you do not quickly change the program if you change it overnight. Of course, the Congress has the right to do that. But we understand the importance of making sure that the program is stable.

I hope I have portrayed my opinion of the effects of this amendment by the Senator from New Hampshire. If not, I am sure he will correct me, and I will stand corrected if I am wrong. But I think it is important to remember that this is a program that since the early 1980's we have refined and shaped and reshaped so that we create stability in the market; that we offer a supply of sugar which is substantially less expensive than sugar and sweetener around the world; that we are in compliance with GATT, and as we move toward that, one of the things which is clearly understandable is that our level of participation in the program reduces as other governments around the world subsidize, sugar levels reduce because of the General Agreement on Tariffs and Trade. All of that is part of how our Government has worked, and I believe properly so, under the direction of the Congress and under the new farm bill that we have before us.

So I hope that my colleagues in reviewing this amendment will reject it. I certainly do not plan to second degree it, and I do not know of anyone else who does. It is not my intention to want to put cute words around it, to try to hide the impact. I believe this program is strong enough to stand on its own, as it has in the past, as it did by a 61 to 35 vote several months ago on the floor of the Senate. And I hope that Senators, in reviewing this, could reject it out of hand and allow the program, which we have effectively refined and developed, to operate for a period of time to see if we get the savings.

Let me also conclude by saying that one of the things which is very important to remember—and I am not sure whether the Senator's amendment would therefore forfeit this figure—one of the results of the program and the no net cost to the taxpayer is the assessments that are generated through the new program that will produce about $300 million in deficit reduction.

Now, if the Senator is still going to say let us keep the assessments but let us kill the program, then, in essence, he has created a new tax on producers, because we not only eliminated marketing allotments, we implemented a 1-cent penalty effectively lowering loan rates and we have an assessment that will generate about $300 million in deficit reduction to the Treasury over the life of the program of 7 years. As a result of that, we think we have put together a positive reform package not only for the American taxpayer, but, in this instance, for the producer-processor to create a stable market for the commodity that they produce.

I yield back the time.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I certainly appreciate the eloquence and the aggressiveness and obviously the effectiveness of the Senator from North Dakota and the Senator from Idaho in defending the sugar program as it impacts their sugar beet growers who, in most instances, I suspect—I suspect in all instances—are very hard working, farm community votes. However, the sugar program itself is structured in a way that it benefits a lot of major corporate farm activity, and that farm activity, as I mentioned before, is extraordinarily expensive to the American consumer in an unfair and unjust and unmarket-oriented way.

The argument on the other side appears to have fallen into a few categories. Let me try to respond to them in some sort of argument.

The first argument is that this amendment would eliminate the program because any processor doing more than $10 million in business would be out of the program. No, that is not true. I think that is simply not true. It would say that any processor who generates more than $10 million in annual sales would have to pay their loans back—just like a student, just like a veteran, just like a homeowner.

Now, there was some representation that we do not collect veterans' loans and maybe they are an outright gift. I do not think so. I think most veterans pay back their loans, but if they are not paid back, the Federal Government has the right to go after them individually. The same thing of a student. If a student does not pay back his or her loan—it happens a lot, unfortunately—the Federal Government has the right to collect that. Of course, in the homeowner's situation, that is a collateralized event. The Federal Government takes the home, sells the home, but if there is a deficiency, in other words, if there is a difference between what that home is sold for under foreclosure and what the note is paid out for and the note exceeded the foreclosure price of the loan, the individual remains personally responsible for that amount.

What we are suggesting is that a $10 million processor as a consortium, as a co-op or as a manufacturing cooperation, the $10 million processor should have to be liable also just like the student is, just like the veteran is, just like the homeowner is for that loan. So the program is still very much available. It is available under approximately the same terms and conditions relative to default and recovery that a loan to a student is, that a loan to a veteran is, and that a loan to a HUD recipient of a home ownership loan is. You have to pay the loan. You have to pay back the Government. That is all we are asking.

So the program is very much vibrant and alive. To reflect the fact that there is a sort of inherent contradiction in this debate that I hear from the other side, the position of the other side, on the one hand, they are saying this proposal, which is to allow people to borrow the money but to have to pay it back, versus borrow the money and then if they decide they do not want to pay it back they can just turn over their sugar to the Government—that this proposal is going to have a disastrous, debilitating, totally scorched earth effect on the farm program; and then I heard that nobody has ever defaulted, or if there has been a default they sold the collateral for more than the loan was worth.

So why is this such a terrible event? Why is it such a terrible event to make it a matter of public policy that people who borrow money from the Federal Government should pay it back? I guess it is a terrible event because it happens to be perceived, I think, as a threat to the sugar growers and the sugar processors. They maybe see it as a camel's-nose-under-the-tent approach to the issue of their $1.4 billion subsidy which they are taking the American consumer to the cleaners with.

But, as a practical matter, the debate on the other side of this issue has defended the position I have proposed in this amendment, because they have stated accurately that there have been no defaults that would have created recourse beyond the collateral, and, therefore, why should it matter to the industry if they find themselves subject to recourse loans? Especially when you have an Agriculture Department that is controlling the importation of sugar so it keeps the price of sugar 4 to 5 cents above what the loan price is? I mean, really. It is like going into a blackjack game and saying, ''You have to deal me both an ace and a jack. If you do not deal me the ace and the jack, I am not going to play.''

In this case we are going to give them the ace and the jack, I guess. But

it makes no sense, that if they should, by some strange coincidence end up losing, they should not at least expect the Federal Government should be paid back. It is hard to believe there is a scenario where under the present scenario they would lose. As long as the Department of Agriculture is going to keep the price 4 cents or 5 cents above the loan price, how do you ever end up with the collateral being less than the loan? It is pretty hard to see that fact pattern occurring.

But I am told this amendment devastates the program. How does it devastate a program when the defense of the opposition has been that there has never been a default, and when the numbers, on their face, speak for themselves that if there were a default, there would not be any recourse?

No, I do not think it devastates the program. It does not affect the program at all. That was my point when I first started this. I said, ''Gee, I would really like to do something about this program but I know I cannot win. But let us at least get ourselves on some sort of even keel relative to the American taxpayer and relative to fairness. If we are going to say to the homeowner and the student and the veteran you have to pay your loans back, let us say to the processor you have to pay your loan back, too. That is the purpose of this.''

So I do not think there is any substance to that argument. I think the substance of it was undermined by the presentation of the defense. To the effect there was a substantive point made in the opposition, it went to the issue of this price stability, which was specifically stated by the Senator from North Dakota and clearly implied and alluded to by the Senator from Idaho.

Essentially, the theme of that position was that if you do not have price stability in sugar, then you are going to have up-and-down years, you are going to have years when the price will go down, when there is dumping, and years when the price will go up. So the idea is to have 23 cents or 22 cents all the time for sugar, even though the world market price is 13 cents. Granted that may be a dump price, for all I know. It may not be, but it could be a dumped price. But there is clearly a heck of a lot of difference, there is a big difference between 22 cents, 23 cents, and 13 cents. So somewhere in there is the real price of sugar one presumes, between those two numbers. It is pretty obvious the American consumer is paying a lot more than the real price, if the world dump market is 13 cents.

So, if that is the case, if the purpose here is to maintain a stable price for sugar, if that is the real gravamen of the argument, and that price always has to be 23 cents or 22 cents—and why is that number picked? That number is picked because the loan price is 18 cents and they do not want anybody defaulting on their loan. If we apply that logic to all the commodities made in this country: All right, let us see, now. A couple of weeks ago my son bought a MacIntosh computer. I bought it for him for his birthday. The price of that computer, as I recall, was somewhere in the $1,500 range. It was a pretty expensive item, but it was for schooling. It seemed like a good investment. His sisters can use it.

All prices of all computers should be $1,500—right? The theory of the sugar program is the price for a commodity should be the same price at all times, because the prices might go up and the prices might go down; if you want to maintain stability—we have a lot more people working in the old computer industry in this world, in the Apple computer industry, I suspect, than make sugar. I bet there are probably more people that work for Apple Computer than produce sugar.

What has happened to Apple computers because they have not had a Department of Agriculture fixing the price of that product? The prices went down. I found out a few days ago I could have bought the same computer I bought a few months ago for $400 less, because there is something called a price war going on in the computer industry. And, worse than that, for the folks at Apple, they are in serious trouble. They have had to lay off thousands of people, because their product was not able to maintain the employment. And the prices of computers and other computers that have been brought on the market that have made that Apple computer, which is a heck of a good computer, I think—especially the software in it—be not as competitive with whatever the appropriate other computer that is competing: Dell, AST, Gateway, Digital. Digital is a great computer, by the way—made in New Hampshire.

The point here, of course, is: It is called a marketplace. It is called America. It is called a market system. It is called capitalism. It is called ''what made this country great.'' It is called competition, worldwide, sometimes.

Take another little commodity called cars. Shall we fix all Chevrolets at the price of Chevrolets sold in the year 1979 or 1985? We could, I suppose. Then we would not allow the Japanese to import to compete.

I think we went through that, did we not? That is why the Big Three had such a tough time, because their quality went down because they did not have the competition. Prices stayed up. Then, when they did get the competition, it took them a while to turn around. Of course, with American know-how they did it pretty quickly, didn't they?

Now you have the most viable and energized car producers in the world, and they are American again. For a while, of course, we had a huge Japanese threat to our industry, but we responded.

Are we to say that the sugar growers in this country would not be able to compete? I do not know, I guess that is exactly what we are saying in this plan. But, essentially, this concept of stable prices, which has been alluded to specifically by the Senator from North Dakota and clearly highlighted or addressed by the Senator from Idaho, is another term for non-market-place economy. It is another term for price fixing. Price fixing does not benefit the consumer. It does not benefit the marketplace. It benefits that small group of people who are able to benefit from the fixed price which, in this case, happens to be a very small group of sugar growers, and it is extremely expensive to the American economy.

There was a statement that there are no tax dollars at risk; the taxpayers pay nothing. Well, if you say that the dollar that a taxpayer pays in taxes and a dollar a taxpayer takes out of his wallet to pay for sugar does not come out of the same wallet, then I guess taxpayers are not impacted. If the taxpayers are some mythical beings out there who don't go to the marketplace and buy food then, yes, there is no impact on the taxpayers.

But if the taxpayers happen to be real, live Americans who go down to the grocery store and buy food with those dollars that are left over after the Government takes their money for taxes, well, then it does impact them quite a bit, because they are paying somewhere around twice the going rate for the price of sugar. They are paying $1.4 billion a year more to buy that sugar than they should have to. But this amendment does not address that issue, that outrageous issue which I would love to address. Unfortunately, I cannot get the votes to address it. But this amendment does not address that issue. This amendment addresses the fact that these are loans that do not get paid back if they go bad.

Granted, it may never happen. It may never happen that the Agriculture Department is able to manipulate, through controlling imports, something that comes close enough to the loan price so that there never is a loan that goes bad. But there ought to be a statement of policy, at least, that this Congress expects the $10 million processor to at least be as liable for his or her loans or its loans from the Federal Government as we expect the struggling student, the veteran and the homeowner.

There were a couple of ancillary issues that were raised that I think need to be addressed. Maybe I already addressed them. I was even more thorough than I thought in my statement, so I yield back the remainder of my time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me compliment those who participated in this debate for the efforts they made to fully acquaint the Senate with the issue that is before us with the amendment offered by the Senator from New Hampshire.

My reaction to it at this point is that this is an issue that has been before the Senate, was before the Senate, was fully debated when we were undertaking to write the new farm bill, which contained a lot of market transition reforms, included reforms in the Sugar Program and many others, and this issue has been resolved, or at least a bill was passed by the House and Senate, a conference occurred, a conference report was written.

This is the conference report that was compiled by conferees on the part of the House and the Senate, almost 500 pages in length, devoted to farm programs and the role of the Federal Government and the private sector in trying to make available to Americans abundant supplies of reasonably priced foods and commodities.

The President signed the bill, and this is the law. The bill before the Senate today simply funds the activities of the Department of Agriculture and related agencies. It doesn't seek to address suggested changes in agriculture or farm policy, as such, but simply to undertake to allocate to this Department the funds it needs to carry out its responsibilities as defined by the law.

So this is a proposal by the Senator from New Hampshire to change the law and, therefore, it seems to me ought not to be adopted by the Senate. It is very technical, obviously. I was reading section 156 in the conference report that deals with the Sugar Program, and it talks about the nonrecourse and the recourse loans that are a part of that program, and it is very, very technical.

I was thinking, how is a Senator who is not a member of the Agriculture Committee, has not been a party to the hearings and discussions about how this is going to work as a practical matter, how is he going to be able to decide, how is she going to be able to decide whether this is an amendment they want to vote for or against.

These are arguments that have been made on both sides of the issues. I compliment the Senators involved. I think the only thing we can be sure of is we will vote on this. We will vote on this amendment. The yeas and nays have been ordered, and the vote will occur in due course of proceeding on this bill. It will not occur today. But under the order entered for the consideration of the bill today, it would be put over and a vote will occur tomorrow.

I am going to have to come down on the side of the Senator from Idaho and the Senator from North Dakota in arguing that the amendment be voted down. I hope Senators will vote against the amendment, with due respect to my very good friend from New Hampshire, whom I admire greatly.

Mr. President, we are prepared to receive other amendments, or any further debate on this amendment would be in order if Senators care to debate the amendment.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 4968

(Purpose: To restore funding for the Agriculture Research Service at the level approved by the House of Representatives)

Mr. MCCAIN. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk.

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

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 4968.

On page 10, line 18, strike ''$721,758,000'' and insert in lieu thereof ''$702,831,000''.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment would restore the funding level for the Agriculture Research Service at the House-passed amount. Simply, if the amendment is adopted, we will save $18,927,000, which represents a 3-percent cut from the Senate level.

No Agriculture Research Service programs will be put in jeopardy. No dire outcome will result. Mr. President, it is a very simple amendment. While the Senate does not and should not function as a rubber stamp of House action, the other body was entirely correct when it funded the Agriculture Research Service at $702,831,000.

Mr. President, in the Department of Agriculture appropriations bill, a lot of the unnecessary spending is in the Agriculture Research Service program. Certainly, there is a legitimate need for agricultural research. We all agree on that point.

Let me emphasize, voting for this amendment will not contradict that point. Voting for the amendment does affirm our belief that we must scale back our spending in a responsible manner.

The House funded the Agriculture Research Service at a very reasonable level at $702 million. Again, I want to note that this is a 3-percent cut from the Senate level. I believe that we could cut this nearly $1 billion program by 3 percent.

Mr. President, there is other language in the bill and in the accompanying committee report that concerns me. I would like to raise some of those issues at this time. On page 51 of the bill, the House had language that stated no funding made available under this title shall be used for new studies and evaluations. I applaud the House for inserting this prohibition in the bill. Unfortunately, the Senate struck the House provision and inserted instead the $6 million cap on studies and evaluations. Unfortunately, many of these studies are not necessary or could be privately funded. I hope that when the bill is conferenced, the Senate will recede to the House on this matter.

The committee report continues to recommend funding for a wide variety of specific industry areas. I believe that such earmarking is detrimental to the agriculture industry as a whole because it encourages funding to go to those industries with the best lobbyists or those favored by the members of the committee. All research grants should be based on national priority and competitive bid.

As an example, I would like to comment briefly on the shrimp aquaculture research provisions contained on page 39 of the committee report. The committee recommended a $300,000 increase in Federal funding for shrimp research. Mr. President, the U.S. shrimp industry is a profitable, multibillion-dollar-a-year industry. While it is true that the Asian shrimp industry is much larger than the U.S. shrimp industry—I understand that some desire that we should have an American source of shrimp—it seems that increased Government funding of the shrimp industry is not needed at this time.

Mr. President, my staff met with shrimp industry representatives who explained their ongoing concern with foreign diseases infiltrating our national shrimp farms. I share their concern. However, since the shrimp industry is a profitable industry, and since the Federal Government already spends over $3 million a year on shrimp aquaculture research, this new financial need should be met by the shrimp industry itself.

Again, I hope when the bill goes to conference that the House demand its language on this matter and that Federal involvement with the shrimp industry be kept at a minimum.

I also want to express my concern that the Senate added language to the bill on page 33 that funds the National Natural Resources Conservation Foundation at no more than $250,000. This sounds very good, but it raises many questions. First, according to the act which established the National Natural Resources Conservation Foundation, Public Law 104–127, the foundation is ''a charitable and non profit corporation * * * [and] is not an agency or instrumentality of the United States.''

The law also notes the numerous duties of the foundation, many of which I agree with. But I want to note that the last of the duties proscribed in the law for this private corporation is ''[to] raise private funds to promote the purposes of the foundation.'' The law states this is a private organization that should raise funds and promote certain agricultural activities. I think we should let the corporation follow that law.

Mr. President, isn't the concept of a private corporation that it is private, therefore, not funded by the Federal Government? In general, private corporations should not be funded with Federal dollars. I hope the Secretary of the Department of Agriculture will not use any appropriated money to fund this organization. While there is a legitimate role for some Federal dollars to be used by private corporations for certain select activities that are necessary but which might otherwise go

unfunded, this is not one of those exceptions.

Again, Mr. President, this is a simple amendment. It represents a 3-percent cut in the Agriculture Research Service program and restores the House of Representatives-passed funding level for the program. I hope the Senate will adopt the amendment.

Mr. President, I have read the report language of the bill rather carefully. There are many worthwhile and worthy causes. Some of them I do not quite understand. Some of them are somewhat unusual, to say the least. Grape research, hops, insect rearing, goat grass control, nutrition intervention projects, cotton value-added/quality research, apple research, alfalfa research, corn germplasm research.

Mr. President, all these, I am sure, are worthwhile, but many Americans who are facing cuts in Medicare, cuts in Medicaid, cuts in food stamps, Social Security being in financial jeopardy would ask the question—and I think it is a legitimate one—should the taxpayers be paying for a fish farming experiment laboratory? Should the taxpayers be paying for cotton value-added/quality research? Should the taxpayers be paying for corn germplasm research? Apple research? Alfalfa research? Funding children's hospitals?

Mr. President, the question, I think, is a legitimate one. I have no information that the apple industry in America is in such dire straits that they need to have Federal dollars spent on apple research. I wonder if the apple industry in America could pay for apple research. I have no information that the Arkansas children's hospital is in such bad shape that it needs to have an additional $425,000 of taxpayers' dollars.

Bee research. I did not know that the Hayden Bee ARS Laboratory in Tucson, AZ, required earmarked funding. Mr. President, I did not know that the wheat industry was in such bad shape that it needed an additional $450,000 above the 1996 level for the ARS Pacific Northwest Club Wheat Breeding Program.

What I am saying, Mr. President, is it all gets down to the question about the role of government in our society. I was under the distinct impression that, at least on this side of the aisle, Members felt that the role of government in our society should be prioritized to provide for national security and for those in our society who are unable to take care of themselves who need our help, and certainly otherwise important programs.

I do not understand the logic behind funding with taxpayers' dollars industry, whether it be fish farms or grapes or cotton or wheat or bees, when those industries are not only not in need, but according to the information I have received that agriculture is one of the healthiest industries in America.

So I hope that we will make a modest cut and restore the House level of funding. Mr. President, I have very few illusions as to the prospects of this amendment, but I would suggest that sooner or later the American people will continue to question and question severely this kind of funding. Mr. President, I ask for the yeas and nays on the amendment.

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

The yeas and nays were ordered.

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

Mr. COCHRAN. Mr. President, let me respond to the Senator from Arizona by saying that when we looked at the President's budget request for funding of the Agriculture Research Service activities, we, too, thought that the request was too high. Our careful evaluation of the needs for research done by the Agriculture Research Service resulted in our reducing the amount available for this activity by $7 million. So the proposal that is before the Senate is $7 million less than requested by the administration.

Let me also point out one other thing. I noticed the Senator's amendment would cut $18 million from the Senate-recommended figure, $18 million from what the Senate recommended. We are already $7 million below the President's request. He does that, he says, to bring our number to the point where we would agree with the House on the level of funding for these activities. The House number is $702 million in total. The bad part is, if you look at the House numbers individually in all the items in the bill that the House says should be funded, it adds up to $710 million more or less.

Draw the bottom line and put $702 million. He wants us to join that hocus-pocus and suggest we want individual projects funded up and down the line in their bill, and if you add them all up it is $710 million, round numbers, but they draw the bottom line and put $702. I will not submit a bill to the floor of this Senate and do that and say I am cutting spending more than we really are recommending when you look at the individual items.

What they are forcing the Department of Agriculture to do, if the Senate goes along with that, we are misrepresenting to the general public, we are misrepresenting to the Department of Agriculture, what our recommendation is. We are forcing the Department to pick out $7 million in cuts and impose them somewhere, and disavowing any connection with it. We are disavowing paternity with a $7 million cut.

If we are going to impose the cut to $702 million, identify where the cuts are going to be. If you are going to cut the Arkansas Research Program that the Department of Agriculture runs, you have to spell it out. If you are going to cut an Arizona cotton research activity that is a substantial investment of dollars in a new facility, say it. Say you are cutting western cotton research, and point out it is done in Arizona. Just to simply say we are spending more than we need but not say how, where, when, or to what extent, that is not right.

Now, after the Senator completed his proposal where he makes this $18 million cut, he then talked about other parts of the bill he found obnoxious that do not have anything to do with Agricultural Research Service funding. If there are programs that should not be funded, I suggest we ought to spell it out. Amendments ought to target those projects. If that is what the complaint is, offer an amendment that does that. But to offer an across-the-board cut which if we passed would force the Department to make the decisions, we would not have any responsibility for doing that. That is irresponsibility. That is not accountability.

I sympathize with the Senator's proposal that we make sure the dollars that are invested in research are, No. 1, needed, serve some public interest, are reviewed carefully. I can assure the Senate and I can assure the Senator from Arizona that will be undertaken here.

He did specifically mention shrimp research for shrimp farming operations and how they were money-making enterprises and they did not need the research dollars. I convened a hearing just on that issue last year to determine what some of the problems were in aquaculture in fresh water, some salt water shrimp and other aquaculture activities. I found out there was an epidemic of exotic viruses that have attacked the shrimp in those operations and we were, in exchange, importing huge quantities of shrimp from China and other foreign sources because we could not meet the supplies needed here for wholesome, safe shrimp and other seafood. This was a growing industry. It was one that had a lot of promise but it was about to be wiped out. These funds that are made available are made available on condition that the industry come up with its own money to help match the dollars that are put up by the Government to get to the bottom of this problem, and it is a problem.

Here is the hearing. This is a hearing record. This is not something the industry just came in and tried to push over on us. I am convinced the dollars that are made available for that activity are needed. The purpose, to provide high health and genetically improved stocks, to control disease agents, to enhance environmental protection, and to develop animal husbandry methods. All of this is needed if we are going to save this industry from a doom, a doom that will cause us to have to rely on foreign sources of these products. We already do. But we will be completely reliant on them if we are not careful, if we let this virus problem spread, if do not figure out how to stop it. That is needed. I will stand behind it. The record supports the need. I hope the Senate will reject the amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the Senator's amendment number 4959.

AMENDMENT NO. 4969 TO AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest.)

Mr. GREGG. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4969 to amendment No. 4959.

Mr. GREGG. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the word ''SEC.'' and insert the following:

REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $15 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. This is the same as the underlying amendment, but it changes the amount that is required of processors to have recourse on from a $10 million threshold to a $15 million threshold. After that, it is a more lenient amendment than the first, if we presume we are requiring people to pay back loans.

It does not, I think, aggravate the situation and should not from the standpoint of my colleagues who feel differently on this amendment than I do. I offer it to protect my position in the batting order here.

I make one additional point. There was a point made on the other side, and this is, really, ancillary to the overall debate but needs to be responded to. There was a point made on the other side that the Sugar Program as presently structured actually causes a net ''infloat'' of the Treasury because this is an assessment process. However, if you take into effect in the calculation the cost to the Federal Government of having to buy sugar for products which it uses and food stamps and military feeding and child nutrition at the inflated rate we must pay because the Federal Government is a fairly large consumer—also as I mentioned, and I suspect ad nauseam for my colleagues, the price here is dramatically more than the price the market would be were this a market-oriented program versus price-control program.

GAO has advised us the cost to the Federal Government, by letter of July 18, the cost in 1994 to the Federal Government for purchasing products which had inflated prices due to the cost of sugar was approximately $90 million annually. So that exceeds, by, I think, a factor of three, what is alleged to be the positive cash flow of this program to the Treasury.

Let me read the operative sentences:

In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Mr. President, I ask unanimous consent this letter be printed in the RECORD.

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

GENERAL ACCOUNTING OFFICE,
Washington, DC, July 18, 1995.

Congressional Requesters,

In our report entitled Sugar Program; Changing Domestic and International Conditions Require Program Changes (GAO/RCED–93–84, Apr. 16, 1993), we estimated that the U.S. sugar program costs sweetener users an average of $1.4 billion annually. In this context, you requested that we estimate how much the sugar program increases the government's costs of purchasing food and conducting food assistance programs.

While it is impossible to precisely quantify the direct costs of the sugar program to the government, we have approximated the government's additional costs, based on its share of total domestic food expenditures. In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this percentage to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Table I provides more detail, by program, on the government's expenditures on direct food purchases and cash assistance for consumer food purchases. These calculations are approximated, using the best available information.

TABLE I.—GOVERNMENT SPENDING ON FOOD PURCHASES AND CASH PAYMENTS FOR CONSUMER FOOD PURCHASES, 1994

[In millions of dollars]

Program	Amount
Food Stamps	$22,880
Child nutrition food subsidies [1]	6,262
Direct distribution to families	46
The Emergency Food Assistance Program (TEFAP)	142
The Special Supplemental Food Program for Women, Infants, and Children (WIC)	2,396
Commodity supplemental	84
Direct distribution to institutions	1,561
Direct distribution to the elderly	177
Correctional institutions [1]	1,564
Hospitals [1]	1,017
Nursing homes [1]	2,038
Other homes and schools [1]	266
Military food purchases [2]	1,055
Military subsistence payments [3]	2,401

Source: USDA Economic Research Service.
Note: Data are for calendar year 1994, except where otherwise noted.
[1] Includes federal, state, and local spending.
[2] Fiscal year 1994 data provided by the Defense Logistics Agency.
[3] Fiscal year data provided by each of the Armed Services.

While raising the costs of purchasing food and conducting food assistance programs, the sugar program generates some revenues through marketing assessments on sugar. On average, these marketing assessments total $30 million annually. If the sugar program did not exist, these assessments would not be collected.

If I can be of further assistance, please contact me at (202) 512–5138 or Bob Robertson at (202) 512–9894.

ROBERT C. ROBERTSON
(For John W. Harman, Director, Food, and Agriculture Issues.)

Mr. GREGG. Mr. President, I ask for the yeas and nays on my amendment in the second degree.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

They yeas and nays were ordered.

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

AMENDMENT NO. 4968

Mr. BUMPERS. Mr. President, the amendment of the Senator from Arizona is arbitrary at best and capricious at worst.

The year 1995 culminated a series of cuts in agricultural research over a period of years. In other words, agricultural research funds had been cut every year for several years. In 1995, for the first time in this Nation's history, agricultural yields per acre failed to increase. That was on an apples-and-apples basis, where rainfall and so on was taken into consideration.

Now, the suggestion is, and I am not familiar enough with that study to know, but the suggestion is that as we have cut agricultural research money, we are finally being caught up by lower yields of agricultural products per acre.

When I was a youngster, 15 or 20 bushels of soybeans per acre in much of my State was ordinary. Today, even unirrigated beans ought to make 30 to 40 bushels per acre. Rice, I can remember when 50 to 75 bushels of rice per acre was a big crop, and today it is not uncommon, at all, in my State, for rice farmers to make 200 bushels of rice per acre.

Cotton. When I was a kid, because we did not have any antidote to the boll weevil, a half-bale of cotton to the acre was considered a pretty good crop. And everybody knows what Norman Borlaug did for wheat production in this country. All of those things were not accidental. They were done because the Federal Government put money into agricultural research. Right now, the fire ant is moving north. Southern Arkansas is covered with fire ants. They do a tremendous amount of damage. Killer bees are moving up from Mexico.

Mr. President, I am one of the people who think we probably made a mistake when we eliminated the honey program. The honey program cost very little. The reason I had real trouble with that amendment is because bees pollinate plants; 15 percent of all the pollinization in this country is done by native honey bees. The killer bees coming up from Mexico are killing our bees, and, in addition, there are strains

of virus and other threats to honey bees that need to be understood. That takes research. Once we understand the problems, solutions will follow.

I saw a story the other day that was interesting to me because the cranberry farmers of Massachusetts, for example, are getting terribly upset because they depend on bee farmers to bring their hives to their crops and pollinate them. I am not sure New Hampshire does not have some crops similar to that, which honeybee farmers bring into New Hampshire. And now the average life of a beehive has gone from 3 years to 1 year. Oh, yes, we spent Federal dollars every year subsidizing the honey industry through research. But I can tell you that is peanuts—if you will pardon the expression—compared to the benefit that honey bees do for the American farmers in pollinating their crops.

The Senator from Arizona mentioned aquaculture. Thirty years ago, the farmers of Arkansas started raising catfish, domestically raised catfish. And all the world, if they are not already familiar, should know that it is the most beautiful, delicious, delicate, succulent fish ever known. We went into the catfish farming business almost out of necessity because we irrigate our rice crops and we store the water in the wintertime. The farmers decided that as long as they have these big ponds of stored water that they use to irrigate rice with, why not figure out another use for those rice irrigating ponds.

My predecessor in the U.S. Senate, Bill Fulbright, helped come up with the idea of raising catfish in those ponds. Mr. President, would you like to know how many pounds of catfish we could raise a year per acre? Seven-hundred pounds. And so at least we started a couple of catfish research projects called aquaculture—all fish-raising is aquaculture. We have one in Mississippi and one in Arkansas. In Arkansas we think continued research is important and 2 years ago we made substantial investments to improve our aquaculture research facilities in Stuttgart. The 1996 farm bill redesignated that facility as the National Aquaculture Research Center, and I can tell you we are all very proud of it. Some of the magazines called it a $7 million fish farm. It had nothing to do with fish farming beyond its application of new information for fish farmers; it was all research. But over the period of the last 30 years, because the Federal Government has put money into fish farming research, catfish farming research, production of catfish per acre has gone from 700 pounds per acre per year to 4,400 pounds per acre per year. And unless we continue to fund agriculture research, we are going to be sitting around the breakfast table looking at each other wondering what we are going to eat that day.

On the front page of the Metro section of the Post this morning there was an interesting article concerning blue crab in the Chesapeake Bay? The crop this year is so sparse that 500 crab pickers are out of work. And the ones who are working are working 3 days a week. Now, if somebody came in here and said they had a beautiful idea for replenishing the crab population of the bay, I might vote for it. I can assure you that those employed in the crabbing industry around Chesapeake Bay and consumers who enjoy reasonably priced crabmeat would be asking us to vote for it.

The Senator from Arizona mentioned Children's Hospital in Arkansas. I can remember when the Children's Hospital in Arkansas was just a small hospital to treat severely burned children. Today, it is one of the finest state-of-the-art children's hospitals in America. And this is the third year we have put money in that. What is the Department of Agriculture doing giving money to the Children's Hospital in Arkansas? It is for a really sophisticated nutrition program. Do you know something else? The Children's Hospital in Little Rock is putting up a lot of money—millions—to build a facility to house this nutrition program. I never knew what a children's hospital was. A hospital was a hospital to me, until my daughter became ill and the pediatrician said, ''You ought to take her to Boston.'' The finest children's hospital in the world is in Boston, MA. That is where I took her. Today, I would not have to go to Boston because of the tremendous strides of the Arkansas Children's Hospital.

A member of my family left a week ago and went to the emergency room of one of the hospitals in Washington, DC, and there were three residents standing there. This new doctor, a young man, walked in. He had just joined Georgetown University Hospital. When he found out I was from Arkansas, he said, ''You know, when I finished my training and started looking for a place to settle, believe it or not, I went to Little Rock, AR. I looked over your Children's Hospital, and I never got such a shock in my life. It is one of the finest facilities I have ever been in. I nearly decided to stay in Little Rock, not only because of the facilities but because of the quality of the people there.''

There is $425,000 in this bill to continue funding what we hope will be one of the finest children's and nutrition programs in the United States. Now, I can remember when it took 9 to 12 weeks to grow a broiler, a chicken, for the retail fresh market. Today, you do it in 6 weeks. Do you know why? Because of agriculture research.

So I cannot say much more than the chairman has already said. He made a beautiful speech on the McCain amendment a moment ago. I hope when the time comes that the amendment, which, as I say, is arbitrary at best, will be soundly defeated.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Robert Hedberg, who is working for the Senate Agriculture Committee, be given floor privileges during the debate on this amendment.

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

Mr. COCHRAN. Mr. President, I rise to simply advise the Senate that the Senator from Massachusetts came over a while ago to ask if he could have 10 minutes as if in morning business to talk about a subject that he discussed in the Senate earlier, and hadn't been able to complete his remarks. I suggested that he come over around 4:30, thinking that there might be a lull in the action so that he could proceed with morning business remarks. But I know the Senator from North Dakota is here to talk about the issue before the Senate. I hope we can resolve it so that the Senator from Massachusetts can have a few minutes following the Senator from North Dakota, or preceding the Senator, whatever is their pleasure.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 4959

Mr. CONRAD. Mr. President, they are at it again. The critics of farm programs are suggesting bad policy for agriculture and are trying to break the promise just made to the American farmer.

On April 4 this year, the President signed into law the 1996 farm bill. That is April 4 of this year. The proponents of that bill claim they had a 7-year plan for agriculture, one that promised to be reliable, one that promised to provide certainty, one that promised to reduce Government interference.

The farm bill passed, and now we see how quickly their promises have been broken. The House Agriculture Appropriations Subcommittee proposed additional cuts in addition to those already made in commodity payments under the freedom to farm legislation. They broke their promise to the American farmer—not 7 years later, but 7 weeks later. So much for reliability and certainty.

Thankfully, those additional cuts in commodity payments were rejected at the full committee level. But the critics of the farm program did not stop there. They proposed, on the House side, capping raw sugar prices. Imagine, people who advocate market orientation are placing into law a limit on what prices could be in an industry. If that is not Government interference, I do not know what is.

Under that amendment, the Republican-led House would be telling the Government to reach into the sugar market and place an arbitrary cap on prices. It is the ultimate irony—Government interference at its worst. Once again, a promise was broken.

Now today we are faced with an amendment to interfere even more with what was just agreed to months ago. The Gregg amendment eliminates the safety net U.S. producers have

against heavily subsidized foreign competition.

The Senator from New Hampshire I think is well-motivated, well-intended, but I think sadly misinformed as to international sugar and about what happens in these markets. And I would say to my colleague from New Hampshire that this is not like Dell Computer, or Apple Computer, or IBM. Oh, no, that is not the way the sugar market works in the world. This is not a free market. That is a nice idea—a textbook idea—but it is not the real world. The sugar industry worldwide works in a much different way. Every major producing country has a program—every one. We are not talking about a free market. We are talking about heavy Government involvement in every one of these producing countries.

What the Senator from New Hampshire wants to do is say to the U.S. industry, ''You go out there and compete against all these other countries, but without the benefit of a program. You go out there, and we are going to engage in unilateral disarmament here in America.'' We are going to say to our folks, ''You go out and compete not only against other countries' farmers, but against the governments of other countries, and good luck. We hope everything will work out.'' Everything will not work out.

Anybody who has looked at the sugar industry and what has happened knows better, knows precisely what will happen, if we say to our producers, ''You go out there and compete against heavily subsidized foreign sugar and see what happens.'' We all know what will happen. Our folks will go broke, because the treasuries of these countries with whom we are competing are a lot bigger than the treasuries of the individual producers.

That is the reality of what we face here. This notion that the Senator advocates that U.S. sugar policy unfairly inflates U.S. prices over world prices is absolutely untrue—absolutely untrue. All of us know what happens if you take away the sugar program. This chart shows what has happened the two times we eliminated the sugar program. Here is what happened to prices. They skyrocketed in both cases in the early 1970's and in the early 1980's. Prices skyrocketed. Why? Because the market knew we were headed for turbulence, a lack of certainty, that people would dramatically reduce their plantings. And what would happen is you would see shortages, spot shortages. And those who are producers of sugar, refiners, bid up the price in order to assure themselves of a stable supply. That is what has happened repeatedly.

Unfortunately, when my colleague says, ''Gee, look at the price. The sugar price is 22 cents a pound, and the world price is 13 cents. Well, there is evidence, there is clear evidence that this sugar program is gouging consumers.'' Nonsense, absolute nonsense.

Eighty-five percent of the sugar that is marketed in the world moves under contract. This sugar is not in the world market at all. It is moved under a contract. For this reason, the so-called world market is not a world market. It is a dump market. It is where the sugar sells that is not under contract. That is why you see the prices in the so-called world market, the dump market, selling for 13 cents.

Look at what happens if you eliminate the sugar program. We know what happens. Every time it has been tried, prices skyrocket. And who got hurt? I will tell you who got hurt. The consumer got hurt. This is not a free-market model. That is not what is happening in world sugar production.

Make no mistake: The Gregg amendment kills the sugar program. If you want to kill the sugar program, there is a way to do it—pass the Gregg amendment. If you want to sock it to consumers, pass the Gregg amendment. Prices will skyrocket. We know, it has happened before whenever somebody actually got a mind to pursue this course. But not only will it hurt consumers, it will hurt American producers, because even though prices will go up, American producers will be hurt. Why? Because we will get a flood of foreign sugar into the U.S. market.

We know what will happen. It happened every time in the past when this and the other Chamber has decided that we should eliminate the sugar program, that we were going to be free from the world and act as though there is some free market in world sugar. There is no free market.

Let me just say that the Gregg amendment is not a program. It is a recipe for disaster. It will force dozens of millers and processors and thousands of farmers out of business. This is not some insignificant amendment.

In my State, there are thousands of farmers that depend on sugar for a substantial part of their income. Kill this program, and you kill them. And they know it. They know exactly what is happening in these world markets. They know exactly what has happened with other countries' programs. They know exactly what we are up against in these world markets.

For those less familiar with sugar policy, loans are not made to these producers, because beets and cane are not storable commodities. It is unlike other commodities such as grains, such as corn and wheat. Those are programs that have a payment that goes directly to producers because those are storable commodities.

That is not the case in sugar. Sugarcane and sugar beets are not storable. So what we have is a program where the loans are made to the millers and processors who store the raw cane or the processed beet sugar. As a result, producers are intricately tied to the millers and processors. If millers and processors are no longer able to use the loan program, they will simply go out of business and they will take farmers with them, make no mistake.

Let us just look at how many beet processors and cane mills have already gone out of business. This chart clearly shows that this industry is already facing hard times. This shows what has happened to beet and cane processing mills that have gone out of business since 1990. If anybody thinks there is some big windfall out here, somebody is getting rich on this program, let us look at the record.

Why did all these folks go out of business if it is so good? Let us look at beet and cane processing mills. This is just since 1990. The record since 1980 is a whole lot darker.

Let us just look since 1990. Delta Sugar Co., beet plant, California, went under in 1993; Holly Sugar, California, beet plant, 1993; Columbia Sugar, cane plant, went out of business, Louisiana, 1994; Hamakua Sugar, cane plant, Hawaii, 1994; Hilo Coast Processing, again, cane sugar, went out of business in 1994; Oahu Sugar, cane plant, Hawaii, 1994; Spreckels Sugar, again, a California plant—this is a beet plant—went out of business in 1996; Holly Sugar, Hamilton City, CA, beet plant, went out of business in 1996; Ka'u Agribusiness Co., cane plant, Hawaii, 1996, went out of business; Kaialua Sugar Co., cane plant, Hawaii, 1996, went out of business; McBryde Sugar, cane plant, Hawaii, went out of business in 1996; Western Sugar, Mitchell, NE, beet plant, went out of business in 1996.

One after another, right out of business, and you pass the Gregg amendment and we will be able to provide next year chart after chart after chart just like this one of companies that have gone out of business. That is what we are talking about. The stakes are high.

Let me be clear. The Gregg amendment benefits the sugar refiners. That is who is the beneficiary if this amendment passes, not consumers. They will not benefit. In fact, they will be hurt. Not farmers, not beet processors, not cane mills, but refiners, they will be the beneficiaries.

Let us look at charts that show the efforts made to increase the supply of raw sugar in the U.S. market and the activity it caused in the market. This chart shows what we have seen with respect to raw sugar prices and the import quota increases over the past year and a half as USDA allowed quota increases four consecutive times, all to the benefit of refiners.

This chart shows raw sugar prices from 1995 to 1996. On November 9, 1995, USDA allowed another 330,000 tons to come in over quota—that is, foreign sugar to come into the United States—and look what happened to prices. Prices went down markedly. Then they came back up. January 17 of this year they socked it to the domestic producer again bringing in more foreign sugar and predictably prices plunged again. Then we saw price recovery. All of this is moving in the 22½ to 23 cents a pound range.

On April 1, they did it again, brought in another 220,000 tons from abroad.

Prices plunged. And again, June 12, just a month ago, another 165,000 tons. Look what happened to prices; a steep decline as more foreign sugar was brought in, that benefited whom? Benefited the refiners because they were getting more sugar to process through their plants, more throughput, more activity, more profit.

I do not begrudge them and their profit. But let us look at what is happening with respect to the throughput of the refiners, because the Gregg amendment is misnamed. It ought to be called the ''refiners benefit bill.'' That is really what we are talking about. You are picking sides in an economic fight and you are saying we want to give the refiners more than they are getting now.

Let us look at what the throughput has been through cane refiners' plants in the last 10 years—1985–86 to 1995–96.

Back in 1986–87, we were looking at 5.3 million short tons. Had a bad year in 1987–88. Then we went to 5.4 million short tons. Went up to 5.9 million—that is the peak—in 1990–91. Then we saw some pulling back. But in 1995–96 we see a record for the refiners in terms of throughput, 6.4 million short tons—6.4 million short tons. And yet what do we have before us? The refiners benefit bill. They have just had record throughput. That is the amount of product going through their plants. They just had a record year.

Well, throughput alone does not tell you what the refiners are experiencing. You have to look at the difference between the raw sugar price and the refined sugar price. That will tell you, combined with throughput, how well our refiner friends are doing.

What do we find when we look at that? Well, it is very, very interesting—very interesting, indeed. This chart shows from 1990 to 1996 raw sugar prices. That is in red. I hope there is nothing in the way of their seeing exactly what has happened to raw sugar prices.

They have been stable for 10 years. This awful program that is gouging consumers has provided them with stable prices for 10 years. Name anything else that people buy in this country that has been stable for 10 years. Tell me one thing that has been stable for 10 years. But sugar prices, raw sugar prices have been stable. I wish I could say the same thing for refined sugar because refined sugar, you can see, starting in 1995, took off like a scalded cat. Refined sugar prices jumped, and jumped dramatically at the same time raw sugar prices were falling. Raw sugar prices were falling; refined sugar prices were skyrocketing. I have already shown you the record throughput for refiners in 1995–96. And yet what we have before us is a refiners benefit bill. That is the Gregg amendment.

Why should we be passing a refiners benefit bill when they have just had the biggest throughput in their history and, No. 2, the best margins—the best margins—that you can find in the last 10 years?

Mr. President, what has happened, I believe, is very clear. This is a transparent argument. The refiners want to continue to make more money by refining cheap sugar from the world market. This amendment not only breaks the promises of reliability, certainty, and reduced Government interference in agriculture that was made to American farmers only 4 months ago, but it is bad policy that would send shock waves through a domestic industry, a domestic industry that produces tens of thousands of jobs in this country.

I hope my colleagues will join me in soundly rejecting the Gregg amendment.

Let me just conclude by saying this is, again, not like the typical industry. Senator GREGG refers to the computer industry, and says there is no Government involvement there. He is right. That is a whole different ball game than the worldwide sugar industry, where every single major producing country has a program. Every single one of them aggressively supports their producers. If we are to abandon ours, the results will be very, very clear.

No. 1, we have seen what has happened in the past in terms of prices. Prices will skyrocket. That is undeniable. The world price the Senator refers to as 15 percent of the market is a dump market. It has no relationship to supply/demand relations in the world. The vast majority of sugar moves under contract in the world. So that dump market and its so-called world price is not a world price at all, it is a dump price. That is what people get for sugar produced above and beyond their contractual requirements. If you take away the program you are going to get exactly what we saw the last two times: Prices skyrocket. So consumers are not going to be helped, they are going to be hurt.

No. 2, the processors in this country, beet processors and cane processors, are going to be hurt. I have already shown all the plants that have closed in 1994, 1995, and 1996. A lot of plants have closed. Only one refiner but a lot of processing plants have closed. So those folks would be hurt. When they are hurt the farmers are hurt because the farmers are directly tied with those processing facilities. All of a sudden, if you yank out from U.S. producers any support, what you have done is changed the balance of power in these world markets.

Who have you helped? You have helped our foreign competitors. The Gregg amendment is great if you represent a foreign country and you produce sugar. They would look forward to the day the United States pulls the plug on its producers and its processors. They are just waiting for the opportunity to come in and take over this industry, take the jobs, take the economic growth, and take the economic opportunity.

American farmers who produce sugar are the most efficient in the world. We are ready to compete head to head with anybody at any time. But what our producers are not prepared to do is to take on not only the farmers of another country but the governments of other countries. That is not a fair fight. And our Government should not abandon our producers and our processors, helping foreign governments, foreign producers, foreign processors against the refiners of this country. That is what this amendment is really about. I hope this Chamber will do as it has done before and reject the Gregg amendment and reject it in a resounding way.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

Mr. KENNEDY. Mr. President, I thank my colleagues, our managers, for indicating when might be an appropriate time to speak on an issue, the underlying issue, which is welfare reform in a way not to interfere with debate on the agricultural appropriations bill. I will take that opportunity now, to speak on this underlying measure, which the Senate will address tomorrow.

There will be a series of amendments. I offered amendments dealing with the children of legal immigrants and also to provide, if we are going to go into these rather draconian measures in cutting off help and assistance to these children, to another amendment, which has been described in the RECORD earlier today, to help and assist the local counties and communities where they are going to have a particular burden, trying to implement the provisions to terminate help, assistance to poor children.

I have a fuller explanation on that. I will not take the time of the Senate on those measures, which are more fully explained in the RECORD earlier today. I will address the overall issue which is before us, and that is the proposal placed on the Senate agenda, which we will vote on tomorrow, under the title of the welfare reform.

Mr. President, in putting forward this legislation, I believe the Republican majority is asking us to codify extremism and call it virtue. Their plan will condemn millions of American children to poverty as the price for the misguided Republican revolution. If children could vote, this Republican plan to slash welfare would be as dead as the Republican plan to slash Medicare. In fact, the driving force behind this attack on children is not welfare reform at all. It is the desperate Republican need to find some way, any way, to pay for their tax breaks for wealthy.

Honest welfare reform is long overdue. The current system is broken. Major change is needed. I support honest reforms that end welfare as a way

of life and make it a waystation to work. But honest reform does not produce anywhere near the massive savings needed to pay for the Republican tax breaks. Child care costs money. Job training and education cost money. And our Republican friends have absolutely no interest in real reform if it costs money.

The proposal before us is not welfare reform. It is nothing more than legislative snake oil, and it is the wrong medicine for what ails us as a Nation. Real welfare reform is about protecting children and putting people to work, not putting on a show. But that is what this is—theater, pure and simple; a glaring and callous example of just how low the Republican majority will go, even if it comes at the expense of millions of American children.

For the Republican majority, this bill may be child's play, but they are playing with real children's lives and real children's futures. This bad bill is Robin Hood in reverse, robbing poor children to pay for tax breaks for rich Republicans.

Since the Republican takeover of Congress, our colleagues have brought us many poison pills wrapped in the rhetoric of reform. But this may well be the most cruel and extreme measure of the entire Republican revolution—because it inflicts so much harm on so many children. In fact, it pushes back 60 years of social progress.

In 1935, Congress made a bold pledge to the elderly and the children of our communities that this rich Nation would not let them sink into poverty. It was a sign of what we stood for as a nation. Republicans may consider destroying this covenant as a virtue—but Bishop Weakland of Milwaukee has called it ''a moral blemish on the Earth's most affluent society.'' I could not agree more.

I ask unanimous consent to have the Bishop's full statement printed in the RECORD.

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

[From the Washington Post, July 4, 1996]

WISCONSIN WORKS: BREAKING A COVENANT

(By Rembert G. Weakland, OSB)

Catholics in Wisconsin have been in the trenches serving the needy since the Daughters of Charity began their work with the poor of Milwaukee in 1843. I and my family relied on welfare to survive in the 1930s. So it comes naturally for me to consider the implications of Wisconsin's proposal for welfare reform, known as Wisconsin Works or ''W–2.''

Certainly the Catholic bishops and others in the church who grapple with the needs of the poor agree that the current welfare system is in need of major reform. Both the U.S. Catholic Conference and the Wisconsin Catholic Conference have said so. Both have challenged the status quo. Both have offered constructive proposals for helping the poor more effectively.

Yet as I reflect on the W–2 proposal in light of my experience and the tenets of Catholic social teaching, I remain convinced of the need for the community to guarantee a ''safety net'' for the poor, especially children. Accordingly, though the W–2 proposal has merit in important respects, it would be a mistake for the president and Congress to embrace comprehensive legislation or requests from individual states, even my own, that withdraw this guarantee.

Catholic social teaching holds that the poor, especially children, have a moral claim on the resources of the community to secure the necessities of life. For more than 60 years, our society has recognized this claim with a covenant that ensures a minimal level of assistance for food, clothing and shelter to poor children and their families. Millions of children have relied on that covenant since the 1930s. In Wisconsin, more than 120,000 children rely on Aid to Families With Dependent Children (AFDC) today.

People of goodwill can argue over the need to modify AFDC so it better serves that purpose. But it is patently unjust for a society as affluent as ours to nullify that covenant.

Unfortunately, as enacted, the Wisconsin Works program does just that. The enabling statute for the W–2 proposal specifically states no one is entitled to W–2 services, even who are eligible to receive them.

It is one thing to change the rules of the welfare system. It is quite another thing to say, ''Even if you play by the new rules, society will not help you.'' This is not welfare reform but welfare repeal. Such a message may be politically attractive in this election year; it is not morally justifiable.

Even if one accepts the premise that the W–2 program offers poor families help in return for work, this premise collapses if the help is not provided. The president and Congress must insist that W–2, indeed any welfare reform proposal, serve all who are eligible.

Critics of the welfare system allege that public assistance undermines personal responsibility. This generalizes about poor families when we should strive to take a more personal view.

In the first place, the children of the poor did not choose their families. We should not afflict these children with hunger in order to infuse their parents with virtue.

Additionally, we cannot judge a person's failure to work in isolation from larger forces. My experience from our work with the U.S. bishops' pastoral letter on economic justice impressed on me the truth that poor families are especially vulnerable to economic downturns triggered by national or international events.

Nor can prosperous states ensure full employment. Even in states, like Wisconsin, that enjoy healthy economies and relatively low employment, not all who want to work can earn a family wage. So long as this is the case, it is unwise and unjust for the federal government to abandon its commitment to the poor. Our covenant with needy children must remain the responsibility of the entire American family.

Moreover, this critique of welfare ignores the fact that rights and responsibilities are not mutually exclusive but complementary. In the context of welfare policy, a right to work is grounded in a responsibility to support a family. This is relevant when assessing another aspect of W–2.

According to our state's own projections, 75 percent of the families now on AFDC will be assigned to W–2 work slots that provide less than a full-time worker earns at the minimum wage. Accordingly, the responsibility of these parents to care for their children must be supported when necessary by a safety net adequate to meet the family's basic needs.

Finally, the president and Congress must recognize that they cannot repeal the assurance of public assistance in Wisconsin without making it a national policy. Once such a repeal is granted to a single state, others will seek similar license. The poor will lose their safety net by degrees as surely as if Congress and the president repealed it all at once. Such an outcome would be a tragedy for the poor and a moral blemish on the earth's most affluent society.

One can appreciate the burden of difficult choices in an election year.

Nonetheless, the short-term political outlook of the candidate must not cloud the moral vision of the leader. America's 60-year covenant with its poor children and those who nurture them must remain unbroken.

Mr. KENNEDY. Mr. President, let me just mention a few points:

For more than 60 years, our society has recognized this claim with a covenant that ensures a minimal level of assistance for food, clothing, and shelter for poor children and their families. Millions of children have relied on that covenant since the 1930's. In Wisconsin, more than 120,000 children rely on aid to families with dependent children today.

People of good will can argue over the need to modify AFDC so it better serves that purpose. But it is patently unjust for a society as affluent as ours to nullify that covenant.

And that is what this measure does.

In the first place, the children of the poor did not choose their families. We should not afflict these children with hunger in order to infuse their parents with virtue.

And then he continues:

Even in States like Wisconsin which enjoy healthy economies and relatively low unemployment, not all who want to work can earn a family wage. So long as this is the case, it is unwise and unjust for the Federal Government to abandon its commitment to the poor. Our covenant with the needy children must remain the responsibility of the entire American family.

And the last full paragraph:

One can appreciate the burden of difficult choices in an election year. Nonetheless, the short-term political outlook of the candidate must not cloud the moral vision of the leader. America's 60-year-old covenant with its poor children and those who nurture them must remain unbroken.

Mr. President, I divert for a moment to two other articles that have been quoted to some extent during the course of the debate on this welfare reform: George Will's article about ''Women and Children First?'' I quote a paragraph:

Furthermore, there is hardly an individual or industry in America that is not in some sense ''in the wagon,'' receiving some Federal subvention. If everyone gets out, the wagon may rocket along. But no one is proposing that. Instead, welfare reform may give a whole new meaning to the phrase ''women and children first.''

Effectively, what is included in this, women and children first, they are the ones whose interests end up on the chopping blocks. When most think of the women and children first, every young student who has read through history probably thinks of the *Titanic,* where women and children were first. Mr. Will's excellent article and commentary on this welfare debate suggests, I believe, that the women and children first will have an entirely new and different meaning.

Then today there is in the New York Times an article by David Ellwood,

who has been a very thoughtful both commentator and policymaker on the issues of welfare reform and has written extensively about it. Those who have had the opportunity to hear him or listen to him testify can attest to his strong commitment to altering and changing the current system and trying to find ways to do it effectively, and also to protect the interests of the most vulnerable in our society.

He points out in his excellent article in the Times today, Monday, July 22, ''Welfare Reform in Name Only'':

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare, cash assistance combined would amount to less than $15 per poor child per week in poor Southern States, like Mississippi and Arkansas. Moving people from welfare to work is hard. On $15 a week—whom are we kidding?

As the article points out, on $15 a week, you are talking about providing the basic elements of life: roof over the head of the child, clothes for the child, food for the child, as well as for the training of the child, child care for the child—for $15 a week. We see other examples.

Instead of 88 cents per meal, it will be down to 66 cents per meal per child. Mr. President, $26 billion will be taken out of nutrition programs for children and put on to the other side of the ledger for tax benefits and breaks for wealthy individuals. It makes no sense.

Mr. President, nearly 14 million poor children live in America. Each night, 100,000 of them sleep on the streets, scared and homeless. Their faces are pressed against the windows of our glitter and affluence, and Congress is about to pull down the shade.

It may be fashionable in some quarters these days to demonize families on welfare, to pretend that poor people are lazy and don't care about their children.

Listen to just one story I heard recently from a middle-class suburban woman. She tried hard to keep the family together, but she finally fled when her husband badly beat her and her son, and smashing a chair over her son's head, repeatedly kicking him in the ribs and in the face. She left everything behind.

She and her son fled to her parents' home, but the husband found them there. She tried to work, but her husband always found her, threatening both her and her employers. She and her son finally took refuge in a shelter. With no other choice, she turned to AFDC. As she told me:

The support I received from AFDC enabled me to get out, move on to heal myself and my son, and create a new life. It cost the Government a little over $400 a month for 6 months—less than the cost of a modest funeral. Investing in family safety and support seems like the kind of investment this country should protect. Cutting off this lifeline means that the futures of our children are definitely at stake. Let me tell you in all seriousness, these cuts are deadly.

It is true that some cuts never heal, and these cuts, I believe, in this measure are deadly: Close to $60 billion in harsh, extreme, and unjustifiable cuts over the next 6 years.

The reality is that this Nation's safety net is fragile and fraying. The Republican response is to rip even more holes in the safety net and require millions more children to fend for themselves. No terrorist could possibly do so much harm to our country.

Nearly half of the Republican savings are from the Food Stamp Program—$28 billion in cuts, affecting 14 million children. By the year 2002, the Republican proposal would provide poor children in America only 65 cents a meal, just about enough to buy a soft drink.

We know that hungry children are more susceptible to sickness and early death. We know that malnutrition retards growth and delays brain development.

We just had, a year ago, the publication of the Carnegie Commission talking about what happens to a child's brain during the early formative years unless there is sufficient nutrition benefits to that child. It slows their whole ability to achieve academically and emotionally, and it works to their long-term disadvantage.

In short, hungry children can't learn. They are twice as likely to be absent from school and four times as likely to be unable to study.

The Republican revolution says, ''Let them eat cake.'' I say it's the wrong priority for Congress and the wrong priority for America.

Our colleagues attempt to justify this outrage by claiming food stamps are fraught with waste, fraud, and abuse, but the Republican plan has virtually nothing to do with ending the abuses. That is the interesting point. They make the case we ought to cut back this program because there is abuse and fraud in these programs. But 70 percent of the cuts come directly at programs aimed at families with children. Only 2 percent of the cuts are aimed at waste, fraud, and abuse.

The real fraud, waste, and abuse is the scheme to take food from the mouths of children in the guise of welfare reform. The Republican plan also targets children's health care. To be sure, the Republican leadership bowed to the inevitable and dropped their draconian Medicaid provisions from this bill to avoid a certain Presidential veto. But this bill still jeopardizes health care for millions of mothers and children.

We know under Medicaid, 18 million children receive Medicaid and about 75 percent of those children's parents are working—playing by the rules and working. Under the program that was proposed, you would have seen anywhere from 5 to 8 million of those children completely dropped from Medicaid if that had moved forward. What we are talking about now is the alleged welfare reform provisions.

Women will not get the prenatal care they need under this particular program. The 4 million women included would have coverage under this program. They will not get the prenatal care they need. Adolescents will not get the help to avoid pregnancy and stay in school. Injuries and preventable illnesses will now become life-threatening, for example, when they could have been easily treated. Sick children can't learn, and sick parents can't work.

Children with disabilities are also attacked under the proposal. Mr. President, 300,000 children with serious disabilities—mental retardation, tuberculosis, autism, head injuries, arthritis—would lose the direct guaranteed assistance that they have under the Supplemental Security Income Program.

When Democratic Senators proposed that States be required, or at least given the option, of offering vouchers after the time limit to provide children with necessities, such as diapers, clothes, cribs, medicine and school supplies, the Republicans said a resounding no. Why? Because ''enough is enough,'' they say. ''It's time to go cold turkey,'' they say, even if this bill is the real turkey.

Enough is enough. Enough of the back-room deals with high-paid corporate lobbyists. Enough of dismantling commitments to children and families who desperately need help. Enough of cruelty called charity.

Even when Democrats asked for a look back provision—to provide help if the worst predictions materialize and this bill actually becomes the disaster we predict for children—the Republican majority said, ''stop overreacting''. To them I say, tell that to the countless families who are looking for a chance not a check—a chance for their children to reach for the American dream.

Stripped down—this is the Republican plan they call welfare reform—no resources, no guarantees, no vouchers, no look back, no regrets. It does not get much more extreme than that.

As George Will said in his article,

No child in America asked to be here. Each was summoned into existence by the acts of adults. And no child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment.

The comments I am making this evening, Mr. President, are from Mr. George Will, David Ellwood, and Biship Weakland, who has been one of the most thoughtful of the bishops in terms of children's interests and children's rights. They all have reached the same conclusion, Mr. President, about this measure in terms of its harshness and its retreat from a fundamental sense of decency and caring for the neediest in our society, and that is poor children in our society.

But the Republican majority tells us not to worry. They say the welfare miracles of Wisconsin and Michigan demonstrate that block grants and deep cuts really work. But the facts show this is far from the truth.

It takes money to reform welfare. In Wisconsin, after major changes in the

State welfare program, administrative costs rose 72 percent. Wisconsin Governor Thompson himself said that for welfare reform to be successful, ''It will cost more up front to transfer the welfare system than many expect.''

For welfare reform to succeed, it also takes jobs. Wisconsin and Michigan learned this lesson the hard way. In Wisconsin, a trucking company praised by Governor Thompson and Presidential candidate Bob Dole for hiring welfare recipients, laid off 45 employees this week, including the welfare workers. It was a business slowdown they said.

In Michigan, only one-fifth of former general relief recipients have found jobs. The majority of beneficiaries have become even more destitute.

So it goes when social experiments go wrong. The Republican majority is prepared to push welfare families off the cliff in the hope that they'll learn to fly. And what happens if they fall? Nearly 9 million children, who make up the majority of AFDC recipients, will pay the price. Nine million children, and the majority of AFDC recipients will pay the price. And as a society, so will we.

This is not just theory—the Congressional Budget Office agrees. They recently issued a preliminary assessment of the Republican legislation. And like last year, they said it will not work. According to their study, most States will not even attempt to implement the legislation's work requirements, because putting people to work is too expensive. In fact, the report says States will fall $13 billion short of the mark, and simply throw up their hands.

Nevertheless, the Republicans continue to defy the facts.

We have had, as I mentioned, church leaders, conservative columnists, those who have spoken and written about the various welfare reform programs with extraordinary credibility—the Congressional Budget Office taking the particular relevant facts—all reaching the same conclusion, that this is going to be an extraordinary disaster in its impact on poor children. Like last year, they said it will not work. Nevertheless, the majority continues to defy the facts.

They insist that this legislation is about putting people to work. Trust us, they say. That is not acceptable.

As Catholic Charities USA said in a recent letter: ''The welfare proposal reflects ignorance and prejudice far more than the experience of this nation's poorest working and welfare families.''

In the final analysis, that is what this legislation is about—ignorance and prejudice. The American people know that pulling the rug out from under struggling families is wrong. Denying health care for sick or disabled children is wrong. Keeping families trapped in poverty and violence is wrong. Condemning homeless children to cold grates is wrong.

Perhaps the greatest irony of all is now on display, as America hosts the Olympic Games. We justifiably take pride in being the best in a variety of different events. We may well win a fist full of golds in Atlanta, but America is not winning any medals when it comes to caring for our children.

The United States has more children living in poverty and spends less of its wealth on children than 16 out of the 18 industrial countries in the world. The United States has a larger gap between rich and poor children than any other industrial nation in the world. Children in the United States are 1.6 times more likely to be poor than Canadian children, 2 times more likely to be poor than British children, and 3 times more likely to be poor than French or German children.

When it comes to our children, America should go for the gold.

Mr. President, not that just assigning resources, money, on this is necessarily the answer to all the problems. But it is a pretty good reflection of where the Nation's priorities are. When the bell tolls tomorrow afternoon on that measure that is going to cut back $27 billion out of children's feeding programs, to move that payment from 88 cents to 65 cents, that is going to be a really clear indication about where the majority believes this Nation's priorities are—to use those savings for tax breaks for the wealthy individuals of this country. That is wrong. We should all take some time to think about what kind of country we want and about what we are doing to children, to ourselves and the Nation. Surely we can do better than this bad bill.

Mr. President, I yield the floor. I see our two floor managers. I appreciate their courtesy.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

CURRENT EFFORTS TO PROTECT SALMON HABITAT

Mr. KEMPTHORNE. Mr. President, I rise to take note and compliment the Natural Resources Conservation Service's current efforts to encourage and provide technical assistance to private landowners who have salmon habitat on their property. In coordination with the Northwest Power Planning Council's plan for fish and wildlife protection, and other Federal agencies, the NRCS is working with conservation districts across Idaho, Oregon and Washington to assist local property owners on basin-wide and watershed specific plans to protect and restore habitat for dwindling runs for coho salmon, steelhead, sea-run cutthroat, and many chinook salmon runs.

These efforts have been widely popular in my home State, in particular in the Clearwater and Lemhi Valleys where local landowners appreciate having the support to take the initiative to preserve this important cultural and economic resource. Conservation districts have proven to be a most effective method to successfully involve all important local stakeholders in a mutually acceptable way.

Mr. President, it is my intention to commit the Senate to exploring in future legislation the ways in which we might better foster this growing partnership. Would the chairman of the subcommittee agree that this is the sort of incentive approach that merits further consideration?

Mr. COCHRAN. Mr. President, the committee agrees that this is the sort of cooperative, incentive-based relationship that should be fostered in order to protect natural resources, as is the goal of the Natural Resources Conservation Service.

YELLOWSTAR THISTLE CONTROL

Mr. KEMPTHORNE. Mr. President, I rise to clarify this Congress' commitment to research that will develop controls for noxious weeds that are problems across this country. In particular, I would like to highlight research being done with the Agricultural Research Service to control yellowstar thistle.

Yellowstar thistle is a problem across the West. Over 5 million acres across the western United States are currently infested with this noxious weed. Scientists at the University of Idaho tell me that it costs an average of $1 per acre in lost production and costs to control this weed. It doesn't take a rocket scientist to figure out that we're talking about $5 million lost annually across the West.

Mr. CRAIG. Mr. President, I concur with the remarks of Senator KEMPTHORNE. In addition, I understand that, currently, it is nearly impossible to eradicate yellowstar thistle once it has infected the narrow, arid canyon lands of the West, and in particular, the canyons of the Clearwater, Snake and Salmon Rivers of my home State.

Mr. President, it is my understanding that the research to control this weed is reaching a critical stage, where practical biological controls should be available for public use within the next few years. Is it the intention of this bill to fund research with direct and immediate practical applications for the agricultural industry?

Mr. COCHRAN. The Senator is correct.

Mr. KEMPTHORNE. I also noted that the committee specifically directed the ARS to continue funding the Albany, CA yellowstar thistle initiative. Is it the intention of the committee that the ARS continue current yellowstar thistle research contracts associated with that program, including the research efforts with the University of Idaho?

Mr. COCHRAN. Yes, it is.

Mr. JOHNSTON. Mr. President, I would like to engage in a colloquy with

the distinguished chairman of the subcommittee to clarify the intent of language included in the committee report providing funding for ongoing research at the Plant Materials Center [PMC] in Golden Meadow, Louisiana, in collaboration with the Crowley Rice Research Station in Crowley, LA; ongoing research on nutria-resistant plant varieties; and funding to test application technologies for recently developed artificial seed for cord grass used to prevent coastal erosion. It is my understanding that it was the committee's intent, in the committee report, to continue the work at the Golden Meadow Plant Materials Center, in collaboration with the Crowley Rice Research Station, on smooth cord grass at the fiscal year 1996 level. In addition, work underway at Crowley on the development of nutria-resistant materials would also continue at the fiscal year 1996 level. Finally, it is also my understanding that the $100,000 mentioned in the committee report to test application technologies for smooth cord grass seed would be in addition to the funding provided to maintain this ongoing work. Is that the chairman's understanding as well?

Mr. COCHRAN. I appreciate the questions of the distinguished Senator from Louisiana, and I am happy to provide further clarification. The Senator is correct in his description of the committee's intent in its report accompanying the bill.

Mr. JOHNSTON. I appreciate this clarification.

ARS FUNDING FOR INTEGRATED LOW-INPUT CROP AND LIVESTOCK PRODUCTION SYSTEMS AT UNIVERSITY OF WISCONSIN-MADISON

Mr. KOHL. Mr. President, I am pleased that funding is provided through this bill for the ARS Integrated Farming Systems Program, to pursue long-term research on farming systems that integrate livestock and resource enhancing crop rotations—all aimed at answering farmers urgent questions of how to be profitable and farm in environmentally responsible ways. This new initiative, as requested by the President's fiscal year 1997 budget, recognizes expertise in the farming community by building research partnership teams with State researchers, extension agents, farmers, and nongovernmental organizations.

In this regard, Wisconsin has a nationally recognized program, the Wisconsin Integrated cropping systems trial, with long-term research trials and an excellent team of farmers, researchers, extension and nongovernmental groups collaborating to address questions that go right to the heart of the future of farming in the Midwest.

As specified in the committee report accompanying this bill, $500,000 has been included in this bill to support research through the ARS/IFS Program into integrated low-input crop and livestock production systems, to be carried out at the Wisconsin-Madison Experiment Station. It is my intent and understanding that this funding is to support the Wisconsin Integrated cropping systems trial. I would ask the Senator from Mississippi, the chairman of the Agriculture Appropriations Subcommittee, if he would concur with me on this matter.

Mr. COCHRAN. I would say to the Senator from Wisconsin that I agree with his comments regarding the ARS/IFS funds provided for the Wisconsin-Madison Experiment Station.

Mr. LEAHY. More than $1 billion a year in Federal funds is saved by WIC infant formula cost containment allowing over 1.6 million more women, infants and children to receive WIC benefits than would otherwise have been the case. One of the most important factors in the success of the WIC cost containment is competition. Until recently there were four infant formula manufacturers in the United States. In January, one of the four, Wyeth Laboratories announced its withdrawal from the domestic market. Now, alarmingly, a move is beginning among States to alter their competitive bidding procedures in a way that restricts competition and makes it impossible for Carnation to compete. If this third small company, Carnation, can't compete, it ultimately could follow Wyeth out of the market. If that occurs, only the two largest manufacturers, Ross and Mead Johnson will remain, and the prospects for sustaining large savings will be bleak. Without a third company seeking to increase market share by winning WIC contracts, cost containment is not sustainable.

In the past, States typically have awarded their WIC contract to the company whose net wholesale price—the wholesale price minus the rebate per can the company offers to pay the state WIC Program—is the lowest. But recently, a few states instead awarded their contracts to the company that offered the highest rebate per can, regardless of the company's wholesale price.

There is one circumstance where a State may have a legitimate case for awarding a WIC contract on the basis of the highest rebate rather than on the basis of the lowest net wholesale price. This occurs in States where retailers charge about the same price for all formula brands and take a much larger mark-up for Carnation products than for those of the other companies.

This problem can be readily addressed by directing States to award contracts on the basis of the lowest net wholesale price—as most States currently do—rather than on the basis of the biggest rebate, except where the State has reliable data showing that retail prices for different formula brands are similar in the State. In any State where this is the case, the State would retain full flexibility as to the basis on which to award its contract.

In 1990, the GAO wrote:

Because only three firms are responsible for almost all domestic infant formula production, coordination of pricing and marketing strategies between the manufacturers is always a potential danger. Competitive bidding will successfully yield high rebates only to the extent that infant formula manufacturers act independently. Consequently, efforts to assure competition in the infant formula industry will be an important element in State efforts to maximize cost-containment savings. (GAO, Infant Formula: Cost Containment and Competition in the WIC Program, September 1990.)

This remedy of awarding contracts on a lowest net wholesale price would help avert the loss of hundreds of millions of dollars in cost containment savings and thereby prevent hundreds of thousands of women and children from being dropped from the program. Nearly one of every four WIC participants is served with cost containment savings—and would have to be removed from the program if cost containment collapses.

The Senate, unlike the House, has managed to correct this problem in the Agriculture appropriations bill. Therefore, in conference, it is imperative that the Senate language on WIC cost containment prevail.

Mr. JEFFORDS. Mr. President, I rise today to highlight a provision in the agriculture appropriations bill that I think makes an important improvement to the WIC Program. I want to highlight the importance of this provision with hope that we can maintain it in the conference committee.

The WIC infant formula cost containment program saves more than $1 billion a year in Federal funds and allows over 1.6 million more women, infants, and children to be served through WIC each month than would otherwise be the case. Nearly one of every four WIC participants is served with cost containment savings and would have to be removed from the program if cost containment collapsed.

There is a danger now developing that threatens to undermine WIC cost containment and we need Federal action to counteract this development. In the past, States typically awarded their WIC contract to the company whose net wholesale price is the lowest. The net wholesale price represents the wholesale price of the product minus the rebate per can the manufacturer will pay the State WIC program. Recently, though, States have begun to award their WIC contracts to the company that offered the highest rebate per can, regardless of the company's wholesale price. A provision contained in this bill requires that States award contracts on the basis of the lowest net wholesale price—as most States currently do—rather than on the basis of the biggest rebate. An exception would exist if the State has reliable data showing that it makes no difference in the cost outcome whether the contract is awarded on the basis of rebate or net wholesale price.

Let me take a few moments to describe to my colleagues the flaws of the rebate methodology. This methodology is faulty for two reasons:

First, it discriminates against a company that charges low wholesale prices.

An industry heavyweight can sell the product for, say $2.50 per can and then give the State a rebate of $2.00 per can of formula. Under that scenario, the net wholesale price to the program is 50 cents per can of infant formula. A smaller company, on the other hand, may not be able to demand as high a retail price and they may charge only $1.95 per can of formula. At a $1.95 retail, the smaller company can't begin to compete on the basis of rebate, they'd be losing money on every can of formula. What the company could do is offer a rebate of $1.50, setting the net wholesale price at 45 cents per can. Ultimately the smaller company will save the WIC Program a lot of money. But they will never have the opportunity to do so if the only thing the State looks to is the rebate amount.

The second problem with this contract methodology is apparent in the scenario I've just described. Not only does the highest rebate methodology discriminate against small companies, it could cost the WIC Program up to $1 billion a year.

Approaching WIC infant formula contracts on the basis of who offers the highest rebate just doesn't make sense. We know from experience that a truly competitive bidding process will save the WIC program more than $1 billion a year.

I'll close by thanking Senator COCHRAN and Senator HATFIELD for including this cost containment measure in the Agriculture Appropriations bill we're now discussing, and I urge my colleagues serving on the conference committee to support this provision in the conference bill.

AMENDMENTS NOS. 4972 THROUGH 4974, EN BLOC

Mr. COCHRAN. Mr. President, there are a few amendments which I am going to send to the desk and ask that they be considered en bloc and approved en bloc. All have been cleared.

The first is an amendment making technical corrections to the bill by Senator COCHRAN. The second is an amendment by Senator STEVENS dealing with appropriated funds for rural water and waste systems, the third is an amendment for Senator MURKOWSKI concerning seafood inspection requirements, and the fourth is an amendment by Senator JEFFORDS dealing with the FSIS/APHIS accounts or the National Farm Animal Identification Pilot Program.

Mr. President, I ask unanimous consent that those amendments be considered en bloc and agreed to en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 4972 through 4974, en bloc.

The amendments (Nos. 4972 through 4974) en bloc, are as follows:

AMENDMENT NO. 4972

(Purpose: To make technical corrections to the bill)

On page 81, after line 8, add the following:

''This Act may be cited as the 'Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997'.''

AMENDMENT NO. 4973

(Purpose: To appropriate funds for rural water and waste systems as authorized by Sec. 757 of Public Law 104–127)

On page 47, line 17, before the period add the following: '': *Provided further,* That of the total amount appropriated, not to exceed $10,000,000 shall be for water and waste disposal systems pursuant to section 757 of Public Law 104–127''.

AMENDMENT NO. 4974

On page 24, line 16, before the '':'' insert the following: '': *Provided further,* That not to exceed $1,500,000 of this appropriation shall be made available to establish a joint FSIS/APHIS National Farm Animal Identification Pilot Program for dairy cows''.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, I am constrained on behalf of a Member on our side to object to the Murkowski amendment.

The PRESIDING OFFICER. Objection is heard on the Murkowski amendment.

Mr. BUMPERS. The remainder are cleared on this side.

The question is on agreeing to the amendments numbered 4972, 4973, and 4974 en bloc.

The amendments (Nos. 4972 through 4974) were agreed to en bloc.

Mr. COCHRAN. I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 4975

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of myself and Mr. KOHL, which I think has been cleared on the other side, dealing with the Wetland Reserve Program which would allow additional wetland reserve acreage to be added to the program as long as non-Federal funds were used. I ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] for himself and Mr. KOHL, proposes amendment numbered 4975.

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

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

The amendment is as follows:

On page 71, strike all after line 22 through page 72, line 2 and insert in lieu thereof the following:

''SEC. 721. None of the funds appropriated or otherwise made available by this Act, or made available through the Commodity Credit Corporation, shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837: *Provided,* That additional acreage may be enrolled in the program to the extent that non-federal funds available to the Secretary are used to fully compensate for the cost of additional enrollments: *Provided further,* That the condition on enrollments provided in section 1237(b)(2)(B) of the Food Security Act of 1985, as amended (16 U.S.C. 3837(b)(2)(B)), shall be deemed met upon the enrollment of 43,333 acres through the use of temporary easements: *Provided further,* That the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements in fiscal year 1998 until the Secretary has enrolled at least 31,667 acres in the program through the use of temporary easements''.

Mr. BUMPERS. Mr. President, I urge the adoption of the amendment.

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

The amendment (No. 4975) was agreed to.

AMENDMENT NO. 4976

(Purpose: To increase funding for certain agriculture research activities, with an offset.)

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of Senator KOHL dealing with special research grants which I think has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. KOHL, proposes an amendment numbered 4976.

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

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

The amendment is as follows:

On page 12, line 25, strike ''$46,018,000'' and insert ''$46,330,000''.

On page 14, line 10, strike ''$418,308,000'' and insert ''$418,620,000''.

On page 21, line 4, strike ''$47,829,000'' and insert ''$47,517,000''.

Mr. KOHL. Mr. President, I am pleased that the managers of the bill are willing to accept my amendment to correct a problem that has arisen with regard to special research grants section of the Agriculture appropriations bill.

Specifically, when the Agriculture Appropriations Subcommittee requested information from USDA/CSREES regarding special research grant projects, the Babcock Institute for International Dairy Research and Development at the University of Wisconsin-Madison, was mistakenly listed as one of the several projects slated for completion at the end of fiscal year 1996. Unfortunately, that information was not accurate. However, this error was not noticed until after the committee had acted on the bill, and funding for the Babcock Institute was omitted from the Committee Report entirely.

Therefore, my amendment will simply restore funding for the Babcock Institute in the CSREES special grant

section of the bill. The funding provided is $312,000, the same as provided in fiscal year 1996.

The importance of the research conducted by the Babcock Institute has never been more important than it is today. The domestic market for many U.S. dairy products will grow less rapidly in the future as the population ages and consumption patterns change. Further, the dairy provisions of the 1996 farm bill also signal the need for dairy farmers to look more toward international markets for their livelihoods. International markets for dairy products are changing in ways that crate opportunities for U.S. dairy farmers, as well as dairy exporters. But along with these developments come many research questions, related to how foreign competitors operate, and the risks associated with export markets. Through its research on many of these topics, the Babcock Institute will continue to play an important role for the U.S. dairy industry as it seeks to turn its attention more toward international markets.

Again, I thank the managers for their support of this amendment, and look forward to working with them to retain funding for this valuable program in conference.

Mr. BUMPERS. Mr. President, I urge the adoption of the amendment.

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

The amendment (No. 4976) was agreed to.

Mr. KENNEDY. Mr. President, if I could speak very briefly about a particular provision in the legislation which is a matter of some concern. I do not intend to take time this evening nor do I intend to delay consideration, but I would like to bring to the attention one of the provisions that has been included here that I think the Members should have at least some awareness of.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

MEDGUIDE REGULATIONS

Mr. KENNEDY. Mr. President, I want to draw attention to provisions in the appropriation bill that deal with a matter of priority for the FDA, and that is on the proposed Medguide regulations which would establish goals for industries to meet on the issues of prescription drugs. I just want to speak for a few moments on this issue this evening, then indicate to the managers some alternatives that we are thinking about and want to talk over with the managers again tomorrow.

This appropriation bill contains an unwarranted provision that will undermine the Food and Drug Administration's efforts to prevent adverse reactions that cost the American economy an estimated $100 billion a year in direct and indirect costs. That cost is as much as, if not more, than the country spends on prescription drugs in the first place.

The provision would forbid the FDA from going forward with a proposed regulation, called the Medguide regulation, to ensure that patients get adequate information when they buy a prescription.

The FDA's efforts to ensure that the American consumer gets good information when they buy prescription drugs have been under attack by a consortium of pharmacists and other businesses who claim they are already doing an effective job of getting information to consumers without Government regulation.

The facts are to the contrary. For example, in 1992, FDA required a boxed warning—the most serious kind of warning—on labeling for Seldane and Hismanal, two of the most popular antihistamines for allergies. When taken in association with certain antibiotics and antifungals, there have been deaths and serious cardiovascular events.

These same warnings also appeared in the FDA-approved consumer advertising and magazines such as People, Time, and Newsweek. These warnings about taking these drugs in combination did not appear on the information sheets that pharmacists gave to consumers—information that was written after these warnings went into effect. In fact, consumers were given better information in magazine ads than they were given by the pharmacists who dispensed their prescriptions.

Even today, after concerted efforts to educate physicians and pharmacists about the dangers of prescribing Seldane with certain antibiotics, 2.5 percent are coprescriptions written in conjunction with one of those antibiotics, erythromycin. As a result, tens of thousands of patients are presently at risk.

FDA's concerns are not speculative. A 29-year-old woman taking Seldane died because she was not warned about the risk of taking it with an antifungal. If she had been warned of this possibility of a fatal interaction she might be alive today.

Leaving out critical warnings is unacceptable. In these types of life-and-death cases, FDA oversight is clearly warranted. The health and the lives of too many patients is at stake.

FDA has rightfully decided that consumers deserve more protection than the status quo. The Medguide regulation is intended to correct this gross deficiency in our consumer protection laws.

Today, we go into a supermarket to buy a loaf of bread, a carton of milk, or a box of cereal, and we know there is complete nutritional information on the package. When we buy an over-the-counter drug like aspirin or Tylenol in the same grocery store, FDA regulations require the drugs to have complete information so that those who take the pills understand what they are doing, how to take it, the side effects to watch out for, what foods or drugs it interacts with.

But, if we buy a prescription drug in the pharmacy or one of these same grocery stores, there is no guarantee that we will get the same kind of information when the prescription is filled. Current laws require more information about breakfast cereals than dangerous prescription drugs.

The costs of this lack of information are high. Mr. President, 30 to 50 percent of adult patients do not use their medications properly, and lack of information is one of the primary reasons. In children, noncompliance exceeds 50 percent. In the elderly, who rely most heavily on medication, noncompliance is often higher.

If patients do not take medication properly, they are poorly served by their health care system. The public health is put at risk if unsecured infections are transmitted and resistant infections develop.

The cost of misuse of prescription drugs and adverse reactions to drugs is estimated at $20 billion a year in the elderly alone. Industry's own estimates place the indirect costs at five times higher—$100 billion a year when lost productivity and reduced quality of life are included.

To avoid further tragedies and lower costs, the proposed Medguide regulations would establish concrete goals for industries to meet. By the year 2000, FDA seeks to ensure that at least 75 percent of patients with new prescriptions would obtain adequate, useful, easily understood written information. By the year 2006, 95 percent of patients with new prescriptions would receive this information. That is a goal by the year 2000, that 75 percent would receive adequate information; and 95 percent by the year 2006. It does not seem to me to be enormously prohibitive.

Working with drug companies, pharmacists, physicians and consumers, FDA plans to establish nonbinding guidelines on such information. These guidelines will help pharmacies ensure that the written information they give out is adequate.

If the goals set out in the proposed regulation are not met, FDA would either institute a mandatory program or seek public comment on what steps to take next.

This approach is reasonable. It gives the private sector the opportunity to achieve compliance without regulatory requirements over the next 4 years. Yet industry still objects. It claims that neither the Medguide regulation, nor any binding requirements are necessary. Clearly, if the industry meets the health goals by the year 2000, no binding requirements would be imposed. These goals were established in a bipartisan fashion during the Bush Administration. They should be honored by Congress today. The guidelines that have been established were established under the Republican administration with the support of the industry at that particular time.

The industry has already failed to deliver on its promise of voluntary action. In 1982, a regulation mandating that information be given to patients

when they buy new prescriptions was withdrawn, because the private sector promised it can do better without regulations.

This whole proposal that is out there builds on a long history of relationship between the agency and the industries which are affected, and an agreement had been worked out. Now there is an attempt to circumvent that agreement to the disadvantage of consumers.

FDA then monitored the industry's efforts of 1982, and found that few patients were getting information, and much of the information was not adequate, and that failure led to the rulemaking that the industry is now trying to avoid.

The provision in the appropriation bill states that if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. We understand that now. The provision in the appropriation bill states if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. However, the Secretary of HHS and the commissioner cannot review the voluntary program to determine if it is, in fact, adequate. The only action that HHS or FDA is allowed to take is to order the plan to see if it meets the goals set by the industry. So this is an industry plan. They could develop it within 120 days. The FDA is prohibited from protecting consumers. The only ability FDA has is eventually auditing the industry program to find out if there has been compliance with the industry program.

Mr. President, this is on an issue of such vital importance to the consumers. We have a solid record in our committee on adverse drug reactions and on what the industry has been willing to do, what they have not done, and what we have reviewed in our committee and is a part of the FDA reform program, which the leader indicated they are going to call up. But we have just heard about this proposal in the last several hours. The bill further hamstrings FDA by precluding activities such as guidelines that might assist the private sector.

This provision is an abdication of Congress' responsibility to protect the public health. Instead of responsible action by the FDA, an industry with an unsatisfactory track record is permitted to regulate itself without any FDA oversight of their program. That is inadequate.

Mr. President, tomorrow, I will have an amendment to address that particular issue. I will consult with the floor managers to find out about whether they share the sense or concern which I have spoken to this afternoon and if they have a way to try to address it.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. Mr. President, I ask unanimous consent that the pending amendment be laid aside.

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

AMENDMENT NO. 4977

(Purpose: To limit funding for the market access program)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, and Mr. GREGG, proposes an amendment numbered 4977.

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

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

The amendment is as follows:

At the end of the bill, add the following:

SEC. . FUNDING LIMITATIONS FOR MARKET ACCESS PROGRAM.

None of the funds made available under this Act may be used to carry out the market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

Mr. BRYAN. Mr. President, this amendment is regarding the Market Access Program. The Market Access Program, or MAP, was created to encourage the development, maintenance, and expansion of exports of U.S. agricultural products. MAP is the successor to the Market Promotion Program [MPP], which in turn was the successor to the Targeted Export Assistance Program [TEA], established in 1986. TEA was originally created to ''counter or offset the adverse effect of subsidies, import quotas, or other unfair trade practices of foreign competitors on U.S. agriculture exports.'' Since 1986, over $1.43 billion has been spent for TEA, MPP and now MAP.

MAP is operated through about 64 organizations that either run market promotion programs themselves or pass the funds along to companies to spend on their own market promotion efforts. In fiscal year 1994, about 43 percent of all program activities involved generic promotions while 57 percent involved branded promotions.

The General Accounting Office [GAO] has pointed out that the entire Federal Government spends about $3.5 billion annually on export promotion. While agricultural products account for only 10 percent of total U.S. exports, the Department of Agriculture spends about $2.2 billion, or 63 percent of the total. The Department of Commerce spends $236 million annually on trade promotion.

While the stated goal of MAP is to benefit U.S. farmers, the program has benefited foreign companies. In fiscal years 1986–1993, $92 million on MPP funds went to foreign-based firms. This amount represented nearly 20 percent of the total funds allocated for brand-name promotions during the 8-year period. In fiscal year 1995, 49 foreign-based firms received MPP funds; in fiscal year 1994 over 110 foreign firms received MPP funds from the U.S. Treasury. I found this to be unfathomable, and I offered an amendment to remedy this to the 1996 farm bill. My amendment passed, and I am pleased to say that MAP money can no longer be given to foreign corporations.

Still, many problems exist with the MAP program:

First, wasted dollars: There is still no proof that MAP funds are not simply replacing funds that would have been spent anyway on advertising. USDA does not have any good data on this phenomenon. Commercial firms still have the opportunity to substitute MAP funds for promotional activities they would have otherwise undertaken with their own funds.

Second, graduation: Current regulations require MAP assistance to cease after 5 years. However, the 5-year clock started running in 1994. This means that some companies will have been in the program for 13 years at the end of 1999. Thirteen years is enough time to overcome barriers and develop markets. Already, 136 firms have participated in this program for 6 to 8 years and have received the bulk of the brand-name funds.

Third, efficiency: GAO states that taxpayers do not have reasonable assurance that the considerable public funds expended on export promotion are being effectively used to emphasize sectors and programs with the highest potential returns. MAP supporters use examples of increased exports to defend this program. However, even if a brand-name promotion effort results in identifiable increases in exports, unless the Foreign Agriculture Service [FAS] can convincingly demonstrate that the promotion effort would not have been undertaken without MAP assistance, those increases in exports cannot be attributed to the program.

Since 1986 there have been over 100 participants in the program, and yet the Foreign Agriculture Service has completed only 12 program evaluations. Only 9 of 26 participants who have received over $10 million have been evaluated.

Fourth, U.S. content: MAP regulations issued in August 1991 do not restrict program participation to products that have 100 percent U.S. content. Regulations permit full funding for products that have at least 50 percent U.S. content by weight.

There is no dependable data on percent of U.S. content. The Foreign Agriculture Service relies on statements made in MAP applications about U.S. content and not-for-profit organizations rely on unverified statements regarding U.S. content from their branded participants. In 1993, the Foreign Agriculture Service began to review the support for the certifications made

regarding U.S. content during their audits of participants. Their work is limited to the not-for-profit organizations and they do not, as a rule, audit the commercial entities performing brand-name promotions.

Who should get these funds? Although new guidelines say small firms should have priority—one third of fiscal year 1994 funds went to large companies. For that reason, large corporations such as Sunkist, Sun-Maid, Welch's, and Pillsbury still receive large sums of money. In 1992, the average amount awarded to the top 50 firms was $1 million. Eight of those firms had sales over $1 billion.

There were 17 MAP participants receiving more than $1 million for fiscal years 1993–95:

Sunkist, $11.1 million.
Ernest & Julio Gallo, $9.1 million.
Sunsweet, $4.6 million.
Blue Diamond, $4.5 million.
American Legend, $2.9 million.
North Am. Fur Producers, $2.3 million.
Dole, $2.1 million.
Tyson Foods, $1.9 million.
M&M Mars, $1.8 million.
21st Century Genetics, $1.5 million.
Welch Foods, $1.4 million.
Pillsbury, $1.3 million.
Campbell Soup, $1.2 million.
Hansa-Pacific, $1.1 million.
Hershey, $1.1 million.
Canandaigua Wine, $1.1 million.
Seagram, $1.0 million.

Private, for-profit companies are the ones who benefit from this program. Taxpayers should not pay for advertising particular products. These companies should take over the costs themselves. MAP, like MPP and TEA before it, is a convenient source of free cash for wealthy businesses, such as McDonald's, to help pay for their overseas advertising budgets.

While the Federal Government does have a legitimate role in promoting exports to foreign countries, we should use our considerable Federal expertise to assist companies in cutting red tape in foreign countries and providing them with technical assistance. We should not do it by granting scarce taxpayer dollars to private, for-profit companies for activities they would otherwise conduct on their own.

Mr. President, the amendment I offer today is nearly identical to the position the Senate took on the Federal Agricultural Improvement and Reform Act, or farm bill, of 1996. The Senate voted 59 to 37 in February to accept the Bryan amendment on the MPP program. That amendment restricted use of MPP program moneys to small businesses, as certified by the Small Business Administration, and Capper-Volstead cooperatives. Because the amendment eliminated foreign companies from the program, the funding level for MPP was capped at $70 million.

In the House-Senate conference on the farm bill, my language prohibiting foreign companies from participation in MPP was retained, but the level of funding was raised to $90 million. So while the conferees were attempting to reform the MPP program by removing foreign companies, they also enacted a 29-percent increase in funding. My amendment would return the MAP program to the originally approved Senate funding level of $70 million. This represents no real cut to the program as foreign companies may no longer participate. This frees up funds for domestic businesses.

Mr. President, reiterating, I am renewing an effort that I had been involved in—as Members will be familiar with—for some years. It is a program that was originally known as the Targeted Export Assistance Program. A little later iteration referred to it as the Market Promotion Program, and it has now evolved into the Market Access Program.

The historical genesis, as well as the ostensible premise for its continuation, is an effort to encourage the development, maintenance, and expansion of exports of U.S. agricultural products abroad, originally designed to counter or offset the adverse effects of subsidies, import quotas, and other unfair trade practices.

Since 1986, TEA, MPP, and now MAP, has resulted in the expenditure of $1.5 billion. This program is operated through about 64 different organizations, as I know the distinguished Presiding Officer and the chairman of the committee are both very familiar with. In fiscal year 1994, about 43 percent of all program activities involved generic promotions, while 57 percent involved branded promotions. By that, Mr. President, we mean specific products of company A, B, C, or D.

We will talk later about some of the companies who have received very generous amounts of taxpayer dollars to support a program which, in the view of this Senator, amounts to a corporate entitlement program that could not have been justified even in the most affluent circumstances at the Federal level. Now, while we are trying to downsize, streamline, cut expenditures, and reach targeted goals for balancing our budget by 2002 or 2003, this is precisely the kind of program that is still a legacy of the past and, in my judgment, one I cannot support on its merits.

I think it might be helpful to note that the Federal Government spends about $3.5 million annually on export promotion activities. Agricultural products represent about 10 percent of the total U.S. exports. Yet, of that $3.5 billion spent at the Federal level, about $2.2 billion, or 63 percent of the total amount, is spent on agricultural export promotion. The Department of Commerce, for example, spends about $236 million annually on trade promotion.

Now, earlier this year, Mr. President, one of the objections that this Senator and others raised was that a substantial amount of the funding on this program went not to American companies, but went to foreign companies. So joining with the distinguished occupant of the chair, and other colleagues on both sides of the political aisle, we were able to get an amendment through that, as it ultimately worked its way through the legislative process, dealt with one issue which, in my judgment, was inconceivable, unfathomable, in that we would continue to provide money to foreign companies with taxpayer dollars. I am happy to report that, in the legislation that passed, we have now eliminated moneys that previously went to foreign-based firms. So, prospectively, that can no longer occur, and the money that we are talking about here this afternoon will no longer be given to foreign corporations. But the fundamental objections to the programs remain.

First, the General Accounting Office, which has evaluated this program, has determined that these are wasted dollars. There is no evidence to support the proposition that money which ostensibly is given to companies to augment or increase their promotional activities has simply not been used to replace existing dollars already in these major corporations' advertising accounts. So rather than a McDonald's spending $500 million a year, if they get $4 million or $5 million, they reduce the amount of their own budget allocation to $496 million —the point being that there is no extra dollar outlay spent on the promotion and advertising of these products. That is to even accept the proposition that you can target or trace a correlation between the amount of money that is spent on advertising dollars and the kind of products that these companies are able to market overseas.

So that is the first objection raised, and that is as valid today as it was when the General Accounting Office did its evaluation some 5 years ago that there is no assurance of companies simply not trading their own corporate dollars and replacing them with dollars that the American taxpayers pay.

The second is a graduation problem. There is no graduation formula. How long does one remain as part of the program? Current regulations, enacted in response to criticisms made by this Senator and others about the merits of the program, ultimately caused the reevaluation of the regulation so that this MAP assistance will cease after 5 years. However, those who continue to benefit from this financial allocation provided at taxpayer expense target it to 5 years to run prospectively from the date of the enactment of the regulation, so you can still stay on this program up until 1999.

Now, for some companies, that would mean being a part of this program for 13 years. That is an incredibly long period of time. If you find any merit to this program—and I must say I am one who finds none—how do you justify keeping a particular company as part of this program for up to 13 years? Already, 136 firms have participated in

the program for 6 to 8 years and have received the bulk of the brand-name funds.

The third objection is a question of efficiency. GAO states that taxpayers do not have any reasonable assurances that the rather considerable public funds expended on export promotion are being effectively used to emphasize sectors and programs with the highest potential returns. It is frequently said in the course of debate—and I am sure will be again in the context of this amendment—where supporters of this program cite increased exports as an example of why this program is so needed, why it is so beneficial, why it does so much good. But there is no analytical correlation between those increases in exports and moneys being expended from the program. That is to say, would those increases have occurred notwithstanding the allocations made under the MAP program? Since 1986, there have been over 100 participants in the program, and yet the Foreign Agricultural Service has completed only 12 program evaluations. Only 9 of 26 participants who have received more than $10 million have been evaluated.

Finally, Mr. President, on the question of U.S. content, MAP regulations issued in August 1991 do not restrict program participation to products that have 100 percent U.S. content. Regulations permit full funding for products that have no more than 50 percent of U.S. content by weight.

There is no dependable data on the percent of U.S. content. The Foreign Agricultural Service relies on statements made in MAP applications about U.S. content to ascertain the amount of U.S. content without doing an independent analysis. So these are self-certified statements without any type of independent verification whatsoever.

The question is: Who should get these funds? Although new guidelines say some small firms should have priority, one-third of fiscal year 1994 funds went to large companies. It is for that reason that some of the largest corporations in America—among them Sunkist, Sun Maid, Welch's, and Pillsbury—still receive large sums of money. In 1992, the average amount awarded to the top 50 firms was $1 million. Eight of those firms have sales over $1 billion.

I am sure most Americans would ponder, with a company that has a sales volume of $1 billion, should the American taxpayer be subsidizing the advertising account of a firm of that size? I must say again that I do not believe that should justify defending those appropriations.

But to give you some more current data, there were 17 MAP participants receiving more than $1 million for the past 2 fiscal years, fiscal year 1993 to fiscal year 1995: Sunkist, $11.1 million; Ernest & Julio Gallo, $9.1 million; Sunsweet, $4.6 billion; Blue Diamond, $4.5 million; American Legend, $2.9 million; North America Fur Producers, $2.3 million; Dole, $2.1 million; Tyson Foods, $1.9 million; M&M Mars, $1.8 million; 21st Century Genetics, $1.5 million; Welch Foods, $l.4 million; Pillsbury, $1.3 million; Campbell Soup, $1.2 million; Hansa-Pacific, $1.1 million; Hershey, $1.1 million; Seagram, $1 million.

Mr. President, those are some of the great household names of America. These are companies that have been exceedingly successful, and all of us as Americans quite curiously share in their success. We are delighted when American firms prosper and do well. But why should they do well at the expense of the taxpayer who is being asked to pay his and her hard-earned dollars to supplement the advertising accounts of some of the largest companies in America?

I believe that the Federal Government has a legitimate role in promoting exports to foreign countries, but we should certainly use our considerable expertise to assist companies in cutting red tape in foreign countries and providing them with technical assistance. We should not do it by granting scarce taxpayer dollars to private companies, either, for-profit companies, or activities that they would otherwise conduct on their own.

So, Mr. President, that brings me to the point of what our amendment that I offer this afternoon would do. It is identical virtually to the position that the Senate took on the Federal Agricultural Improvement and Reform Act, commonly referred to as the farm bill of 1996. The Senate voted by 59 to 37 in February to accept the Bryan amendment on the MPP program, and that amendment restricted use of MPP moneys to small businesses certified by the Small Business Administration and Capper-Volstead cooperatives. Because the amendment eliminated foreign companies from the program, the funding level for MPP was capped at $70 million. That is to say, based upon the recent experience of the Market Promotion Program, out of an appropriation of $110 million it was projected that $40 million was being allocated to foreign companies. So if you flatten out the program and keep it at its present level, $70 million would continue to fund the program other than for foreign company participation.

I make it clear that I think none of my colleagues are misled about this. My preference would be to zero out this program for all of the reasons that I have outlined. And I daresay I think the distinguished occupant of the chair shares the view of the Senator from Nevada. But yielding to pragmatic imperatives, it is clear that this body is not yet prepared to go that far.

So what this amendment would do would be to cap the current level at $70 million. The current appropriations bill provides for $90 million. So when you factor out that none of this money can go to foreign companies, in effect, this program would be increased by 29-percent—a 29-percent increase.

The amendment that I have offered would return this program to the originally approved Senate funding level of $70 million. That, I believe, is a reasonable compromise, and I believe that my colleagues having voted once before by 59 to 37 to cap the program at that level and to carry out the intent of the farm bill of 1996, we ought to hold the appropriations to the level authorized in that bill.

Mr. President, I thank the Chair. I yield the floor.

Mr. KERRY. Mr. President, I am pleased to join my friend from Nevada, Senator BRYAN, in another attempt to save American taxpayers from funding U.S. corporate advertising in other countries. The Market Promotion Program is one of the most blatant examples of corporate welfare in the budget—the American taxpayers have footed a bill of more than $1 billion to pay for corporate advertising since its inception. And Senator BRYAN and I have been as tenacious as it is possible to be in trying to eliminate this program.

This is a subsidy program which has been roundly criticized by research institutes across the political and economic spectrum—the National Taxpayers' Union, the Progressive Policy Institute, Citizens Against Government Waste, and Cato Institute.

Taxpayers in Massachusetts would be shocked if they knew that the Federal Government is collecting taxes from them and using their hard-earned money to embellish the advertising budgets of corporate America.

I have taken to the floor time and time again to speak about wasteful spending in the budget. And I have been an outspoken critic of this Market Promotion Program. Our colleagues have heard me discuss how we have paid the Gallo Bros. to peddle their wine to the French; how we helped advertise Japanese-made underwear in Tokyo; how we promoted fashion shows of mink coats and fur stoles; how we have subsidized M&M's and Chicken McNuggets.

We have tried to reform the MPP program over the past few years. Last year, we prohibited the mink industry from receiving Federal subsidies to promote fashion shows abroad. That was a step in the right direction. And, Mr. President, I am very pleased the distinguished chairman of the Agriculture Appropriations Subcommittee, Senator COCHRAN, has agreed to exclude mink subsidies in this year's bill. In addition, Mr. President, last year, in the Department of Agriculture appropriations bill, the Senate voted to curb the Market Promotion Program—we passed the Bryan-Bumpers-Kerry amendment to limit the program to small businesses and agricultural co-ops. This was a good start to curb corporate welfare, but the provision was dropped in conference. So, the program continues despite the Senate's vote.

Accordingly, my friend from Nevada, Senator BRYAN, and I are making the effort once again to halt this unnecessary flow of funds from the Treasury.

We must not force American taxpayers to keep subsidizing multimillion-dollar corporations. When my friends and neighbors in Massachusetts measure this program against the extraordinary reductions we are facing in programs that really matter to working Americans, they ask me how Congress can continue to justify this type of corporate welfare. There is no good answer to that question. This program is unjustifiable in the current budget environment.

Mr. President, I am grateful Senator BRYAN is willing to lead the charge. Together, we will continue to fight this waste of taxpayer money until this program is eliminated. We fought the wool and mohair subsidy, and that is now gone. We fought the mink subsidy, and that is now gone. Ultimately, we will win this battle, too, because the Senate will recognize that it is a monumental waste of money. I yield the floor.

Mr. COCHRAN. Mr. President, this Market Promotion Program has been one that has attracted an awful lot of attention and some controversy over the last several years. Senators have heard the arguments for it and against it, and why it is important for us to continue to support those who are trying to market their commodities and food products in overseas markets, particularly when they are confronted with trade practices that are developed by our competitors, or even those countries in which we are trying to export our products that operate against our interests.

Under the rules of the General Agreement on Tariffs and Trade, we have tried to reduce barriers to trade, make the playing field fair, and have as a principle for our international trade that if we are going to make available our market here in the United States, we are going to insist that other countries do the same. But from time to time, even though this is the general understanding and the general basis for these international agreements, we run into specific problems—structural difficulties, bureaucratic redtape, call it what you will. It is all an effort to prefer one of our competitors over our exporters in these markets, or to keep us out of the markets altogether.

These funds have been very helpful, I am told at our hearings with the Foreign Agriculture Service, in breaking down barriers to trade, to overcoming these efforts to keep our suppliers and our exporters out of international markets.

There is no question that this is an area of economic activity that has benefited American business, agriculture, and industry. We have seen a growing amount of jobs created in our own economy here at home because of access to overseas markets for our products. There is a direct correlation between the amount of exporting we do and the amount of benefit we get economically here in terms of jobs, pay for workers, and renewed and invigorated business activity.

It has been consistently shown on the basis of experience that we have had using these funds that as we provide assistance to exporters and suppliers in international markets, we do better; we sell more; we are more successful. I hope the Senate will not be persuaded to further reduce the ability of the Foreign Agriculture Service to go to bat for our exporters, to try to help where help is needed, and use these funds in a targeted way, in a way that is designed to help us sell more of what we produce in these emerging markets around the world.

I know that we are not going to resolve this issue tonight, and we have a lot of information that will be available to Senators, but almost all the Senators who are going to vote—and I presume we are going to go to a record vote on this unless the Senator decides to withdraw his amendment on the basis of my overwhelmingly persuasive remarks in opposition to his amendment. I presume we are going to vote on this amendment tomorrow.

Mr. BRYAN. Will the Senator yield?

Mr. COCHRAN. I will be happy to yield to my friend from Nevada.

Mr. BRYAN. I always find my friend from Mississippi extraordinarily articulate. Without any derogation intended, he has not persuaded this Senator. At this particular point, it would be my intent to ask for a rollcall vote at the appropriate time. And I can assure the Senator I do not intend to prolong the debate tonight, but when he finishes, I might just make a very brief comment.

Mr. COCHRAN. I thank the Senator. I know he is committed on this issue. He raises it from time to time. I do appreciate the fact we do not have all the charts and other things that he has brought to the floor in the past to persuade Senators on the correctness of his position, but he is certainly correct in pointing out that this issue was debated fully, extensively in the discussion of the farm bill earlier this year. The farm bill did have provisions relating to the program, and so Senators are familiar with it, and they are familiar with the arguments for and against.

I am not going to belabor the issue again. I hope Senators will reject the amendment and support the committee's funding level for this program. It is, I would say, consistent with the authorization contained in the conference report of the farm bill.

I rest my case, and I am happy for the Senate to work its will on this subject. I hope they will support the decision that we made in the committee.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I ask unanimous consent that the distinguished senior Senator from Arkansas be added as a cosponsor of this amendment.

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

Mr. BRYAN. If I may very briefly respond to my friend from Mississippi, and then I will yield to my friend from Arkansas, it seems to me that we talk a lot about sacrifice—the need for us to notch up the proverbial belt and slim down, streamline Government, all of these sorts of things, and we ask most segments in our society to do more with less.

I must say, with all due respect to my friend from Mississippi, it seems to me that those who are part of this corporate entitlement program that has been culturally ingrained as part of this Federal budget process, we never ask them. I do not think it is asking too much of our friends, the McDonald's hamburger people, Pillsbury, the Welch's, Sunkist, Sun Maid, Seagrams, all these other marvelous corporations to say, look, this is a program we thought we could afford at one time but this is 1996 and you folks have followed our debate on balancing the budget. Both parties, both the Congress and the White House have agreed that a balanced budget ought to be our goal, that ought to be a national priority. There are benefits that inure to our society, to our economy, and we cannot do that if we continue the old ways, as comfortable as they may have become.

So I conclude with the observation that the $70 million is $70 million more than I would like to spend, but this appropriations bill sets a funding level of $90 million, so it does represent a 29 percent increase over the $70 million that would be available under the parameters of the farm bill because we have deleted the money for foreign companies. It seems to me that a spirit of sacrifice and fairness would say, look, those who are the giants of corporate America, they ought to be asked to trim their sails and to cut their spending a bit by enabling us to wean ourselves gradually from this program.

I thank the Chair. I yield the floor.

Mr. COCHRAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I received as chairman of the subcommittee from the Coalition of U.S. Exporters in support of the Market Access Program.

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

COALITION TO PROMOTE U.S.
AGRICULTURAL EXPORTS,
Washington, DC, July 9, 1996.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As Congress considers the FY 1997 agriculture appropriations bill, we want to emphasize again the need to maintain funding for USDA's export programs, including the Market Access Program and FAS Cooperator Program, as authorized under the new Farm Bill.

Such action is critical to the success of the new Farm Bill, which gradually eliminates direct income assistance to producers, while providing increased planting flexibility. Within this framework, the long term viability of American agriculture is even more dependent on ensuring access to foreign markets and maintaining and expanding U.S. agricultural exports.

It is also vital to our nation's economic well-being. For example, U.S. agricultural exports this year are now projected to reach a record $60 billion. This is expected to result in a record agriculture trade surplus of approximately $30 billion, generate as much as $100 billion in related economic activity, and provide jobs for over one million Americans.

The Market Access Program, along with the FAS Cooperator Program, are among the few programs specifically allowed under the Uruguay Round Agreement and not subject to any reduction or discipline. When other countries are increasingly pursuing such policies to help their agriculture industries maintain and expand their share of the world market, now is not the time for the U.S. to continue to unilaterally reduce or eliminate such programs.

Under the new Farm Bill, the Market Access Program already has been reduced from $110 million to just $90 million annually. The new Farm Bill also makes permanent the reforms included in the FY 1996 agriculture appropriations bill, including limiting any direct cost-share assistance to small businesses, farmer cooperatives and trade associations.

Clearly, the Market Access Program and other USDA export programs remain an essential element of our nation's overall agriculture and trade policy. They are key to helping boost U.S. agricultural exports, strengthening farm income, promoting economic growth and creating needed jobs throughout our entire economy. Accordingly, we urge your strong support to ensure such programs continue to be fully funded and aggressively implemented.

Sincerely,

Coalition to Promote U.S. Agricultural Exports.

COALITION TO PROMOTE U.S. AGRICULTURAL EXPORTS

COALITION MEMBERSHIP 1996

Ag Processing, Inc.
Alaska Seafood Marketing Institute.
American Farm Bureau Federation.
American Forest & Paper Association.
American Hardwood Export Council.
American Meat Institute.
American Plywood Association.
American Seed Trade Association.
American Sheep Industry Association.
American Soybean Association.
Blue Diamond Growers.
California Canning Peach Association.
California Kiwifruit Commission.
California Pistachio Commission.
California Prune Board.
California Table Grape Commission.
California Tomato Board.
California Walnut Commission.
Cherry Marketing Institute, Inc.
Chocolate Manufacturers Association.
Diamond Walnut Growers.
Eastern Agricultural and Food Export Council Corp.
Farmland Industries.
Florida Citrus Mutual.
Florida Citrus Packers.
Florida Department of Citrus.
Ginseng Board of Wisconsin.
Hop Growers of America.
International American Supermarkets Corp.
International Apple Institute.
International Dairy Foods Association.
Kentucky Distillers Association.
Mid-America International Agri-Trade Council.
National Dry Bean Council.
National Grape Cooperative Association, Inc.
National Association of State Departments of Agriculture.
National Cattlemen's Beef Association.
National Confectioners Association.
National Corn Growers Association.
National Council of Farmers Cooperatives.
National Cotton Council.
National Milk Producers Federation.
National Peanut Council of America.
National Porl Producers Council.
National Potato Council.
National Renderers Association.
National Sunflower Association.
National Wine Coalition.
NORPAC Foods, Inc.
Northwest Horticultural Council.
Produce Marketing Association.
Protein Grain Products International.
Sioux Honey Association.
Southern Forest Products Association.
Southern U.S. Trade Association.
Sun-Diamond Growers of California.
Sun Maid Raisin Growers of California.
Sunkist Growers.
Sunsweet Prune Growers.
The Catfish Institute.
The Popcorn Institute.
Tree Fruit Reserve.
Tree Top, Inc.
Tri Valley Growers.
United Egg Association.
United Egg Producers.
United Fresh Fruit and Vegetable Association.
USA Dry Pea & Lentil Council.
USA Poultry & Egg Export Council.
USA Rice Federation.
U.S. Feed Grains Council.
U.S. Livestock Genetics Exports, Inc.
U.S. Meat Export Federation.
U.S. Wheat Associates.
Vodka Producers of America.
Washington Apple Commission.
Western Pistachio Association.
Western U.S. Agricultural Trade Association.
Wine Institute.

Mr. BUMPERS. Mr. President, first, let me say that my good friend, the distinguished manager of the bill and the chairman of the Subcommittee on Agriculture Appropriations, and I very seldom disagree, and we have worked on a number of bills when I was chairman of this subcommittee and now the last 2 years he has been chairman of the subcommittee, and I think we have worked together well and produced really good bills for the Senate's consideration. This is one of those rare occasions when we disagree.

I feel very strongly, and have for many years, that the Market Promotion Program, recently renamed the Market Access Program, is just short of outrageous. When I first got involved in it, the General Accounting Office had just done a study. We were putting millions of dollars in a program to encourage McDonald's to sell Big Macs in Moscow. In addition, we were spending money to encourage one of the big companies in my own State, Tyson Foods, a company I am more than happy to champion on most occasions, to advertise their products overseas. Further, Gallo wine was a big recipient. The liquor industry was getting millions to export liquor.

I said last year, where is the Christian Coalition when we need them? But we finally, through the determined efforts of the Senator from Nevada, last year were able to change the people who were eligible to put a little bit of sense in it. We made a substantial contribution to common sense last year on the Senate floor, but unfortunately the conferee committee was not satisfied until they worked in a loophole big enough to drive a Fortune 500 company through.

Having said that, let me say if I had a chance to eliminate the whole program as it currently operates at this moment, if I had the power to do it, I would be more than happy to do it. But at least because of the efforts of the Senator from Nevada, we have been able to make it a little more palatable.

But think about this, Mr. President. We have capped the Export Enhancement Program now for 1997 at $100 million. But when you take the Export Enhancement Program, Public Law 480, which has been on the books for decades—and there are three titles in that program, I, II, and III, all designed and calculated to enhance agricultural exports—everybody is for agricultural exports. The USDA also has the GSM Program as an export tool. There are the COAP and SOAP Programs. If it were not for agricultural exports, the trade deficit in this country would be really staggering. I am not sure what the correlation is in the amounts between how much oil we import from around the world compared to how many agricultural products we export, but I think the two are very similar. That will give you some idea how staggering the deficit would be if we did not do a lot of agricultural exporting.

But when I think of the programs that run into hundreds of millions of dollars to export agriculture products and then here is this questionable—well, it is not insignificant. It is $90 million. Where I come from, that is considered sizable. Last year, we were able to cut that program from $90 million to $70 million, and this year, lo and behold, it is back to $90 million. So while we have been able to get the Gallo Bros. and McDonald's and people like that out of the program, at least directly, and allow cooperatives such as my own Riceland Foods, and their farmer-members, to benefit from the program, we should certainly not in the days of budget constraints that we are experiencing now be raising that program by about 25 percent.

So, Mr. President, I will not belabor it. I see the Senator from Nebraska here. He, apparently, wants to offer an amendment. I do not want to delay his opportunity to do that. But I say I am more than happy to cosponsor the amendment of the Senator from Nevada, which does not eliminate the program but simply puts the funding level from $90 million back to $70 million, where we put it last year.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4978

(Purpose: To increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service, with an offset)

Mr. KERREY. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection the pending amendments are set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4978.

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

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

The amendment is as follows:

On page 18, line 12, strike ''$432,103,000'' and insert ''$421,078,000''.

On page 20, line 10, strike ''$98,000,000'' and insert ''$86,975,000''.

On page 23, line 8, strike ''$22,728,000'' and insert ''$24,228,000''.

On page 24, line 11, strike ''$557,697,000'' and insert ''$566,222,000''.

Mr. KERREY. Mr. President, I have brought this problem to the attention of both the chairman, the distinguished Senator from Mississippi, as well as the ranking member, the distinguished Senator from Arkansas. This amendment would increase funding for the Food Safety and Inspection Service as well as for the Grain Inspection, Packers and Stockyards Administration, the first by $8.5 million, the second by $1.5 million. The increases are offset by a reduction in funding available for the Agriculture Quarantine Inspection Program. This is a user fee account within the Animal and Plant Health Inspection Service.

I understand there have been some problems. I understand the committee has asked the Department of Agriculture, under the FSIS, the Food Safety Inspection Service, to give the Congress an evaluation of its computer programs. I understand this has just occurred today. But we are now moving, the Department is moving from an old carcass-by-carcass system of evaluating product—which in many cases did not improve the safety of the meat coming out to the consumer because the inspection system was not able to apply good science to determine whether or not there were pathogens on the animals—we are moving from that old system to a new system called HACCP. HACCP is, to my mind, a vastly preferable system. But it will be very difficult in my judgment to do that if we underfund FSIS in the process.

Let me say parenthetically, I believe across the board in those areas where Republicans and Democrats agree the Government function is important—and there are still some disagreements between Republicans and Democrats, or sometimes, as we have just heard, inside, even, each party; sometimes it does not break along party lines, with the Market Promotion Program as an example, the Sugar Program and so forth—but in many cases we have reached agreement: The FAA should be funded. FSIS is important to fund. That increases the quality of our product and the confidence of the consumer. It makes our economy more productive and, as a consequence, is a very important function of the Government.

Very often we find ourselves in those areas as a result of an unwillingness to fund the program because we will not allocate money from other places. I will make the point again, typically it is not this kind of temporary reallocation, which is all this is, internal to USDA. Very often it is a problem of not being willing to either say we are going to raise taxes to pay for it, which very few people at this point want to do, or we are going to get it out of the growth of entitlements, or we are not going to build the F–18C, or some other thing, some other major program like that.

If we do not fund FSIS this year and next year and the year after, as the appropriations accounts get smaller, I believe we are going to pay a big price for it. So I understand there may be some language that can be worked out in this particular reallocation out of concern for the very specific program I would like to fund, the field automation and information management project. I have a great deal of respect for the chairman and ranking member's concerns for that particular effort.

The second thing that is being funded in here is a bit easier and a lot more straightforward. That is just a $1.5 additional million for the Grain Inspection, Packers and Stockyards Administration. A lot of us have expressed concern this year as the price of beef has gone down. Once again the concern is, is the market working? That is to say, has the concentration in the beef and the concentration of the pork industry reached a point where we no longer have competition, where we no longer have price discovery, where we no longer have a market that is working to the advantage of either the consumer or for the American economy?

That question is a difficult one to answer. Last year there was an advisory committee that was put together. A couple of months ago they made their recommendations to us. The dominant recommendation, at least the recommendation at the top of the list, was we should just do more of what the Packer and Stockyards Act says the USDA should do. Even if we are able to get an additional $1.5 million, I must say a $24 or $25 million budget against the Packer and Stockyards budget, against a $120-billion industry, is not likely, even by some sort of commonsense evaluation, to provide this agency with enough money to get the job done.

For all Members who have issued press releases expressing enthusiasm about this Commission's report, this panel report, this amendment would provide for: An industry structure performance surveillance of $550,000—it was in the concentration recommendations; $480,000 for a packer market competition study—that, again, was in the recommendation that was made; and a quarter of a million dollars for an electronic filing system, also in the Commission's recommendation.

It is impossible for us to be able to go from saying ''we are concerned about whether or not the market is working'' to a point where, particularly for the smaller packers as well as the great number of feedlot operators and growers out there who say ''the market is not working,'' unless we fund this particular agency.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4979

(Purpose: To provide funds for risk management, with an offset)

Mr. KERREY. Mr. President, I ask unanimous consent to lay that amendment aside and move immediately to the consideration of second amendment I have.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4979.

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

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

The amendment is as follows:

On page 25, line 16, strike ''$795,000,000'' and insert ''$725,000,000''.

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, except that not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i)).

Mr. KERREY. Mr. President, this amendment establishes a separate appropriation for salaries and expenses for the Risk Management Agency inside the Farm Service Agency's account. I wish the administration of the Department of Agriculture had sent up a separation. I think it is clear to most of us who look at the new farm program that increasingly it is going to be the farmers managing their own risks that will determine how well they do in a market that is increasingly volatile. The risk management program, the combination of Government and, increasingly, private sector insurance, is going to determine whether or not a producer, a farmer, or small business person out there operating in the marketplace, is going to be successful. This

establishes this risk management agency and sets up a separate account for it so we make sure the U.S. Department of Agriculture does allocate a sufficient amount of resources to do so. I pull $70 million out of the FSA to do that. I believe it is much more likely, as a consequence of doing this, that the risk management program is going to be executed in the fashion that both Republicans and Democrats desire. Again, as we look at this new age of farmers on their own establishing what the risk is and purchasing coverage for that risk, it is much more likely, if this agency is funded separately, that the market, the consumer out there, will determine what the nature of that product is going to be and that the agency itself will, as a consequence, be sufficiently funded.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4980

(Purpose: To provide the Secretary of Agriculture temporary authority for the use of voluntary separation incentives to assist in reducing employment levels, and for other purposes)

Mr. KERREY. Mr. President, I ask unanimous consent to lay this pending amendment aside and I ask immediate consideration of a third amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4980.

Mr. KERREY. 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 is printed in today's RECORD under ''Amendments Submitted.'')

Mr. KERREY. Mr. President, this third amendment is one of those sort of good Government amendments. I have spoken with the authorizing committee about this. They raise some concerns that I will attempt to address in a moment. This gives the U.S. Department of Agriculture the authority to conduct a voluntary buyout in order to meet its downsizing needs. No question, under this appropriations bill, the Department of Agriculture, particularly in FSA, is going to have to downsize and, equally important, Mr. President, no question, that is a desirable thing to do, given the substantial reduction in work that is likely to be required under the new farm program.

So it is not that I am objecting to that downsizing, I am merely, with this amendment, trying to provide the Department with the authority to do buyouts which very often can save them substantial money and save the taxpayers substantial money in the process.

I note there has been considerable attention to giving buyout authority to other agencies in the Federal Government, Treasury in particular. I am well aware of the work others have done in this area. As indicated, I have had discussions with the authorizing committee—that is to say, the Committee on Governmental Affairs—in gaining acceptance for my amendment.

Thus, Mr. President, I ask unanimous consent that I be allowed to amend my amendment before it comes to a vote tomorrow.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERREY. I yield the floor.

FAIR ACT CREDIT TITLE

Mr. SIMPSON. Mr. President, I rise to inquire of my friend, Senator LUGAR of Indiana, about a provision in the Federal Agriculture Improvement and Reform Act [FAIR Act] which became law on April 4, 1996. Specifically, I am concerned with the way the U.S. Department of Agriculture has interpreted section 663, the section of the credit title that provides a transition period for elimination of the Lease-back/Buyback program.

The statutory language says that only those borrowers who have submitted complete applications to acquire inventory property prior to the date of enactment will be considered for this form of loan servicing. The language is clear that applications must have been fully submitted on or before April 4, 1996, but a difficulty has arisen with regard to whether or not the property—on which the application is being made—must actually be in Federal inventory prior to the date of enactment. The statute is not clear on this point. The Department has interpreted the clause, ''Applications to acquire inventory property,'' to mean the property must already be in Federal inventory. This is called a ''post-acquisition'' application—''acquisition'' referring to when the Government takes ownership of the property.

I am concerned that this ''brightline'' has stranded a number of ''pre-acquisition'' applicants in the pipeline. These borrowers have submitted complete applications for lease-back/buyback servicing within the valid timeframe, but for a variety of reasons, the Government has not yet acquired their property.

I certainly do understand the desire of the Department to expeditiously resolve as many debt servicing cases as possible. and I am supportive of the FAIR Act's marked advances in streamlining the farm loan programs and returning Government to its proper role as a ''lender of last resort.'' I do believe, however, that we should grandfather those applications that were submitted prior to the change in law.

I would ask my friend from Indiana whether he agrees with me that USDA's interpretation is incorrect?

Mr. LUGAR. Senator SIMPSON raises a valid issue regarding the interpretation of section 663 of the Federal Agriculture Improvement and Reform Act of 1996. Although I disagree with your statement that the statute is not clear on this point, I agree that USDA has incorrectly interpreted this section.

Section 663 clearly states that a complete application to acquire inventory property must have been submitted prior to the date of enactment of the FAIR Act. The issue is whether the property in question has already come into the Government's possession. Until that time, the property should not be deemed inventory property.

If a borrower had submitted an application that the Secretary would have deemed complete except that the steps necessary for the Government to acquire the property had not been fulfilled, those borrowers' applications should be considered complete so that once the property does enter the Government's inventory, the lease back-buyback agreement can be executed.

Mr. SIMPSON. Then you agree that borrowers who had completed applications for inventory property that had not yet been acquired by the Government should be grandfathered?

Mr. LUGAR. Yes.

Mr. SIMPSON. I thank my fine friend for his assistance in this matter.

AMENDMENTS NOS. 4981 AND 4982, EN BLOC

Mr. COCHRAN. Mr. President, I ask unanimous consent that the following amendments be considered en bloc and agreed to en bloc:

The first is offered for the Senator from South Dakota [Mr. PRESSLER], dealing with electronic warehouse receipts.

The second is offered for the Senator from Oklahoma [Mr. INHOFE], dealing with research facilities in Oklahoma of the Agriculture Research Service.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 4981 and 4982, en bloc.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 4981

(Purpose: To improve the issuance of warehouse receipts)

At the end of the bill, add the following:

SEC. . WAREHOUSE RECEIPTS.

(a) ELECTRONIC WAREHOUSE RECEIPTS.—Section 17(c) of the United States Warehouse Act (7 U.S.C. 259(c)) is amended—

(1) in paragraph (1)(A), by striking ''cotton'' and inserting ''any agricultural product'';

(2) by striking ''the cotton'' each place it appears and inserting ''the agricultural product''; and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking ''in cotton'' and inserting ''in the agricultural product''; and

(B) in the last sentence of subparagraph (B)—

(i) by striking ''electronic cotton'' and inserting ''electronic''; and

(ii) by striking ''cotton stored in a cotton warehouse'' and inserting ''any agricultural product stored in a warehouse''.

(b) WRITTEN RECEIPTS.—Section 18(c) of the United States Warehouse Act (7 U.S.C. 260(c)) is amended by striking ''consecutive''.

AMENDMENT NO. 4982

On page 11, line 22, add the following proviso after the word ''law'': *'': Provided further,* That all rights and title of the United States in the property known as the National Agricultural Water Quality Laboratory of the USDA, consisting of approximately 9.161 acres in the city of Durant, Oklahoma, including facilities and fixed equipment, shall be conveyed to Southeastern Oklahoma State University.''

Mr. BUMPERS. Mr. President, those amendments have been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 4981 and 4982) were agreed to, en bloc.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, it appears that Senators who were prepared to offer their amendments have come to the floor and offered and discussed the amendments that they have to this bill. We understand there are other amendments that Senators would like to offer to this bill.

I have a list, which I am prepared to read just for the information of all Senators. It is obvious we are not going to be able to complete action on this bill tonight. We do have amendments that votes have been ordered on that will occur tomorrow, and during the wrap-up tonight, an agreement will be proposed for an order in which those amendments will be taken up and voted on tomorrow.

Let me suggest, if Senators can still this evening come to the floor to offer their amendments, we are prepared to be here for that purpose.

We have this list:

Senator BURNS, an amendment on barley; Senator BROWN, an amendment on water rights; Senator SANTORUM, who has eight amendments on peanuts; Senator MIKULSKI, an amendment on the Food and Drug Administration; Senator LEAHY on milk orders; Senator CRAIG on GAO study on agriculture workers; Senator LUGAR on double cropping; Senator KERREY, which he has now offered, three amendments; Senator MURKOWSKI on seafood inspection; Senator KERREY, another amendment, which he has offered; Senator KENNEDY on Food and Drug Administration; Senator THURMOND on agriculture research; Senator FRAHM on section 515 rental housing program; Senator SIMPSON on wetland easements.

We know of no other amendments. We hope those will be the only amendments, and maybe if Senators will let us know about suggested changes, we may be able to work out accepting some of these amendments tonight or when we reconvene on this bill tomorrow.

Mr. BUMPERS. Mr. President, I think Senator PELL has a small amendment that he wants to offer that we probably should add to that list.

Mr. COCHRAN. OK.

Mr. President, we understand that it will be unlikely that we can get an agreement tonight to limit the amendments to those that I have just read. We had hoped to be able to get that agreement. We understand, if we propounded that request, there would be an objection. So we will not propound a unanimous-consent request, but we hope that will be all the amendments we will have to this bill, and we will take them up when Senators come to the floor to offer them. If they don't come to offer them tonight, we will be here tomorrow.

Mr. BUMPERS. Mr. President, to direct a question to the distinguished chairman and floor manager, as I understand it, we are going to have a whole slew of votes in the morning on the welfare bill, as many as 20. I was wondering if the chairman will be willing to make a unanimous-consent request that immediately following final passage of the welfare reform bill tomorrow that we proceed immediately, while the Senators are still here on the floor, to a vote on the Gregg amendment and the McCain amendment.

Mr. COCHRAN. Mr. President, that will be in the proposed request which the majority leader will propound. That is an excellent idea. We are going to try to include that in the request of the majority leader as we wind up business tonight.

I am told now the amendment of the Senator from Alaska, Senator MURKOWSKI, which we had tried to clear earlier, has now been cleared for adoption.

AMENDMENT NO. 4983

(Purpose: To reconcile seafood inspection requirements for agricultural commodity programs with those in use for general public consumers)

Mr. COCHRAN. Mr. President, with that understanding, I send an amendment to the desk on behalf of the Senator from Alaska, [Mr. MURKOWSKI], on the subject of seafood inspection and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. MURKOWSKI, proposes an amendment numbered 4983.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Hereafter, notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration as satisfying the requirements of the ''Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products'' (published by the Food and Drug Administration as a final regulation in the Federal Register of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.

Mr. BUMPERS. There is no objection on this side, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4983) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I also understand that Senator HATCH is going to propose an amendment on the subject of generic drugs. We will add that to our list.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 19, the Federal debt stood at $5,169,596,709,354.27.

On a per capita basis, every man, woman, and child in America owes $19,482.39 as his or her share of that debt.

MID YEAR REPORT—1996

The mailing and filing date of the 1996 Mid Year Report required by the Federal Election Campaign Act, as amended, is Wednesday, July 31, 1996. All Principal Campaign Committees

supporting Senate candidates for election in years other than 1996 must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records office will be open from 8 a.m. until 7 p.m. on the filing date for the purpose of receiving these filings. For further information, please do not hesitate to contact the Office of Public Records.

REGISTRATION OF MASS MAILINGS

The filing date for 1996 second quarter mass mailings is July 25, 1996. If a Senate office did no mass mailings during this period, the Senator should submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office.

REPORT OF PROPOSED AMENDMENTS TO FISCAL YEAR 1997 APPROPRIATIONS REQUESTS—MESSAGE FROM THE PRESIDENT—PM 162

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Appropriations.

THE WHITE HOUSE,
Washington, July 22, 1996.

The PRESIDENT OF THE SENATE.

SIR: I ask the Congress to consider amendments to the FY 1997 appropriations requests for the Department of Defense, the Department of the Treasury, the General Services Administration, and the Office of Personnel Management. These amendments would not increase the proposed budget totals.

The details of these actions are set forth in the enclosed letter from the Acting Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

WILLIAM J. CLINTON.

REPORT CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT—PM 163

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of January 22, 1996, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S. 1641(c); section 204(c) of the International Emergency Economic Powers Act (''IEEPA''), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the ''Regulations''), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report on January 22, 1996.

3. During the current 6-month period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (91) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Three licenses were issued for the expenditure of funds and acquisition of goods and services in the United States by or on behalf of accredited persons and athletes of Libya in connection with participation in the 1996 Paralympic Games. One license was issued to authorize a U.S. company to initiate litigation against an entity of the Government of Libya.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The Office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 129 transactions potentially involving Libya were interdicted, with an additional $7 million held blocked as of May 15.

5. Since my last report, OFAC collected eight civil monetary penalties totaling more than $51,000 for violations of the U.S. sanctions against Libya. Two of the violations involved the failure of banks to block funds transfers to Libyan-owned or Libyan-controlled banks. Two other penalties were received from corporations for export violations, including one received as part of a plea agreement before a U.S. district judge. Four additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 30 cases involving similar violations are in active penalty processing.

On February 6, 1996, a jury sitting in the District of Connecticut found two Connecticut businessmen guilty on charges of false statements, conspiracy, and illegally diverting U.S.-origin technology to Libya between 1987 and 1993 in violation of U.S. sanctions. On May 22, 1996, a major manufacturer of farm and construction equipment entered a guilty plea in the United States District Court for the Eastern District of Wisconsin for Libyan sanctions violations. A three-count information charged the company with aiding and abetting the sale of construction equipment and parts from a foreign affiliate to Libya. The company paid $1,810,000 in criminal fines and $190,000 in civil penalties. Numerous investigations carried over from prior reporting periods are continuing and new reports of violations are being pursued.

6. The expenses incurred by the Federal Government in the 6-month period from January 6 through July 6, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $733,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting United Nations Security Council Resolution 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1996.*

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 497) to create the National Gambling Impact and Policy Commission.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3479. A communication from the Secretary of Defense, transmitting, the notice of a retirement; to the Committee on Armed Services.

EC–3480. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, a report entitled ''Older Americans Home Security Act of 1996''; to the Committee on Banking, Housing, and Urban Development.

EC–3481. A communication from the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report relative to the Full Employment and Balanced Growth Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–3482. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3483. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3484. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3485. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of four rules entitled ''Amendment to Definition of Substance Abuse Professional,'' (RIN2105–AC33, 2105–AC37, 2115–AA97, 2127–AG25) received on July 18, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3486. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of seven rules entitled ''Airworthiness Directives,'' (RIN2120–AA64, 2120–AA66, 2120–AA63) received on July 18, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3487. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the Demonstration and Commercial Application of Renewable Energy and Energy Efficiency Technologies Program for calendar year 1995; to the Committee on Energy and Natural Resources.

EC–3488. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report relative to the Bradbury Dam, Cachuma Project, California; to the Committee on Energy and Natural Resources.

EC–3489. A communication from the Director of the Office of Surface Mining (Reclamation and Enforcement), Department of the Interior, transmitting, pursuant to law, a rule concerning the West Virginia Regulatory Program, (WV075–FOR) received on July 16, 1996; to the Committee on Energy and Natural Resources.

EC–3490. A communication from the Director of the Office of Surface Mining (Reclamation and Enforcement), Department of the Interior, transmitting, pursuant to law, the report of three rules including a rule concerning the Missouri Regulatory Program, (OK018–FOR) received on July 18, 1996; to the Committee on Energy and Natural Resources.

EC–3491. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of eight rules entitled ''Clear Air Act Approval and Promulgation of Carbon Monoxide Implementation Plan for the State of Washington: Puget Sound Attainment Demonstration,'' (FRL5538–3, 5534–4, 5540–5, 5534–2, 5525–8, 5524–3, 5524–5, 5529–5) received on July 18, 1996; to the Committee on Environment and Public Works.

EC–3492. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''Amendment to the List of Proscribed Destinations,'' received on July 17, 1996; to the Committee on Foreign Relations.

EC–3493. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into the United States in the sixty day period prior to July 11, 1996; to the Committee on Foreign Relations.

EC–3494. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to assistance to Bosnia and Herzogovina; to the Committee on Foreign Relations.

EC–3495. A communication from the Chairman of the National Endowment For the Arts, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC–3496. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the rule entitled ''Removal of Form I–151,'' (RIN1115–AD87) received on July 16, 1996; to the Committee on the Judiciary.

EC–3497. A communication from the Assistant Attorney General (Office of Legislative Affairs), transmitting, a draft of proposed legislation entitled ''Forfeiture Act of 1996''; to the Committee on the Judiciary.

EC–3498. A communication from the Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to the Indicators of Equal Employment Opportunity-Status and Trends; to the Committee on Labor and Human Resources.

EC–3499. A communication from the Director of the Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Antibiotic Drugs: Clarithromycin Granules for Oral Suspension,'' received on July 17, 1996; to the Committee on Labor and Human Resources.

EC–3500. A communication from the Director of the Office of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of a rule entitled ''Elementary-Secondary Staff Information Report,'' received on July 17, 1996; to the Committee on Labor and Human Resources.

EC–3501. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated July 1, 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Armed Services, and to the Committee on Governmental Affairs.

EC–3502. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report of the Mid-Session Review of the 1997 Budget; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, and to the Committee on the Budget.

EC–3503. A communication from the Administrator of the U.S. Small Business Administration, transmitting, a draft of proposed legislation concerning the Federal budget for fiscal year 1997; to the Committee on Small Business.

EC–3504. A communication from the Under Secretary for Domestic Finance, Department of the Treasury, transmitting, pursuant to law, a notice concerning Treasury's outstanding debt; to the Committee on Governmental Affairs.

EC–3505. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled ''1996 Federal Financial Management Status Report and Five-Year Plan''; to the Committee on Governmental Affairs.

EC–3506. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled ''Performance Review of Contract Appeals Process''; to the Committee on Governmental Affairs.

EC–3507. A communication from the Deputy Independent Counsel, transmitting, pursuant to law, the annual report of the Independent Counsel; to the Committee on Governmental Affairs.

EC–3508. A communication from Chair of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–3509. A communication from the Executive Director for the Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule entitled ''Additions to the Procurement List,'' received on July 15, 1996; to the Committee on Governmental Affairs.

EC–3510. A communication from the Deputy Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems,'' (RIN3206–AH54) received on July 15, 1996; to the Committee on Governmental Affairs.

EC–3511. A communication from the Director of Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Defense Federal Acquisition Regulation Supplement,'' received on July 18, 1996; to the Committee on Governmental Affairs.

EC–3512. A communication from the Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a report concerning the Federal Employees

Health Benefits Program, (RIN3206–AG66) received on July 17, 1996; to the Committee on Governmental Affairs.

EC–3513. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of fifteen rules entitled ''Federal Acquisition Circular 90–40,'' received on July 18, 1996; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 1839. A bill to authorize appropriations for fiscal year 1997 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and Inspector General; and for other purposes (Rept. No. 104–327).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1734. A bill to prohibit false statements to Congress, to clarify congressional authority to obtain truthful testimony, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

By Mr. JEFFORDS:

S. 1979. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a medicare buy-in program, and for other purposes; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 1980. A bill to prohibit the public carrying of a handgun, with appropriate exceptions for law enforcement officials and others; to the Committee on the Judiciary.

By Mr. CRAIG:

S. 1981. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

THE END THE TRADE DEFICIT ACT

Mr. DORGAN. Mr. President, I am pleased today to come to the floor with my colleague and friend, Senator BYRD from West Virginia, to introduce a piece of legislation that we feel is important and timely. It is a piece of legislation that we have discussed for many months and are now prepared to introduce in the hope that we would be able to do the things necessary to allow it to become law between now and the end of this legislative session.

Simply put, this piece of legislation deals with a deficit. There has been a great deal of discussion in the Congress in recent years about deficits, almost all of it dealing with the question of budget deficits. Those deficits are a problem and have been a problem, and we have tried in a number of ways, both on the Democratic side and on the Republican side, in different kinds of approaches, to bring down the budget deficit.

I am pleased to say a substantial amount has been accomplished. The budget deficit has been reduced almost in half in the last 3 to 4 years. The budget deficit is down and is coming down. In fact, a report just last week by the Congressional Budget Office was an extraordinarily optimistic report about further reductions in the budget deficit.

However, there is another deficit that almost no one speaks about. It is called the merchandise trade deficit, and it is growing and getting larger. We are going to introduce a piece of legislation today that establishes a commission. It asks that an emergency commission to end the trade deficit be impaneled to review economic and trade policies, tax and investment laws and other incentive and restrictions that affect trade, with the hope that recommendations can be made that Congress will be able to embrace to not only reduce this trade deficit but also to end the trade deficit.

I will offer a couple of charts to show my colleagues what has happened with respect to the trade deficit. We have had 20 consecutive years of trade deficits, totaling $1.8 trillion. Last year, we had the largest negative trade balance in history. This chart shows, and the red demonstrates, the merchandise trade deficit.

These are troublesome because trade deficits must be repaid with a lower standard of living in the United States. You can make a more direct case on national budget deficits. That is money people owe to themselves, and except for the maldistribution of the debt, it is not such a big deal. I do not make that case on the trade deficit, but some economists might. Nobody can make a case with respect to the trade deficit, except this: Trade deficits must be and will be repaid by a lower standard of living in this country. And they must be repaid someday.

This chart shows what has happened to the trade deficits. There has been very little discussion in the Congress about what is causing the trade deficit, in what direction it is headed, and how to begin to develop some policies to address it.

The trade deficit also represents some other underlying problems. These deficits mean that we are buying more from abroad than we are selling to other countries. It means that jobs that normally would have been created in our country are created elsewhere. It means jobs are moving from our country to foreign countries. Less opportunity here, more opportunity abroad.

When you see these kinds of policies that inherently weaken our manufacturing base and sap our economic strength, you have to be prepared to say that this is a serious problem for this country. We must address it. Just as we have been addressing the other deficit, the budget deficit, so, too, we must address this issue of 20 years of growing merchandise trade deficits.

The next chart is a chart that shows that projections by econometric firms and forecasting firms tell us that the trend line by Data Resources indicates that the merchandise trade deficit will reach over $330 billion by the year 2006, 10 years from now. Wharton Econometrics projects a doubling of the trade deficit by the year 2010.

These are the forecasting groups who say, ''Here is what we think will happen to the merchandise trade deficit.'' They see a doubling of the trade deficit. This is Data Resources: $331 billion by the year 2006. Clearly, that is a course that this country should not accept. Clearly, we ought to do something about it.

The next chart. The United States, in a very few short years, has moved from being in the position of the world's largest creditor Nation to being the world's largest debtor Nation. That has happened in a very short period of time. This is an astounding change in our country's economic position.

Now, think of this as a neighborhood, and you look at one house over near a driveway with very nice shutters, a manicured lawn, a pretty home, with five or six cars sitting outside in the driveway. You think to yourself, gee, that person is really doing well—except the person is very close to going under, because it is all borrowed money. That is what is happening with our merchandise trade deficit, and why we are going from the largest creditor Nation in the world to being the largest debtor Nation in the world.

The next chart I want to show describes our trade deficit by country. You will see the largest trade deficit, by far, is with Japan. We have had this for a long while. It is continuing and abiding and does not seem to change. It was nearly $60 billion last year. China was $34 billion. Canada and Mexico together were about $33 billion. A very substantial problem. Six countries make up 94 percent of our country's trade deficit.

Now, part of the problem is that these countries have not completely opened up their borders to our goods. Yet, they ship their goods to our country in wholesale quantities. When we want to move goods into their countries, we are told that we are doing better. But we are not doing good enough

because our manufacturers, businesses, and workers cannot get our products into those countries on nearly the same basis as they move their products into our country.

One common myth with respect to this trade issue is that what we are importing into this country is really the product of cheap labor, and that low-skill, cheap labor products are being sent into this country. Not true. Not true at all. Seventy-five percent of what the U.S. imports are high-tech and value-added manufactured goods: Automobiles, automobile parts, electronics, office machines, telecommunications. That is what is coming into our country. It is not trinkets produced with low-wage labor. Rather, it is high-tech, value-added manufactured goods.

I want to show one additional chart that describes that in the past 25 years the imports of manufactured goods into our country has risen and risen and risen. Today it is at the point where imports now equal 56 percent of our manufacturing capacity. That means imports today are equal to over one-half of our domestic manufacturing capacity.

No wonder the purchasing power of hourly and weekly wages in this country for the vast majority of working Americans are back down to levels, in some cases, in constant dollars, to the 1950's and 1960's. That kind of downward pressure means fewer jobs in this country, and the jobs that exist in the manufacturing sector pay less and have less security.

Now, if you take this trade deficit and calculate it with respect to the common calculations about jobs, they talk about 20,000 jobs per $1 billion in exports. If we export $1 billion worth of American goods, they say that means we created 20,000 additional jobs. If you would use the same formula, it should be equally true that, for $1 billion worth of imports, someone else had the 20,000 jobs and we did not. That means that last year's trade deficit represents a loss of somewhere around 3.5 million good jobs. Just the increase in that trade deficit from 1994 to 1995 would mean a loss of 166,000 jobs.

What we propose today—Senator BYRD and myself, and, hopefully, others who will join us—would be an emergency commission to end the trade deficit. We would propose that this commission review five broad areas of trade policy concerns: The manner in which the Government establishes and administers our fundamental trade policies and objectives, No. 1; No. 2, the causes and consequences of the persistence and the growth of the overall trade deficit, as well as the bilateral trade deficits; No. 3, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy; No. 4, the relationship between the growth of direct investment both into and out of the United States and the trade deficit; finally, No. 5, the development of policies and alternative strategies to achieve a systematic reduction of the trade deficit and, hopefully, an end to the trade deficit.

This would be an 11-member commission. It would have 16 months to present its report to Congress and the President. We do this today because we think it is time—probably past the time—to be thinking of what these trade deficits and what the projections of where the trade deficits are going to go will mean to this country.

As I conclude, Mr. President, I want to make a point. I am honored to have Senator BYRD join me in this endeavor, and I hope very much that, by the end of this year, this will be law and we will have a commission to evaluate this and make recommendations to the Congress.

The minute someone comes to the floor of the Senate and begins talking about trade and talking about trade deficits, two things happen: One, people start to yawn. They say, ''Well, this is so boring. It is uninteresting.'' They do not want to talk about it. Or, two, they immediately rise on their haunches, and say, ''Well, what you are is someone who wants to close America's borders; you are some kind of a isolationist; a xenophobic stooge who doesn't understand the complexities of international trade.''

I do not want to close America's borders. I want more trade—not less trade. I want expanded opportunity for American products and workers. But I want to finally make sure that we reduce and finally eliminate the trade deficit, and have some balance in trade by deciding that it is important that America shall not be taken advantage of in international trade.

For 50 years our trade policy was our foreign policy. And we would do this and that and the other thing to help various countries as a matter of foreign policy. Lets look at the first 25 of those 50 years. Let's look at income in this country for workers. After all, that is what really matters. At the end of the day have we increased the standard of living for the American worker and the American family. If you look at the first 25 of those 50 years their incomes went steadily upward because we had a trade policy that was really just foreign policy and we still beat everybody else in the world with one hand tied behind our back. In the first 25 years, incomes went steadily upward with an increasing standard of living. What about the second 25 years. Look at the graph. What you will see is a steady diminution of income and security for American workers.

Often people sit around their supper table talking about their lot in life. They are working harder and working more hours. More people in the family are working. And, adjusted for inflation, they are making the same or less than they were 20 years ago.

The fact is we must do something to try to strengthen and maintain a strong manufacturing base in this country. And the circumstances that relate to this chronic and growing trade deficit tend to undermine America's manufacturing capability. No country—none—will ever remain a world economic power unless it retains its manufacturing base. That is what is slowly eroding and being washed away by these chronic, troublesome trade deficits.

Senator BYRD and I do not propose solutions or strategies that would have us withdraw from the global economy, or have us retreat from the world trade system. But we do insist it is in this country's best interest to achieve a balance of trade and to end these chronic trade deficits that injure our country's well-being and lead to a decreased standard of living in America.

Mr. President, the future of our Nation is being undermined by a problem that simply is not getting adequate attention or concern. There are those who do not even acknowledge that it is a problem, despite the fact it has reached record proportions.

Our Nation's trade deficit is one of the twin deficits that this country must address. Today the trade deficit is the larger twin, yet most of our attention is still focused on the Federal budget deficit. We need to solve these twin deficit problems, because together and individually they are threatening the economic security of Americans.

Today I am introducing legislation to address this crucial problem. The End the Trade Deficit Act will establish a commission to develop plans to end the trade deficit in the next 10 years, and establish a competitive trade policy for the 21st century which will not only increase production and manufacturing in our country, but also job opportunities, and wages.

Just as balancing the budget has come to represent the need to take a more disciplined approach to deciding our national priorities, our goal in ending the trade deficit must be to develop a more disciplined approach in deciding and carrying out our Nation's trade policies.

Our trade deficit is symptomatic of larger economic conditions and questions that must be addressed. My purpose in this legislation is not simply to get rid of the red figures at the bottom of our trade ledger. Instead, it is to help develop the national economic and trade strategies which will rebuild the American economy and the American dream.

GROWTH OF TRADE DEFICIT

Many economists predicted that our trade deficit would disappear as we reduced our Nation's budget deficit. That is not what is happening. The fact is that in the past few years we are bringing down our budget deficit. Yet, we have recorded back to back record merchandise trade deficits during the past 2 years. Our budget deficit is going down while our trade deficit continues to grow.

Last year, the United States experienced its 20th consecutive annual merchandise trade deficit. During these

past two decades we have piled up a total merchandise trade deficit of $1.8 trillion.

The trend line in the growth of this deficit should be of great concern to the American people. Last year we had the largest negative merchandise trade balance in the history of the United States. The $175 billion merchandise trade deficit was larger than the $164 billion federal budget deficit.

An econometric forecasting firm, Data Resources, Inc., is projecting that our Nation's merchandise trade deficit will continue to grow reaching new records in the next few years. Based on long-term trends, Data Resources is forecasting that the merchandise trade deficit can be expected to almost double during the next 10 years to $331 billion. Wharton Econometrics is forecasting that the U.S. merchandise trade deficit will double by the year 2010.

As a result of our twin deficits, the United States has shifted from being the world's largest creditor nation to the world's largest debtor nation. Our country has gone from a net creditor position of over $250 billion in the early 1980's to a net debtor position of over three-quarters of a trillion dollars by the mid-1990's. The positive net international asset position that we had built up over the past 100 years was eliminated in a short 6-year period during the 1980's.

We used to earn $30 billion annually on our international assets. Now we are paying something in the neighborhood of $11 billion to service this international debt.

IMPORTANCE OF TRADE DEFICIT

The persistence and growth of our trade deficit is not just a concern of academics and ivory tower economists. It is a question of fair trade and fair competition. It is an issue of American jobs and the purchasing power of American wage earners. It is a matter of what opportunities we will have for our future.

Today the bulk of the products that we import are not labor-intensive goods. Instead our merchandise trade deficit consists primarily of high-technology, manufactured items. Autos, office equipment, electronic goods, and telecommunications equipment make up three-fourths of the imports.

Imports of manufactured goods have increased from 11 percent of the total U.S. manufacturing gross product to over 50 percent. This means that rather than expanding our own manufacturing base in this country, we are importing more of our manufactured goods from abroad. It means that we are shipping jobs overseas.

The bottom line is that we are shifting from a manufacturing, production-based economy with high wages, to a service-based economy with low wages. No wonder the purchasing power of hourly and weekly wages of the vast majority of working Americans are back down to levels we haven't seen since the 1950's and 1960's.

Together with the record merchandise trade deficit this past year, the value of the U.S. dollar fell to its weakest level in history. Yet, despite the weakening dollar, our trade deficit has continued to mount.

Neither the American consumer nor the American economy is making any long-term gains by the continuing trade deficit and the devaluation of the dollar. Instead, they represent an erosion of both our sovereignty and our economy.

CAUSES OF TRADE DEFICITS

Our merchandise trade deficit is a result of a serious trade imbalances with a handful of countries. Six countries comprise 94 percent of the U.S. merchandise trade deficit. This includes Japan, China, Canada, Mexico, Germany, and Taiwan. Over one-half this trade deficit is with only two countries: Japan and China.

Our trade relationships are most accurately described as unilateral free trade. As a nation we have opened our borders wide open to almost anything and everything that can be produced anywhere. Unfortunately we pay little attention to the conditions under which these goods have been produced or if the competition is fair.

At the same while the United States has one of the most open borders and open economies in the world, this Nation faces significant barriers in shipping American goods abroad. As a result, these negative trade balances do not reflect the actual competitiveness or the productivity of the American economy. Yet, there is no question that we are one of the most competitive economies in the world.

Instead most of our bilateral trade deficits effectively illustrate the barriers that continue to exist despite hundreds of new trade agreements in recent years. As documented annually in the reports of the Office of the U.S. Trade Representative reciprocal market access remains an elusive goal.

ENDING THE TRADE DEFICIT

As a nation we need to bring the same attention and the same commitment to working on the trade deficit that we are giving to reducing our budget deficit.

It has been a quarter of a century since the last comprehensive review of national trade and investment policies was conducted by a Presidential commission. In these past 25 years we have had only 3 years in which the United States has had trade surpluses.

We have witnessed massive worldwide economic and political changes in the past 25 years. These changes have profoundly affected world trading relationships.

The cold war has ended. It is no longer necessary or even prudent for U.S. trade policy to take a back seat to our foreign policy objectives.

Regional trade relationships including the European Union and the North American Free Trade Agreement are redefining political, economic, and trading geography. The Uruguay round of negotiations under the General Agreement on Tariffs and Trade has resulted in the creation of the World Trade Organization.

Globalization is part and parcel of the increased mobility of capital and technology that is reshaping comparative and competitive advantages among nations of the world.

While other nations and many multinational companies are enjoying the fruits of globalization, the United States is not realizing the full opportunities or benefits of its competitive capacity and productivity.

Unilateral free trade no longer serves the interests of the American people, if it ever did. We need fair rules and reciprocal market access if our competitive economy is to thrive within a global system. I am not calling for trade restrictions. Rather I am calling for expanded trade, but with rules that are fair.

EMERGENCY COMMISSION

The United States is once again at a critical juncture in trade policy development. The persistence and growth of the trade deficit must be reversed. We must identify the causes and consequences of our trade deficit.

Rather than allowing our trade deficit to double during the next 10 years, we need to develop a plan which would end the trade deficit in that time period. That is why I am introducing a bill with Senator BYRD today to establish an Emergency Commission To End the Trade Deficit.

The purpose of this Commission is to develop a comprehensive trade strategy to eliminate the merchandise trade deficit by the year 2006 and to develop a competitive trade policy for the 21st century.

The bill directs the Commission to develop the necessary strategies to achieve a trade balance that fully reflects the competitiveness and productivity of the U.S. economy while improving the standard of living for the people of this country.

It would require the Commission to examine our national economic policies, trade laws, tax laws, investment policies, and all the other legal incentives and restrictions that are relevant to the trading position of this country.

The Commission would look at five broad areas:

First, the manner in which the Government of the United States establishes and administers the Nation's fundamental trade policies and objectives.

Second, the causes and consequences of the persistence and growth of the overall trade deficit, as well as our bilateral trade deficits.

Third, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy.

Fourth, the relationship between investment flows, both into and out of the United States, and the trade deficit.

Fifth, the identification and evaluation of policies and alternative strategies by which the United States can

achieve the systematic reduction of the trade deficit and the improvement of the economic well being of its people.

This Commission would consist of a blue-ribbon panel of leaders from a broad spectrum of the economic life of our Nation. The members would be appointed by the President and the leadership of Congress. They would be given the responsibility to study the situation, gather necessary data, conduct at least seven public hearings, and evaluate strategies to end the trade deficit.

The Commission would be required to present its final report not later than 16 months following the enactment of this bill. The final report would outline its findings and conclusions, and provide a detailed plan for reducing our Nation's trade deficits together with recommendations on administrative and legislative actions that may be required to achieve that goal.

The Commission's report would be submitted to the President and the Congress for review, consideration, and implementation. To facilitate the Commission's report through Congress, this bill would have the House Ways and Means Committee and the Senate Finance Committee conduct hearings on the report within 6 months after it is submitted to Congress.

TIME FOR CHANGE

Today it is apparent that we do not have a consensus about where we should go with our national trade policies. We are not even sure whether we have the necessary tools to effectively achieve our trade goals.

Most importantly, we do not have a good set of alternatives and strategies to place before the American people so that they can effectively participate in making the decisions that are shaping their future.

It is time to develop a new trade strategy for the twenty-first century. We can get started on this path by making our first goal to end the trade deficit. Once we have set that goal, then we need the strategies to get there. That is why I believe it is time for such a commission.

I am pleased that Senator ROBERT BYRD is cosponsoring this legislation. I hope others will join us in this effort and look forward to working with them in moving forward on this critically important agenda for our future.

Mr. President, let me now yield the floor. The Senator from West Virginia under the unanimous-consent agreement would also like to address the piece of legislation that we will introduce in the Senate today.

Mr. BYRD. Mr. President, how much of the 30 minutes are remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. BYRD. Mr. President, I ask unanimous consent that should I need an additional 5 minutes under the same terms and conditions that I be allowed to have that time.

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

Mr. BYRD. Mr. President, I am pleased to join with the very distinguished Senator from North Dakota in introducing an ambitious new effort on the matter of our nation's persistent and growing trade deficit. This legislation—as the distinguished Senator has already explained—would establish a Commission to take a broad, thorough look at all important aspects of trends involving, and solutions to, the growing U.S. trade deficit, with particular attention to the manufacturing sector.

The trade deficit, as my colleagues know, is a recent phenomenon, with large annual deficits only occurring within the last 15 years, or so, as my colleague has explained. Between 1970 and 1995, the U.S. merchandise trade balance shifted from a surplus of $3.2 billion to a deficit of $159.6 billion. It did not reach sizeable levels until it jumped up to $52 billion in 1983. As my colleague has suggested, projections by econometric forecasting firms indicate long term trends will bring this figure to $300 billion or more within the next 10 years. No one is predicting a decline in the near future. And this is bad news. Thus, unless we act, our trade deficit will soon exceed our annual appropriations for the Department of Defense.

This legislation is committed to a goal of reversing that 10-year trend. The goal of the commission is to ''develop a national economic plan to systematically reduce the U.S. trade deficit and to achieve a merchandise trade balance by the year 2006.''

While it is not clear what the particular reasons for this growing trade deficit may be, nor what the long term impacts of a persistently growing deficit may be, the time is overdue for a detailed examination of the factors causing the deficit. We need to understand the impacts of it on specific industrial and manufacturing sectors. Furthermore, we need to identify the gaps that exist in our data bases and economic measurements to adequately understand the specific nature of the impacts of the deficit on such important things as our manufacturing capacity and the integrity of our industrial base, on productivity, jobs and wages in specific sectors.

We debate the trade deficits frequently. Both Senator DORGAN and I have participated in these debates. I voted against NAFTA. I voted against GATT, and for good reasons which are becoming clearer.

So we debate these deficits frequently. We moan about them. We groan about them. We complain about them. But if we do not understand the nature, impacts and long term vulnerabilities that such manufacturing imbalances create in our economy and standard of living, we are in the dark. It appears to me that debate over trade matters too often takes on the form of lofty rhetorical bombast of so-called ''protectionists'' versus so-called ''free traders.'' But I would suggest that neither side knows enough about what is really transpiring in our economy, given the very recent nature of these annual persistent deficits.

Certainly we know that the deficit reflects on the ability of American business to compete abroad. We want to be competitive. Certainly we know that specific deficits with specific trading partners causes frictions between the United States and those friends and allies. This is particularly the case with Japanese, as we are well aware, and is becoming quickly the case with China. It is clear that the trade deficit has contributed to the depreciation of the dollar and the ability of Americans to afford foreign products and American products as well. Less clear, but of vital importance, is the relationship of the trade deficit to other important policy questions on the table between the United States and our foreign trading partners. Attempts by the United States to reduce tariff and non-tariff barriers in the Japan and China markets, which clearly restrict access of U.S. goods to those markets, have been crippled by the intervention of other, more important policy goals.

During the cold war, the U.S.-Japan security relationship had a severe dampening effect on our efforts to reduce the myriad barriers in Japan to U.S. exports. The same effect appears to have resulted from our need for the Japanese to participate in our treasury bill auctions. This becomes a closed cycle—the need to finance the trade deficit with foreign capital, resulting in regular involvement of the Japanese government in our treasury bill auctions, seems to dampen our efforts to push the Japanese on market opening arrangements. Naturally, without reciprocal open markets, the trade imbalance remains exaggerated between the U.S. and Japan, prompting further need for Japanese financial support to fund our national debt. Thus, some argue that the need for Japanese involvement in financing our national debt hurts the ability of our trade negotiators to get stronger provisions in the dispute settled last year over the Japanese market for auto parts.

Similar considerations appear to prevail in negotiating market access with the Chinese in the area of Intellectual Property rights. While our Trade Negotiator managed a laudable, very specific agreement with the Chinese last year in this area, the Chinese were derelict in implementing it, leading to another high-wire negotiation this year to avoid $2 billion of trade sanctions on the Chinese, and to get the Chinese to implement the accord as they had promised. Again, it is unclear whether the Chinese will now follow through in a consistent manner with the implementing mechanisms for the Intellectual Property agreement belatedly agreed to in the latest negotiation. Intellectual Property is an area of great potential for U.S. exports to China. The Chinese have promised major action against piracy of CD's, movies, and other products, and to permit co-production

of audiovisual products and joint ventures regarding artists. This is a major test case of our ability to obtain appropriate access to the great Chinese market. We need to monitor it carefully. The highly trumpeted mantra about how the U.S.-China relationship will be one of the most important, if not the most important, U.S. bilateral relationship for the next half century, has a chilling effect on insisting on fair, reciprocal treatment, and good faith implementation of agreements signed with the Chinese government.

It will only be when we truly understand the specific impacts of this large deficit on our economy, particularly our industrial and manufacturing base, that the importance of insisting on fair play on the trade account will become clear.

Finally, the legislation being introduced by the distinguished Senator from North Dakota, [Mr. DORGAN], requires the Commission to examine alternative strategies which we can pursue to achieve the systematic reduction of the deficit, particularly how to retard the migration of our manufacturing base abroad, and the changes that might be needed to our basic trade agreements and practices.

These are the purposes of the Commission that Senator DORGAN and I are proposing in this legislation. And I join with him in welcoming other Senators to cosponsor this legislation.

We can either continue to blunder along without a clear sense of the importance of the U.S. manufacturing base or of how to protect and enlarge upon that base or we can begin now to gather the data that will lead us in the right direction for the future of U.S. trade policy.

In other words, we can put up the right fences now or deal with a very sick economy and an ever-spiraling trade deficit which may take our economy right over a very dangerous cliff in the years ahead.

Mr. President, there is an old poem that was written by Joseph Malins many years ago which I think aptly describes the situation we are in.

FENCE OR AN AMBULANCE

'Twas a dangerous cliff, as they freely confessed,
Though to walk near its crest was so pleasant;
But over its terrible edge there had slipped
A duke and full many a peasant.
So the people said something would have to be done,
But their projects did not at all tally;
Some said, ''Put a fence around the edge of the cliff,''
Some, ''An ambulance down in the valley.''
But the cry for the ambulance carried the day,
For it spread through the neighboring city;
A fence may be useful or not, it is true,
But each heart became brimful of pity
For those who slipped over that dangerous cliff;
And the dwellers in highway and alley
Gave pounds or gave pence, not to put up a fence,
But an ambulance down in the valley.
''For the cliff is all right, if you're careful,'' they said,
''And, if folks even slip and are dropping,
It isn't the slipping that hurts them so much,
As the shock down below when they're stopping.''
So day after day, as these mishaps occurred,
Quick forth would these rescuers sally
To pick up the victims who fell off the cliff,
With their ambulance down in the valley.
Then an old sage remarked: ''It's a marvel to me
That people give far more attention
To repairing results than to stopping the cause,
When they'd much better aim at prevention.
Let us stop at its source all this mischief,'' cried he,
''Come, neighbors and friends, let us rally;
If the cliff we will fence we might almost dispense
With the ambulance down in the valley.''
''Oh, he's a fanatic,'' the others rejoined,
''Dispense with the ambulance? Never!
He'd dispense with all charities, too, if he could;
No! No! We'll support them forever.
Aren't we picking up folks just as fast as they fall?
And shall this man dictate to us? Shall he?
Why should people of sense stop to put up a fence,
While the ambulance works in the valley''
But a sensible few, who are practical too,
Will not bear with such nonsense much longer;
They believe that prevention is better than cure,
And their party will soon be the stronger.
Encourage them then, with your purse, voice, and pen,
And while other philanthropists dally,
They will scorn all pretense and put up a stout fence
On the cliff that hangs over the valley.
Better guide well the young than reclaim them when old,
For the voice of true wisdom is calling,
''To rescue the fallen is good, but 'tis best
To prevent other people from falling.''
Better close up the source of temptation and crime
Than deliver from dungeon or galley;
Better put a strong fence round the top of the cliff
Than an ambulance down in the valley.

I commend the Senator from North Dakota for his studious approach to this question and for choosing the route of prevention over the ambulance down in the valley. I am pleased to join him in offering this proposal for the consideration of the Senate, and I hope that many of our colleagues will join us, and that we can secure passage of the proposal before the 104th Congress adjourns sine die this fall.

Mr. President, I thank my colleague for his courtesy in allowing me to join in cosponsoring this very important legislation. I thank him for his courtesy in securing the time on this day and for his yielding to me that I might add to the record. I yield the floor.

I yield back such time as I may have.

By Mr. JEFFORDS:

S. 1979. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a medicare buy-in program, and for other purposes; to the Committee on Finance.

THE WORK INCENTIVE AND SELF-SUFFICIENCY ACT OF 1996

● Mr. JEFFORDS. Mr. President, I introduce the Work Incentive and Self-Sufficiency Act of 1996. I believe that few people are returning to work after becoming eligible for Social Security disability income [SSDI] not because they can no longer find gainful employment, but because of a greater systemic problem we face as a nation. What I am referring to is this country's current schizophrenic national disability policy.

The laudable policy we set forth in the Americans With Disabilities Act of 1990 [ADA] which requires that resources be provided to promote functioning and work for people with disabilities, as well as, income support for those who cannot work or whose ability to work is very limited, are not well integrated into our current SSDI and SSI programs. This is a very complex problem that we must deal with if we ever expect to get our Federal deficit under control.

I remember when we reported the ADA out of the Labor and Human Resources Committee, the committee made explicit that the goals of this law were to provide people with disabilities with: equality of opportunity, full participation, independent living, and economic self-sufficiency. Disability is not just a characteristic of individuals, but is a description of how well someone is able to fit into our society which includes his or her capacity to work. To provide for a clear and consistent national disability policy we must make sure that the incentives, and goals of our public programs, SSDI, SSI, Medicare, and Medicaid work in conjunction with the private sector.

Many disabled individuals would like to return to work, but they are heavily penalized for there efforts to do so. For example, some courts have determined that if a person qualifies for SSDI, but then wants to try to go back to work and can't find a job, they have no cause of action under the ADA. I believe that the greatest disincentive for disabled individuals to return to work is the fear of losing their health care coverage. These individuals literally may not survive without health care coverage. Their condition often requires immediate utilization of health services and they cannot go, for, even for a short period of time, without the security of knowing they have guaranteed health coverage. It is understandable that they would prefer not to work if it will jeopardize this lifeline.

Also in the labor market, despite the ADA, there is a disincentive to hire or maintain the disabled employee. The disabled employee will likely have a chronic high cost illness and if the employer offered a health plan they would be covered under this plan. It is important to keep in mind that all employer group health plans, both insured and self-insured, are covered under ERISA.

Under ERISA, the employer currently has substantial flexibility in not only the benefits it chooses to cover, but also the types of plan design features it uses. Some employers have used plan design features which will carve out any high cost individual from coverage under the employee benefit health plan.

With no where else to turn, disabled individuals once again become dependent upon public sector health care plans. This cost-shift from the employer health plans to the public health plans was the main argument I made during debate on the Health Insurance Reform Act when I brought my amendment on the lifetime caps to the floor. Employers, by limiting the maximum benefits they will pay for employees in a lifetime, actually set the point where their costs will end and Government expenditures begin. In the private market, health plans usually decide how much risk they will assume and then they reinsure the rest. In this case, the private market uses the Government-run health plans as the reinsurer of last resort.

According to previous testimony by the General Accounting Office [GAO] no more than 1 of every 1,000 SSI and DI leave the rolls for work as a result of the Social Security Administration's assistance. These programs need to place a greater focus on the rule the employer can play in getting people rehabilitated and back to work. Once an individual becomes disabled the link with their current employer is disrupted and often terminated. If there were incentives, particularly early in the process, for the employer to remain involved the chances of returning to work would go up markedly.

The employer could focus on accommodating a valuable employee rather than on replacing him. Employers could assist their workers in getting assessed for rehabilitation services immediately instead of waiting for the SSI or SSDI programs to first complete the application process and then making a referral for such services. If the employer were to keep in closer contact it would have better opportunity to prepare for any unique assistance the individual might ultimately need like a personal assistant or other assistance technology.

The Work Incentive and Self-Sufficiency Act of 1996, is designed to address two significant problems in the Social Security Disability Income [SSDI] Program: If individuals with significant disabilities cannot keep their health coverage when they return to work, and if that work does not leave them financially better off, they cannot afford to go back and work, and leave the cash assistance they receive under SSDI or SSI. It is not only the cash assistance they receive from benefits that is critical, it is the health coverage they obtain through becoming Medicare eligible.

Let us look at the numbers. The average monthly SSDI check is $630; some who were in the work force longer at higher earnings receive more while many others receive less. At the current minimum wage of $4.25 per hour, a person working full time—176 hours per month, or 8 hours per day for a standard 22 days—will earn $748. This is not much money, but if you assume a slightly better than minimum wage or some overtime at 1.5 times regular wages, then take home pay from work replaces the cash assistance that is lost.

However, that cash assistance brings with it several noncash supports. The most well-known of these is health coverage, which comes through Medicare for SSDI beneficiaries and through Medicaid for SSI recipients. Other noncash supports include long-term supports under Medicaid, vocational rehab, or other programs, food stamps, rental assistance, home heating assistance, and a variety of discounts and reduced fares on public services, among other supports. The cost of replacing these noncash benefits for individuals with significant disabilities is often double or even triple the value of the cash assistance that is lost.

The major assumptions are that individuals with significant disabilities can qualify for health coverage, much less afford to pay for it themselves, and private providers for long term supports can be located and afforded. The reality is that individuals with disabilities are often not able to locate health coverage that meets their needs, or if they can find coverage, it comes with either high deductibles and premiums, services exclusions, preexisting conditions limits, and/or yearly or lifetime caps on benefits.

The same is true for the long term supports required by some individuals with significant disabilities such as quadriplegia or cerebral palsy. Many individuals with disabilities can work if they have the assistance of another person to perform activities of daily living that are required to prepare for work such as bathing, dressing, eating, transferring from bed to chair or using the bathroom. The difficulty is not with necessarily with working, but with locating and paying the support workers needed to prepare for and to perform work.

Currently, when an SSDI beneficiary earns $500 monthly, that person demonstrates the capacity to work at the substantial gainful activity [SGA] level. If this work is sustained for 9 consecutive months, the individual no longer meets the first criteria for work disability eligibility: the incapacity to perform substantial gainful work in the national economy. Thus, proceedings are begun to end cash assistance. But, since take home pay equals or exceeds cash assistance, there is no problem.

Or is there? One month individuals with significant disabilities are earning $748 from wages, less taxes, $630 from cash assistance, and receiving noncash benefits ranging in value from $1,200 to $1,800. The next month these individuals with significant disabilities are earning $748 from wages, less taxes, and from this amount now are expected to purchase up to $1,800 in medical coverage, long term supports, food, rent, and other necessities. It does not require sophisticated cost/benefit calculations here to draw the conclusion that individuals with significant disabilities are being punished if they attempt to work.

There are some basic solutions to this problem. First, continue health coverage for those who are on SSDI after they return to work. Second, make work pay by allowing low income former SSDI beneficiaries to receive benefits that gradually reduce as their take home pay increases. The Work Incentive and Self-Sufficiency Act of 1996 is designed to implement both of these solutions. First, it allows SSDI beneficiaries to keep their Medicare coverage if they return to work. If they take a job that does not offer health coverage, Medicare remains their primary insurance. If they find a position that does offer health insurance, they have the option to purchase Medicare coverage to use as supplementary coverage. Working beneficiaries would purchase this coverage on their own through premiums that rise on a sliding scale.

Second, it allows SSDI beneficiaries to keep part of their cash assistance after they return to work. Rather than losing the entire amount once they earn $500 a month, they would lose $1 of cash benefits for every $2 in wages they earn that is above $500 a month. This is similar to, but not the same as, the rule that allows individuals over 65 who are retired on Social Security to earn wages and continue to receive retirement income and Medicare.

Third, it allows some individuals to apply only for Medicare coverage but not cash assistance. This would offer some workers who acquire a disability during their working years the option to purchase Medicare coverage and continue working. The Medicare coverage could be either their primary or supplemental coverage.

At this point some will ask, ''Won't that increase already rising costs of benefits?'' Actually, no. Extending health coverage to those who return to work will not increase costs essentially because so few people are leaving the disability program for work. In fact, enabling people who were former beneficiaries or recipients to keep this health coverage would lead to some of them eventually being covered by private health insurance, thus reducing costs. It will also lead to a reduction in the amount of SSDI and SSI cash assistance paid as reentering workers replace benefits with wages, and pay taxes on those wages.

Employers would not be required to purchase any additional insurance or to report any additional information to the Government. Individuals with disabilities would assume the responsibility to exercise the option to purchase

Medicare and pay the Medicare premiums. Considering the very important role employers have in assuring our Nation's policy goal to self-sufficiency for individuals with disabilities I am especially pleased to have a letter from Michael R. Losey, president and CEO of the Society for Human Resource Management [SHRM]. SHRM is and I quote, ''fascinated by your proposal that would provide employment incentives to individuals with disabilities * * * SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities.'' I would also like to thank both Fred Grandy, president and CEO of Goodwill Industries International, Inc., and the Consortium for Citizens with Disabilities Task Force on Social Security, especially the cochairs, Tony Young, Marty Ford and Rhonda Schulzinger, for their letters of support for this bill. Mr. President, I asked unanimous consent that these three letters be inserted into the RECORD.

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

SOCIETY FOR HUMAN RESOURCE MANAGEMENT,
Alexandria, VA, July 18, 1996.

Senator JAMES M. JEFFORDS,
Hart Building,
Washington, DC.

DEAR SENATOR JEFFORDS: On behalf of the Society for Human Resource Management (SHRM), I am writing to commend you for your efforts to address the employment and reemployment needs of individuals with disabilities. SHRM is the leading voice of the human resource profession, representing the interests of more than 70,000 professional and student members from around the world.

SHRM is committed to equal employment opportunity in all employment practices, including hiring, training, compensation, benefits, promotion transfer, termination, and reduction in force, for all individuals without regard to disability. SHRM is committed to these policies because of our firm conviction that adherence to these principles is sound management practice and contributes significantly to the success of our membership and our members' organizations.

As a result, SHRM is fascinated by your proposal that would provide employment incentives to individuals with disabilities. Faced with the loss of much-needed health care coverage or minimal financial support, many individuals who could continue making contributions as employees, are actually discouraged from going back to work. It is clear that the private and public sectors should work together to increase opportunities for all Americans.

SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities.

Sincerely,

MICHAEL R. LOSEY, SPHR,
President & CEO.

CONSORTIUM FOR CITIZENS WITH DISABILITIES TASK FORCE ON SOCIAL SECURITY,
July 18, 1996.

Hon. JAMES JEFFORDS,
U.S. Senate,
Washington, DC.

DEAR SENATOR JEFFORDS: The undersigned members of the Task Force on Social Security of the Consortium for Citizens with Disabilities support the principles set forth in the Work Incentive and Self-Support Act of 1996 to enable individuals on Social Security Disability Insurance to return to work.

The Consortium for Citizens With Disabilities (CCD) is a working coalition of more than 100 national consumer, service provider, parent and professional organizations that advocate on behalf of people with disabilities and their families. The work of the Consortium in conducted by Task Forces in various policy areas such as health care, education, employment, technology, housing, civil rights, social security, and budget and appropriations.

The Work Incentive and Self-Sufficiency Act of 1996 is designed to address two significant problems in the SSDI program: If individuals with significant disabilities 1) cannot keep their health coverage when they return to work and 2) if that work does not leave them financially better off, they can not risk or afford to go back to work, and leave the cash assistance they receive under SSDI.

There are some basic solutions to this problem. First, continue health coverage for those who are on SSDI after they return to work. Second, make work pay by allowing low income former SSDI beneficiaries to receive benefits that gradually reduce as their take home pay increases. The Work Incentive and Self-Sufficiency Act of 1996 is designed to implement both of these solutions.

First, it allows SSDI beneficiaries to keep their Medicare coverage if they return to work. If they take a job that does not offer health coverage, Medicare remains their primary insurance. If they find a position that does offer health insurance, they have the option to purchase Medicare coverage to use a supplementary coverage. Working beneficiaries would purchase this coverage on their own through premiums that rise on a sliding scale.

Second, it allows SSDI beneficiaries to keep part of their cash assistance after they return to work. Rather than losing the entire amount once they earn $500 a month, they would lose $1 of cash benefits for every $2 in wages they earn that is above $500 a month. This is similar to (but not the same as) the rule that allows individuals over 65 who are retired on Social Security to earn wages and continue to receive retirement income and Medicare.

Third, it allows some individuals to apply only for Medicare coverage but not cash assistance. This offers some workers who acquire a disability during their working years the option to purchase Medicare coverage and continue working. The Medicare coverage could be either primary or supplemental coverage.

We thank you and your lead staff person on this issue, Elaina Goldstein, for the outstanding leadership demonstrated toward enhancing the employment of individuals with disabilities through this bill. This is extremely important legislation for individuals with disabilies. The CCD is eager to work with you and your staff to enact this legislation.

If you have any questions regarding this subject, please call one of the Co-Chairs shown at the bottom of this letter.

Sincerely,

TONY YOUNG,
American Rehabilitation Association,
Co-Chair.

RHODA SCHULZINGER,
Bazelon Center for Mental Health Law,
Co-Chair.

MARTY FORD,
The Arc,
Co-Chair.

COSIGNING ORGANIZATIONS

American Rehabilitation Association.
Bazelon Center for Mental Health Law.
Goodwill Industries International.
International Association of Psychosocial Rehabilitation Services.
National Association of Protection & Advocacy Systems.
National Community Mental Health Care Council.
National Easter Seal Society.
National Mental Health Association.
National Multiple Sclerosis Society.
The Arc of the United States.
United Cerebral Palsy Association, Inc.

GOODWILL INDUSTRIES INTERNATIONAL, INC.,
July 16, 1996.

Hon. JAMES M. JEFFORDS,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR JIM: On behalf of the Goodwill Industries network, I congratulate you on the introduction of the Work Incentive and Self-Support Act of 1996.

This important legislation incorporates two reforms long advocated by Goodwill Industries to assist Social Security Disability Insurance (SSDI) beneficiaries to return to work. First, we believe that no individual should suffer a loss of income when leaving the SSDI rolls. By allowing a SSDI beneficiary to retain a portion of cash benefits when they re-enter the work force, your legislation will remove this major disincentive. Secondly, Goodwill Industries recognizes that loss of medical insurance is a significant impediment confronting SSDI recipients who want to work. Again, the Work Incentive and Self-Support Act of 1996 addresses this disincentive by permitting an individual to apply for Medicare coverage while working, or to purchase medical coverage with premiums based on income level.

Enclosed is a copy of testimony presented last year to the House Ways and Means Subcommittee on Social Security that discusses Goodwill Industries' recommendations for reforming the SSDI program in greater detail.

Please let me know how Goodwill Industries can assist you in securing enactment of the Work Incentive and Self-Support Act of 1996.

Sincerely,

FRED GRANDY,
President & Chief Executive Officer.

Enclosure—Social Security Testimony.

WORK INCENTIVE AND SELF-SUFFICIENCY ACT OF 1996—Section-by-Section Analysis

Intent of Legislation: To Create a Consistent Disability Work Incentive Policy for Social Security Disability Insurance Beneficiaries and Conform with the National Disability Policy Established with the Passage of the Americans with Disabilities Act (ADA).

OVERVIEW

The intent of this bill is to create a work incentive policy for Social Security Disability Income (SSDI) beneficiaries. The model that has been used is the 1619(a)(b) SSI/Medicaid provisions. SSDI and Medicare are amended to provide the same incentive as the 1619 model which is to make sure a person who goes off the DI roles will not be worse off. The key reason, according to the GAO in their report to Senate Select Committee on Aging issued this past April, why many people who can work but do not is because they can not obtain health care coverage because of their disability. Therefore, a buy-in to the Medicare program is paramount in this bill. Although a Medicare buy-

in program currently exists it has not been a success.

This bill repeals the current trial work period and extended period of eligibility and replaces them with the 1619(a)(b) model provisions. Second, we allow people to purchase Medicare if they meet the current medical listing test in SSDI. The buy-in is on a sliding scale.

Lastly, the bill also includes the Medicare-Medicaid Integration demonstration project was that was included in the 1995 reconciliation bill and repeals the Medicare/Medicaid Data Bank.

SECTION 2: RETURN-TO-WORK PROGRAM FOR SOCIAL SECURITY DISABILITY INCOME BENEFICIARIES

(A) Benefit reductions based on income

Current law: An allowed SSDI/Medicare beneficiary who returns to work loses eligibility for DI cash assistance when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non bind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset.

Revision: An allowed SSDI/Medicare beneficiary who returns to work has their DI cash assistance reduced by $1 for every $2 earned beginning when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This creates an incentive similar to the cash continuation provisions for 1619(a).

(B) Benefit reductions for those who are dually eligible

Current law: An individual who is dually eligible for SSDI and SSI and who returns to work loses eligibility for both DI cash assistance and Medicare when achieving Substantial Gainful Activity (SSA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This individual would have their SSI cash assistance and Medicaid coverage continued under the 1619(a) and (b) program.

Revision: An individual who is dually eligible for SSDI and SSI and who returns to work would have their SSI cash assistance and Medicaid coverage continued under the 1619(a) and (b) program, and, when achieving SGA the individual has their DI cash assistance reduced by $1 for every $2 earned. Reductions in cash assistance are taken first from SSI and secondly from SSDI.

(C) Required continued disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE = 3 years), Medical Improvement Possible (MIP = 5 years) or Medical Improvement Not Expected (MINE = 7 years). The individual must continue to meet criteria of: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE = 3 years), Medical Improvement Possible (MIP = 5 years) or Medical Improvement Not Expected (MINE = 7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations of impairments which meets or equals the requirements of the Listings, including functional equivalents, who, except for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

(D) Repeal of trial work period

Current law: An individual who is an allowed SSDI/Medical beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), cash assistance and no cost Medicare continues through a nine month Trial Work Period and a three month transition period.

Revision: Continuing disability status, gradual decline of cash assistance, and a sliding scale buy-in to Medicare make the Trial Work Period unnecessary.

(E) Repeal of extended period of eligibility

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, an Extended Period of eligibility continues Medicare for 36 months if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: Continuing disability status, gradual decline of cash assistance, and a sliding scale buy-in to Medicare make the Extended Period of Eligibility unnecessary.

(F) Reaffirmation of disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of: (1) earning less than $500 per month in wages or salaries; (2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; (3) being unable to perform any job in the national economy.

Revision: An individual who is as allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations or impairments which meets or equals the requirements of the Listing, including functional equivalents, who, expect for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

SECTION 3: CONTINUED ELIGIBILITY FOR MEDICARE BUY-IN BENEFITS FOR DISABLED INDIVIDUALS

(A) Continuation of Medicare and Medicare buy-in

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed SSDI/Medicare beneficiary who returns to work and earns $500 or more per month (SGA), is in a continuing disability status unless medical recovery is determined as described in paragraph 3 above and receives no cost Medicare until Adjusted Gross Income (AGI) reached $15,000; after this point beneficiaries would pay Medicare premiums of 10% of AGI beyond $15,000. This incentive is similar to the continuation of Medicaid under 1619(b). [The exact Formula is to be determined pending additional research].

(B) Defining the Medicare buy-in conditions

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed Medicare Buy-In beneficiary receives no SSDI cash assistance month, but receives Medicare coverage without a two year waiting period. If the individual returns to work (or remains at work) and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the cost of both the Part A and Part B premiums on a sliding income scale. The beneficiary would receive free Medicare until Adjusted Gross Income (AGI) reached $15,000; after this point beneficiaries would pay a premium of 10% of AGI beyond $15,000. [The exact Formula is to be determined pending additional research].

SECTION 4: MEDICARE BUY-IN PROVISION FOR DISABLED INDIVIDUALS WHO CAN WORK BUT REMAIN ON SSDI BECAUSE THEY CANNOT OBTAIN HEALTH CARE ADEQUATE COVERAGE IN THE PRIVATE MARKET

(A) Creating a new allowed beneficiary class to promote work

Current law: An individual qualifies for SSDI/Medicare if they meet a series of stringent criteria. This criteria includes: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy. In order to meet the criteria of having a medically determinable condition, an applicant must either a) have a condition which meets or exceeds the requirements of the Listings, b) have two or more

conditions which meets or exceeds the requirements of the Listings, or c) meet strict functional criteria for not being capable of performing any job in the national economy, given their condition, age, and education. If these criteria are met, an applicant is an allowed beneficiary and receives SSDI cash assistance after a five month waiting period. Medicare begins after a two year waiting period.

Revision: An individual qualifies for Medicare Buy-In, but not for SSDI cash assistance, if they meet a slightly less stringent test of disability. The applicant would be required to meet criteria that demonstrates having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months. In order to meet the criteria of having a medically determinable condition, an applicant must either a) have a condition which meets or exceeds the requirements of the Listings, or b) have two or more conditions which meets or exceeds the requirements of the Listings. If these criteria are met, an applicant is an allowed beneficiary and receives Medicare, but without a two year waiting period.

(B) Reaffirmation of disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations of impairments which meets or equals the requirements of the Listings, including functional equivalents, who, except for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

SECTION 5: MEDICARE/MEDICAID INTEGRATION DEMONSTRATION PROJECT

SECTION 6: REPEAL OF MEDICARE AND MEDICAID COVERAGE DATA BANK●

By Mr. LAUTENBERG:

S. 1980. A bill to prohibit the public carrying of a handgun, with appropriate exceptions for law enforcement officials and others; to the Committee on the Judiciary.

THE CONCEALED WEAPONS PROHIBITION ACT OF 1996

Mr. LAUTENBERG. Mr. President, today I am introducing legislation that would prohibit individuals from carrying a handgun, concealed or in the open, in public. The bill includes exceptions for certain people authorized to carry handguns under State law, such as law enforcement personnel and duly authorized security officers. Additionally, States could choose to exempt persons whose employment involves the transport of substantial amounts of cash or other valuables.

Also, Mr. President, States could provide exemptions in individual cases, based on credible evidence, that a person should be allowed to carry a handgun because of compelling circumstances warranting an exemption, such as a woman being stalked by someone who is threatening her. However, a simple claim of concern about generalized risks would not be sufficient. It would have to be a specified, credible threat.

Mr. President, common sense tells you that there are more than enough dangerous weapons on America's streets. Yet, incredibly, some seem to think that there should be more. They want to turn our States and cities into the wild, wild west, where everyone carries a gun on his or her own hip, taking the law into their own hands. This is a foolhardy, and dangerous, trend.

The statistics are clear, Mr. President. This country is already drowning in a sea of gun violence. Every 2 minutes, someone somewhere in the United States is shot. Every 14 minutes someone in this country dies from a gunshot wound. In 1994 alone, over 15 thousand people in our country were killed by handguns. Compare that to countries like Canada, where 90 people were killed by handguns that year, or Great Britain, which had 68 handgun fatalities.

Mr. President, the Federal Centers for Disease Control and Prevention estimates that by the year 2003, gunfire will have surpassed auto accidents as the leading cause of injury-related deaths in the United States. In fact, this is already the case in seven States.

It is because we already suffer from an epidemic of gun violence that I have introduced this legislation. The fact is, Mr. President, concealed weapons make people less, not more, secure, You don't have to take it from me. Listen to the real experts: The police officers on the street. There is near-unanimous agreement in the law enforcement community that concealed weapons laws are bad policy.

Arming more people is not the way to make the streets safer. It is a way to get more people killed. Mr. President, the National Rifle Association and its allies may believe that the presence of concealed weapons will scare criminals from committing crimes. To me, just the opposite is true. More likely, criminals will just get more violent.

Think about it, Mr. President. If a criminal thinks that you might be carrying a concealed weapon, common sense tells you that he is much more likely to simply shoot first, and ask questions later.

Perhaps more importantly, concealed weapons will mean that many routine conflicts will escalate into deadly violence. Every day, people get into everything from traffic accidents to domestic disputes. Maybe these arguments lead to yelling, or even fisticuffs. But if more people are carrying guns, those conflicts are much more likely to end in a shooting, and death.

Mr. President, the bottom line is that more guns equals more death. This legislation will help in our struggle to reduce the number of guns on our streets, and help prevent our society from becoming even more violent and dangerous.

I hope my colleagues will support the bill, and ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1980

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the ''Concealed Weapons Prohibition Act of 1996''.

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) crimes committed with handguns threaten the peace and domestic tranquility of the United States and reduce the security and general welfare of the Nation and its people;

(2) crimes committed with handguns impose a substantial burden on interstate commerce and lead to a reduction in productivity and profitability for businesses around the Nation whose workers, suppliers, and customers are adversely affected by gun violence;

(3) the public carrying of handguns increases the level of gun violence by enabling the rapid escalation of otherwise minor conflicts into deadly shootings;

(4) the public carrying of handguns increases the likelihood that incompetent or careless handgun users will accidently injure or kill innocent bystanders;

(5) the public carrying of handguns poses a danger to citizens of the United States who travel across State lines for business or other purposes; and

(6) all Americans have a right to be protected from the dangers posed by the carrying of concealed handguns, regardless of their State of residence.

SEC. 3. UNLAWFUL ACT.

Section 922 of title 18, United States Code, is amended by adding at the end the following:

''(y)(1) Except as provided in paragraph (2), it shall be unlawful for a person to carry a handgun on his or her person in public.

''(2) Paragraph (1) shall not apply to the following:

''(A) A person authorized to carry a handgun pursuant to State law who is—

''(i) a law enforcement official;

''(ii) a retired law enforcement official;

''(iii) a duly authorized private security officer;

''(iv) a person whose employment involves the transport of substantial amounts of cash or other valuable items; or

''(v) any other person that the Attorney General determines should be allowed to carry a handgun because of compelling circumstances warranting an exception, pursuant to regulations that the Attorney General may promulgate.

''(B) A person authorized to carry a handgun pursuant to a State law that grants a person an exemption to carry a handgun

based on an individualized determination and a review of credible evidence that the person should be allowed to carry a handgun because of compelling circumstances warranting an exemption. A claim of concern about generalized or unspecified risks shall not be sufficient to justify an exemption.

''(C) A person authorized to carry a handgun on his or her person under Federal law.''.

By Mr. CRAIG:

S. 1981. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes; to the Committee on Finance.

THE JOINT UNITED STATES-CANADA COMMISSION ON CATTLE AND BEEF ESTABLISHMENT ACT OF 1996

● Mr. CRAIG. Mr. President, I introduce a bill of critical importance to our Nation's cattle producers. The Joint United States-Canada Commission on Cattle and Beef is designed to resolve some of the existing differences in trade practices between the two countries.

As a former rancher, I have a first-hand understanding of the challenges that face the cattle industry. The prolonged down cycle is especially troubling because it affects the livelihoods of thousands of ranching families in Idaho and across the country.

These beef producers are the largest sector of Idaho and American agriculture. Over 1 million families raise over 100 million head of beef cattle every year. This contributes over $36 billion to local economies. Even with the extended cycle of low prices, direct cash receipts from the Idaho cattle industry were almost $620 million in 1995. These totals only represent direct sales; they do not capture the multiplier effect that cattle ranches have in their local economies from expenditures on labor, feed, fuel, property taxes, and other inputs.

Over the years, cattle operations have provided a decent living and good way of life in exchange for long days, hard work, and dedication. While the investment continues to be high, the returns have been low in recent years.

The problems facing the cattle industry in recent years are complex. The nature of the market dictates that stable consumption combined with increased productivity and growing herd size yield lower prices to producers. This, combined with high feed prices and limited export opportunities, has caused a near crisis.

Many Idahoans have contacted me on this issue. Some suggest the Federal Government intervene in the market to help producers. However, many others have expressed fear that Federal intervention, if experience is any indication, will only complicate matters and may also create a number of unintended results. I tend to agree with the latter. Time and again, I have seen lawmakers and bureaucrats in Washington, DC, albeit well-intentioned, take a difficult situation and make it worse. This does not mean that I believe Government has no role to play. I have supported and will continue to support measures of proven value. However, I will continue to follow this situation closely with the hope that free market forces will, in the long run, aid in making cattle producers more efficient, productive, and profitable.

The cattle industry is part of a complex, long-term cycle; however, there are producers who might not survive the short-term consequences. The Beef Industry Assistance Resolution addresses a number of these short term issues. These are issues that were raised at a hearing of the Agriculture Committee that I chaired a few weeks ago.

The resolution has five sections—antitrust monitoring, market reporting, private sector self-regulation, recognition of barriers to international trade, and emergency loan guarantees.

Section 1 encourages the Secretary of Agriculture and Department of Justice to increase the monitoring of mergers and acquisitions in the beef industry. Investigation of possible barriers in the beef packing sector for new firms and with other commodities is encouraged.

Section 2 directs the Secretary of Agriculture to expedite the reporting of existing beef categories and add additional categories. These categories include contract, formula and live cash cattle prices, and boxed beef prices. The Secretary is also encouraged to increase the frequency of captive supply cattle from every 14 to 7 days. I am especially interested in the improved reporting of all beef and live cattle exports and imports. The second section also directs the Secretary to capture data on a previously unrecorded segment of the market—away from home consumption. While this market consumes approximately half of the Nation's beef production, very little is known about it.

Section 3 encourages two very important measures within the private sector. First, meat packing companies are encouraged to fully utilize a grid pricing structure which will provide producers with a more complete picture for the particular type of the cattle they produce. Second, agricultural lenders are encouraged to consider the total asset portfolio, not just cash flow, when evaluating this year's beef loans. Even the best operators will have great difficulty cash-flowing a cattle outfit because of the prolonged period of low prices.

Section 4 recognizes a number of barriers to international trade that adversely affect American beef producers. The section is meant to elevate the importance of all trade issues and specifically references the elimination of the European Union hormone ban and animal health barriers between the United States and Canada.

Section 5 recommends that emergency loan guarantees be made available to agricultural lenders with cattle industry loans. I am disappointed that the President zeroed out funding for this program in his fiscal year 1997 proposal. I have heard from a number of lenders that a high number of loans are questionable for this fall.

The Beef Industry Assistance Resolution is a measure designed to provide immediate, short-term solutions to some of the serious problems facing the cattle industry. I know that a number of my colleagues have legislation pending in regards to the cattle market. I would comment that I see this resolution as a starting point, not an ending point for cattle industry issues.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 1981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOINT UNITED STATES-CANADA COMMISSION ON CATTLE AND BEEF.

(a) ESTABLISHMENT.—There is established a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the United States and Canada with respect to the production, processing, and sale of cattle and beef, with particular emphasis on—

(1) animal health requirements;
(2) transportation differences;
(3) the availability of feed grains; and
(4) other market-distorting direct and indirect subsidies.

(b) COMPOSITION.—

(1) IN GENERAL.—The Commission shall be composed of—

(A) 3 members representing the United States, including—

(i) 1 member appointed by the Majority Leader of the Senate;

(ii) 1 member appointed by the Speaker of the House of Representatives; and

(iii) 1 member appointed by the Secretary of Agriculture;

(B) 3 members representing Canada, appointed by the Government of Canada; and

(C) nonvoting members appointed by the Commission to serve as advisers to the Commission, including university faculty, State veterinarians, trade experts, and other members.

(2) APPOINTMENT.—Members of the Commission shall be appointed not later than 30 days after the date of enactment of this Act.

(c) REPORT.—Not later than 180 days after the first meeting of the Commission, the Commission shall submit a report to Congress and the Government of Canada that identifies, and recommends means of resolving, differences between the United States and Canada with respect to the production, processing, and sale of cattle and beef.●

ADDITIONAL COSPONSORS

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 1252

At the request of Mr. ABRAHAM, the name of the Senator from Oklahoma

[Mr. INHOFE] was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to stimulate economic growth in depressed areas, and for other purposes.

S. 1487

At the request of Mr. FORD, his name was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1491

At the request of Mr. GRAMS, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1501

At the request of Mr. COHEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1501, a bill to amend part V of title 28, United States Code, to require that the Department of Justice and State attorneys general are provided notice of a class action certification or settlement, and for other purposes.

S. 1639

At the request of Mr. FORD, his name was added as a cosponsor of S. 1639, a bill to require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1854

At the request of Mr. HATCH, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1854, a bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes.

S. 1950

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1950, a bill to amend the Federal Water Pollution Control Act to improve the quality of coastal recreation waters, and for other purposes.

AMENDMENTS SUBMITTED

THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTING ACT OF 1996

FORD (AND REID) AMENDMENT NO. 4940

Mr. FORD (for himself and Mr. REID) proposed an amendment to the bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997; as follows:

On page 250, line 4, insert ''cash'' before ''assistance''.

ASHCROFT AMENDMENT NO. 4941

Mr. ASHCROFT proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), and insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS FOR FAILURE TO ENSURE MINOR DEPENDENT CHILDREN ARE IN SCHOOL; OR FOR FAILING TO HAVE OR WORK TOWARD A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance—

(i) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government—

(I) for 60 months (whether or not consecutive) after the date the State program funded under this part commences; or

(II) for more than 24 consecutive months after the date the State program funded under this part commences unless such adult is engaged in work as required by section 402(a)(1)(A)(ii) or exempted by the State by reason of hardship pursuant to subparagraph (C); or,

(ii) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, unless such adult ensures that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside; or,

(iii) to a family that includes an adult who is older than age 20 and younger than age 51 who has received assistance under any State program funded under this part attributable to funds program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A)(i), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A)(i) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

ASHCROFT AMENDMENT NO. 4942

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In lieu of the matter proposed to be inserted by the amendment, insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for 60 months (whether or not consecutive) after the date the State program funded under this part commences. However, a State shall not use any part of such grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for more than 24 consecutive months unless such an adult is—

(i) engaged in work as required by Section 402(a)(l)(A)(ii); or,

(ii) exempted by the State from such 24 consecutive month limitation by reason of hardship, pursuant to subparagraph (C).''.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

ASHCROFT AMENDMENT NO. 4943

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In the language proposed to be inserted by the amendment, strike all after the first word and insert the following:

SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

ASHCROFT AMENDMENT NO. 4944

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In the language proposed to be stricken by the amendment, strike all after the first word and insert the following:

REQUIREMENT FOR HIGH SCHOOL DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

CONRAD (AND LEAHY) AMENDMENT NO. 4945

Mr. CONRAD (for himself and Mr. LEAHY) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 6, strike lines 14 through 16 and insert the following:

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking ''21 years of age or younger'' and inserting ''19 years of age or younger (17 years of age or younger in fiscal year 2002)''.

On page 21, line 3, strike ''$5,100'' and insert ''$4,650''.

On page 49, line 3, strike ''10'' and insert ''20''.

On page 49, line 12, strike ''1 month'' and insert ''2 months''.

LIEBERMAN AMENDMENTS NOS. 4946–4947

Mr. DOMENICI (for Mr. LIEBERMAN) proposed two amendments to the bill, S. 1956, supra; as follows:

AMENDMENT NO. 4946

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting '', and protection of teenage girls from pregnancy as well as predatory sexual behavior'' after ''birth''; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

''(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting ''(a) SENSE OF THE SENATE.—'' before ''It''; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

AMENDMENT NO. 4947

Section 2903 is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Section''; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting ''(a)'' before ''For''; and

(2) by adding at the end the following:

''(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to—

''(1) avoid out-of-wedlock pregnancies; and''.

DORGAN (AND OTHERS) AMENDMENT NO. 4948

Mr. DORGAN (for himself, Mr. MCCAIN, Mr. INOUYE, and Mr. DASCHLE) proposed an amendment to the bill, S. 1956, supra; as follows:

In section 2813(1), strike subparagraph (B).

DASCHLE (AND OTHERS) AMENDMENT NO. 4949

Mr. DORGAN (for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. DOMENICI, and Mr. MCCAIN) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 250, line 2, strike ''and (C)'' and insert '', (C), and (D)''.

On page 252, between lines 9 and 10, insert the following:

''(D) EXCEPTION FOR EXTREMELY LOW LABOR MARKET PARTICIPATION.—

''(i) IN GENERAL.—In determining the number of months for which an adult received assistance under the State program funded under this part, the State may disregard any and all months in which the individual resided in an area of extremely low labor market participation (as defined under clause (ii).

''(ii) EXTREMELY LOW LABOR MARKET PARTICIPATION AREA.—For purposes of clause (i), an adult is considered to be living in an area of extremely low labor market participation if such adult resides on a reservation of an Indian tribe,

''(I) with a population of at least 1,000 individuals; and

''(II) with at least 50% of the adult population not employed, as determined by the Secretary using the best available data from a Federal agency.

On page 252, line 10, strike ''(D)'' and insert ''(E)''.

MURRAY AMENDMENT NO. 4950

Mr. FORD (for Mrs. MURRAY) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 1206.

ROTH AMENDMENT NO. 4951

Mr. DOMENICI (for Mr. ROTH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 193, line 8, strike ''is'' and insert ''has been''.

On page 238, line 4, insert ''any temporary layoffs and'' after ''including''.

On page 238, line 6, strike ''overtime'' and insert ''nonovertime''.

On page 238, strike lines 7 through 13, and insert the following: ''wages, or employment benefits; and''.

GRAHAM AMENDMENT NO. 4952

Mr. GRAHAM proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 409(a)(3)(C) of the Social Security Act, as added by section 2103(a)(1).

BREAUX AMENDMENT NO. 4953

Mr. EXON (for Mr. BREAUX) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of section 2109(a), add the following:

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking ''nonprofit''.

KERREY AMENDMENT NO. 4954

Mr. EXON (for Mr. KERREY) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 1 of subtitle A of title II, add the following:

SEC. . COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(III) assess the needs of children of recipients of temporary assistance to needy families; and

(IV) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

KENNEDY AMENDMENTS NOS. 4955–4956

Mr. EXON (for Mr. KENNEDY) proposed two amendments to the bill, S. 1956, supra; as follows:

AMENDMENT NO. 4955

On page 572, between lines 9 and 10, insert the following:

(E) EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the following:

(i) SSI.—An alien who has not attained the age of 18 years and who is eligible by reasons of disability for supplemental security income under title XVI of the Social Security Act.

(ii) FOOD STAMPS.—An alien who has not attained the age of 18 years, only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''specified Federal program'' means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)), except that States shall not ban from such programs qualified aliens who have not attained the age of 18 years.

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''designated Federal program'' means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) EXCEPTION FOR CHILDREN.—An alien who has not attained the age of 18 years.

AMENDMENT NO. 4956

On page 575, strike out line 16 and all that follows through page 598, line 23, and insert the following:

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term ''designated Federal program'' means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act, except that for the 2-year period beginning on the date of enactment of this Act, this subparagraph shall not apply.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter, the term ''Federal means-tested public benefit'' means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XV or XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) For the 2-year period beginning on the date of enactment of this Act, any item or service provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in subparagraph (A)).

SEC. 2404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 2401, 2402, or 2403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subchapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 2103(a) of this Act, is amended by inserting the following new section after section 411:

''SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

''Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.''.

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

''(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.''.

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

''SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

''Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.''.

Subchapter B—Eligibility for State and Local Public Benefits Programs

SEC. 2411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided

in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 2431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subchapter the term ''State or local public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 2412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 2431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(c) STATE PUBLIC BENEFITS DEFINED.—The term ''State public benefits'' means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subchapter C—Attribution of Income and Affidavits of Support

SEC. 2421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 2403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (B) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

(e) EXCEPTION.—For the 2-year period beginning on the date of the enactment of this Act, subsection (a) shall not apply to medical assistance provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act.

SEC. 2422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 2412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) For the 2-year period beginning on the date of the enactment of this Act, benefits and services comparable to benefits and services provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in paragraph (1).

SEC. 2423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

''(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

''(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

''(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

''(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

''(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

''(d) NOTIFICATION OF CHANGE OF ADDRESS.—

''(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

''(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

''(A) not less than $250 or more than $2,000, or

''(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

''(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

''(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

''(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

''(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

''(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

''(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

''(f) DEFINITIONS.—For the purposes of this section—

''(1) SPONSOR.—The term 'sponsor' means an individual who—

''(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

''(B) is 18 years of age or over;

''(C) is domiciled in any of the 50 States or the District of Columbia; and

''(D) is the person petitioning for the admission of the alien under section 204.

''(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.''.

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

''Sec. 213A. Requirements for sponsor's affidavit of support.''.

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 2403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(9) For the 2-year period beginning on the date of the enactment of this Act, any item or service provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in paragraph (1)).

NICKLES AMENDMENT NO. 4957

Mr. DOMENICI (for Mr. NICKLES) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 438, line 15, strike ''5'' and insert ''7.''

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

COCHRAN AMENDMENT NO. 4958

Mr. COCHRAN proposed an amendment to the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 12, line 25, strike ''$46,068,000'' and insert in lieu thereof ''$46,018,000''.

On page 14, line 10, strike $418,358,000'' and insert in lieu thereof ''$418,308,000''.

On page 17, line 8, strike ''$11,331,000'' and insert in lieu thereof ''$11,381,000''.

On page 17, line 8, strike ''$431,072,000'' and insert in lieu thereof ''$431,122,000''.

GREGG AMENDMENT NO. 4959

Mr. GREGG proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

SANTORUM AMENDMENTS NO. 4960–4967

(Ordered to lie on the table.)

Mr. SANTORUM submitted eight amendments intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

AMENDMENT NO. 4960

At the end of the bill, add the following:

SEC. . DENIAL OF NONRECOURSE LOANS TO CERTAIN LARGE PEANUT QUOTA HOLDERS.

None of the funds appropriated or otherwise made available by this Act may be used to make a nonrecourse loan available under section 155(a) of the Agricultural Market Transition Act (7 U.S.C. 7271(a)) for a marketing year to a producer who—

(1) owns or leases more than 1,000,000 pounds of quota peanuts; and

(2) refuses to accept a written offer from a handler to purchase any portion of a crop of quota peanuts of the producer at a price that is at least equal to the national average quota loan rate for quota peanuts established under section 155(a)(2) of the Act.

AMENDMENT NO. 4961

At the end of the bill, add the following:

SEC. . LIMITATION ON AMOUNT OF NONRECOURSE LOANS FOR PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to provide to a producer for a crop of peanuts a total amount of nonrecourse loans under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) in excess of $40,000.

AMENDMENT NO. 4962

At the end of the bill, add the following:

SEC. . PROHIBITION ON PURCHASE OF QUOTA PEANUTS FOR DOMESTIC FEEDING PROGRAMS.

(a) QUOTA PEANUTS.—None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to purchase or use quota peanuts to carry out a domestic feeding program.

(b) ADDITIONAL PEANUTS.—In lieu of purchasing or using quota peanuts to carry out a domestic feeding program, the Secretary shall purchase and use additional peanuts to carry out the program, and shall not consider such peanuts to be peanuts for ''domestic edible use'' in the operation of the peanut program.

AMENDMENT NO. 4963

At the end of the bill, add the following:

SEC. . CONSUMER PROTECTION FOR PEANUT PRICE-FIXING PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to operate a program for quota peanuts under section 155(a) of the Agricultural Market Transition Act (7 U.S.C. 7271(a)) under which the national average loan rate for quota peanuts is $610 per ton unless the Secretary also exercises other authorities provided to the Secretary by law to ensure that the market price for the peanuts is not more than $625 per ton.

AMENDMENT NO. 4964

At the end of the bill, add the following:

SEC. . NATIONAL POUNDAGE QUOTA FOR PEANUTS FOR 1997 MARKETING YEAR.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program for the 1997 marketing year under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) unless the Secretary of Agriculture establishes the national poundage quota for peanuts for the 1997 marketing year under section 358–1(a) of the Act (7 U.S.C. 1358–1(a)) at a level that is not less than 1,215,000 tons.

AMENDMENT NO. 4965

At the end of the bill, add the following:

SEC. . PRODUCTION AND SALE OF DOMESTIC PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) that denies the right of a citizen of the United States to produce and sell peanuts for domestic edible use in the United States.

AMENDMENT NO. 4966

At the end of the bill, add the following:

SEC. . PRODUCTION OF ADEQUATE SUPPLY OF PEANUTS; PAYMENT OF ADMINISTRATIVE COSTS BY QUOTA GROWERS.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) under which—

(1) the Secretary of Agriculture establishes the national poundage quota for peanuts for the 1997 marketing year under section 358–1(a) of the Act (7 U.S.C. 1358–1(a)) at a level that is less than the estimated domestic demand for the peanuts; or

(2) consumers, rather than producers having farm poundage quotas, pay the cost of carrying out the program.

AMENDMENT NO. 4967

At the end of the bill, add the following:

SEC. . PROHIBITION ON CONFLICTS OF INTEREST IN PEANUT PRICE SUPPORT PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used to carry out a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) that is operated by a marketing association if the Secretary of Agriculture determines, using standards established to carry out title II of the Ethics in Government Act of 1978 (5 U.S.C. App.), that a member of the Board of Directors of the association has a conflict of interest with respect to the program.

MCCAIN AMENDMENT NO. 4968

Mr. MCCAIN proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 10, line 18, strike ''$721,758,000'' and insert in lieu thereof ''$702,831,000''.

GREGG AMENDMENT NO. 4969

Mr. GREGG proposed an amendment to amendment No. 4959 proposed by him to the bill, H.R. 3603, supra; as follows:

Strike all after the word ''SEC'' and insert the following:

REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $15 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

CRAIG AMENDMENT NO. 4970

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill insert the following:

SEC. ___. H–2A WORKERS.

(a) Section 218(a) (8 U.S.C. 1188(a)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

''(2) In considering an employer's petition for admission of H–2A aliens the Attorney General shall consider the certification decision of the Secretary of Labor and shall consider any countervailing evidence submitted by the employer with respect to the nonavailability of United States workers and the employer's compliance with the requirements of this section, and may consult with the Secretary of Agriculture.''.

(b) Section 218(b) (8 U.S.C. 1188(b)) is amended by striking out paragraph (4) and inserting the following:

''(4) DETERMINATION BY THE SECRETARY.—The Secretary determines that the employer has not filed a job offer for the position to be filled by the alien with the appropriate local office of the State employment security agency having jurisdiction over the area of intended employment, or with the State office of such an agency if the alien will be employed in an area within the jurisdiction of more than one local office of such an agency, which meets the criteria of paragraph (5).

''(5) REQUIRED TERMS AND CONDITIONS OF EMPLOYMENT.—The Secretary determines that the employer's job offer does not meet one or more of the following criteria:

''(A) REQUIRED RATE OF PAY.—The employer has offered to pay H–2A aliens and all other workers in the occupation in the area of intended employment an adverse effect wage rate of not less than the median rate of pay for similarly employed workers in the area of intended employment.

''(B) PROVISION OF HOUSING.—

''(i) IN GENERAL.—The employer has offered to provide housing to H–2A aliens and those workers not reasonably able to return to their residence within the same day, without charge to the worker. The employer may, at the employer's option, provide housing meeting applicable Federal standards for temporary labor camps, or provide rental or public accommodation type housing which meets applicable local or state standards for such housing.

''(ii) HOUSING ALLOWANCE AS ALTERNATIVE.—In lieu of offering the housing required in clause (i), the employer may provide a reasonable housing allowance to workers not reasonably able to return to their

place of residence within the same day, but only if the Secretary determines that housing is reasonably available within the approximate area of employment. An employer who offers a housing allowance pursuant to this subparagraph shall not be deemed to be a housing provider under section 203 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1823) merely by virtue of providing such housing allowance.

''(iii) SPECIAL HOUSING STANDARDS FOR SHORT DURATION EMPLOYMENT.— The Secretary shall promulgate special regulations permitting the provision of short-term temporary housing for workers employed in occupations in which employment is expected to last 40 days or less.

''(iv) TRANSITIONAL PERIOD FOR PROVISION OF SPECIAL HOUSING STANDARDS IN OTHER EMPLOYMENT.—For a period of five years after the date of enactment of this section, the Secretary shall approve the provision of housing meeting the standards described in clause (iii) in occupations expected to last longer than 40 days in areas where available housing meeting the criteria described in subparagraph (i) is found to be insufficient.

''(iv) PRE-EMPTION OF STATE AND LOCAL STANDARDS.—The standards described in clauses (ii) and (iii) shall preempt any State and local standards governing the provision of temporary housing to agricultural workers.

''(C) REIMBURSEMENT OF TRANSPORTATION COSTS.—The employer has offered to reimburse H–2A aliens and workers recruited from beyond normal commuting distance the most economical common carrier transportation charge and reasonable subsistence from the place from which the worker comes to work for the employer, (but not more than the most economical common carrier transportation charge from the worker's normal place of residence) if the worker completes 50 percent of the anticipated period of employment. If the worker recruited from beyond normal commuting distance completes the period of employment, the employer will provide or pay for the worker's transportation and reasonable subsistence to the worker's next place of employment, or to the worker's normal place of residence, whichever is less.

''(D) GUARANTEE OF EMPLOYMENT.—The employer has offered to guarantee the worker employment for at least three-fourths of the workdays of the employer's actual period of employment in the occupation. Workers who abandon their employment or are terminated for cause shall forfeit this guarantee.

''(6) PREFERENCE FOR U.S. WORKERS.—The employer has not assured on the application that the employer will provide employment to all qualified United States workers who apply to the employer and assure that they will be available at the time and place needed until the time the employer's foreign workers depart for the employer's place of employment (but not sooner than 5 days before the date workers are needed), and will give preference in employment to United States workers who are immediately available to fill job opportunities that become available after the date work in the occupation begins.''.

(c) Section 218 (8 U.S.C. 1188) is amended by striking out subsection (c) and inserting in lieu thereof the following:

''(c) The following rules shall apply to the issuance of labor certifications by the Secretary under this section:

''(1) DEADLINE FOR FILING APPLICATIONS.—The Secretary may not require that the application be filed more than 40 days before the first date the employer requires the labor or services of the H–2A worker.

''(2) NOTICE WITHIN SEVEN DAYS OF DEFICIENCIES.—

''(A) The employer shall be notified in writing within seven calendar days of the date of filing, if the application does not meet the criteria described in subsection (b) for approval.

''(B) If the application does not meet such criteria, the notice shall specify the specific deficiencies of the application and the Secretary shall provide an opportunity for the prompt resubmission of a modified application.

''(3) ISSUANCE OF CERTIFICATION.—

''(A) The Secretary shall provide to the employer, not later than 20 days before the date such labor or services are first required to be performed, the certification described in subsection (a)(1)—

''(i) with respect to paragraph (a)(1)(A) if the employer's application meets the criteria described in subsection (b), or a statement of the specific reasons why such certification can not be made, and

''(ii) with respect to subsection (a)(1)(B), to the extent that the employer does not actually have, or has not been provided with the names, addresses and Social Security numbers of workers referred to the employer who are able, willing and qualified and have indicated they will be available at the time and place needed to perform such labor or services on the terms and conditions of the job offer approved by the Secretary. For each worker referred, the Secretary shall also provide the employer with information sufficient to permit the employer to contact the referred worker for the purpose of reconfirming the worker's availability for work at the time and place needed.

''(B) If, at the time the Secretary determines that the employer's job offer meets the criteria described in subsection (b) there are already unfilled job opportunities in the occupation and area of intended employment for which the employer is seeking workers, the Secretary shall provide the certification at the same time the Secretary approves the employer's job offer.''.

(d) Section 218 (8 U.S.C 1188) is amended by striking out section (e) and inserting in lieu thereof the following:

''(e) EXPEDITED APPEALS OF CERTAIN DETERMINATIONS.—The Secretary shall provide by regulation for an expedited procedure for the review of the nonapproval of an employer's job offer pursuant to subsection (c)(2) and of the denial of certification in whole or in part pursuant to subsection (c)(3) or, at the applicant's request, a de novo administrative hearing respecting the nonapproval or denial.''.

(e) Section 218 is amended—

(1) by redesignating subsections (f) through (i) as subsections (g) through (j), respectively; and

(2) by adding the following after subsection (e):

''(f) The following procedures shall apply to the consideration of petitions by the Attorney General under this section:

''(1) EXPEDITED PROCESSING OF PETITIONS.—The Attorney General shall provide an expedited procedure for the adjudication of petitions filed under this section, and the notification of visa-issuing consulates where aliens seeking admission under this section will apply for visas and/or ports of entry where aliens will seek admission under this section within 15 calendar days from the date such petition is filed by the employer.

''(2) EXPEDITED AMENDMENTS TO PETITIONS.—The Attorney General shall provide an expedited procedure for the amendment of petitions to increase the number of workers on or after five days before the employers date of need for the labor or services involved in the petition to replace referred workers whose continued availability for work at the time and place needed under the terms of the approved job offer can not be confirmed and to replace referred workers who fail to report for work on the date of need and replace referred workers who abandon their employment or are terminated for cause, and for which replacement workers are not immediately available pursuant to subsection (b)(6).''.

(g) Section 218(g) (8 U.S.C. 1188(g)) is amended—

(1) by redesignating paragraph (2) as paragraph (2)(A); and

(2) by inserting after paragraph (2)(A) the following:

''(B) No employer shall be subject to any liability or punishment on the basis of an employment action or practice by such employer that conforms with the terms and conditions of a job offer approved by the Secretary pursuant to this Section, unless and until the employer has been notified that such certification has been amended or invalidated by a final order of the Secretary or of a court of competent jurisdiction.''.

(h) Section 218(h) is amended by adding at the end thereof the following:

''(3) No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction preventing or delaying the issuance by the Secretary of a certification pursuant to this section, or the approval by the Attorney General of a petition to import an alien as an H–2A worker, or the actual importation of any such alien as an H–2A worker following such approval by the Attorney General.''.

Mr. CRAIG. Mr. President, I submit an amendment regarding reforms to the H–2A Temporary Agricultural Workers Program.

Let me start by publicly thanking my good friend, AL SIMPSON. The senior Senator from Wyoming has been tireless in his efforts to maneuver immigration legislation through the 104th Congress. While, I am very appreciative of his efforts in general, I want to address an issue that is of utmost importance to this country's farmers and ranchers.

That issue is the impact of immigration reform on the supply of agricultural labor. There is very real concern among Idaho farmers and throughout the countryside that these reforms will reduce the availability of agricultural workers.

Farmers need access to an adequate supply of workers and want to have certainty that they are hiring a legal work force. In 1995, the total agricultural work force was about 2.5 million people. That equates to 6.7% of our labor force that is directly involved in production agriculture and food processing.

Hired labor is one of the most important and costly inputs in farming. U.S. farmers spent more than $15 billion on hired labor expenses in 1992—one of every eight dollars of farm production expenses. For the labor-intensive fruit, vegetable and horticultural sector, labor accounts for 35 to 45 percent of production costs.

The competitiveness of U.S. agriculture, especially the fruit, vegetable and horticultural specialty sectors, depends on the continued availability of hired labor at a reasonable cost. U.S. farmers, including producers of labor-intensive perishable commodities, compete directly with producers in other

countries for market share in both U.S. and foreign commodity markets.

Wages of U.S. farmworkers will not be forced up by eliminating alien labor, because growers' production costs are capped by world market commodity prices. Instead, a reduction in the work force available to agriculture will force U.S. producers to reduce production to the level that can be sustained by a smaller work force.

Over time, wages for these farm workers have actually risen faster than non-farm worker wages. Between 1986–1994, there was a 34.6-percent increase in average hourly earnings for farm workers, while nonfarm workers only saw a 27.1 percent increase.

Even with this increase in on-farm wages, this country has historically been unable to provide a sufficient number of domestic workers to complete the difficult manual labor required in the production of many agricultural commodities. In Idaho, this is especially true for producers of fruit, sugar beets, onions and other specialty crops.

The difficulty in obtaining sufficient domestic workers is primarily due to the fact that domestic workers prefer the security of full-time employment in year round positions. As a result the available domestic work force tends to prefer the long term positions, leaving the seasonal jobs unfilled. In addition, many of the seasonal agricultural jobs are located in areas where it is necessary for workers to migrate into the area and live temporarily to do the work. Experience has shown that foreign workers are more likely to migrate than domestic workers. As a result of domestic short supply, farmers and ranchers have had to rely upon the assistance of foreign workers.

The only current mechanism available to admit foreign workers for agricultural employment is the H–2A program. The H–2A program is intended to serve as a safety valve for times when domestic labor is unavailable. Unfortunately, the H–2A program isn't working.

Despite efforts to streamline the temporary worker program in 1986, it now functions so poorly that few in agriculture use it without risking an inadequate work force, burdensome regulations and potential litigation expense. In fact, usage of the program has actually decreased from 25,000 workers in 1986 to only 17,000 in 1995.

Our amendment will provide some much needed reforms to the H–2A program. I urge my colleagues to consider the following parts of our amendment as a reasonable modification of the H–2A program.

First, the amendment will reduce the advance filing deadline from 60 to 40 days before workers are needed. In many agricultural operations, 60 days is too far in advance to be able to predict labor needs with the precision required in H–2A applications. Furthermore, virtually all referrals of U.S. workers who actually report for work are made close to the date of need. The advance application period serves little purpose except to provide time for litigation.

Second, in lieu of the present certification letter, the Department of Labor [DOL] would issue the employer a domestic recruitment report indicating that the employer's job offer meets the statutory criteria and lists the number of U.S. workers referred. The employer would then file a petition with INS for admission of aliens, including a copy of DOL's domestic recruitment report and any countervailing evidence concerning the adequacy of the job offer and/or the availability of U.S. workers. The Attorney General would make the admission decision. The purpose is to restore the role of the Labor Department to that of giving advice to the Attorney General on labor availability, and return decision making to the Attorney General.

Third, the Department of Labor will be required to provide the employer with a domestic recruitment report not later than 20 days before the date of need. The report either states sufficient domestic workers are not available or gives the names and Social Security Numbers of the able, willing and qualified workers who have been referred to the employer. The Department of Labor now denies certification not only on the basis of workers actually referred to the employer, but also on the basis of reports or suppositions that unspecified numbers of workers may become available. The proposed change would assure that only workers actually identified as available would be the basis for denying foreign workers.

Fourth, the Immigration and Naturalization Service [INS] will provide expedited processing of employers' petitions, and, if approved, notify the visa issuing consulate or port of entry within 15 calendar days. This will ensure timely admission decisions.

Fifth, INS will also provide expedited procedures for amending petitions to increase the number of workers admitted on 5 days before the date of need. This is to reduce the paperwork and increase the timeliness of obtaining needed workers very close to or after the work has started.

Sixth, DOL will continue to recruit domestic workers and make referrals to employers until 5 days before the date of need. This method is needed to allow the employer at a date certain to complete his hiring, and to operate without having the operation disrupted by having to displace existing workers with new workers.

Seventh, our amendment will enumerate the specific obligations of employers in occupations in which H–2A workers are employed. The proposed definition would define jobs that meet the following criteria as not adversely affecting U.S. workers:

1. The employer offers a competitive wage for the position.

2. The employer will provide approved housing, or a reasonable housing allowance, to workers whose permanent place of residence is beyond normal commuting distance.

3. The employer continues to provide current transportation reimbursement requirements.

4. A guarantee of employment is provided for at least three-quarters of the anticipated hours of work during the actual period of employment.

5. The employer will provide workers' compensation or equivalent coverage.

6. Employer must comply with all applicable federal, state and local labor laws with respect to both U.S. and alien workers.

This combination of employment requirements will eliminate the discretion of Department of Labor to specify terms and conditions of employment on a case-by-case basis. In addition, the scope for litigation will be reduced since employers (and the courts) would know with particularity the required terms and conditions of employment.

Eighth, our amendment would provide that workers must exhaust administrative remedies before engaging their employers in litigation.

Ninth, certainty would be given to employers who comply with the terms of an approved job order. If at a later date the Department of Labor requires changes, the employer would be required to comply with the law only prospectively. This very important provision removes the possibility of retroactive liability if an approved order is changed.

Again, I urge my colleagues to support this amendment and avoid actions that would jeopardize the labor supply for American agriculture.

CRAIG AMENDMENT NO. 4971

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

At the end of the matter proposed to be inserted by the amendment, insert the following:

SEC. . REVIEW AND REPORT ON H–2A NONIMMIGRANT WORKERS PROGRAM.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the enactment of this Act may impact the future availability of an adequate work force for the producers of our Nation's labor intensive agricultural commodities and livestock.

(b) REVIEW.—The Comptroller General shall review the effectiveness of the H–2A nonimmigrant worker program to ensure that the program provides a workable safety valve in the event of future shortages of domestic workers after the enactment of this Act. Among other things, the Comptroller General shall review the program to determine—

(1) that the program ensures that an adequate supply of qualified United States workers is available at the time and place needed for employers seeking such workers after the date of enactment of this Act;

(2) that the program ensures that there is timely approval of applications for temporary foreign workers under the H–2A nonimmigrant worker program in the event of shortages of United States workers after the date of enactment of this Act;

(3) that the program ensures that implementation of the H–2A nonimmigrant worker program is not displacing United States agricultural workers or diminishing the terms

and conditions of employment of United States agricultural workers; and

(4) if and to what extent the H–2A nonimmigrant worker program is contributing to the problem of illegal immigration.

(c) REPORT.—Not later than December 31, 1996, or three months after the date of enactment of this Act, whichever is sooner, the Comptroller General shall submit a report to Congress setting forth the finding of the review conducted under subsection (b).

(d) DEFINITIONS.—As used in this section—

(1) the term ''Comptroller General'' means the Comptroller General of the United States; and

(2) the term ''H–2A nonimmigrant worker program'' mens the program for the admission of nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

Mr. CRAIG. Mr. President, I submit an amendment regarding temporary agricultural workers.

My amendment mandates an immediate General Accounting Office [GAO] study on the availability of an adequate work force for our Nation's labor intensive farm and ranch sectors. In addition, the study will review the effectiveness of the existing H–2A nonimmigrant worker program. This report will be concluded within 3 months of the agricultural appropriations bill enactment.

This same amendment was supported by a bipartisan group of 10 Senators during the immigration reform legislation and accepted on an unanimous consent basis. I urge my colleagues to accept this amendment and avoid a potential agricultural labor shortage this fall.

COCHRAN AMENDMENT NO. 4972

Mr. COCHRAN proposed an amendment to the bill, H.R. 3603 supra; as follows:

On page 81, after line 8, add the following: ''This Act may be cited as the 'Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997'.''

STEVENS AMENDMENT NO. 4973

Mr. COCHRAN (for Mr. STEVENS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 47, line 17, before the period add the following: '': *Provided further,* That of the total amount appropriated, not to exceed $10,000,000 shall be for water and waste disposal systems pursuant to section 757 of Public Law 104–127''.

JEFFORDS AMENDMENT NO. 4974

Mr. COCHRAN (for Mr. JEFFORDS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 24, line 16, before the '':'' insert the following: '': *Provided further,* That not to exceed $1,500,000 of this appropriation shall be made available to establish a joint FSIS/APHIS National Farm Animal Identification Pilot Program for dairy cows''.

BUMPERS (AND KOHL) AMENDMENT NO. 4975

Mr. BUMPERS (for himself and Mr. KOHL) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 71, strike all after line 22 through page 72, line 2 and insert in lieu thereof the following:

''SEC. 721. None of the funds appropriated or otherwise made available by this Act, or made available through the Commodity Credit Corporation, shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837: *Provided,* That additional acreage may be enrolled in the program to the extent that non-Federal funds available to the Secretary are used to fully compensate for the cost of additional enrollments: *Provided further,* That the condition on enrollments provided in section 1237(b)(2)(B) of the Food Security Act of 1985, as amended, (16 U.S.C. 3837(b)(2)(B)) shall be deemed met upon the enrollment of 43,333 acres through the use of temporary easements: *Provided further,* That the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements in fiscal year 1998 until the Secretary has enrolled at least 31,667 acres in the program through the use of temporary easements''.

KOHL AMENDMENT 4976

Mr. BUMPERS (for Mr. KOHL) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 12, line 25, strike ''$46,018,000'' and insert ''$46,330,000''.

On page 14, line 10, strike ''$418,308,000'' and insert ''$418,620,000''.

On page 21, line 4, strike ''$47,829,000'' and insert ''$47,517,000''.

BRYAN (AND OTHERS) AMENDMENT NO. 4977

Mr. BRYAN (for himself, Mr. KERRY, Mr. GREGG, and Mr. BUMPERS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . FUNDING LIMITATIONS FOR MARKET ACCESS PROGRAM.

None of the funds made available under this Act may be used to carry out the market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

KERREY (AND OTHERS) AMENDMENT NO. 4978

Mr. KERREY (for himself, Mr. DASCHLE, and Mr. PRESSLER) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 18, line 12, strike ''$432,103,000'' and insert ''$421,078,000''.

On page 20, line 10, strike ''$98,000,000'' and insert ''$86,975,000''.

On page 23, line 8, strike ''$22,728,000'' and insert ''$24,228,000''.

On page 24, line 11, strike ''$557,697,000'' and insert ''$566,222,000''.

KERREY AMENDMENTS NOS. 4979–4980

Mr. KERREY proposed two amendments to the bill, H.R. 3603, supra; as follows:

AMENDMENT NO. 4979

On page 25, line 16, strike ''$795,000,000'' and insert ''$725,000,000''.

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, except that not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i)).

AMENDMENT NO. 4980

At the appropriate place in the bill, insert the following new section:

SEC. ___. DEPARTMENT OF AGRICULTURE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) SHORT TITLE.—This section may be cited as the ''Department of Agriculture Voluntary Separation Incentive Payments Act of 1996''.

(b) DEFINITIONS.—For purposes of this section—

(1) the term ''Secretary'' means the Secretary of Agriculture;

(2) the term ''agency'' means an agency of the Department of Agriculture, as defined under regulations prescribed by the Secretary; and

(3) the term ''employee''—

(A) means an employee (as defined under section 2105 of title 5, United States Code) of an agency, or an individual employed by a county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)), who—

(i) is serving under an appointment without time limitation; and

(ii) has been currently employed for a continuous period of at least 12 months; and

(B) does not include—

(i) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government;

(ii) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in clause (i);

(iii) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(iv) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note; Public Law 103–226), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(v) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment; or

(vi) an employee covered by statutory reemployment rights who has been transferred to another organization.

(c) SEPARATION PAY AUTHORITY.—(1) In order to avoid or minimize the need for involuntary separations due to a reduction in force, reorganization, transfer of function, or other similar action affecting 1 or more agencies, the Secretary may offer separation pay to encourage eligible employees to separate from service voluntarily (whether by retirement or resignation).

(2) The Secretary may offer separation pay under paragraph (1) to employees within such components of the agency, occupational groups or levels of an occupation, geographic location, or any appropriate combination of these factors, subject to such other similar limitations or conditions as the Secretary may require.

(3) The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

(d) VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—(1) In order to receive a voluntary separation incentive payment, an employee

shall separate from service with the employee's agency voluntarily (whether by retirement or resignation) during the period of time for which the payment of incentives has been authorized. An employee's agreement to separate with an incentive payment is binding upon the employee and the agency, unless the employee and the agency mutually agree otherwise.

(2) A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595 of title 5, United States Code (without adjustment for any previous payment made under such section) if the employee were entitled to payment under such section; or

(ii) $25,000 in fiscal years 1996 or 1997, $20,000 in fiscal year 1998, $15,000 in fiscal year 1999, or $10,000 in fiscal year 2000;

(C) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit, except that this subparagraph shall not apply to unemployment compensation funded in whole or in part with Federal funds;

(D) shall not be taken into account for purposes of determining the amount of any severance pay to which an individual may be entitled under section 5595 of title 5, United States Code, based on any other separation; and

(E) shall be paid from the appropriations or funds available for payment of the basic pay of the employee.

(3) No amount shall be payable under this subsection based on any separation occurring before the date of the enactment of this Act, or after September 30, 2000.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay, before the individual's first day of such employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) The requirement to repay separation pay under paragraph (1) may be waived—

(A) in the case of an Executive agency (as defined under section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, if the Director of the Office of Personnel Management determines, at the request of the head of the agency, that the individual involved possesses unique abilities and is the only qualified applicant available for the position;

(B) in the case of an entity in the legislative branch, if the head of the entity or the appointing official determines that the individual involved possesses unique abilities and is the only qualified applicant available for the position; or

(C) in the case of the judicial branch, if the Director of the Administrative Office of the United States Courts determines that the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) For the purpose of this subsection, the term ''employment'' includes—

(A) employment of any length or under any type of appointment, but does not include employment that is without compensation; and

(B) employment under a personal services contract, as defined by the Director of the Office of Personnel Management.

(f) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—(1) In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the Department of Agriculture shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) For the purpose of this subsection, the term ''final basic pay'', with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(g) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—The total full-time equivalent positions in the Department of Agriculture shall be reduced by one position for each separation of an employee who receives a voluntary separation incentive payment under this section. The reduction shall be calculated by comparing the Department's full-time equivalent positions for the fiscal year in which the voluntary separation payments are made with the full-time equivalent position limitation for the prior fiscal year.

(h) REPORTS.—No later than March 31 of each fiscal year, the Office of Personnel Management shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a report which, with respect to the preceding fiscal year, shall include for the Department of Agriculture—

(1) the number of employees who received voluntary separation incentives;

(2) the average amount of such incentives;

(3) the average grade or pay level of the employees who received incentives; and

(4) the number of waivers made under subsection (e) in the repayment of voluntary separation incentives, and for each such waiver—

(A) the reasons for the waiver; and

(B) the title and grade or pay level of the position filled by each employee to whom the waiver applied.

(i) EFFECTS ON REDUCTIONS IN FORCE.—Under procedures prescribed by the Office of Personnel Management, an agency of the Department of Agriculture may administer a reduction in force action to provide that if an employee separates from service and receives an incentive payment under this section during a reduction in force action affecting the agency—

(1) another employee who would otherwise be separated from service in such reduction in force may be retained; and

(2) the voluntary separation by the employee shall be treated as an involuntary separation resulting from such reduction in force.

(j) EMPLOYEES WITH CRITICAL KNOWLEDGE AND SKILLS.—The Secretary may exclude an employee from receiving a separation incentive payment under this section, if the Secretary determines that—

(1) such employee has critical knowledge and skills; and

(2) separation by the employee would impair the performance of the employing agency's mission.

(k) CONTINUATION OF HEALTH INSURANCE COVERAGE.—(1)(A) During the period beginning on the date of the enactment of this Act through September 30, 2000, any employee described under paragraph (2) may elect continued health care insurance for no longer than 18 months in accordance with section 8905a of title 5, United States Code.

(B) Notwithstanding section 8905a(d)(1)(A) of title 5, United States Code—

(i) such employee shall pay only the amount of the employee contribution into the Employees Health Benefits Fund; and

(ii) the Department of Agriculture shall pay the amount of the agency contribution and any cost of administrative expenses into the Employees Health Benefits Fund.

(2) An employee referred to under paragraph (1) is any employee who—

(A) voluntarily separates from service and receives an incentive payment under this section; or

(B) is involuntarily separated from service in a reduction in force action.

PRESSLER AMENDMENT NO. 4981

Mr. COCHRAN (for Mr. PRESSLER) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . WAREHOUSE RECEIPTS.

(a) ELECTRONIC WAREHOUSE RECEIPTS.—Section 17(c) of the United States Warehouse Act (7 U.S.C. 259(c)) is amended—

(1) in paragraph (1)(A), by striking ''cotton'' and inserting ''any agricultural product'';

(2) by striking ''the cotton'' each place it appears and inserting ''the agricultural product''; and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking ''in cotton'' and inserting ''in the agricultural product''; and

(B) in the last sentence of subparagraph (B)—

(i) by striking ''electronic cotton'' and inserting ''electronic''; and

(ii) by striking ''cotton stored in a cotton warehouse'' and inserting ''any agricultural product stored in a warehouse''.

(b) WRITTEN RECEIPTS.—Section 18(c) of the United States Warehouse Act (7 U.S.C. 260(c)) is amended by striking ''consecutive''.

INHOFE AMENDMENT NO. 4982

Mr. COCHRAN (for Mr. INHOFE) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 11, line 22, add the following proviso after the word ''law'': '': *Provided further,* That all rights and title of the United States in the property known as the National Agricultural Water Quality Laboratory of the USDA, consisting of approximately 9.161 acres in the city of Durant, Oklahoma, including facilities and fixed equipment, shall be conveyed to Southeastern Oklahoma State University''.

MURKOWSKI AMENDMENT NO. 4983

Mr. COCHRAN (for Mr. MURKOWSKI) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place, insert the following:

SEC. . Hereafter, notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration as satisfying the requirements of the ''Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products'' (published by the Food and Drug Administration as a final regulation in the Federal Register of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal

agency for any Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.

SINGING SENATORS TRIBUTE TO SENATOR MARK HATFIELD

● Mr. KEMPTHORNE. Mr. President, last Thursday evening was a special night in the life of the U.S. Senate. That night the Senate paid tribute to Senator MARK HATFIELD in anticipation of his retirement from the Senate at the end of this Congress, and in recognition of his outstanding service to Oregon, the Senate, and to the Nation.

Thursday night was one of those evenings that makes service in the U.S. Senate a privilege. As the accompanying article from the Washington Post reports, ''How many politicians could get both Bill Clinton and TRENT LOTT to sing their praises. Senator MARK HATFIELD, for one.'' The entertainment was also a highlight. The Singing Senators—TRENT LOTT, LARRY CRAIG, JOHN ASHCROFT, and JIM JEFFORDS—brought the house down as they sang in near perfect harmony such tunes as ''Dig a Little Deeper'' and ''Elvira.''

The evening of course belonged to Senator HATFIELD. The evening's quiet humor, graciousness, thoughtful remarks, and kind words were perfect for the witty, gracious, thoughtful, and kind MARK HATFIELD. I ask that the article from the Washington Post be printed in the RECORD.

The article follows:

[From the Washington Post, July 19 1996]

HATS OFF TO MARK HATFIELD

SENATORS GATHER TO SING PRAISES OF RETIRING GENTLEMAN FROM OREGON

(By Roxanne Roberts)

Short of giving away millions of dollars, the best way to ensure lavish tributes this year is to resign from the United States Senate.

But how many politicians could get both Bill Clinton and Trent Lott to sing their praises? Sen. Mark Hatfield, for one.

''Because he has tried to love his enemies, he has no enemies,'' said the president last night, thanking the retiring Oregon Republican for his unwavering conviction, humanitarian spirit, faith and 30 years of consensus building. ''This town is the poorer for his leaving, but the richer for his legacy.''

One could also detect a serious undertone in the Sheraton Washington ballroom that went beyond the loss of this one ''remarkable man,'' as Clinton called him. Hatfield is one of 14 senators who have decided not to return, the largest exodus from the august institution in 100 years.

''I approach this evening with an inescapable nostalgia,'' said a subdued Howard Baker. Hatfield is the last of the class who, with Baker, came to the Senate in January 1967. ''With his retirement, not only a distinguished career, but a political era, is ending,'' said the former majority leader.

Heads in the audience of more than 700 nodded in agreement. The dinner for Hatfield was the second in what promises to be a continuing lovefest for moderate politicians on both sides of the aisle: A black-tie dinner in May for Sen. Alan Simpson (R-Wyo.) kicked off the tributes, with most of the Senate and former president George Bush in attendance.

''It was very, very touching,'' said Simpson last night. ''I loved it.''

Sen. Howell Heflin (D-Ala.), who is also leaving, noted that a retiring senator can do almost no wrong. ''Most people wish you well,'' he said.

''They're not as demanding. Maybe they figure now you can tell them to. . .''—he paused and smiled broadly—''. . . whatever.''

Hatfield's dinner and the entertainment were delayed by —what else?—a Senate vote. So the honoree and the president opened the program with a little mutual admiration.

Hatfield, characteristically, talked about what he had in common with Clinton: both small-town boys, both governors and ''both of us, in our time in Washington, have managed to irritate both the Republicans and Democrats,'' said the only GOP senator to vote against the balanced-budget amendment last year on principle.

''If all of us could be more like you, America would be an even greater nation,'' Clinton returned.

Once the ''entertainment'' had cast its votes, they arrived to take the stage. The ''Singing Senators''—Majority Leader Lott, Larry Craig (R-Idaho), Jim Jeffords (R-Vt.) and John Ashcroft (R-Mo.)—are a cross between a barbershop quartet and IRS auditors.

''It sort of epitomizes the Senate,'' said Lott. ''We don't always make great music, but we keep working on it.''

There were high fives after the first medley. (″Anytime we start together and end together, we celebrate,'' Lott explained). Then they belted out three spirited but dreadful selections, including ''Dig a Little Deeper'' (a nod to Hatfield's chairmanship of the Appropriations Committee), and capped the performance with Lott soloing on ''Elvira.''

''Think of it this way: It's in a good cause,'' observed emcee Cokie Roberts wryly.

The cause, the Mark O. Hatfield Library at Willamette University in Hatfield's home state, received the proceeds of the $500-per-seat event. Even lobbyists contributed solely out of admiration for Hatfield.

''Hatfield's leaving, so there's nothing he can do for us,'' said one who declined to identify himself. ''He has been a straight-shooter his entire career. He's a good guy and deserves the recognition.''

After dinner, a video chronicled Hatfield's career, including his opposition to the death penalty and his work to ban nuclear testing.

When it was his turn to speak, Hatfield didn't crack a smile. ''He's always reserved and serious,'' said Sen. Jay Rockefeller (D-W.Va.). ''And yet, when you're alone with him, he's gentle, thoughtful, kind. He's just a splendid human being.''

Calling himself truly blessed, Hatfield thanked his family and staff. The son of a blacksmith and a schoolteacher also thanked long-dead teachers and voters, then moved on to his colleagues.

''For your diversity—Republicans, Democrats, Independents—you have helped keep me in the political center,'' said Hatfield.

''And I'm grateful.''

TRIBUTE TO SAM M. GIBBONS

● Mr. GRAHAM. Mr. President, it was a great privilege for me to introduce legislation to name the Federal Courthouse in Tampa, FL as the Sam M. Gibbons United States Courthouse.

The Honorable SAM GIBBONS has devoted his entire life to serving the United States of America. A veteran of World War II, GIBBONS was awarded the Bronze Star after parachuting into Normandy on D-day as a part of the initial Allied assault force. He achieved the rank of captain in the 501st Parachute Infantry of the 101st Airborne Division before embarking on his long and distinguished career as a public servant.

GIBBONS' career in public service began with his election to the Florida House of Representatives in 1952. In the Florida House, he passed legislation creating the University of South Florida and is appropriately recognized as The father of the University of South Florida. In 1958, GIBBONS' moved from the House to the Florida Senate where he enacted legislation to establish Florida's regional water management districts. These districts are vital to Florida's ability to allocate and preserve its precious water resources.

GIBBONS barnstormed into the U.S. Congress in 1962. President Johnson appointed GIBBONS, then a junior Congressman, floor manager of his Great Society initiatives. GIBBONS deftly steered this legislation, including Project Head Start, through the Congress. He also wrote the law that allows Americans over the age of 55 to protect, from taxation, capital gains from the sale of their primary homes. Despite his enormous achievements in social policy, GIBBONS' experience as a legislator was not limited solely to domestic issues.

As acting chairman of the House Ways and Means Committee in 1994 and chairman of the Ways and Means Trade Subcommittee from 1981 through May 1994, GIBBONS has been a champion of open markets and free trade around the world. Under his direction, two of our Nation's most comprehensive trade agreements, the North American Free Trade Agreement [NAFTA] and the General Agreement on Tariffs and Trade [GATT] passed Congress, and were signed into law.

Today, Congressman GIBBONS sits as the Dean of the Florida congressional delegation. At the end of the 104th Congress, GIBBONS will complete his 17th term representing the Tampa Bay area. The GIBBONS family has lived in Tampa for more than a century. Congressman and Mrs. Gibbons, who will celebrate their 50th wedding anniversary this year, have also served together tirelessly to improve the lives all Tampa residents.

A graduate of the University of Florida College of Law and a member of Florida Blue Key, GIBBONS has served the State of Florida and the United States of America with distinction. This courthouse should be named as a tribute to the lifetime works of Congressman SAM M. GIBBONS.●

HONORING THOMAS ROMANO

● Mr. LIEBERMAN. Mr. President, I rise today to honor Thomas Russell

Romano, executive director of the adult day center in Branford, CT. Through his efforts over the past 15 years, the East Shore Regional Adult Day Center has become a model organization for the care of the elderly, as well as for physically and mentally challenged adults.

The adult day center has organized many activities to foster community growth. Many activities involve children from area schools as part of the center's intergenerational program which has been organized. An event such as this one provides an invaluable experience for not only the adults, but the children as well. In addition, the adult day center has started the expansion of its therapeutic recreation outdoors program. Various community groups—churches, service organizations, businesses, and others—have received this project very well, showing their enthusiasm with financial support.

Mr. Romano and the staff at the center has provided respite from 24 hour care for over 600 families in the Greater New Haven area. The programs that they have organized not only foster the growth of these individuals, but it also prevents the premature institutionalization of these individuals as well.

The adult day center has been an innovator in meeting the social and health care needs of this special population by providing services such as medical monitoring and recreational therapies, among others. Thomas Russell Romano, in his position as president and C.E.O. of this organization, has twice been distinguished with Certificate of Award by the Connecticut Department on Aging for his dedication and work with the facility.

In the future, I hope that the work of Mr. Romano shall continue to flourish and expand in scope to reach a more expansive area. On the occasion of the 15th anniversary of the East Shore Regional Adult Day Center, Mr. Romano and the entire staff should be commended on the tireless work and dedication which they have shown in furthering the development of not only the individuals who participate in the program, but the development of the community as well.●

DUCKING ON AFFIRMATIVE ACTION

● Mr. SIMON. Mr. President, the New York Times recently had an editorial titled Ducking on Affirmative Action.

The subject is the refusal of the Supreme Court to consider a decision by the Fifth Circuit Court of Appeals that would have devastating consequences for our society.

No one should underestimate the shortsightedness and the harm that can come from leaving the Hopwood decision of the fifth circuit stand.

Mr. President, I ask that this article from the New York Times be printed in the RECORD.

The article follows:

DUCKING ON AFFIRMATIVE ACTION

In a hurtful blow to affirmative action in higher education, the Supreme Court said on Monday that it would not hear an appeal by the state of Texas from a lower court ruling that barred public universities from using race as a factor in selecting students. With this sidestepping, the Court left officials in at least three Southern states who are working to open educational opportunities for minorities in an untenable state of uncertainty. It also sowed confusion nationwide—hardly an uplifting way for the Court to finish its term and head into recess. The Court should instead have seized the opportunity to reject the lower court's flawed pronouncement and reaffirmed its historic commitment to carefully designed affirmative action.

The high court seemed insensitive to the long history of racism at the University of Texas Law School, whose affirmative action program was challenged by rejected white applicants, giving rise to the case. As late as 1971, the law school admitted no black students. The Court also ignored the Clinton Justice Department, which filed a brief warning that the ''practical effect'' of the lower court's holding ''will be to return the most prestigious institutions within state university systems to their former 'white' status.''

The refusal to hear the case left standing a ruling by the United States Court of Appeals for the Fifth Circuit that caused justifiable consternation in the academic world three months ago. An appellate panel invalidated a special admissions program at the Texas law school aimed at increasing the number of black and Mexican-American students. In doing so, the panel took the gratuitous, additional step of declaring the Supreme Court's landmark 1978 affirmative action decision in the so-called Bakke case no longer good law. That case, involving a suit by a rejected white applicant who sought entry to a California state medical school, resulted in a ruling that barred the use of quotas in affirmative action plans but permitted universities to use race as a factor in choosing among applicants to serve the ''compelling interest'' of creating a diverse student body.

If Bakke is no longer good law, it is for the Supreme Court to declare. But instead of grabbing the case to reassert Bakke's sound principle, the justices found a way out in the odd posture of the case. In an unusual one-paragraph opinion that was also signed by Justice David Souter, Justice Ruth Blader Ginsburg said that the Court was denying review because the case did not actually present a live controversy. The kind of two-track admissions system that inspired the legal challenge is no longer used or defended by Texas, she explained. Like most other colleges and universities, the University of Texas Law School now uses a single applicant pool, in which race is one factor to be considered among others in choosing among the qualified.

Justice Ginsburg's message, a welcome one, was that the Court's refusal to hear the case should not be read as an endorsement of the Fifth Circuit's analysis. But, in fact, there was a remaining live controversy before the Court in the Fifth Circuit's direction to a state's leading law school to complete-direction to a state's leading law school to completely excluded race as a factor in future admissions. The shame is the Court declined to address it.

Instead, the Court left behind a mess. Its refusal to hear the case has put educational institutions in the three states that make up the Fifth Circuit—Texas, Louisiana and Mississippi—in a terrible spot. They could face punitive damages if they fail to change their practices to conform to an ill-considered ruling that may ultimately be judged an incorrect statement of the law.

Nervous educators elsewhere in the nation can find some comfort at least in Justice Ginsburg's benign explanation. Eventually, this equal rights battle will find its way back to the Supreme Court. Meanwhile, it is premature to give up on affirmative action programs still needed to blot out historic racial bias and promote educational diversity.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination on today's Executive Calendar: Calendar No. 588, Edmund Sargus. I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nomination considered and confirmed is as follows:

Edmund A. Sargus, Jr., of Ohio, to be United States District Judge for the Southern District of Ohio.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR TUESDAY, JULY 23, 1996

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, July 23; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume the reconciliation bill as under the previous order.

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

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, tomorrow morning, beginning at 9:30, there be a lengthy series of rollcall votes on, or in relation to, amendments to the reconciliation bill. Members should be alerted that there may be as many as 24 consecutive rollcall votes.

Mr. President, I now ask unanimous consent that beginning after the first vote, all remaining votes in the voting sequence be limited to 10 minutes in length.

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

Mr. COCHRAN. Senators should remain in or around the Senate Chamber during these votes in order for the Senate to complete the reconciliation bill in a timely manner. Votes will occur throughout the morning. And it is the leader's intention to hold these votes to 10 minutes in length. Therefore, Senators are reminded again to remain in or around the Chamber during this voting series.

Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2 p.m. for the weekly party caucuses to meet.

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

Mr. COCHRAN. Mr. President, I further ask unanimous consent that following the stacked votes regarding the reconciliation bill, the Senate proceed to vote on or in relation to the McCain amendment No. 4968 to be followed immediately by a vote on or in relation to the Gregg amendment No. 4969.

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

ORDER FOR ADJOURNMENT

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order following the remarks of the distinguished Senator from Nebraska [Mr. KERREY] for up to 10 minutes.

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

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4978

Mr. KERREY. First, Mr. President, in relation to an amendment that I introduced earlier that provided an additional $8.5 million for the Food Safety and Inspection Service and the Packers and Stockyards Administration, I ask unanimous consent that the distinguished Democratic leader, Senator DASCHLE, be added as an original cosponsor.

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

SOCIAL SECURITY

Mr. KERREY. Mr. President, I do not know if I will take 10 minutes or not, but it was called to my attention this morning when I got back in town that there was an opinion piece that appeared in the Washington Post yesterday, Sunday, written by Mr. Henry Aaron, a senior fellow in the Economic Studies Program at the Brookings Institution. The headline is ''The Myths of the Social Security Crisis.'' Henry Aaron, a distinguished fellow and economist, goes through one, two, three, four, five myths.

I do not know how many of my colleagues or how many people that are concerned about this particular issue read this opinion piece, but I wanted to immediately—and I will come later to the floor to deal with some of the statements Mr. Aaron makes in detail—but wanted to immediately come to the floor and urge colleagues who have increasingly started looking at Social Security as an issue that we need to address currently, to hear the following.

First, Mr. Aaron says myth one is that ''Social Security is in crisis.'' This essentially is a strawman argument, the fact that some people are saying it is in crisis. Destroy that argument, therefore, we do not need to do anything.

Mr. President, I hope we do not have to deal with problems only when they are in crisis. I hope that, particularly with a program that promises retirement payments to people 30, 40, 50, 60, 70 years from now—and understand that every beneficiary of Social Security for the next 70 years is alive today. They may be 5 years old, but they are future beneficiaries. And we need to, whether or not we have the resources or the will, to be able to pay their benefits. So the longer one delays, the more difficult the solution becomes.

Mr. Aaron actually later on said one myth is that it is ''the third rail of American politics—touch it and you die.'' That is another myth he identifies. I do not actually think that is a myth.

The last time we dealt with Social Security substantively was in 1983. We waited until we were almost out of money. Even then we almost did not do anything. Even then it took an independent panel to provide the Congress with protection.

Mr. Aaron says we did it in 1983. The change that was made in 1983 is already under attack. The reason it was changed was the Deficit-Reduction Act. There was a substantial effort to eliminate that change.

So I do not think that the fact that Congress has dealt finally with Social Security is a myth that destroys the myth that this is a third rail, we wait until it is in crisis. If we wait once again until it is in crisis, Mr. President, we are not going to see the same thing we had in 1983. Once the baby boomers have retired, and you look at the numbers that are required to pay out, it is a much different situation than we face today. It is not in crisis. I do not argue that Social Security is in crisis. I am not saying it is contributing to the deficit, which is another myth that is here.

But one of the myths that is not on Mr. Aaron's list—and I have a great respect for Henry Aaron and his views—but one of the myths he does not identify that is the most troubling and difficult of all is that Americans who are beneficiaries today, No. 1, believe that the Social Security Program is a savings program, that all they are getting back is what they paid in.

We have perpetrated that myth very often with television advertising saying: Your Social Security is safe. I will not let anybody touch your Social Security. It is the safest program that we have today. You do not really hear people standing up talking about radical change in the program or cutting current beneficiaries.

But to listen to the organizations who are concerned about this program talk, when they do their direct mail pieces, you would think that every single day somebody is down here on the floor talking about changes in the program.

The program enjoys broad support from the American people. And 85 percent of almost every generation supports Social Security as a program. It has reduced the rates of poverty substantially in this country of people over the age of 65. It has been, in general, a very, very good program.

The myth, though, that it is a savings program encourages people to believe that their payroll tax is going into an account that is reserved for them that they own. It is not being reserved for them. Social Security was designed as a collective transfer program. It is social insurance because there are progressive payments made. The connection between what you receive is based upon your income, not based upon what you have contributed. It is very progressive.

As a consequence, it has been a program that most, I think, look at as a good way to help, and particularly lower income retirees avoid the trauma of living in poverty at the very time when they are no longer able to produce and earn a living.

But it is not savings. That is the most difficult myth of all. There is no account being held here for people that are paying into the program, which leads, Mr. President, to one of the most important reasons that people, like myself, have been arguing for reform.

The first one is, as I said earlier, waiting until the end, as we typically do. Mr. Aaron is basically saying: Wait until there is a crisis. There is no crisis. Why act? Wait until there is a crisis, he is saying. Wait another 30 years until there is a crisis, and then act.

That is foolishness to do that. The people who are going to pay the price for that are not current beneficiaries, people currently receiving payments. But it will be people under the age of 43 who will have to answer the question, ''Gee, wait a minute. Do I want, in order to preserve my benefits, my kids to pay that kind of payroll tax?'' Look at the kind of payroll tax that they are going to have to pay if you wait for 30 years, if some kind of adjustment is not made before then.

One of the flaws, in my judgment, of the 1983 fix was it said that we are going to raise taxes higher than what is necessary for the first time in the 50-year history of the program. The 1983 fix said, we are going to raise taxes higher than what is necessary to prefund the benefits of the baby-boom generation. Then we immediately—rather than setting it aside to be used for the baby-boom generation—we immediately begin to use it to pay for current expenditures.

Again, I am not arguing that Social Security contributes to the deficit. But I am prepared to argue that people who get paid by the hour, people whose wages are under $62,400 a year, which if you are looking for a definition of the middle class, you just as well said it there, because everybody over $62,400 does not pay that full 12.4 percent. You only pay it on the first $62,400. Anybody who is under $62,400, understand, you are shouldering more deficit reduction than those above because you are paying higher taxes on your payroll than needed to fund current benefits.

I do make the argument that the program needs to be changed sooner rather than later because we want to avoid the crisis, because you want to look out in the future and say that, whether you are a beneficiary who is 20 or 30 or 40, regardless of your age, whatever promise we have on the table we ought to be able to fund it.

I believe it was a mistake to change the law in 1983 to have this account building up to this huge amount, first, because we used it for deficit reduction, but, second, I do not think it makes any sense to say that we are only concerned about the beneficiaries over the next 35, 40 years.

Whatever promise we have on the table we ought to be able to keep for everyone in perpetuity. Any insurance company has to do that, has to abide by that rule, and we should, as well.

To do that, Mr. President, what you need to do is change the funds, so you build it up to a level that keeps it stable and then keeps it there in perpetuity. Whatever payroll taxes are needed, whatever benefits we are promising to pay to future beneficiaries, you should be able to look and have the actuaries run the numbers and say, you have a stable fund, it will be there forever; the benefits that you promised to somebody 20, 30, 40, years ago, you will be able to keep those promises just as you said.

The implication given by Mr. Aaron, and I really do regret it, is that the financial managers in America are putting a lot of pressure on Congress to change this program so that it is privatized. First, Mr. Aaron, in this article, says one of the dirty little secrets about privatization is that it requires a tax increase, and nobody is making a proposal in partial privatization. That comes upfront with that. First, it does not require a tax increase in all cases; second, there is a proposal already. Senator SIMPSON and I introduced legislation that would allow Americans to take 2 percent of their payroll tax and use it, individualize their own wealth. It is fully funded. There is no tax increase in that.

I intend to send a copy to Mr. Aaron so he can evaluate it and determine whether he likes the proposal, or the next time he criticizes Congress or a general audience for not having a specific proposal, at least he can offer one exception.

Mr. President, I think the privatization argument itself is better framed, rather than, Are you for privatization or against it, better framed, Are you for the individualization of the account? By that I mean, under the proposal of Senator SIMPSON and myself, what we do is say there is still a collective payment, still a payment, although it is misdescribed by many people. We will promise to transfer from the wages of people who are working, a fixed payment, fixed tax on their wages, and transfer, in a very progressive way, to people who are retired. That will still be there. You will be eligible for early payment if you want it, or a regular payment, or a late payment.

The PRESIDING OFFICER. The Chair advises the Senator the 10 minutes have expired.

Mr. KERREY. I end with 30 seconds, by merely saying the personal investment plan, as described by Senator SIMPSON and myself, is not privatization. It is fully funded. And it is, it seems to me, called for in a program which has not been changed fundamentally in 60 years.

I yield the floor.

ADJOURNMENT UNTIL 9:30 TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, July 23, 1996.

There being no objection, the Senate, at 6:52 p.m., adjourned until Tuesday, July 23, 1996, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 22, 1996:

THE JUDICIARY

EDMUND A. SARGUS, JR., OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO.