

Protection of Investment, with Annex, with Protocol, signed at Washington on September 26, 1994 (Treaty Doc. 104-14).

Treaty Doc. 104-19 Bilateral Investment Treaty between the United States and Albania (Exec. Rept. 104-19).

TEXT OF THE COMMITTEE RECOMMENDED  
RESOLUTION OF ADVICE AND CONSENT

*Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of The Treaty Between the Government of the United States of America and the Government of the Republic of Albania Concerning the Encouragement and Reciprocal Protection of Investment, with Annex and Protocol, signed at Washington on January 11, 1995 (Treaty Doc. 104-19).*

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. STEVENS:

S. 1894. An original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. GRASSLEY:

S. 1895. A bill to amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND  
SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT:

S. Res. 267. A resolution to make changes in Committee membership for the 104th Congress; considered and agreed to.

STATEMENTS ON INTRODUCED  
BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY:

S. 1895. A bill to amend the Internal Revenue Code of 1986 to allow certain cash rent farm landlords to deduct soil and water conservation expenditures; to the Committee on Finance.

TAX LEGISLATION

• Mr. GRASSLEY. Mr. President, I introduce important tax legislation to improve our Nation's soil conservation and water quality. This measure will extend the conservation expense income tax deduction to farmers who improve soil and water conservation and rent that farmland to family members on a cash basis. This legislation builds upon an existing and successful income tax provision that applies to similar improvements on share-crop rentals. I encourage my colleagues to cosponsor this legislation and thereby endorse an environmental tax policy that uniformly encourages conservation improvements on our Nation's farms.

Among all of our Nation's farmland, 4 out of 5 acres in the United States rely on private landowners and tenants

to care for the natural resources. Even though all farmers should be encouraged to become good stewards of the land, current tax policy does not provide incentives to help all private landowners and tenants to make conservation improvements that are consistent with environmental policy. On the one hand, farm landlords operating on a share-crop basis are rewarded with an income tax deduction for soil and water conservation improvements. However, cash rent landlords who make the same conservation improvements are denied a similar income tax deduction. My legislation will eliminate this inequality.

Mr. President, 43 percent of our Nation's farmland is rented. Of that farmland, 35 percent is rented on a share-crop basis, and 65 percent is rented on a cash basis. Share-crop rentals are arrangements where landlords typically contribute the real estate and improvements, and tenants contribute the labor. Cash rentals are also arrangements where landlords usually contribute the real estate and improvements. However, the landlords also contribute labor since these agreements are many times within a family farm environment.

To further compare, share-crop landlords may deduct certain costs paid or incurred for the treatment or moving of earth for soil and water conservation such as leveling, conditioning, grading, and terracing farmland. Likewise, share-crop landlords may also deduct costs incurred to build and maintain drainage ditches and earthen dams. Cash rentals, however, are not provided a tax deduction even though they practice similar conservation methods. In other words, with the substance between these rentals being often the same, the tax treatment of conservation expenses is vastly different.

Mr. President, it may surprise you to know that many family farmers are cash rent landlords. The life cycle of a family farm is one where aging parents gradually pass the family farm to their sons or daughters. In many cases, because the children cannot initially afford to purchase the family farms from their parents, a parent-child business relationship often starts out as a rental. Sometimes it is a share-crop rental, other time they agree to a cash rent relationship.

Unfortunately, our tax and environmental policy toward these two relationships remains irrational. If a landlord share-crops with a stranger, then that landlord can deduct conservation expenditures. However, if a widowed farm-wife cash rents farmland to her daughter and watches over the grandchildren while she is in the field, the grandmother cannot deduct conservation expenditures. Furthermore, a retired father who cash rents to his son and provides labor assistance during harvest is denied a conservation tax deduction.

I believe that our tax policy should encourage and reward sound soil con-

servation practices regardless of the situation of the farmers. At a minimum, our tax policy should reward family farmers who make long term soil conservation improvements to any of their farmland. In fact, these sound conservation practices have already aided many farmers in reducing our level of soil erosion. The USDA reported in its 1992 Natural Resources Inventory that soil erosion has decreased by 1 billion tons annually. The USDA attributes one half of that decrease to improved conservation efforts by farmers. Nonetheless, our Nation's tax policy requires that family farmers on a cash rent basis bear much of the expense of this successful environmental policy. My legislation fixes this problem. Surely, it will yield even further soil and water conservation of our Nation's most valuable non-renewable resource, farmland.●

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Virginia [Mr. ROBB], the Senator from Massachusetts [Mr. KERRY], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 704

At the request of Mr. SIMON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 1489

At the request of Mrs. MURRAY, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 1489, a bill to amend the Wild and Scenic Rivers Act to designate a portion of the Columbia River as a recreational river, and for other purposes.

S. 1703

At the request of Mr. MURKOWSKI, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1703, a bill to amend the Act establishing the National Park Foundation.

S. 1802

At the request of Mr. THOMAS, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1802, a bill to direct the Secretary of the Interior to convey certain property containing a fish and wildlife facility to the State of Wyoming, and for other purposes.

S. 1843

At the request of Mr. INHOFE, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1843, a bill to provide for the allocation of funds from the Mass Transit Account of the Highway Trust Fund, and for other purposes.