world on most any of the commodities that we produce. Part of the challenge in our Federal agricultural policy is the fact that other countries subsidize their farmers much more than we subsidize our farmers in this country. So, for example, Europe subsidizes five times as much as we do, and the consequences are that the additional production from those farmers and in those countries that are heavily subsidized often take what would otherwise be our markets to sell our particular agricultural products. Farmers today face some of the lowest commodity prices they have seen in the last 15, 20, 25 years, depending on the particular commodity.

So as we try to develop agricultural policy in the next several weeks for what is going to partially determine the destiny and, in many cases, the survival or bankruptcy or going out of business of many farmers in the United States, we need to look at how we spend Federal taxpayer dollars to most effectively, number one, assure that the agricultural industry that we want to keep in America stays here and is able to survive; number two, that still the marketplace and those individual farmers that are efficient and productive tend to have the kind of incomes that are going to allow them and their families to stay on that family farm operation.

One of the amendments I had today on the agricultural appropriations bill was an amendment that would put a payment limitation on farmers. We are now seeing a situation where our farm programs, our Federal farm policy, since we started it in 1934, has tended to favor the large farmers. The result is that those large farmers, with the additional advantage of Government payments, ended up trying to buy out the smaller farms and became even larger. If there is some merit in having a Federal agricultural policy that helps the traditional family farm survive without giving, then it is going to be a situation that does not give an additional advantage to the huge, large farmer.

Some farmers in the loan program, the price support program for commodities that we have as part of our Federal farm policy, still continue to favor that large farmer. The average farm size in the United States is about 420 acres. To exceed the current limits in law of not more than $75,000 per farmer in this loan, minimum price protection policy that we have, we see a lot of farmers now that have gone way over the average of 420 acres. We have 20, 30, 40, 50, 60, 70, 80,000 acre farms.

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Because we have no limit on the price support of those farmers, then some of these farms are taking in $1 million, or some of these farmers are taking in $1 million-plus in farm payments.

As we face the predicament of trying to be as frugal and as well-managed as we can on the available resources in this country, we need to look at the kind of policy that does not continue to favor those large farmers, and putting a real limit on how much taxpayers should be paying to any farmer should be part of that consideration.

I am disappointed that my amendment today was ruled out of order, but it is an issue as we start developing new farm legislation that we have to deal with in terms of assuring not only that we have the kind of agricultural production in this country that is not going to put us at a security disadvantage, and I use the comparison of oil.

In concluding, Mr. Speaker, we are now dependent almost 40 percent on imported energy from petroleum products. We have seen the power of OPEC in raising their prices and making us pay the higher price.

That same thing could happen to agriculture, so the decisions we make in agricultural policy are extremely important. Favoring the traditional family farm and not favoring the huge farm corporations must be part of our agricultural agenda.

The SPEAKER pro tempore (Mr. OSBORNE). Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SMALL BUSINESS REFINERS' COMPLIANCE WITH THE HIGHWAY DIESEL FUEL SULFUR CONTROL REQUIREMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HORN) is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, at the beginning of this year, on January 18, 2001, the Environmental Protection Agency, EPA, implemented heavy-duty engine and vehicle standards and highway diesel fuel sulfur control requirements.

I strongly supported the final rule by the EPA as a necessary tool to reduce pollution. Under this new regulation, oil refiners must meet rigorous new standards to reduce the sulfur content of the highway diesel fuel from its current level of 500 parts per million to 15 parts per million by June, 2006. The diesel rule goes a long way in reducing the amount of pollution in our air.

Small business refineries produce a full slate of petroleum products, including everything from gasoline to diesel to jet fuel to asphalt, lube oil, and specialty petroleum products.

Today, among the 124 refineries operating in the United States, approximately 25 percent are small independent refineries. These small business refineries contribute to the Nation's energy supply by manufacturing specific products such as grade 80 aviation fuel, JP4 jet fuel, and off-road diesel fuel.

In order for oil refineries to comply with the new rule, the Environmental Protection Agency estimated capital costs at an average of $14 million per refinery. This is a relatively small cost for major multinational oil companies, but for smaller refineries this is a very high capital cost that is virtually impossible to undertake without substantial assistance.

Small business refiners presented information in support of this position to EPA during the rule-making process. In fact, EPA said that small business refiners would likely experience a significant and disproportionate financial hardship in reaching the objectives of the diesel fuel sulfur rule.

There is currently no provision that helps small business refiners meet the objectives of the rule. That is why I am introducing a tax incentive proposal that would provide the specific targeted assistance that small refiners need to achieve better air quality and provide complete compliance with EPA's rule.

A qualified small business refiner, defined as refiners with fewer than 1,500 employees and less than a total capacity of 155,000 barrels a day, will be eligible to receive Federal assistance of up to 35 percent of the costs necessary, through tax credits, to comply with the highway diesel fuel sulfur control requirements of the EPA.

Without such a provision, many small business refiners will be unable to comply with the EPA rule and could be forced out of the market. Individually, each small refiner represents a small share of the national petroleum marketplace. Cumulatively, however, the impact is substantial. Small business refiners produce about 4 percent of the Nation's diesel fuel, and in some regions, provide over half.

Small business refiners also fill a critical national security function. For example, in 1998 and in 1999, small business refiners provided almost 20 percent of the jet fuel used by the U.S. military bases. Small business refiners' pricing competition pressures the larger integrated companies to lower prices for the consuming public. Without that competitive pressure, consumers will certainly pay higher prices for the same products.

Over the past decade, approximately 25 United States refineries have shut down. Without assistance in complying with the EPA rule, we may lose another 25 percent of U.S. refineries.

This legislation is critical, not because small business refiners do not want to comply with the EPA rule due to differences in environmental policy, but because it will help keep small business refiners as an integral part of the industry and on the way to cleaner production and full compliance with all environmental regulations.