orchards in Vermont, have sustained losses totaling $1.5 billion over the past five years, including an estimated $500 million during the past year.

The farm bill also invests $1.3 billion in research to help keep America's farmers competitive in world markets.

I urge my colleagues to join with me in supporting this farm bill.

The PRESIDING OFFICER. The Chair, speaking only as the Senator from Iowa, thanks the distinguished Senator from Vermont for all his great support and work on this farm bill. It is unprecedented.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, The Senate, at 12:44 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

The PRESIDING OFFICER. The Senator from Indiana.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

Mr. LUGAR. Mr. President, in a moment, I will ask that the Chair grant 35 minutes to the distinguished Senator from Iowa. Before that, I ask unanimous consent that the next Republican speaker after Senator GRASSLEY be Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, the manager of the bill can request whoever he wants, but I note that Senator AKAKA wants to be put in the mix. I know Senator HARKIN spoke for quite some time. I do not know if we want to try to balance out the time. Senator AKAKA also wishes to speak.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Senator AKAKA only wants 5 minutes. After Senator GRASSLEY finishes, would the Senator from Indiana have any problem with Senator AKAKA speaking for 5 or 10 minutes?

Mr. LUGAR. Fine.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Yes.

Mr. CONRAD. Might I get in the chain as well? I know after Senator GRASSLEY——

Mr. REID. He is going to speak for about half an hour.

Mr. CONRAD. It will be Senator AKAKA on our side, and Senator DOMENICI will be next?

Mr. REID. How long will Senator DOMENICI speak?

Mr. DOMENICI. Twenty minutes.

Mr. REID. Can we set it up so Senator CONRAD follows Senator DOMENICI, whenever that might be?

Mr. LUGAR. Mr. President, I amend my request so that Senator GRASSLEY will speak, then Senator AKAKA will be recognized, then Senator DOMENICI will be recognized, and then Senator CONRAD will be recognized.

Mr. REID. I note to my friend from Indiana that Senator AKAKA will not spend his time on the bill, but it will be counted against our time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, today is a very bad day for the family farmer. I am extremely disappointed by the effort that was made by the Senate conferees to maintain the provisions that were added to the Senate version of the farm bill on the floor.

A number of folks have been saying this is a good bill, and I would say those folks are part right, it's a good bill if you are a cotton and rice producer. The problem is we don't grow those commodities in my state of Iowa. I plan to vote with the family farmers from Iowa.

I'll sum it up in four words to explain why this is a bad bill for Iowa and why I'm so adamantly opposed to this conference report: competition, competition, competition, competition.

My first reference to competition pertains to competition for grain farmers. The conferees threw out my amendment on reasonable payment limits. In fact I think what they did will cause more harm than good because the Senate Democrats are calling it legitimate reform. If this is their version of ''legitimate reform'' they're not talking to and representing the same farmers I'm listening to and representing.

The American people recognize the importance of the family farmer to our nation, and the need to provide an adequate safety net for family farmers. In recent years, however, assistance to farmers has come under increasing scrutiny. Critics of farm payments have argued that the largest corporate farms reap most of the benefits of these payments. The reality is, 60 percent of the payments have gone to only 10 percent of our Nation's farmers.

What is more, the payments that have been designed to benefit small and medium-sized family farmers have contributed to their own demise. Unlimited farm payments have placed upward pressure on land prices and cash rents and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

What is really disturbing though it the fact that the conference report failed to address this issue and even worse, the authors are acting like they did.

This conference report fails to address the use of generic commodity certificates which allow farmers to circumvent payment limitations. The supposed ''reform'' in this bill is worthless due to the lack of generic certificate reform. In recent years, we have heard news reports about large corporate farms receiving millions of dollars in payments through the use of generic certificates. Generic certificates do not benefit family farmers but allow the largest farmers to receive unlimited payments. This bill will not even make the big corporate farmer blink.

The Senate agreed, by an overwhelming vote of 66 to 31, to a bipartisan amendment sponsored by Senator DORGAN and me to target federal assistance to small and medium-sized family farmers. The amendment would have limited direct and counter cyclical payments to $75,000. It would have limited gains from marketing loans and LDPs to $150,000, and generic certificates would have been included in this limit. No subterfuge. The amendment would also establish a combined payment limitation of $275,000 for a husband and wife.

This amendment was critical to family farmers in Iowa. I feel strongly the conference report failed Iowa when it failed to effectively address the issue of payment limitations. This will do nothing to help restore public respectability for federal farm assistance by targeting this assistance to those who need it the most.

The second reference to competition refers to the independent livestock producer being almost completely ignored in this bill. Iowa's independent livestock producers had clearly made the elimination of packer ownership their number one priority. The conferees threw it out.

The president of the Iowa Pork Producers had stated: ''It [the packer ban] was our number one issue for the Farm Bill and we are extremely disappointed it didn't survive.''

The Iowa Cattlemen released a statement which read:

> The Iowa Cattlemen's Association Executive Board . . . expressed their frustration with a missed opportunity for new legislation regarding a ban on packer ownership in the final version of the Farm Bill. . . . We believe the Farm Bill Conference committee has overlooked and ignored the family farmer and small livestock producer in failing to adopt appropriate packer limitations.

It's clear that is what Iowa's livestock producers wanted and this farm bill doesn't deliver. It's that simple!

Also, in regard to livestock producers, the bipartisan amendment I offered with Senator FEINGOLD which would have eliminated the ability of packers to force livestock producers, into mandatory arbitration was dropped in conference.

We finally had the chance to give farmers an opportunity to choose the best dispute settlement mechanism available for their individual situation. But instead of fixing the problem—and let me remind everyone that this passed by an overwhelming vote on the Senate floor—we've locked independent livestock producers into binding arbitration instead of mediation or civil action which could have given family farmers a fighting chance to succeed in a dispute with a packer.

Who wants a pat on the back from the packers for dropping these items from the conference report? I am sure the packers are really proud of you, whoever you are. Don't worry about

the independent livestock producers, they won't be around much longer anyway.

My third reference to competition pertains to competition for funds. Specifically, when the next round of payments will be made.

Sticking with current law and passing a supplemental would provide a net benefit to Iowa farmers of approximately $662 million in the first six months if the supplemental was only equal to the levels of support offered within the last supplemental package, according to the Center for Agricultural and Rural Development at Iowa State University. If a farmer has the ability to pay down his debt earlier in a loan cycle than later in that same cycle that money goes much further for the individual producer, everyone knows this. Instead, under the bill as currently constructed, Iowa producers will be waiting till sometime between December and March for the first round of sizable payments. It won't be this fall as it has been for the last three years.

I have read in the press that some Members of this body are trying to claim that this is beneficial to farmers in short term. I guess the question is what's ''short term'' to those folks, but the better question is, what's short term to Iowa's family farmers?

In the next 6 months. I think it would be fair to say that Iowa farmers are concerned how they will be treated under this program for the next six months. The benefits to Iowa farmers from implementation of the new farm bill in the current fiscal year would include increased LDP rates for corn because of the increased corn loan rate. Nationally, corn farmers received less than 14 percent of a crop year's LDP payment in the same fiscal year since 1997. For Iowa, the amount is clearly less than one percent. This means that Iowa farmers would gain essentially nothing from the higher loan rates in the current fiscal year.

Iowa farmers would find that their soybean LDP rates would decrease under the new farm bill because of lower soybean loan rate. But for soybeans, less than 5 percent of LDPs were collected in the fiscal year as the crop year. Thus, Iowa farmers would not lose much at all from implementation of the lower rates in the current fiscal year.

So where is the benefit to this approach? Is there a payment hidden in the conference report I have not seen yet? I guess that those in favor of this bill could say that there is a fixed payment available to family farmers that will hopefully be made available in October, but then you have to remember to reduce that payment by the amount a family farmer has already received this year. In Iowa, that means your net benefit for the fixed payment is 1.9 cents per bushel of corn.

How can anyone defend 1.9 cents as a substantive fixed payment? How does that compare with the Robert's supplemental? Well, he had 33.4 cents per bushel available for corngrowers in Iowa, and there was no slight of hand to force you to reduce it, or pressure to manipulate your reportable base, to improve your payment. Does anyone actually think 1.9 cents is better for family farmers than 33.4 cents per bushel?

My fourth reference to competition is trade, specifically trade compliance. I offered an amendment during the Senate floor debate that would have reinforced the importance of ensuring that the farm bill which passes the Senate complied with our Uruguay Round trade commitments, and the conferees stripped it out.

As I have said before, our family farmers depend on foreign markets, exporting about one-quarter to one-third of the farm products they produce. For the past 25 years, the U.S. has exported far more agricultural goods than it has imported.

The Uruguay Round negotiations improved conditions of market access for American farmers. For the first time, the agreement reached during the Uruguay Round capped the level of trade-distorting support that WTO members can provide to producers. Worldwide, agricultural tariffs were reduced by an average of 36 percent over a 6-year period. The United States agreed to reduce its own amber box spending to $19.1 billion per year.

Because agricultural domestic support commitments are now ''bound'' under WTO rules, the United States and its trading partners can be subjected to harmful trade retaliation if they exceed their WTO limitations.

If a WTO complaint were brought against the United States for exceeding its domestic support commitments, it is possible that many countries could become complainants in the cases and allege injury.

If the U.S. were found in violation of our trade obligations, we would be expected to change our current farm program, 'midstream'. If we were not able to, the complaining countries would receive authorization to retaliate by raising duties on U.S. goods.

Our agricultural goods would likely be the first target of retaliation as the products chosen for retaliation are often the most successful exports.

Retaliation by our trading partners would cut our exports, forcing surplus commodities onto the domestic market. An increased domestic surplus would place downward pressure on domestic prices, increasing the need for additional assistance. At the same time, we would not be allowed to provide our family farmers any support. The result is that the conference report would fail family farmers when their need is the greatest.

That is why I offered my amendment to provide reassurance that we would not have to cut the legs out from under our nation's family farmers if the funding provided by this legislation exceeds our Uruguay Round commitments. In the event that a provision of this farm bill would have threatened to break our amber box caps, as determined by the Secretary of Agriculture, my amendment would have sunset the offending provisions after 18 months.

In order to continue funding at a level that is consistent with our Uruguay Round commitments, Congress would have been required to pass a readjustment resolution until the offending provision could be rewritten by Congress. Unlike the conference report, which gives the Secretary of Agriculture sweeping authority to reduce or suspend payments, this amendment would ensure that farmers can count on the assistance they need until Congress agrees that we will potentially violate our trade commitments.

In addition, USDA would have determined what program played a significant role in potentially violating our trade agreements and within 18 months that program would have been suspended, hopefully to be reformed in a trade compliant fashion.

But now, we wrote a new farm bill that will undercut our negotiators before the negotiations even get off the ground.

That is because this farm bill we are discussing today, has, according to its own supporters, a 19 percent chance of violating our Uruguay Round Amber Box commitments. We have never violated those commitments. And we have certainly never publicly announced an intention to violate those commitments. To violate those commitments now, or to threaten to do so, is a tremendous shift in long-standing United States agricultural trade policy.

Some of my colleagues might claim that this bill has improved from a 1 in 3 chance to a 1 in 5 chance of sabotaging our rural economy, and they might even be proud of the improvement. But even these dismal percentages get worse when we learn the details.

FAPRI—The Food and Agriculture Policy Research Institute—used their existing 2001 baseline to determine this percentage. By FAPRI's own admission, the 2001 baseline does not take into account the full impact we are seeing in the market of many commodity prices trending downward. FAPRI qualified their analysis by explaining:

Over the next few weeks, FAPRI intends to conduct an updated analysis of the bill that will incorporate more current market information. The new analysis will result in different estimates of prices, production, Government costs, farm income, and other indicators. Without prejudging results of the forthcoming analysis, please note that market prices for several commodities are currently lower than FAPRI had projected in its 2001 baseline.

So get ready folks, when the 2002 baseline is completed and the analysis is run later this month we could very

likely see a huge swing in the wrong direction. The percentage of non-compliance could very possibly be upward of 35–40 percent. We will not have solid figures until the next baseline is completed though because of the enormous impact the LDPs will have on 2002 projections.

We seem to be rushing to milk the Federal cow before anyone checks the breed, or much less the gender of the cattle. This is not how you establish prudent, or even satisfactory policy, but it doesn't seem like many Senators care about that right now.

We have achieved a great deal at the negotiating table in the past 50 years because we have credibility. Our trading partners respect the fact that we stick to our guns and do what we say we are going to do. In turn, we expect them to do the same.

But passing a non-trade compliant farm bill seriously damages our credibility.

And it does so right at the time when we are poised to launch new, comprehensive global trade talks largely built around our own agricultural negotiating objectives.

I cannot think of a more effective way to undermine everything we have worked for, and everything we hope to accomplish at the negotiating table during the next 3 years, than to pass a farm bill that we know might break our WTO obligations.

The advocates of this approach might say, well, it is only a one-in-five chance that we will not be trade-compliant under this farm bill.

But would we accept that argument in discussing, say, education policy, and go forward with an education program that had a one-in-five chance of failure? Or a defense program?

I do not think we would. And it does not make any more sense to go forward on that basis here, especially if those odds might actually be much worse than we realize.

Competition is and for a very long time will be the number one issue for family farmers. We should all think back to Secretary Veneman's confirmation hearing. During the question and answer period before the Senate Agriculture Committee she said something that a few of my colleagues have seemingly already forgotten. She said that the one topic she had heard the most about while visiting Senators and House members was the issue of competition. It was the most mentioned issue and the issue that we generating the most concern in rural America.

What did we leave out of this conference report? Competition, competition, competition, competition. The glaring lack of strong provisions regarding competition is why The Organization for Competitive Markets, and the Center for Rural Affairs oppose this legislation. These groups supported the legislation when family-farmer-friendly provisions were added on the Senate floor, but they are now opposed because they support family farmers and independent livestock producers and this bill does not do that.

As I look at the conference report before us I have to admit I have lost a little bit of faith in the process. We put a good bill together on the Senate floor. It came out of committee with ridiculously high payment limits, nothing on livestock competition, a complete disregard for trade compliance, deficiencies in the nutrition title, etc.

But on the floor of the Senate we all worked together to make it a bill that was acceptable, and I would say that bill was very good for Iowa's family farmers because it had in it the issues Iowans wanted us to address, specifically payment limits and packer ownership. This bill does not do what Iowans wanted it to do, plain and simple. It skipped Iowa's top priorities.

In addition, let's not forget about the administrative nightmare that this conference report will create. Everyone should be well aware of how difficult implementation will be for USDA. Don't blame the Bush administration if payments don't get out time. I hope that the Senators that are more interested in immediate implementation, than passing a supplemental are not going to be disingenuous in the future and attack the administration because implementation takes awhile to accomplish.

Let there be no question that if there is fault to assign regarding implementation it lies with the authors of the bill, not the bureaucrats required to decipher the intent of the authors. This will not be an easy task.

So I hope that Senator DASCHLE's comments yesterday in the Daily Monitor ring true. He was quoted as saying, ''you're not going to see these disastrous supplemental requests in the future.'' But then I wonder what ''future'' means because the next sentence reads, ''We'd still like to get one for 2001, but in the future you're not going to see them.''

The thing I just cannot understand is why, if you just had the money and the willingness of Republicans to write a supplemental that would be beneficial to family farmers, why did you forsake the opportunity to put money in farmers hands right now, and trade that benefit for immediate implementation? It's a risk that family farmers should not have to take.

To conclude, I would agree with those that claim this is a historic farm bill, but in my opinion it might be historic for all the wrong reasons. We are losing support in the urban sectors for future farm bills by not reforming the existing abuses that have been made abundantly clear by media. Even farmers want us to fix the payment problems by implementing reasonable, legitimate payment limits, but instead the conferees ignored this issue.

This bill will do nothing to restore integrity to the programs, reduce pressure on rents and land prices, dampen overproduction, and help maintain family farms and the culture that surrounds our rural communities, isn't that our goal? Why is this conference report ''good enough'' to some when it does very little for our family farmers?

Has anyone read the New York Times, Washington Post, Wall Street Journal, or the San Francisco Chronicle? These are urban newspapers and they are up in arms over this farm bill. What happens if urban folks decide they cannot hold their noses regarding the subsidy abuse down the road?

But, I guess I am assuming there will be a rural community to serve in 6 years. There is a possibility we will not have a rural community to serve due to the consolidation, concentration, increased land prices, and cash rents.

When I was in the well for the final vote I told my colleague I was going to support the Senate bill and I did. I said if those provisions were maintained, the provisions Iowa's family farmers wanted in this bill, I would support the conference report. But those provisions are not in this conference report, so I will not support it.

This bill does not accomplish Iowa family farmers' highest priorities so I am opposing the conference report. Anyone representing Iowa's interests should. We can do better, we must do better if we want family farmers and independent livestock producers to survive.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the submission of S. Res. 262 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we are now debating the farm bill conference report. I have some serious concerns about the policies embodied in this conference report. I will speak to those concerns shortly, but, first, I want to address another concern. My concern is, where is the budget? Where is the budget that we will use to judge not only whether we can afford this farm bill, but other legislation that might come before the Senate during the remainder of Congress?

Interestingly, the tortuous path that this farm bill has taken to get to a final vote tomorrow began exactly 1 year ago this week when we adopted the fiscal year 2002 budget resolution. That budget resolution was adopted prior to us knowing that we had an economic downturn and obviously, prior to the September 11 attacks on the United States of America.

At the time the budget resolution was adopted, the projections indicated there would be a general budget surplus of $5.6 trillion over the next decade, and that after the tax cuts there would still be a very large surplus. We now know that the economic downturn, increased emergency defense, homeland security spending that followed the September 11 attacks, and

the Job Creation and Worker Assistance Act enacted last winter to assist workers impacted by the economic slowdown, have all combined to lower the general surplus outlook to about $1.7 trillion over a comparable 10-year period.

This farm bill agreement that is before us today seems to be blissfully ignorant of the events over the last year. It embodies commodity policies that return us to business as usual, high subsidies, distorting trade provisions, and increasing Government costs.

Those who do not follow the intricacies of the budget process might say: This makes no sense. Don't we have a budget by which to judge this legislation?

Yes, the one we adopted 1 year ago this week. It is not the budget resolution for the year 2003; it is the budget resolution for 2002, adopted when Republicans were still in control of the Senate by one vote. Yes, that budget provided for increases in agricultural spending and other spending, such as prescription drugs. Specifically, that budget that authorized the chairman of the Budget Committee to allocate $73.5 billion to the Agriculture Committee, so long as it did not come out of the Social Security or Medicare trust fund.

Can anybody stand on the floor and honestly say that the expenditures in this farm bill will not come out of the Social Security trust fund or the Medicare trust fund? I have not been raising this issue, but it is interesting that the current chairman of the Budget Committee, who usually raises this issue while trying to ensure we do not spend the Medicare and Social Security trust fund is not raising it now.

And now we see the bigger, more serious problem. The problem will not be just with this farm bill; it will be with the other spending and tax legislation we consider in the remaining days of this Congress. These measures will be judged against an outdated budget plan, one adopted last year when the Republicans were in control of this body, not one for current allocations and current needs, which has not been adopted on the floor of the Senate as of this date.

The question is asked again, Where is the budget? Where is the budget against which we are going to judge this farm bill and other legislation that I have just iterated that are certainly going to come before the Senate?

Until we agree to a new updated budget that reflects the dramatic changes that have occurred over the last 12 to 18 months, the old budget, the one I was responsible for getting adopted by the Senate and conferenced—that budget remains in effect until replaced by an updated budget. And until that time, any Budget Act points of order, any allocations to authorizing committees, any reserve fund releases, such as prescription drug spending or health insurance for the uninsured, will be judged not by what is reality today but by what we thought it would be before the economic downturn and before the terrorist attacks on the United States just prior to mid-September.

Some may wonder, why have a budget resolution? I do not have to wonder. I only have to see what is happening on the floor of the Senate. Anyone can predict what is going to happen in the next few months—not years, the next few months—in fact, some of which has already happened prior to taking up this conference report on agriculture.

We cannot, and we should not, legislate, in my opinion, without a budget blueprint. Every year, since the Budget Act became law in 1974, the Senate has adopted a budget resolution, as required, and in some years more than one. In some years we missed the deadline, but we always adopted a budget resolution in the Senate.

Only once in the nearly 28-year history of the act has the House of Representatives and the Senate failed to conference their budget resolutions. In 1998, the year following the balanced budget agreement of 1997, Chairman John Kasich and I were unable to bridge the differences in the two resolutions. Rather amazing—we were both Republicans, and that was the one year we could not bridge the differences. All other years, regardless of the makeup of the two bodies, we did arrive at a conclusion.

Let me repeat, the Senate has passed a budget resolution every year. There was one time when we did not have a conferenced budget blueprint, and we agreed here in the Senate to follow the Senate-passed resolution as our blueprint for spending and taxing. But, we had what would amount to a budget by concurrence of the Senate.

I have been on that Budget Committee for 27 years. I was not a member in the first organizing meeting in 1974, when Senator Muskie was chairman, though there was a Senator Peter Dominick who was Senator Muskie's ranking member that year, and some historians get me confused with him. In those 27 years, my colleagues have honored me by allowing me to serve as committee chairman for 12½ years and as its ranking member for 9.

In all those years, we adopted a Senate budget resolution. It was not easy. Sometimes I thought we would fail, but we stuck with it, and many times on a bipartisan basis we prevailed and the blueprint to guide fiscal policy was achieved. A budget resolution takes care of many things automatically and with precision. Right now there is no precision, there is no decision, and we are flying essentially by the seat of our pants on many issues.

Every year under the leadership of Chairman Muskie, Chairman Chiles, and Chairman Sasser, the Senate has adopted a budget resolution. Today the House of Representatives has passed a budget resolution for next year. Today the President of the United States has submitted a budget to Congress for next year. Today we do not have a budget in the Senate.

Beginning today, we legislate a major spending bill, a farm bill, that is based on a budget I admittedly helped craft last year, but also I freely admit is outdated and needs to be revised. It is time that be done. It is obvious that the Senate thinks it should be done. I truly doubt that we have been as omniscient as one may think. Had we been able to foresee the events of last year when we were crafting that budget, we would not have allocated the level of spending we did to the farm bill; of that I am almost certain. That is why we need a new budget, and that is why this decision we make tomorrow can send a signal to the country and our trading partners throughout the world that we know it is not business as usual. We need to craft a new budget for these new times.

For just a few moments, I will talk about a couple of New Mexico-specific concerns. In addition to my objections to this conference report on budget and trade grounds, I must note that this legislation is especially harmful to one of the most important parts of the agricultural economy of my State of New Mexico—dairy farmers. New Mexico's milk producers are hurt more by this bill's provisions in my State than any other State in the Union. Our producers will lose between $4 and $5 million a year compared to current law. And that is a conservative estimate.

Just today, there is a FAPRI estimate that indicates the losses would be as high as $51.2 million over the life of this program. Regardless, this means that at least $30,000 per dairy farm in New Mexico will be lost because of this bill. New Mexico, which has climbed to the seventh largest milk-producing State in the Union, will see minimum losses over the life of the program of at least $125,000 per farm, and most will likely suffer larger losses.

My dairy farmers want a market-driven system. They can compete on quality and efficiency with any other dairy farming group in this Nation. If we just let them do their job under a free market. These producers will supply plenty of milk and it will be of the highest quality.

My dairy producers are opposed to direct payments. They also oppose the caps in this bill. And they are punished because this legislation contains both—direct payments and caps. And neither is predicated upon large dairy farms but, rather, is predicated upon the small milk farms. Most of our farms are 1,500 head or more and are becoming more efficient every year. They welcome competition from anywhere. They are efficient. They are innovative. They do great things. Yet, they are punished. We come along and say this is not the American way for the farm bill. We are going to punish you because you are efficient, because you produce, because you are highly innovative.

Instead of saying: You are going to get as good a deal as you deserve, as

fine a return as you deserve in the American market, we are going to tell you what you get. In this instance, we are going to take away from you between $4 and $5 million a year, perhaps as much as $125,000 per farm during the time this bill exists.

The dairy industry in my State—and we are a small State in terms of business—has revitalized large parts of the New Mexico economy. Nearly 4,000 New Mexicans earn a living directly from dairy, with payrolls in excess of $90 million a year. New Mexico's dairies and producers spend nearly $400 million annually for labor and feed. For our State, which lags near the bottom of per capita income statistics, this conference report is a direct attack. I cannot support such a conference report. I will not.

I know there are predictions of how bad it would be if this did not pass. I have studied it all. I think I know as much as anyone here about it. It would be a great signal if it did not pass. Then we could produce a budget and decide how much money should be put in for the agricultural community under a budget that is current.

This wrongheaded agricultural policy promoted by this conference report is especially tragic in light of the real progress that was made in this bill in the area of nutrition. Many do not know that this bill called agriculture is also the principal nutrition legislation for our country. The bill retains the Domenici-Durbin amendment to restore food stamp benefits to eligible legal immigrants who have been in our country for 5 years. This policy will help feed an estimated 360,000 people per month.

In addition, the bill simplifies and streamlines the application process for food stamps. It increases funding for the Emergency Food Assistance Program and makes it easier for nonprofit participation in the Commodity Supplemental Food Program to feed the elderly and small children. In total, the legislation provides for $6.4 billion in food stamps and other nutrition programs. This amount falls short of the $8.9 billion provided in the Senate-passed version of the farm bill. At least we are making some progress toward eliminating involuntary hunger in America.

So this Senator finds himself in an unusual position of voting no on this farm bill. The good things in nutrition fail to outweigh the bad agricultural policy positions envisioned by this bill. I will remind my colleagues that we have spent an enormous amount of money in the last 2 years on agriculture with the ''emergency'' funding for $27.3 billion, as well as $5.5 billion in new agriculture commodity support payments just last July.

I am fully aware of that. I understand the threats—veiled or otherwise—that if we don't get this bill now, we will have a repetition of what I have described in the last paragraph of my comments. I don't believe so. I believe we understand clearly where we are, and I do believe that now is the time to say no to legislation that clearly doesn't fit a budget—at least we don't know that it does—and has the kind of policies adopted that I think are as counterproductive as they can be.

I yield the floor.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I have been listening to the Senator from New Mexico, the ranking member of the Budget Committee, former chairman of the Budget Committee, and a very valued member of that committee. But I must say I disagree with his conclusions about this farm bill. Let me just enumerate the reasons.

First of all, while it is true a new budget resolution has not yet passed, it is also true under the rules of this body that the previous budget resolution guides our actions until the new budget resolution is passed. The budget resolution under which we are operating provides for the amount of money that is in this farm bill. This farm bill is entirely within the budget requirements under which we are operating.

No. 2, every budget that has been presented for the next year includes this same amount of money. The budget the President has presented, the budget the House presented, the budget that has passed the Senate Budget Committee—each and every one of them has the same amount of money for a new farm bill that was in last year's budget resolution. So the question of what the budget resources are is not in doubt.

The fact is, the Congressional Budget Office has provided an estimate of cost. That is always the case when the Senate and the House are considering legislation. They do an estimate of the cost. We operate under that cost until the job is finished. We don't change the estimates in the middle of the effort. We don't change the rules in the middle of the game. They made an estimate, and we are living with it today. We don't change estimates in the middle of a legislative agenda because to do so would make the work of Congress virtually impossible. If we changed the estimates every time the Congressional Budget Office made a new estimate, the committees would never know what resources they had to deal with. So this is a longstanding practice of the Senate and the Senate Budget Committee.

Once the action has been taken in the Senate and in the House, as it has been, we don't change the estimates in the conference committee. That would create chaos. So the fact is, the estimates we were operating under when the bill was considered in the House, and then considered in the Senate, were the same estimates used in the conference committee, the same estimates being used today, and the reason there is no budget point of order against the farm bill that is being considered.

Those are the facts. These budget estimates that were done by the Congressional Budget Office and were used by the Senate and House as they worked up a farm bill were made in good faith. Now, with later information, they may alter them somewhat, but we have to follow the assumptions that were made at the time the legislation was considered. We certainly don't change the estimates in the middle of legislative activity or in the conference committee to resolve the differences between the Senate and House farm bills.

Let's lay the budget issue to rest. There is no budget point of order against this bill. This bill is in full compliance with the requirements of the Budget Act. That is No. 1.

No. 2, why is this farm bill necessary? I read the eastern press, and they are panning this bill almost on a daily basis. I submit to you that many of these newspaper writers, editorial writers, have never set foot in my State. They clearly have not paid much attention to what our farmers are up against in this international environment. We are not an island unto ourselves in the United States. We are up against very tough, determined competition from countries all around the world that are doing much more for their producers than we are doing for ours. Let me repeat that. Our major competitors are doing much more for their producers than we are doing for ours. To abandon our producers is to put them on an unlevel playing field. To create a circumstance in which they cannot fairly compete would be a profound mistake for this country, for our producers and, ultimately, for our economy.

Let me just direct people's attention to this chart, which says it very clearly and very well. Our major competitors are the Europeans. Their supports are far higher than U.S. supports for farmers. The most recent data available show the average support level in Europe is $313 per acre. That is how much assistance the Europeans give their farmers—$313 an acre. Here is the comparable level of support in the United States: $38 an acre. It is $38 an acre in the United States and $313 an acre in Europe.

It is no wonder there are hard times in rural America. It is no wonder there are hard times up and down the main streets of every rural city and town. It is no wonder if you go to the European countryside, it is prosperous. Why? Because our European friends have decided they are willing to put out a lot of money to have a prosperous rural countryside so everybody doesn't go to town. They don't want everybody to go to town. They want people out across the land. What else? They want to have an assured source of supply. The Europeans have been hungry twice. They never want to be hungry again, and they are willing to pay to make certain the productive capacity is out across their countryside and to make certain they are never hungry again.

It doesn't end there. These are not KENT CONRAD's numbers or Budget Committee numbers; these are from the Organization for Economic Cooperation and Development's analyses of the different support levels in different parts of the world. These are the numbers of the official scorekeepers internationally. They are the ones who do the determinations of actual support in various regions of the world.

As I have indicated, it doesn't end there because if we look at export support, export subsidies, we find the European Union floods the world with agricultural export subsidies. This pie shows the amount of export support in the world. The blue part of this pie is Europe's share. Europe accounts for 84 percent of all the world's agricultural export subsidy—84 percent.

Here is the United States' share: Less than 3 percent. Less than 3 percent of the United States; 84 percent in Europe. They are outgunning us almost 30 to 1. That is what our competitors are up to.

By the way, they have gone from being the biggest importing region in the world to being nearly the biggest exporting region in the world in 20 years, and they did it the old-fashioned way: They bought the markets. They bought markets that were traditionally ours.

Some of our opponents on the other side would say to American farmers: You go out there and compete against the French farmer and the German farmer, and while you are at it, you take on the French Government and the German Government as well. That is not a fair fight. Our farmers are ready, willing, and able to compete against anybody any time, but it is not fair to put them up against the treasuries of European nations. It is not fair to put them up against the Treasury of the Government of France and the Government of Germany and the Government of England. That leaves the playing field tilted badly against them. That puts American farmers in a circumstance in which they cannot possibly compete and succeed, through no fault of their own.

To do something other than to try to level the playing field is to abandon our farmers. It is to wave the white flag of surrender and say to the Europeans: You just take it, take it all; take the agricultural base, and while you are at it, take the 20 million jobs that go with it; take the jobs in distribution, in transportation, in marketing; take them all. Because that is what they would like to do, and that is why they are spending so much to achieve that very result.

We do not have to look very far to see what is occurring in world agriculture. All we have to do is study the annual statistics, and we can see very clearly the pattern and plan of the Europeans. We can either decide to wave the white flag of surrender, engage in what I call a unilateral surrender, or we can fight back.

That is a fundamental question before this body as we consider this farm bill: Are we going to fight back, or are we going to roll over and surrender? That is a fundamental question for this country. Do we want to maintain the capacity to produce food in this country, or do we want to be dependent on foreign countries for our sources of food? That is a fundamental issue before this body in considering this farm bill.

I pray this country makes the decision that we are going to try to level the playing field; that we are going to fight back; that we are going to give our farmers a fair, fighting chance. To do otherwise is to abandon them in this international competition.

This farm bill has improved countercyclical support. That was a key failure of the last farm bill. The last farm bill said: The market is going to work even though other countries are not following it, even though other countries have these massive programs to intercede, to maintain a network of family farms across their countries. We know it did not work. How do we know? Because we had to pass economic disaster bills in each of the last 4 years, economic disaster bill after economic disaster bill because the previous farm bill was a disaster itself. This is an attempt to provide a stronger structure under agriculture so we do not have to repeatedly come back to our colleagues to ask for economic disaster assistance.

Let me make clear, we may have to come back for natural disasters; indeed, I think we will because none of us can predict when a hurricane might strike, when we might have a tornado, when a part of the country might be hit by drought or overly wet conditions. Natural disasters often require a response. None of us can predict when they might strike, what their effects might be. But economic disasters, which were created in part by the last farm bill, hopefully we can prevent.

We do it with higher loan rates, and with optional updating of bases and yields—those are the determinations of what a farmer's base is for support. We do it with a new marketing loan program for pulse crops: dry peas, lentils, and small chickpeas, which are important in crop rotations in part to break the disease cycles we have seen and that have contributed the need for disaster programs in recent years. There is the repeal of the sugar loan forfeiture penalty, a penalty that should never have been imposed in the first place.

The bill has country of origin labels for imported meat, fish, produce, and peanuts. This is critically important. Have we learned nothing from what has happened in the rest of the world? Europe has been hit by mad cow disease and by hoof and mouth disease, and they have responded by creating a system that will allow them to know where each animal came from, the specific farm the animal came from, because they know they need to have that information.

I had the Ambassador from Uruguay in my office just last week. They are creating a system to know the origin of the food they eat. In Uruguay, they are going to be able to track an animal back to the farm it came from, so if there is a problem, they can trace it and isolate it and prevent an expansion. That is just common sense.

Think of how many times we have heard on the news that there is a recall of food products, and they provide you the listing of the number on the can so we know what to look for. What would they do if there were no numbers on the cans of processed foods and we did not know what to look for? What would we do when they found there was a problem of tainted product and they had no way to track it? We would either have to throw it all away or take our chances.

There is a better way. We have found that better way. It is to know the source of the food. That is what we are doing in this bill. Yet there are people who are still railing against doing what anybody with any common sense knows we need to do. We need to know the origin of the food we are eating. That is basic. That is basic to dealing with foot and mouth disease, that is fundamentally important to dealing with mad cow disease, that is fundamentally important to dealing with possible terrorist threats, so that if any problem develops, we can trace the source of our food, we can isolate it, and we can eliminate the threat. That is common sense, and this bill provides it.

This conference report also includes a strengthened commitment to rural development, conservation, trade, and, yes, nutrition programs.

In conservation alone, I was amazed to read an editorial that suggested that somehow the commitment to conservation in this farm bill was inadequate. What farm bill are they talking about? This bill has increased the commitment to conservation by 80 percent, and yet they said it was insufficient. Mr. President, an 80-percent increase is insufficient?

We need to do a better job of conserving our soil. We need to do a better job of conserving our precious water resources. This bill makes major strides in that direction.

One of the key elements of the bill is the signature piece of the chairman of the Agriculture Committee, Senator HARKIN of Iowa, who authored the conservation security program which is part of this bill. He has said something that I think is going to resonate in history because he has declared: We are not going to just continue conservation programs the same old way, we are going to make a departure. We are not going to just have the Federal Government pass laws that become regulations and then, if people do not follow them, we penalize them. Instead, he says: With the conservation security

initiative, we are going to establish what national priorities are in conservation, and then we are going to provide an incentive program for farmers to comply. That is a profound difference in the relationship between the Federal Government and agricultural producers. It is a profound change. It is precisely the right change. It says to farmers, when we identify a national priority, we will respond; we will respond with an incentive to encourage you to adopt that practice.

That is important. That is important to the environment. That is important to producers. That is important to the Nation. That will provide a template for future Government relations with the people for whom we work. He has made an enormous contribution. This is a $2 billion program that fundamentally changes the relationship between the Federal Government and producers across this country.

This bill also includes a renewed commitment to rural development: $1 billion in new funding to encourage and strengthen economic development in the rural parts of this country. It is badly needed. Certainly, in my part of the country, we continue to lose population.

We also have the trade title. We are facing tough competition and we need to fight back. One billion dollars in additional funds is in the trade title. We will have an aggressive outreach to other countries to buy American products from American producers. That is what an American farm bill ought to be about.

I saw with great interest what the Republican chairman of the Agriculture Committee in the House of Representatives said about this bill. He said this is not a bill for France. This is not a bill for Canada. This is a bill for American farmers and American consumers. This is an American farm bill.

Chairman COMBEST has that exactly right. This is a bill for America. It is a bill that deserves our support. I was proud to work with the conferees on this bill. Chairman COMBEST, a member I developed great respect for in all the hours of negotiation, is truly an outstanding leader for American farmers, American consumers, and American taxpayers. He was concerned about them all in this conference.

So was Congressman STENHOLM, the ranking member of the House Agriculture Committee. No one would want to meet a tougher negotiator than Congressman STENHOLM. He was very tough. He knew there was a lot at stake for this country, for our producers, for our consumers.

To our own conferees, I want to say thank you. Thanks especially to Senator HARKIN, who day after day after day stayed and negotiated and fought for a strong farm bill because he knew what would happen if we failed. If you are ever in trouble, you want someone like TOM HARKIN fighting for you in the Senate because he is determined and he will not give up. This farm bill is a great testimony to his leadership.

I could not leave out our own leader, Senator DASCHLE, who at key times came into the negotiations to help us over the rough spots. He showed great wisdom, great patience, and great leadership. We thank him for all he contributed. He represents a farm State. He knew what was at stake.

Considerable thanks as well to Senator LEAHY. I have never seen anyone more determined on behalf of his constituents than Senator LEAHY. We listened to a lot of detailed debate on the merits of the dairy provisions of the bill. This bill was improved because of that determination.

Now a word about those on the other side. Senator LUGAR, the ranking member of the Agriculture Committee, disagrees with what we have produced. He has made that clear. I have enormous respect for DICK LUGAR. He is one of the most knowledgeable Members of this Chamber on a wide range of issues. On foreign policy questions, there is nobody I would rather talk to or listen to before reaching a conclusion than DICK LUGAR. He is an extraordinarily intelligent man, a person of great character. He speaks against this bill out of principle. I respect that. I don't agree with him in this case. I think I have outlined some of my reasons for disagreement, but he makes a very strong case, an intellectually honest case. I disagree with him. However, his argument is intellectually honest, and he has been very clear and forthright throughout the entire procedure. He made very clear he wasn't for this, every step of the way. I admire Senator LUGAR. My respect for him has done nothing but grow, although I disagree with his fundamental conclusion.

Others say this costs too much money, and I understand that. I am chairman of the Budget Committee. I wish we didn't have to spend this kind of money. Friends, our competitors are spending much, much more. To spend less is to say to our people, tough luck; you are out of business. That would be a profound mistake.

Let me close by urging my colleagues to support this bill. It deserves their support. It is a balanced bill. It is within the budget. It is a bill that will make a difference for our country over time. Not immediately, no. It will not solve all the problems immediately.

To our colleagues who say this bill costs way too much, we ought to present it in context. In the year 2000, we spent $32 billion helping our producers. In 2001, we spent $22 billion. This is on a fiscal year basis. That is different than on a crop-year basis. On a fiscal year basis, these are the numbers: $32 billion in 2000 and $22 billion in 2001. In 2002, it will be $14.2 billion. In 2003, it will be $19.1 billion. The red bars are the amount added over the current farm bill. So for 2002, without this legislation, it would still cost $12.7 billion in that fiscal year. In the year 2003, it would cost $12.3. This bill adds $6.8 billion to take us up to $19.1 billion for fiscal year 2003, which will start October 1.

Remember we are coming from much higher levels of expenditures when you count the underlying farm bill plus the economic disaster payments we have enacted. This chart shows that, although we have healthy levels of expenditures in this new farm bill—more than $70 billion more than we would have had under the old farm bill—we actually have less than was paid out by the Federal Government under the old farm bill plus the economic disaster payments made in each of the last 4 years.

I conclude by reminding those who are listening that we are up against fierce competition from our major competitors in Europe who are spending much more than we are, providing much higher levels of support for their producers than we provide for ours, and on top of that, are spending much more to promote their exports than we spend to promote our agricultural exports. Those are the facts. I hope our colleagues will remember when we reach a conclusion that this is a bill that is critically important to American agriculture.

A major farm group leader in my State responded tellingly when I posed the question, What happens without this bill? His reaction was immediate and strong: Senator, without this bill there will be a race to the auctioneer.

That is exactly right. This bill is all that stands between a race to the auctioneer in every farm community in this country and the continuing viability of the family farm network that has served this country so well.

Mr. HARKIN. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. HARKIN. I thank the Senator for his kind words. I thank my friend and my colleague from North Dakota for two things: First, for his great leadership as head of our Budget Committee and for giving the guidance and direction and providing the budget for what we need to do; and for being on the Agriculture Committee and providing his expertise on budget matters as we work through the farm bill, both in the committee, on the Senate floor, and in conference. He has been great. I compliment the Senator.

I can say without fear of contradiction that many times we might have been persuaded to go in a different direction—let's say on the farm bill in the conference—had it not been for the Senator from North Dakota, whose expertise and knowledge of the budget came to the forefront and carried the day for us so we got the bill that we got.

I thank my friend from North Dakota for, again, being there every day. The Senator said I was there every day. He knows because he was there every day that I was, on the farm bill conference. I thank him for that. I also thank the Senator for always pointing out in these negotiations, when we are talking about trade, what the Europeans

are doing compared to us. We cannot ever forget that. This farm bill that we passed, this is for our farmers, for our ranchers. This is not for the European farmers and the European ranchers and the South American farmers. This is for our farmers. We ought to make no excuse for it, none whatsoever. We are sticking up for our producers in this country.

I have one last thing to say to the Senator from North Dakota about the chart he had up recently about the money we are spending on agriculture. I think I read an editorial, maybe it was in the Wall Street Journal—or someplace else—going after how much money we are spending on agriculture. I asked to get a run here from CBO on their baseline projections from now for the 10 years of this farm bill compared to the total outlays of the Federal Government. If you take the outlays of the Federal Government for the next 10 years, CBO says that comes to $22.245 trillion. Add up all the spending on agriculture for everything; that comes to $206.2 billion—.93 percent of all the spending the Federal Government is going to do in the next 10 years goes for agriculture.

That is a small price to pay, I say to my friend from North Dakota, for having the best food supply, the most productive capacity in the world, the cheapest food, and the safest food anywhere in the world. I think when the American people see that, they will say: Yes, this is the kind of farm bill we need. Ninety-three percent? I say to my friend from North Dakota, I believe the average American will say that less than a penny out of every dollar to keep our farmers in business is a very small price to pay.

I thank the Senator from North Dakota, again, for his wisdom, guidance, and judgment on these matters as we work through this farm bill.

Mr. CONRAD. Mr. President, I conclude by thanking my colleague, Senator HARKIN, the chairman of the committee, who really did an outstanding job getting this bill through the committee, through the Senate, and through the conference. Certainly, thanks also go to our colleague on the other side of the aisle, Senator LUGAR, for his passionate position and his wisdom. Even when he disagreed, he would provide us with observations that guided us in terms of altering what would otherwise have been a weaker bill. So I thank him and recognize his very professional staff as well.

Senator LUGAR, we thank you and your staff.

On Senator HARKIN's staff, I want to thank Mark Halverson. Mark, who is the staff director of the Agriculture Committee, showed enormous diplomacy going through this process. This is tough stuff. It is extraordinarily complicated. There were hundreds and hundreds of hours of deliberation. I thank Mark Halverson for always keeping his cool and for his wisdom in keeping a focus on the ultimate goal.

I also thank Susan Keith as well, who worked so hard on this bill. We appreciate all that she meant to its conclusion.

On my staff, I thank Tim Galvin and Scott Stofferahn. Tim Galvin and Scott Stofferahn were an extraordinary team. They played a key role throughout this process.

Tim Galvin, who used to be on the staff of former Senator Bob Kerrey of Nebraska, who served as head of the Foreign Agricultural Service in the Clinton administration, joined my Budget Committee staff more than a year ago. I could not have chosen better. He has been absolutely outstanding.

Scott Stofferahn, who is on my State staff, commuted—and this was truly a case of long distance commuting—to participate in the deliberations on this bill because he headed the Farm Services Agency in North Dakota under the previous administration for 8 years and knew the details of farm programs backwards and forwards. He was really indispensable to our efforts. So special thanks to Tim and Scott, to the staff members of Senator HARKIN and the staff members of Senator LUGAR, and certainly to our colleagues on the House side.

There were times we had very deep disagreements in the conference committee, but one thing you never questioned was that each and every Member was doing his or her level best for the farmers of this country, for the taxpayers of this country, for the consumers of this country. We had different ideas about what that represented, but I never questioned the good faith of any member of that conference committee, including those who disagreed with us.

Certainly to Congressman COMBEST and Congressman STENHOLM, we appreciate your patience. The patience of each of us was tried at times, but it was an important effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, earlier today I asked unanimous consent to have some letters printed in the RECORD, letters of support for the bill.

I have three others I would like to have printed. The first is a letter from the Iowa Farm Bureau Federation saying they urge strong passage of the conference report for the 2002 farm bill. I ask unanimous consent the letter from the Iowa Farm Bureau be printed in the RECORD.

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

IOWA FARM BUREAU,
May 1, 2002.

Hon. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: On behalf of the 150,000 plus members of the Iowa Farm Bureau Federation, the Iowa Farm Bureau Board of Directors urges you to support passage of the conference report for the 2002 farm bill. We are generally pleased with the provisions in the conference committee report including a stronger safety net for our producers and an increase in conservation spending. Iowa farmers will benefit from the additional safety net features and are seeking your support for this legislation.

The conference committee report contains many of the features of the current farm program and improves upon the safety net by instituting a counter-cyclical payment when prices fall below certain levels. It provides for a strong commitment to trade, rural economic development and conservation. In particular, the $9 billion in additional spending for the environmental quality incentive cost-share assistance program will mean that Iowa farmers have access to the much-needed resources to address environmental concerns. We are particularly pleased that the conferees agreed to fund the Conservation Security Program. This new conservation program will be important to compensate farmers for the ongoing costs of conservation practices.

In addition, we are pleased that the conference committee included the Senate's version of the energy title and provisions designed to enhance protections for livestock producers. The conference committee agreed to prohibit confidentiality provisions in production contracts. These provisions have limited the ability of producers to seek legal and financial advice about the terms of a contract before entering into it. This provision does not preempt stricter state laws; thus, Iowa's law will not be negatively impacted. In addition, hog producers with production contracts will have additional protections under the Packers and Stockyards Act.

Despite our disappointment that a ban on packer ownership was not included in the final version, we are pleased that the committee included country of origin labeling. This provision will ensure that consumers have an opportunity to choose between domestically produced beef, fruits and vegetables and those produced overseas. We believe that U.S. consumers will choose to purchase products produced by our farmers if this information is made available to them.

The farm bill conference committee report is a consensus document that balances the needs of the program crops and other agricultural commodities. It provides the additional safety net that producers have been seeking and maintains the strengths of the current farm program. Thank you for your consideration.

Sincerely,

CRAIG LANG,
President.

Mr. HARKIN. Next, a letter from the Iowa Farmers Union. They also sent a letter of support urging passage of the bill. I ask unanimous consent that letter be printed in the RECORD.

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

IOWA FARMERS UNION,
Ames, IA, May 1, 2002.

IOWA FARMERS UNION REACTS TO THE FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

AMES, IA.—Over the past few years, Iowa Farmers Union (IFU) has been working intently with our elected officials to vastly improve farm legislation. Now, after weeks of deliberations, the farm bill conferees have reached an agreement on a new farm bill entitled ''The Farm Security and Rural Investment Act of 2002''

''We are still waiting for the final details, but what we have seen so far indicates the new farm bill provisions will be a definite

improvement over the former 'Freedom to Farm' program that was a disaster for farmers and taxpayers alike,'' said Gary Hoskey, IFU President.

The agreement, while short on specifics, should provide certainty to farmers and lenders because of the new safety net provisions of the law. Under the old program, farmers and lenders were forced to make production decisions that would not cash flow, in hopes that Congress would pass emergency supplemental aid legislation long after the crops were planted.

''The Iowa Farmers Union joins all Iowans in extending our thanks to Senate Agriculture Chairman Tom Harkin for his efforts in this new farm legislation,'' said Hoskey. ''Not only did Senator Harkin succeed in getting a much improved safety net for family farmers, he was also successful in getting significant increases in conservation programs and rural development funding.''

''And, for the first time ever, there is an Energy title in the farm program that will encourage research and development of renewable and bioenergy resources. Hopefully our country will now look more to agriculture for renewable energy sources instead of imported oil from the Middle East.''

''We are also glad to see Country of Origin Labeling included in this law. It is something we have worked on for a long time,'' added Hoskey

''We are disappointed that the payment limitations were not lowered more and the packer ban on owning and feeding livestock was not passed,'' said Hoskey. ''We will continue to work with Senator Harkin and our other legislators on these and other important issues.''

Mr. HARKIN. And the Iowa Soybean Association in applauding the completion of the bill and urging its passage and signature by the President.

I ask unanimous consent the letter from the Iowa Soybean Association be printed in the RECORD.

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

IOWA SOYBEAN ASSOCIATION,
Urbandale, IA, April 30, 2002.

THE IOWA SOYBEAN ASSOCIATION APPLAUDS THE COMPLETION OF THE 2002 FARM BILL BY U.S. SENATE AND HOUSE CONFEREES

URBANDALE, IOWA.—The Iowa Soybean Association (ISA) applauds the completion of the 2002 Farm Bill by the U.S. Senate and House conferees today.

ISA President John Hoffman said, ''Soybeans are treated more equitably in relation to other program crops in this legislation, and Iowa soybean farmers are provided better income protection. ISA is pleased with the inclusion of expanded conservation programs, an energy title, which increases opportunities for soy biodiesel, and increased funding for important trade title programs in the Bill.''

''On behalf of ISA, let me thank Chairmen Tom Harkin and Larry Combest and their colleagues on completing this demanding process in time for programs to be effective for 2002 crops,'' Hoffman added.

The completion of the bill comes after much diligent work by both ISA and American Soybean Association (ASA) directors on behalf of Iowa soybean producers with key legislators. Good farm policy is the goal of the lobbying efforts by members of both ISA and ASA. ISA will continue to be a leader in efforts such as these to ensure equitable treatment in the 2002 Farm Bill and other soybean policy issues.

Mr. HARKIN. These three farm groups in Iowa all support this farm bill.

I listened to the debate on the floor. I listened to my colleague from Iowa earlier. This is the first opportunity I have had to respond.

My colleague and I have been friends for 28 years now, I guess it is, since we both came to the House in 1974. We worked very strongly together on issues of concern to our State and Nation. We do not always agree on things, I understand that, but we do work together.

I think we have a pretty big disagreement on this farm bill. I say to my colleague from Iowa—he went on about the trade portions of the bill and whether or not it is going to violate WTO. I want to set the record straight one more time. This bill will strengthen our position in the WTO negotiations. It will strengthen it. If we go down towards zero in amber box payments, that weakens our bargaining position. The closer we get to $19 billion, that strengthens our position. It strengthens it basically because of what Senator CONRAD from North Dakota was talking about—how much the European Union supports its agriculture.

Second, my colleague from Iowa said there was a one in five chance that we would violate the WTO. That is a statistic that has come from the Food and Agriculture Policy Research Institute. That said they estimated about a 19-percent chance, I guess, of this violating the WTO.

FAPRI also said the present law, the law we have been under since 1996, has a 14-percent chance of violating WTO. So the present law is 14 percent, this is 19 percent; that is a very modest change, a very modest amount difference. So we should not be worried about that. We are well within the bounds of WTO.

I reaffirm that this farm bill is for our farmers. We stick up for our farmers. We stick up for our ranchers. We stick up for our people in rural America. Through the process of our committee and the House process and the conference committee process, we work out what we believe is best for our producers, our farmers, and our ranchers—not what is best for Germany, France, Brazil, or China. That is their business. As long as they do it within the WTO, it is their business. How we seek to address our problems and to help our producers is our business. It is not the business of France, Germany, Italy, England, Brazil, China, or Japan. That is our business.

I hope people understand and recognize that, yes, we have a WTO, but our first obligation, as we held up our hand and swore our oath of office here, our first obligation is to our people, to make sure we take care of our people first.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield time to my distinguished colleague from Montana.

Mr. KENNEDY. Mr. President, will the Senator yield for a consent request?

Mr. LUGAR. I am happy to yield.

Mr. KENNEDY. I ask unanimous consent that I be allowed to follow the remarks of the Senator from Montana.

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

Mr. LUGAR. Mr. President, how many minutes does the Senator request?

Mr. BURNS. Mr. President, I am going to keep it as short as I possibly can. I want to make a couple of comments, and then I will fade away into the past. How is that?

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank the Chair, the chairman of the Agriculture Committee, and the ranking member.

I start off by thanking them for the work they did on this bill.

Agricultural legislation is, of course, very important to the State of Montana. There is no question about a changed policy on how we serve agriculture. There is no doubt in my mind that this bill will not bring lower prices for food commodities. Agribusiness will continue to buy as cheap as they can. The taxpayer will continue to pay their prices, and also the taxpayer will continue to participate in the income of American agriculture at the production level. That is not going to change. What has changed a little bit is that we are into price support protection of a commodity. We are not in the business of guaranteeing the income of the farmer.

This will allow us to make a strong argument for a market-driven economy on the global scene.

It will have trade impacts. There is no question in my mind.

Even though we have dealt with this kind of situation before, it is my belief that we will drive up the cost of land. When we do that, the bigger producers will buy out the lower producers. So we don't save a lot of small producers—the people we are trying to help out.

That is what farm bills do. That is what price supports on commodities do.

I will vote for this bill. But it is hard to stand up here and talk philosophy and about a direction when you are in the middle of a 5-year drought. Montana needs some help.

Will this bill help those who are in a drought? No, it will not. We will have to get some supplemental money somewhere for drought relief. I think we can do that, if we work very hard.

The total cost is over budget—as submitted by the Congressional Budget Office—by $80 billion. We thought we were operating within around a $70 billion or a $72 billion budget. We know we are over budget for this particular piece of legislation.

In spite of all of these loan rates and targets, there is a strong suspicion on my part that we will be back in the

business of overproduction. If there is a strong conservation title in this bill, it will be hard to implement with soil conservation and water conservation with an enticement to overproduce. I have a suspicion that it is in here.

We didn't do anything about insurance. We didn't look into that to see how it is used in unusual ways to enhance the purchase of revenue insurance for farms. We need to look at that.

We didn't get the packer concentration legislation that we wanted, nor did we prevent the USDA from using a USDA stamp on meat products imported into this country. We did get a country of origin label.

That may be a slippery slope. There is a downside to that. But for every upside there is always a downside. We hope when we get into the administrative rules of that program we can have some input so that our producers are not only protected but have the ability to participate.

I know some of us in this body do not live on a border. But I will tell you our challenges along that border are much greater than some would imagine.

We did nothing about captive shippers when we moved our crops to ports and plants.

Those of us who only have one railroad have real serious concerns about producing for the railroad. It wasn't meant to be that way. But that is the way it is under present conditions.

As you know, in agriculture, we buy retail and we sell wholesale, and we pay the freight both ways. Those things were not even dealt with or looked at in this piece of legislation.

As we look at this issue, we are back to loan rates which are a little bit higher than before. We are back at targets, and we are back to deficiency payments.

Those of us who thought we were going to get an LDP payment in September forget about that. It is going to be smaller. You are going to get it in four payments starting this September. The last payment is coming in June of next year.

I don't think that is going to make every banker in the world happy. It won't get us out of our doldrums as far as producing this year's crop.

Like I said, we haven't had a crop for 5 years. Again, we are in a situation in Montana where we need an infusion of money. That is what drives my vote today. It is not because I agree philosophically about where this bill is taking us. I think probably when you look at it, the chairman of the committee was exactly right. If you look at it, it is not very much more money for our producers as compared with where we have been in the last 4 or 5 years. It doesn't increase their income all that much. You will just have to do more paperwork to get it with risk involved.

Tomorrow, we will vote for this bill. But I have the expectation that it will not be long before we will be revisiting this business of agriculture—before any of us are gone from this body.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I wonder if the good Senator would be kind enough to yield 15 minutes off the bill.

Mr. HARKIN. I yield 15 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

(The remarks of Mr. KENNEDY are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I think we are talking about agriculture generally, are we not? Good. I wanted to talk about the farm bill. I had thought that is what we were talking about this afternoon. Apparently other issues are talked about as well.

In any event, the bill before us, of course, is the conference committee report on agriculture. That is the one, it seems to me, we need to focus on at the moment.

I begin by saying I am pleased we have a conference report on the agriculture bill. The conference report is before us and we can make a decision with respect to agriculture in the bill that is before us.

For much of agriculture, of course, this is a key time of the year. Completion here is certainly very timely and one that is very important.

I know that colleagues on both sides, the House and the Senate, spent many hours over the past couple of months working to reach a compromise. I thank them and their staff because I know it was very hard work and it takes a very long time.

We need a farm bill. We need a farm bill. That is very important to our economy. It is very important to our Nation. It is very important to homeland defense and all the things that are important to us. Producers in rural communities depend on a stable farm policy.

Of course, the bottom line, what we ought to be talking about, is a stable farm policy, the kind of policy that will show to us in the future where we want to be in agriculture.

I get a little concerned sometimes as we talk about all kinds of subjects and obviously talk about the immediacy of them. And that is the fact. But we really ought to be thinking a little more of where we would like to be in 10 years or 20 years. Where do we see agriculture? Where do we see our families and our communities in 10 or 20 years? What do we want agriculture to look like? That really ought to have an impact on what we do in the long term, and what we do now is going to impact that long term.

If we could develop a vision of where we wanted agriculture to be, then, of course, decisions we make in the interim would be much easier and certainly would lead toward the goal that we want.

Many of the programs that are in this bill affect Wyoming and are beneficial to Wyoming. The new sugar program is based on marketing allotments. Sugar, interestingly enough, in Wyoming is a major commodity and has been one of our biggest cash crops in our State of Wyoming; in addition to being one of the relatively few products that goes out to the retail markets that is entirely processed in our communities in Wyoming.

New policies are designed to keep the market in balance and to have something to do with production and control and to prevent the costly, damaging forfeitures we have had in the past.

As you probably know, we have been for years about the second largest producer of lamb. So we needed to ensure that this product is eligible for a marketing loan, and we are happy that it does. I am pleased that the conference provided wool producers with a new opportunity, similar to others, to grow and to strengthen their markets. These producers are making changes. These producers are looking forward and seeking to develop a niche market for their own products and to work with processors so they can move forward.

One of the things we have seen in agriculture, of course, is out of the total price for a retail agricultural product, the percentage that goes to the producer is getting smaller and smaller. So we are making some moves there.

Wheat, of course, is the only so-called program crop in Wyoming. The report continues to provide assistance, of course, to wheat producers.

Conservation is important to all of us in agriculture, and I think maybe it is particularly important to those of us in the West—maybe not any more important but we really like open space and we really like to keep properties, lands open. Of course, the answer to that is to have an effective agriculture, to have a profitable agriculture where people can stay on the land and keep it open and available. So we are pleased with that. It provides a means for producers to comply with Government mandates while voluntarily working to protect the environment. Water quality is one of those things, and we certainly need to be very careful about that. It is a very important thing to us.

The report subsequently boosts spending for conservation to $17 billion. That is good. Conservation affects everyone. One of the things we tried to do, and I tried to do as a member of the committee, was to kind of get off of this program crop thing, where the high majority of the money has always gone, and put it over a little bit more on general agriculture so we could have an impact on the broad view of agriculture and not just on cotton and wheat and corn and soybeans. They are important, too, of course, but they are

not the only crops in the world. So this conservation approach was one of the best that we could take.

As we worked on this bill in committee, as a member of the Agriculture Committee, I spent the bulk of my time working on the conservation title.

Efforts such as the Environmental Quality Incentives Program, EQIP, helps farmers and ranchers with technical information, with water quality as it comes through their land, with livestock grazing, and so on. This is strengthened.

So I thank the conferees for incorporating much needed reforms in this program, such as boosting cost-share dollars, eliminating priority areas, and eliminating bidding-down procedures.

I am also pleased with the authorization of a new program for grasslands—the Grasslands Reserve Program. There are efforts here to assist in the protection of native grasslands, and it is particularly beneficial to western ranchlands that are being threatened by land sales and land fragmentation.

There are a number of programs in the bill that are critical for rural communities and the Nation's hungry, including rural development and nutrition programs, including food stamps, one of the major expenditures.

In my opinion, there is no question that these are important programs. I support them. However, on balance, I have concerns with the farm bill. Even though, as I have enumerated, I support those things that I think are reasonable, I think the final product has missed the mark. I believe Congress should be working to move agriculture more to a market-based economy versus one supported entirely by the Federal Government.

Here again, what do we want to see in agriculture in 10 or 20 years? Do we want the Federal Government to be in charge of farm production in this country? I don't think so. We want to develop the market so we can have prosperous agriculture in the private sector and people can make decisions for themselves.

This report is a dramatic step away from a market-based economy. Total spending has ballooned to about $83 billion over 10 years, according to the CBO score released yesterday. That is an increase of $9.3 billion over the original budget of $73.5 billion. Most of the increase is in the commodity title. Roughly $48 billion is devoted solely to the commodity title. If you incorporate CBO's new score, we are spending $57 billion for commodity programs alone.

In my opinion, the policies in this report will stimulate overproduction in an already fragile market. So we would move away from market control and move into a level set by loans and payments. Further, these same policies will price our products out of foreign markets. The fact is, about 1 in every 3 acres in agriculture must be in overseas markets. We produce much more than what we consume. We need to understand that those markets are vitally important to us.

Furthermore, farm policy, as I have mentioned, should benefit all of agriculture, not just select crops. Wyoming is not a crop-oriented State. Yet agriculture is one of our top three economic industries. Farm policies do not benefit my constituents as much as they do producers in the Midwest or even our surrounding States.

We should all question how these new policies will impact our trade negotiations and our export markets, which is what we are dealing with when this is over. If we have exceeded the so-called ''amber box'' allocation, our competitors can retaliate against our products because they think we have subsidized our products through this approach. How does retaliation benefit U.S. producers? Being locked out of export markets is a serious concern. We felt that very much when we had the Asian currency crisis and much of beef was going to Asia and the markets were building, and suddenly it did not. Now we find ourselves with relatively high tariffs there, which we ought to be able to negotiate down if we can deal with that.

When the United States is party to only a handful of agreements, we effectively limit our possibilities. If we aren't selling the wheat, corn, or beef to the world, someone else is.

When we began debate in the Agriculture Committee, I urged all of my colleagues to think about the future, where we were going to be. I think in most all we do we ought to be thinking about the long-term impact. I think that ought to be done here certainly.

Unfortunately, I fear this farm bill will create additional reliance on Government assistance, while simultaneously threatening our export market possibilities. So there are some questions in my mind about the conference committee report.

I was not on the conference committee. I have a question about packer ownership. As the chairman knows, I have long been concerned about the impact of packer concentration, where three or four packers handle 80 percent of the livestock. During Senate debate, I cosponsored an amendment to ban packing companies from owning and feeding livestock prior to slaughter. I would like to have someone from the conference explain to me why it is no longer a part of the farm bill if this would provide for more competition. Why would we not be for that? If it is better for producers, why would we not be for that?

Disaster assistance. Unlike much of agriculture, livestock producers do not have a Federal program. They have received very little assistance over the last few years, despite ongoing drought conditions that have forced many to sell all or part of their herd.

I would like to have the conference personnel tell me why, in a time of providing record assistance for agriculture, the conference report does not contain disaster assistance to agriculture, this conference report does not contain disaster assistance for livestock producers. We are providing $94 million in market loss assistance for apple producers and $10 million for onion producers—but not for livestock producers.

Again, there are some excellent portions of this bill. On balance, it is not moving in the direction we want to go in in terms of the future of agriculture.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I yield 10 minutes—and more if he needs it—to the Senator from Georgia. He has been a very valuable member of our Senate Agriculture Committee. I take this opportunity to thank him personally for his diligence, his effort, and input into our committee deliberations, and also on the floor. I daresay that many of the good provisions that we have—especially dealing with getting the whole peanut program changed over to what it was in the past to meet new challenges for the peanut growers in America—would not have been there without the efforts and strong input from the distinguished Senator from Georgia. I yield to him 10 minutes or more if he needs it.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. MILLER. Mr. President, I thank the Senator from Iowa for allowing us to work so closely together on this piece of legislation.

Like many of our colleagues, I have been reading a great new book by Robert Caro on Lyndon Johnson, entitled ''Master of the Senate.''

I enjoyed the hundred or so pages on the Senate as an institution, and especially the chapters on Senator Richard Russell of Georgia. He is an icon in my State and, of course, one of the greatest Members to ever serve in this body. We remember him mostly for his contributions as chairman of the Armed Services Committee. But another of his great causes was that of the American farmers. When he was a freshman, just in his thirties, he became chairman of the Appropriations Subcommittee on Agriculture. Now, those were the days.

One of the things he was most proud of was his fight for a national school lunch program. Senator Russell would like what is in this farm bill for nutrition, and I think he would like the other parts of it as well.

Speaking on the importance of agriculture, Senator Russell once pointed out:

> Every great civilization has derived its basic strength and wealth from the soil.

As I stand behind this desk he once used in this hallowed Hall, and as we deliberate this farm bill, it is well to remember those words:

> Every great civilization has derived its basic strength and wealth from the soil.

I am afraid too many Americans do not understand that today. I strongly support this farm bill conference report, and I thank the members of the conference committee, as I said in the

beginning of my remarks, especially our chairman, Senator HARKIN, for their good and diligent work.

I also thank our majority leader, Senator DASCHLE, for his exceptionally strong leadership on this bill. We have a farm bill that the President has said he will sign, and I appreciate that. It is a bill that can be implemented this year and, most importantly, it is a bill that is good for all of America's farmers.

Farmers, ranchers, dairymen, bankers, equipment dealers, even family grocery store owners can finally breathe a small sigh of relief. With this bill, Congress will finally deliver some help to America's rural communities. Many do not realize it, but these communities are facing their biggest crisis since the Great Depression.

One of the most historic changes in this farm bill is the elimination of the Depression-era peanut quota system. Switching from this 80-year-old quota system to a new market-oriented program was not easy. In fact, it has been downright painful for many in my State, but I am confident this new peanut program will benefit not only peanut producers but also American consumers.

The new peanut program will allow our farmers to compete on a global scale, just as farmers of other traditional commodities do. It will provide access to new markets and fairer price competition with foreign countries.

At the same time, however, the elimination of the quota system will result in financial losses for many of Georgia's family farms. There is no question that this peanut quota is an asset. It is taxed by the IRS. It has been passed down through families from generation to generation. That is why on the Senate side, Senator CLELAND and I made sure farm families who have worked hard to purchase this quota over years are fairly compensated for their losses.

This bill gives peanut quota holders a fair 5-year buyout. Those who argue that quota holders do not deserve it simply do not understand how many have come to rely on this quota as their retirement. They do not understand how this quota system has helped fuel many rural economies for many years. So when we do away with it, as we are in this bill, in all fairness, we have to have a short transition. We need a bridge from the old system to the new, and this bill provides one.

I am very pleased the farm bill we have before us today does not have the lower payment limit that was adopted earlier by this Senate. That lower payment limit would have helped no farmer, but I can guarantee you it would have hurt many. I do not exaggerate. It would have forced many farmers in my State and across the South to put their farms on the auction block.

One has to understand the type of agriculture found across the South to realize the ill effect of lower payment limits. The cost of producing traditional commodities in the South often run three to four times higher than the cost of producing corn and wheat in other parts of the country.

Also, the size of a family farm in the South can be as large as a few thousand acres, much bigger than in other parts of the country. Our farmers in the South should not be punished because their production costs are greater or because their family farms are bigger.

The payment limit the conferees have worked on, a compromise between the House and Senate, closes the loopholes that have received so much public attention in recent years, but at the same time it still allows our farmers to produce the cheapest and healthiest food supply in the world.

Producers have the right to pursue efficiency and adapt to a changing world economy. I am pleased the conferees in the end understood the need to develop a final bill that will not hurt American farmers.

There are other important pieces of this bill as well.

This bill contains an 80-percent increase in conservation spending. That large an increase is unheard of. The increased funding will help with programs such as the Conservation Reserve Program, the Environmental Quality Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program. All of these programs are critical to farmers and livestock producers throughout Georgia.

These conservation programs help products comply with the costly Federal regulations that the Government continues to throw our way. In addition, this bill contains significant funding increases for research which we do a lot of in our university system in Georgia. I have already mentioned nutrition. Forestry, trade, and rural development programs are all here.

Mr. President, our farmers have waited long enough. Our rural communities have suffered long enough. Our previous agricultural policy has failed to provide the backbone needed during these depressed times in rural America.

For the sake of those rural communities in Georgia and all across this country, I thank, again, the leadership of the Senate and the House who have recognized this emergency and addressed it head on. I ask my colleagues to vote in support of this farm bill. It is a good one.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the Senator from Arizona. How much time does the Senator require?

Mr. MCCAIN. Fifteen minutes.

Mr. LUGAR. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. MCCAIN. Mr. President, I speak against this farm bill conference agreement that will serve as the basis of farm policy for the next 6 years. I oppose this legislation because it is an appalling breach of our Federal spending responsibility and could be damaging to our national integrity.

Included in this agreement, as we all know, is $83 billion in new spending for farm programs above the baseline, which brings the grand total to $183 billion for the life of the bill. In yearly spending, the projections for this new farm bill will rank among the most expensive farm bills in recent history.

Before I launch into my remarks, I wish to say that some of this new spending is laudable, including funding for conservation programs, increased funding for food stamps and nutrition programs, but unfortunately the bad policies outweigh any positive developments. Farm spending will reach record levels, and modest reforms were eliminated. We had a few modest reforms enacted on the floor of the Senate. All of those were eliminated.

It is no surprise that the adherence to the status quo is particularly disappointing since information was widely available demonstrating the overwhelming disparity of farm payment distributions. The GAO study highlighted the egregious disparity in farm benefits, demonstrating that over 80 percent of farm payments primarily benefited large and medium-sized farms. Other studies by the Environmental Working Group found that in evaluating U.S. Department of Agriculture data, the top 10 percent of big farmers and agribusiness consumed about 80 percent of farm benefits, leaving small farmers out in the cold.

When Members talk about small farmers, how in the world do you justify that—when they took out, I say to the distinguished managers of the bill and conferees—they took out the requirement, the ceiling we put on the maximum amount that a farmer could desire.

Tyler Farms in Helena, AR, received $23 million in cotton payments in 2001.

Cenex Harvest States Co-op in St. Paul, MN, received $9 million in wheat subsidies and also received $7 million in corn payments as well.

A farmers rice co-op in Sacramento, CA, received $40 million in rice subsidies, while Riceland Foods, Inc., in Stutgart, AR, received $38 million.

Mr. President, how does one justify this? What is going to happen? We all know what is going to happen. The same thing that happened in the past: 80 percent of the large corporations and large farms get the money; they buy out the small farmer, and the farms get big and the small farmers, whom ostensibly we are trying to assist in this legislation, are the ones who have to sell. A very large percentage have an average of about $1,000, while the major agribusinesses receive hundreds of millions of dollars. I don't have the figures for ConAgra and Archer Daniels Midland.

A modest effort was made to limit farm payments to $250,000 per farmer. Despite overwhelming justification for this modest limitation, looming farm and election year politics pressured conferees to reject any reasonable limitations. Nothing in this bill will serve as checks and balances to prevent the bulk of payments to selected commodities such as cotton, wheat, and corn

growers and large farming conglomerates.

This is not to say other targeted commodity groups are completely left out. A new mix of old and new subsidies flows in abundance in the final conference agreement, with $94 million in mandatory funding for market loss assistance for apple producers, $10 million in mandatory funding for onion producers, $1.3 billion guaranteed for dairy producers as a compromise for ending the Northeast Compact. Wool, mohair, and honey subsidies have been resurrected, which were phased out or eliminated in the 1996 farm bill.

I remember in 1996 we were so proud of the fact we finally eliminated mohair subsidies. We were so proud because mohair subsidies were put in during World War I because mohair was deemed essential to the production of uniforms for the Army—uniforms for the doughboys of World War I. We finally got rid of it in 1996. And guess what. Like Freddie, it is back.

Honey subsidies have been resurrected; a new payment and loan program for producers of dry peas and lentils; $500 million is secured for sugar growers, in addition to a continuing lucrative loan subsidy program.

I will talk about sugar for a minute. We are talking about wanting to help the poor countries in our own hemisphere. We are committed to helping Africa with massive economic aid. Bono, the great musician of U2, made a crusade of assistance, particularly for Africa, and we are going to pour American tax dollars into these countries to help their economies. Meanwhile, we are going to cut off every possibility they have of making a go of their economies because we will not allow their products into the United States of America, whether they be textiles or whether they be sugar.

Sugar is amazing. We have a couple guys down in Florida who control this huge amount of sugar production, and they are able, through their political clout and massive campaign contributions, to have an enormous impact on our protectionism. Meanwhile, we will borrow these products—whether they be textiles from poor Central American countries or sugar from Caribbean countries—and then we will turn around and give them economic aid, when really the best economic aid we could probably provide to these nations would be to allow them to export their goods and products to the United States of America. The American consumer is the one who would pay less for a pound of sugar, would pay less for sugar, would pay less for a pair of trousers or a shoe or a banana.

What have we done? We are costing the American average citizen, one who is not a farmer, big or small, enormous amounts of money because we will prop up a price, and because the agribusiness is by the small farms, they will cultivate them and they will grow more products, there will be more of a surplus, and we will, again, lift the subsidy, costing the average citizen a lot more money. This is a vicious cycle we are in. It is one that obviously is going to be very damaging for a long time.

While proponents of this bill claim otherwise, the potential for overproduction may result in lower market prices, forcing Congress to once again respond with emergency payments, forcing the United States beyond the $19.1 billion annual limit agreed to in recent World Trade Organization negotiations.

We have another problem with the bill. The WTO and other trading partners will not sit still for it. We will see some serious confrontation between ourselves and our friends overseas and in this hemisphere, particularly in the WTO. There will be great legitimacy to their argument. What will happen is exactly what is happening now after we bailed out the steel industry. We are going to see them slap tariffs on our product, and we will see the average consumer, the average citizen—not Archer Daniels Midland, not ConAgra, not Tyler Farms in Helena, AR, that got $23 million in cotton payments, not Seneca Harvest State Crop that got $9 million in wheat subsidy and $7 million in corn payments; it will be the average citizen.

We have a new payment and loan program for producers of dry peas and lentils, as I mentioned; $500 million for sugar growers; $204 million in mandatory funding for payments to bioenergy producers who buy agricultural commodities to expand production of biodiesel fuel, an additive made from soybeans and ethanol; $650 million for the Market Access Program, which taxpayers subsidize, a marketing program for for-profit corporations on overseas advertising and promotion—I recall one: Over $1 million which we are now spending to help convince people overseas to eat popcorn—establishment of a new peanut direct payment program at a cost of $3 billion; an additional $1 billion buyout program of the traditional peanut price support system.

All this new spending adds up to increased burdens for taxpayers, and it may threaten U.S. commitments through various trade agreements.

How can we say we are in favor of free trade when we are considering this kind of massive farm subsidy? I have argued a long time on the floor about catfish. A catfish is a catfish. Ask any scientific expert, any college professor. But we will call it by a different name so that we can ''nail'' the Vietnamese and make sure our domestic catfish industry is protected. And guess what. The price of catfish will be higher for the average citizen.

In a letter to Senator LUGAR, the Canadian Ambassador stated his concerns about the direction of this bill:

> The direction of the 2002 Farm bill is counterproductive to the efforts of both Canada and the United States to achieve shared objectives for global agricultural trade reform. . . . Both the House and Senate versions of the Farm bill call for significant increases in spending on trade-distorting forms of support. It is also a concern that U.S. legislators are considering reinstating abandoned production distorting subsidies (e.g., honey), and extending them to new commodities, such as peas and lentils.

This policy of subsidizing wealthy farming interests will have ripple effects throughout the developing world by stimulating overproduction and further driving crop prices down on world markets.

This farm bill already approaches $200 billion over 10 years, but when it is said and done, the final cost will be much higher not only for the American taxpayer who must foot the bill but for the poor nations across the globe.

I have not seen in recent memory the unanimity as expressed by various newspapers across this country—the Washington Post: ''This Terrible Farm Bill'' and the Washington Post: ''House Farm Vote on Farm Bill Carries Global Consequences.'' The Wall Street Journal, in their own reserved, understated way call it ''The Farm State Pig-out'' and the Atlanta Journal: ''Farm Legislation Illustrates Worst In Corporate Welfare Reform.''

With President Bush and Senator TOM DASCHLE pushing the new farm bill, voters must understandably be lured into believing this is a welcome sign of bipartisanship in our Nation's Capital. It is bipartisan already but hardly welcome. This is nothing more nor less than pure porkbarrel spending, enough to keep partisans on both sides of the aisle happy. Despite public outcry and outrage at such profligacy, the largest corporate welfare reform program in our country is now all but a done deal—it is a done deal.

''How to Keep 'Em Down on the Farm: Subsidies; Congress: In Tribute to Agriculture lobbys' Clout, bill bumps funding 70%.''

Says the St. Paul Pioneer Press: ''A Three-Way Deal: Taxpayers Foot Farm Bill.''

Says the Washington Post: ''Show down on subsidies.'' Washington Post, May 2, 2002:

> The farm bill that goes to the House floor for a final vote today is coming under attack from U.S. trading partners, with some experts warning that it could severely damage the economies of poor countries and set back the Bush administration's efforts to strike free-trade agreements.
>
> ''This is an appalling signal to the world and the farm bill is very, very bad for the international agriculture.'' Warren Truss, Australia's Agriculture Minister, was quoted saying on his country's national radio network. The United States, he said, ''is telling other people to lower subsidy levels but not doing the same thing itself.''

Before I conclude I would like to express my gratitude to my distinguished colleague, Senator LUGAR, a man of virtue and reason with respect to our Nation's agricultural policies, for the strong stance opposing this farm bill agreement. He alone acted in principled fashion for this Senate body, first by offering a true reform proposal for farm policy during Senate debate

which would have substantially reduced Federal farm payments and directed assistance on a needs-based approach. He boldly proposed to phase out cherished sugar, peanuts, and dairy subsidies. He also suggested that Federal assistance is more appropriately focused to those farmers who genuinely need assistance. As a farmer himself, he wisely recognized the fallacy of unlimited and unchecked farm subsidies and as demonstrated by withholding his approval on this final conference agreement. I applaud him for his brave battle against entrenched farming interests.

It is easy for me to vote and speak against this bill. It is not so easy for Senator LUGAR. I think he has displayed courage and wisdom and people will grow to regret, over time, that we did not heed his words and respect and vote for his proposals. That is because we have a train wreck coming and that train wreck is going to cost the American taxpayers a great deal in both quality of products as well as price.

I, obviously, will vote against the farm bill, and I do not think this is one of the Senate's finest hours.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona has consumed 15 minutes. The ranking member controls 15 minutes; the chairman of the committee controls 4.5 minutes. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 1 minute.

I thank the distinguished Senator from Arizona for his thoughtful tribute. I appreciate very much the strength of his statement today. It was timely and important for all Americans to hear.

I yield the floor. I anticipate perhaps one more speaker on our side. I reserve our time.

The PRESIDING OFFICER. Who yields time? Does the Senator from Iowa yield time?

Ms. CANTWELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I ask unanimous consent to address the Senate for 5 minutes as in morning business.

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

(The remarks of Ms. CANTWELL are printed in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Indiana has just under 15 minutes. The Senator from Iowa has 4½ minutes.

Mr. LUGAR. The speaker I anticipated is not present and therefore I am delighted to hear from the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Florida. I ask unanimous consent to speak for 5 minutes as in morning business.

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

(The remarks of Mr. NELSON of Florida are printed in today's RECORD under ''Morning Business.'')

Mr. LUGAR. Mr. President, I note there is no speaker on our side. I anticipated that perhaps the distinguished Senator from Oklahoma, Mr. NICKLES, would be available. Therefore, I would suggest that a quorum call be instituted—I suspect the time has already left on the Democratic side, and there would be 13 minutes remaining on our side—and that this be allowed to run out. In the event that Senator NICKLES appears, he might utilize the remainder of that time. Otherwise, we will come to the conclusion of the debate on the farm bill today and will be prepared for another vigorous session tomorrow.

I suggest the absence of a quorum, and ask that the time be charged to our side. There will not be any time left. Otherwise, I suggest equal charging.

The PRESIDING OFFICER (Ms. CANTWELL). Four and one-half minutes remain to the Senator from Iowa.

Mr. LUGAR. I suggest the time be charged—I delay my request for a unanimous consent request and ask that the time remaining on our side be yielded to the distinguished Senator from Oklahoma.

How much time remains on our side?

The PRESIDING OFFICER. Twelve and one-half minutes.

Mr. LUGAR. I yield 12½ minutes to the Senator from Oklahoma.

Mr. NICKLES. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Madam President, I wish to come to the floor and make a few comments on the agriculture bill. First, I wish to compliment the Senator from Indiana, Mr. LUGAR, for his statement today, for his comments, and for his very astute recognition of some of the problems we have in this bill.

I want to be in favor of an agriculture bill. I want to be in favor of a farm bill that is going to help farmers. Unfortunately, I think this bill fails that test.

I look at this bill from a lot of different angles. I want to help agriculture. I think every Member in this body wants to help agriculture. But is this bill the right way to do it?

If we pass legislation that is going to greatly encourage production and have the Government paying for a lot of it and then drive prices down, are we helping agriculture in the long run? I am afraid maybe we will be hurting agriculture in the long run.

As a matter of fact, there is a study which is just coming out that talks about the price of wheat going down for the next 5 or 6 years as a result of this bill. This bill is a 6-year bill. We are just trying to get a handle on the cost of it. There is a new estimate coming from the Congressional Budget Office that estimates the cost of this bill greatly exceeds the estimates by a total of about $9 billion.

The level we were negotiating with the President on was $73 billion over present law over 10 years. Now we have the Congressional Budget Office coming up and saying we find this is another $9 billion on top of the $73 billion, for a total of right at $83 billion over and above present law.

In other words, we are saying present law wasn't doing enough to help agriculture. So there was a bipartisan agreement with President Bush that would put in an additional $73 billion to help agriculture. That was done. But evidently that wasn't enough because a new scoring came out indicating this busts that budget by an additional $9 billion. That is one reason to be opposed to it.

Then I look at what happened on the cost limitation. We passed an amendment in the Senate in which I and others participated. It passed with 66 votes. We said we want to have a payment limitation. Payment limitations have grown dramatically. Years ago, we had payment limitations of $40,000 or $50,000 per farmer. Yes, we found that different people were skillful in their evasion of those limits. They had multiple payments in their families and pyramid schemes. We tried to tighten that up.

Anyway, we had bipartisan support for an amendment, 66 votes that said: We want to have a limit of $275,000, and that would include certificates. We adopted that with a big vote. We sent it to conference. And we come back to find the limit is not $275,000, it is $360,000. So it increased substantially over what we passed in the Senate. And, oh, incidentally, in the $360,000, they forgot to count certificates.

Not to get too complicated, but any farmer who is listening to this knows what I am talking about. It means there is no limit. It means the difference between the loan rate and the price you receive will not count towards your total payment limitation of $360,000, so you could have payments of $1 million.

Senator LUGAR talked about, for his State, looking it up on the Web site you could see that this would only apply to six or seven farmers. I looked for my State, and it would apply, frankly, to more than that. But I find out there are a lot of farms where those payment limitation numbers, that are posted by the environmental group, greatly exceed that, because they run things through co-ops and other organizations that do not show the payment limits, that are not attributing those to individual families.

So the point is, the Senate adopted an amendment that said: Let's have a payment limitation of $275,000. The bill comes back with $360,000, and it has no limitation whatsoever on the certificates.

Then we have to look at the crops.

I heard Senator LUGAR say earlier today: Does it make sense to have a program on cotton that has a current market price of 31 or 32 cents, and we have a target price of 72 cents? The difference is 41 cents. That 41 cents is 131 percent of the market price. The Government is going to be paying more in subsidy than what the market is. The market is 31 or 32 cents, and the Government is going to be paying basically the difference. The Government is going to be paying 41 cents for a total payment to the farmers of 72 cents per pound. That is an enormous subsidy in cotton.

What about in rice? The average price is about $4.20 per hundredweight. The target price for rice is $10.50. So the Government payment is going to be $6.30, about 150 percent of the market price.

Does that make sense? And if you have the Government paying so much more than what the market price is, we are greatly encouraging production of these commodities well in excess of what the market says we should be doing, so we will be drowning in surpluses, keeping the prices low.

What about in wheat? In my State, we grow a lot of wheat. The market price and the loan rate are just about the same. But the target price is $3.86. The market price is about $2.80. So it is a difference of $1.06. That is what the Government is going to pay. The Government is going to be paying 38 percent more than what the market price is for wheat.

Compare that to current law. It is about 16 percent of the market price. Under current law, the Government pays about 46 cents per bushel in wheat. Under this bill, we will pay $1.06 per bushel. So that is over twice as much Federal subsidy per bushel.

You might say that is great for your State. It may benefit a few of our wheat farmers, but the net result is, collectively, nationally, what we are going to be doing is encouraging a lot of overproduction, and prices will continue all. As estimated by this one study, prices will fall. Does that help wheat farmers in the long run? I do not think so. I do not think it is going to help them. The net result is, we are going to be putting a lot of people into bankruptcy.

Look at corn. For corn, you have a market price of $1.90, you have a target price of $2.60—a differential of 70 cents. That is 37 percent of the market price. The Government would be paying 37 percent more than what the market would dictate we should be paying in corn.

Compare that to present law. The differential is 26 cents. So right now the Federal Government is paying a 26-cent differential on the market price of corn. That is 14 percent. That more than doubles now to 70 cents. So we are going to have more corn production. Somebody might say that might be great for corn farmers. But guess what. You encourage a lot of production in excess of demand and you are going to be drowning in surpluses, and prices are going to fall.

So Government payments are going to go up. We are increasing a Government dependency system here that is broken. It needs to be fixed. But instead of fixing it, we are making it worse. These Government payments are going to get bigger and bigger, and maybe people will see, on Web sites, how much people are really making and come back to Congress and say: Wait a minute. Fix it. You should not be paying a few people—and it is exactly a few people who are really going to be the beneficiaries.

What we will have is a situation where the smaller farmers will be bought up by the big ones. The smaller farmers are not going to be able to make it. So this is going to exacerbate and accelerate the move from small farms to large corporate megafarms, and the megafarms are going to get the bulk of the money.

I think it has already been reported that the upper 10 percent of farms are getting two-thirds of the cash payments out of agriculture. That figure will increase. It will soon become where the upper 5 percent of farms will be getting 70 percent of all the money coming from this program; and maybe that figure will even climb from there.

Madam President, I ask unanimous consent that a farm bill payment comparisons table and a farm bill spending table be printed in the RECORD.

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

FARM BILL PAYMENT COMPARISONS

	Wheat		Corn	
	Current	Conf	Current	Conf
2001/2002 season average price	2.80	2.80	1.90	1.90
Loan rate	2.58	2.80	1.89	1.98
Target price	n/a	3.86	n/a	2.60
Direct payment rate	0.46	0.52	0.26	0.28
Loan deficiency payment	.....	.....	.....	0.08
Counter cyclical payment rate	.....	0.54	.....	0.34
Total payment	0.46	1.06	0.26	0.70
As a percent of market price	16%	38%	14%	37%

FARM BILL PAYMENT COMPARISONS

	Rice		Cotton	
	Current	Conf	Current	Conf
2001/2002 season average price	4.20	4.20	0.3140	0.3140
Loan rate	6.50	6.50	0.5192	0.5200
Target price	n/a	10.50	n/a	0.7240
Direct payment rate	2.04	2.35	0.0556	0.0667
Loan deficiency payment	2.30	2.30	0.2052	0.2060
Counter cyclical payment rate	.....	1.65	.....	0.1373
Total payment	4.34	6.30	0.2608	0.4100
As a percent of market price	103%	150%	83%	131%

FARM BILL SPENDING—OLD BASELINE 'VS' NEW BASELINE

Year	Cost under April 2001 budget resolution	Cost under March 2002 baseline	Difference
2002	2.5	2.5	.....
2003	7.2	8.5	1.3
2004	8.8	10.4	1.6
2005	9.3	10.7	1.4
2006	8.9	10.1	1.2
2007	8.5	9.5	1.0
2008	7.2	8.1	0.9
2009	7.4	8.1	0.7
2010	6.9	7.6	0.7
2011	6.8	7.3	0.5
Total	73.5	82.8	9.3

Mr. NICKLES. So there are lots of reasons to have concerns about this bill. I have mentioned the cost. I mentioned the enormous payments that would be made to some. I mentioned the fact that the total cash payments to farmers is really nonexistent because we did not count certificates. And then I look at the fact that we are getting agriculture in some areas where it really does not belong.

What in the world are we doing with an onion program? What are we doing with subsidies for apples? And what are we doing reinstating a honey program that we finally stopped? Why are we reinstituting a program for wool and mohair, which was created decades ago, and it really is not necessary to have a national program?

Why are we subsidizing the purchasing of all kinds of commodities just to prop up prices? Again, Federal Government intervention is like we do not believe in markets. And when we are talking about trade—and we have a trade bill on the floor of the Senate that we will be considering in a couple days—it is like, oh, yes, half of our trade negotiations are stuck in agriculture. For those who have not followed this issue, agriculture is very difficult to deal with in trade negotiations. We have just made it a whole lot worse.

When we tell people, let's open up markets and we can compete—and we can compete in agriculture anywhere in the world—with this bill we are making it very difficult for our people. Those with whom we trade say: Oh, yes, you say we shouldn't subsidize our farmers so much, but look how much you are subsidizing your farmers.

So you are going to see greater and greater protectionism and greater and greater subsidies on both sides of the Atlantic—frankly, all across the world—with more Government dependency everywhere.

Who will be the real losers? Certainly, the poor and developing countries will be losers because they cannot afford to get into this kind of battle. And, frankly, the American taxpayers will be the losers as well because we will be writing a whole lot of checks to produce commodities that we do not need and that the market is saying we do not want. We produce so much more than we can consume, so we have to export.

This bill is going to make it more difficult to export. So we are going to

be drowning in our own surpluses. Market prices will fall further, and Government payments will go up. That is the net essence of this bill. I hate to say that. I wish that were not the case.

I have supported agriculture bills in the past, unlike some of our colleagues in this Chamber. I would like to support an agriculture bill this year. Unfortunately, I see this bill as taking a giant step in the wrong direction, a direction where people will not be farming, due to what the demand or the marketplace is dictating, but, frankly, a marketplace dictated by Government, Government subsidies, Government largesse, and, ultimately, Government control. This Senator believes that is a mistake.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Madam President, how much time is remaining?

The PRESIDING OFFICER. Four and one-half minutes.

Mr. HARKIN. On this side. How much time on the other side?

The PRESIDING OFFICER. There is no time remaining.

Mr. HARKIN. Madam President, I think all has been said that needs to be said, at least for today, on this farm bill. I guess we are going to have 6 more hours of saying it all over again tomorrow. So I see no need to stay here any longer.

I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator's time is yielded back.

Mr. HARKIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

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

THE EDUCATION BUDGET

Mr. KENNEDY. Madam President, I thank the Senator from Iowa for yielding the time. This is extremely important legislation. As one who from time to time manages floor legislation, I recognize that it is important to keep the focus and attention on the pending subject matter.

But I want to take a moment of the Senate's time to talk about another issue which is important to the families in this country; that is, our education budget.

I take this moment now because we have had a series of actions by the administration in recent days that brought new focus and attention on the issue of education funding.

Money, in and of itself, is not going to answer the problems we are facing in this country on any public policy issues, and it will not in the area of education. But what we had last year was an education reform program that was worked on by Republicans and Democrats alike, the No Child Left Behind Act. Prior to passage of the new law, there was criticism of the federal education programs, that they were not resulting in the children developing academic skills and succeeding in our school systems across this country, and there was also a very fundamental understanding; and that is, while money alone will not solve the problem, reform alone will not solve the problem. If you bring reform together with resources, you are going to fulfill a recipe for progress for children in this country.

The reforms, which we spelled out in the new law, are raise standards for students and teachers and hold schools and school districts accountable for results. It requires a great deal from the students, a great deal from the schools, a great deal from the parents, a great deal from the local communities, additional responsibilities by the States. We in Washington told them that we were going to be a partner in this endeavor to try to really make a difference in enhancing academic achievement.

That was an endeavor on which many of us signed off. Many of us, who have been here for a period of time, have raised some serious questions about the seriousness with which our Republican friends are really committed to the areas of education and education reform. I remember, after we saw Republican leadership take over in the Senate, as a result of the elections of 1994, one of the first actions they undertook was a rescission of some $1.7 billion in education funding that had already been appropriated for some of the neediest children in this country. We fought that. We fought it and fought it, but they had some success in rescinding funding. It was the same year the Republican leadership announced they wanted to abolish the Department of Education.

I think most of us in this body wanted the Department of Education, for one simple and fundamental reason; that is, every time the President brings a Cabinet together, we want to have someone at that table who is the clear, powerful voice for children and enhanced education and investing in the children of this country and their education. That is what the a Secretary of Education should do. But they wanted to abolish the Department of Education. They said we could have many other Departments, and money in other areas of public policy. But we resisted, and we saw that the Department was not abolished.

Then, if you can believe, in 1995, in the Republican budget resolution that came over from the House, they tried to effectively eliminate over $18 billion in student loans support over a 7-year period. We were able to resist that, just as we resisted Republican efforts in 1981, when President Reagan initiated what they call an origination fee on student loans, an additional kind of payout. We were able to reduce that in a significant way. But students still pay too much up front to borrow money to go to college.

This is the record over a very considerable period of time. Three years ago, we had the battle on the floor of the Senate on elementary education, and there was a move to eliminate and support for 800,000 homeless children, 800,000 migrant children, 800,000 immigrant children who were going to be American citizens. The Republican leadership did not want any coverage for them.

The American people have a certain hesitancy and a certain concern about the legitimacy of the other side's real interest in investing in education. The list of anti-education proposals from the other side continues to go on.

Just ten days ago, we saw the proposal by one of the leading authorities in the administration, Budget Director Mitch Daniels, who suggested a new way to shortchange students pursuing their college education in this country, by effectively denying them the opportunity to go for the lowest-interest rates on student loans that long have been available to them. The Administration sought to require that students pay higher interest rates on their loans, rates which would mean, for the average student, more than $3,000 in additional expenses over the life of their loan. If that loan was $17,000, and repayment were stretched over 30 years, it would be an additional $10,000 in costs.

That is a very clear indication of how the Administration views support for higher education for students in this country.

Now, we find that the President is out traveling across the country talking about the importance of funding education, understanding that we need reform and that we also need resources.

Just yesterday, this is what the President said in Michigan:

> The Federal Government has responsibilities. Generally, that responsibility is to