

I brought the nuclear waste legislation to the floor in an open and fully transparent process last Congress. I don't think the distinguished Democratic whip, my good friend, the senator from Nevada, would accuse me of being other than up front and honest with him. Although we disagreed on the subject, I was always willing to talk openly. This is the way the Senate should work.

What has happened here is that not only have the views of the minority of the committee been silenced but the views of the Members, as well. I am certain the majority leader will take steps on the Senate floor to further restrict amendments.

One of the interesting things about this is the elastic bipartisanship on this, the comity of the Senate that normally would have Senators consult with their colleagues whose States are affected by a given measure are also falling victim to the Democratic leader's assault on the institution. I understand included in the legislation put forward by the Democratic leader are provisions dealing with the development and transportation of natural gas owned by the State of Alaska. These provisions were again developed behind closed doors without consultation to either the Senators or the Governor of our State.

Finally, make no mistake about it. While I support opening the gas line from Alaska, I am not here in the Chamber criticizing the companies, which is what many of our Democratic friends have done. As a consequence, I will have far more to say about the majority leader's proposal once we are given the courtesy of seeing it. Unfortunately, its introduction comes with a heavy price of the Senate and the Committee on Energy and Natural Resources.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from North Dakota.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, is the time running on the one-hour provided for debate on the agriculture bill?

The PRESIDING OFFICER. It has not yet begun to run.

Mr. CONRAD. When will that begin?

**AGRICULTURAL, CONSERVATION,
AND RURAL ENHANCEMENT ACT
OF 2001—MOTION TO PROCEED**

The PRESIDING OFFICER. Under the previous order, there is now 1 hour of debate, evenly divided between the leaders or their designees prior to a

vote on the motion to invoke cloture on the motion to proceed to the consideration of S. 1731.

Who yields time?

Mr. CONRAD. Mr. President, I note the chairman of the Agriculture Committee is here. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa, the chairman of the Agriculture Committee.

Mr. HARKIN. Mr. President, we have 1 hour equally divided; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, I look forward to the vote on cloture. I hope it will be an overwhelming vote. I hope we can move on this bill right away, today. Time is wasting, as they say. The clock is ticking. We are here. We are in Washington. We are ready to do business. I believe we have a good bill. I believe we have a very good, well-balanced farm bill. It is a 5-year farm bill. We have reported it out of committee. We are ready to bring it to the floor and have it open for amendments that Senators might offer.

It is a 5-year bill. It is a comprehensive bill. I think it provides greater improvements to the farm commodity and income protection programs. We are strong on conservation, rural economic development, agricultural trade and research has a good provision.

I will have more to say about my distinguished ranking member, Senator LUGAR, and the great work he has done on agricultural research.

We have nutrition assistance programs, we have a new title dealing with energy, and of course credit titles and forestry titles. It is a comprehensive farm bill. I know a lot of the press tends to focus only on commodities. Commodities, obviously, are an important part of the farm bill. However, this farm bill covers other areas across the United States which I will talk more about.

I thank the ranking Republican member of our committee, Senator LUGAR, former distinguished chairman of the Senate Agriculture Committee. I very much enjoyed working with him and his staff, developing this bill. I can say without any hesitation that we have had a very high level of cooperation and a bipartisan working relationship and collaboration in writing this bill. In fact, all but one of the titles of this bill represents a bipartisan agreement. All titles of this bill passed in our committee with bipartisan votes.

That shows we did, in fact, work closely together. We did have a vote on the commodity title and even there, there was a bipartisan vote. To be sure, it was not the same as on the other titles, but we voted to uphold the committee's commodity title.

Again, as an indication of the broad-based support that we had in the committee for the bill, even though there were some who may have wanted to

change the commodity title we reported the bill out on a voice vote, which is in practical effect unanimous.

Let me point out the legislation is within our committee's budget limitations for the new farm bill. We were allowed by the Budget Committee \$7.35 billion for fiscal 2002, and \$73.5 billion for the 10 years, above the baseline. The bill has been scored within those limitations.

I hope we can move forward and work our way through this bill. As I said, we are ready to consider amendments. I am hopeful—and I say this with all due respect to Senators. I know people may want to have amendments to this that they feel strongly about. I myself in the past have felt strongly about amendments to farm bills when they have come to the floor. But the important point is to move the bill forward and not slow down the farm bill. We should have amendments, debate them in a timely fashion, vote on them, and move on.

I am hopeful we can reach meaningful time agreements on the amendments that will be offered to this bill. Of course, I believe it is a good bill as it came out of the committee. But I understand there will be some who may want to offer amendments.

Why act now? Why not wait until next year. We have heard some talk about waiting until next year for a farm bill. Frankly, farmers around the country need to know what the farm program is going to be, and they need to know soon.

A lot of farmers are going to be going to the bankers right after the first of the year to get the money they need for their crops, to put in their crops. What is the banker going to say? "What is the program going to be? What can you count on?"

How are the farmers going to fill out the paperwork to go into the banker to get the money they need to plant crops if they have no idea what the program is going to be?

That is why it is so important that we finish this legislation and give a clear signal to the agricultural community and the agricultural credit community just what we are going to have for next year.

The other reason is—and I will be repeating this data over and over again as we go through the debate on the farm bill—that there really is a crisis in rural America, since soon after the 1996 farm bill was passed.

In 1996, we had net farm income of \$55 billion nationally. Since that time, net farm income has fallen to an average of \$46.3 billion, a decline of nearly 16 percent.

Had it not been for the sizeable Government payments from the farm bill and the additional payments that we in the Congress have made in that period, which includes about \$30 billion in additional emergency payments over

those years, if we had not had those payments, net farm income would have fallen to less than \$30 billion on average.

Thus, had it not been for the Congress coming in every year on an ad hoc basis, the market-generated net returns to farmers would have been only 54 percent of what we had in 1996. That is why it is so critical we move ahead and get this legislation passed.

Commodity programs are only part of the reason to move ahead. Several of USDA's critical conservation programs are simply out of money. The Wetlands Reserve Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program are all out of money. I say to those who are interested in conservation and want to promote and provide for conservation, we need the money now, not next year. That is because many of these programs have to be funded on a continual basis.

Take the Wildlife Habitat Incentives Program, for example. That is not something that should be just stopped and then started. The Wetlands Reserve Program is not a program that can be kept in abeyance for 9 or 12 months, and then just be started again without real negative consequences. These are conservation programs that need continual infusions of money for the protection of our endangered lands and endangered species.

The Environmental Quality Incentives Program—the EQIP—to defray conservation cost of crop and livestock producers, is far short of the resources needed. It is not out of money just now, but the funding is inadequate for the need out there. This bill substantially increases funding.

However, if we do not pass the legislation soon, the USDA will not be able to carry out the conservation programs adequately during the present fiscal year. Also, the bill will help provide very important and much needed new help in the areas of rural economic development, agricultural trade, research, credit, nutrition, and renewable energy. So we need to move ahead without delay.

At some point later on I will take the time to go through the bill and talk about the different commodity and other programs covered in the bill, all the various aspects that are in the bill, but I do not believe that is necessary right now. We are coming up to a cloture vote. I basically wanted to take the floor to say why it is so necessary we move ahead and not delay this bill any longer. We have a huge decrease in net farm income. We have to address that.

We have to let the bankers and the farmers know what kind of program they can count on next year. But, again, if we do not move this bill soon, farmers will be going to the banks and seeking credit for the crops they are

going to be putting in without knowing what to expect in the farm program. That is why we need to move on this legislation right now.

In addition, we need to move on the bill to make sure we keep the funding stream going for our necessary conservation programs.

Mr. President, I want to again publicly thank my good friend and ranking member of the Senate Committee on Agriculture, Nutrition and Forestry, Senator LUGAR. He was chairman for more than six years. He was a great steward of the committee. He did a great job guiding, directing, and leading the Agriculture Committee. I am proud to follow in his footsteps as chairman of the Agriculture Committee.

I again thank him and his staff for all the working relationships that we have had in developing this farm bill and in all the other work we have been doing on the Agriculture Committee. I want to thank Senator LUGAR for that great working relationship.

With that, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield myself as many minutes as are required.

I deeply appreciate the thoughtful comments of my colleague, the chairman of our committee. Let me reiterate the importance of what he has said on the bipartisan cooperation on major titles. He has touched upon them. I shall do so again because each represents superb staff work and work by Senators to achieve virtually unanimous results: The rural development title, the research title, the energy title, the forestry title, the trade title, the credit title, and the conservation title.

With regard to research and nutrition, during the course of the debate and events and the will of the Senate to continue with this bill, I would want to say more. I believe we can improve both of those areas very substantially. We can do so through substantial change in the commodity section. So there will be an offset to do that.

But giving credit where credit is due, a substantial number of titles are reasonably settled and I think will meet with the favor of the vast majority of Senators.

The debate we are having during this hour is on a motion to invoke cloture so that we can proceed to the Agriculture bill today. Therefore, that is the issue on which the Senate needs to focus. The question is, Why today? What is the compelling need to proceed to this legislation?

First of all, most Americans who are presently watching television, if they are not on the C-SPAN channel watching this debate, are watching developments on the war in Afghanistan. They

are watching a gripping drama in which Americans are at risk.

There is, in my judgment, a compelling need for us to be discussing the defense budget and issues that are involved with terrorism, whether they involve a continuation of the insurance industry, for example, or other aspects of the war. We are in a war.

This has been the case really throughout this strange preoccupation with the Agriculture bill. I say "strange" because the Agriculture legislation we now have on the books does not expire until next September 30—over 9 months from now. During that period of time, so-called AMTA payments—fixed payments—will be made to all the farmers who are in the program. A seventh year of payments will occur automatically. So will loan deficiency payments to farmers who have the row crops that are covered by the loan deficiency program. In short, the stable safety net that has been sought remains, plus very large, fixed payments. None of that changes during the coming months.

Parenthetically, there is a need, I suppose, to discuss the defense budget and to do so in line with things which have occurred in our American economy since the first thoughts about a new farm bill began.

For example, at the time the Senate and House Budget Committees began to formulate the resolution last year, I note from the chart that was prepared by OMB that the surplus was estimated at \$313 billion for the fiscal year commencing October 1. As a matter of fact, I recall that the President of the United States, during the State of the Union Address, discussed surpluses in the future that might approximate \$3 trillion—if one extrapolated further, as much as \$5 trillion—and suggested how responsibly the Congress might allocate that money. That was February. But by May, there were at least some signs of a weakening economy seen by the same persons who prepared the chart.

I look at it here. We now know officially that a recession occurred, or started, in March. But this was being picked up by the budget officials. They then estimated in May that the surplus would be only \$304 billion, only incrementally down from the estimate of \$313 billion. But we went on recess in August. Things had changed abruptly by the time we returned on Labor Day. By then it was \$176 billion for the fiscal year commencing October 1.

Then, in the post-September 11 period, the first time the authorities had another chance to take a look at this, \$176 billion had evaporated, and it was down to \$52 billion—just double digits—some distance from \$313 billion barely 8 months before.

The head of OMB in an address to the Press Club last week gave the very bleak news that for the next 3 years—

not just for the year immediately ahead of us—there will be deficits in the Federal accounts—not \$313 billion of surplus, or the \$176 billion, or even the \$52 billion, but red figures.

The entire farm bill debate in Congress has proceeded almost as if we were in a different world from the one in which there is war, recession, and deficits.

Senators with a straight face have said: We were told in the Budget Committee a long time ago that there was \$73.5 billion above the current baseline—\$100 billion—allocated to agriculture over a 10-year period of time. By golly, we are going to claim it. You can have a war, you can have a recession, and you can have deficits, but that additional \$73.5 billion remains inviolate above any other priorities of the country.

Post-September 11, some Senators who held that point of view became nervous. They said: At some point people may begin to make estimates that it is gone and that there is no money. But harking back to the budget resolution, there is the additional \$73.5 billion, and ignoring reality, or whatever may transpire now, not for just the next year but for 3 years down the trail, if we do not pass a farm bill—and in a hurry—somebody may question whether the \$73.5 billion is there.

Indeed, most Americans question it. We have an extraordinary “Alice in Wonderland” quality about the agriculture debate in which people with blinders to ignore the rest of the world, but I think at their peril.

One reason all of this has accelerated is that my distinguished colleague, the majority leader, the distinguished member of our committee, Senator DASCHLE—seemed to want to accelerate the farm bill, and wanted to see a bill on the floor. He was not alone. It was suggested by others that Senators who are moving into reelection phases in various farm States did not want to go home without not only discussing it but passing it, nailing down that additional \$73.5 billion whether it is there or not. Furthermore, their political judgment was there would be liabilities if they did not succeed in that quest.

Each Senator has to be the best judge of his reelection prospects. I don't fault anybody who believes they need to proceed to a farm bill and spend as much money as the law will allow. And maybe that will help that Senator. But I doubt it. I doubt it simply because the political facts of life are that this time the American people are looking in on the debate. One reason they usually don't look in on these debates is they are very complex issues. Most Senators would be hard pressed to go through a glossary of agriculture terms that are a part of these bills. So they do not try. They do not want to be embarrassed by indicating they really do not understand what this is all about.

But I think they will by the time this debate and the discussion of it is concluded.

If I were a Senator running for reelection, I would not want to vote for cloture today. I would not want to put any stamp on a bill coming out of the Agriculture Committee. It contains, in its commodities section, bad policy, which will be harmful to agriculture, not helpful.

I think the exception, perhaps, is my distinguished friend from Iowa, Senator GRASSLEY. I understand the distinguished Senator from Arkansas, Mrs. LINCOLN's family may collect some payments from these programs. But I receive payments from the programs. The Lugar stock farm ranks No. 22 in Marion County in terms of the payments received. How do I know? Because the Environmental Working Group has a Web site. The Wall Street Journal introduced the country to this just last week. If you are curious, you can go into that Web site and find out, down to the dollar, how much every farmer in your State has received during the period of 1996 to 2000. It will be a revelation.

Let me just discuss the politics that seems to drive the issue today. One prominent farmer in my State, who was named in an article that the Associated Press picked up, having taken a look at this Web site, was found to have received almost \$2.9 million in farm payments in the last 5 years. That came as a shock to my constituents in Indiana who are not farmers. Worse still, this farmer criticized my stand. He said: LUGAR is way off base; he wants to limit these payments.

At the time, he had it wrong. He thought I wanted to limit the payments to \$1 million, say. He said that \$1 million does not go as far as it used to go. This was shocking. People wrote in to the papers, and they had no idea that farmers were receiving subsidies, farm payments—these very programs we are discussing—to the tune of, say, an average of \$500,000 or \$600,000 a year in our State. We do not have farms that are that large. This particular farmer was identified as having only 12,000 acres, dwarfed by many farms farther to the west of us.

So this started an interesting debate. The Indianapolis Star has written very strong editorials in favor of the comprehensive bill that I prepared for the Agriculture Committee debate. The other papers in Indiana have, by and large, chimed in. This is not a lonely quest. I think I have the majority behind me. I certainly do of those who favor conservation and who are deeply interested in the environment and those resources, of people who are poor and want to make certain the Food Stamp Program works at a time of recession and unemployment, of people who are interested in research, not only at Purdue University but any-

where else where they know the cutting edge of agriculture is not more payments to farmers but research that gives us some hope of feeding the world as well as ourselves.

In the course of all of this discussion of who is getting subsidies, some unusual figures have come up. If it is the will of the Senate that we must discuss this for a long time, I will have a lot of those. It will be exciting, I think, for friends and neighbors to know who is receiving what. But let me just give you a capsule summary.

Eight percent of the farmers of this country identified as having commercial farms—single digit 8—receive 47 percent of all the payments. It is a very concentrated sort of payment schedule. There is another group known as intermediate farmers. These are farmers who have roughly 300 to 800 acres—a harder time on that amount of acreage. These folks receive about 35 percent of the payments. So you add that to the 47 percent, and that takes care of over four-fifths of the payments. We have accounted for, say, only 20 percent of the farms in this country.

I never heard one of these debates before without many Senators rising to address the Chair and pointing out that farmers in their States are desperate, the weather has failed again, the floods, the rains, a lack of any trade initiative that seems to make any difference, and rock-bottom prices, about the lowest that one has ever seen.

In due course, if necessary, I will cite chapter and verse from USDA's very fine publication in which they explain why prices are low and why they remain low. I will explain why the bill that Senators may or may not wish to debate will drive them lower still. The bill the Senate will have passed will stomp down prices. They will have no hope of ever getting up. This may not concern Senators who will say, after all, the bill provides for fixed payments anyway. It does not matter how low the price goes. That is irrelevant, although it is useful in a debate to point out that agricultural policy has failed and prices go low. Of course, they go low because the very policies give incentives, strong incentives, to plant and produce more every year.

We have very efficient farmers in this country who produce, say, an incremental bushel of corn for much less than the loan rate of \$1.89. I point this out just for the sake of the debate. Every bushel of corn I produce on my farm this year—and it would be true of anybody else—is going to get at least \$1.89. That is not the market price. That is irrelevant to the argument except in terms of the Federal payments that have to be made. The taxpayers pick up the difference between that \$1.89 and wherever the market price went.

Yet these policies are going to drive the market price down further. The

taxpayer exposure is higher, thus the need for the additional \$73.5 billion for 10 years—a perpetual price crisis for agriculture without relief predicted by the very definition of the bill.

Let me just point out that if, in fact, we were in an income crisis situation, that might temper my remarks. But quite to the contrary, the Secretary of Agriculture pointed out for our last agriculture debate in August—and this is coming to pass—that net cash income to farmers this year, 2001, will be \$60.8 billion. That compares to \$57.5 billion last year, \$55.7 the year before, \$54.8 billion the year before that, and even in the record year of 1996, that the chairman has cited, net cash income of \$57.6 billion, about \$3 billion less than this year.

This is the all-time high. We never had such large net cash income as this year. The skeptics will say: Aha, but \$20 billion of that comes from Federal payments, not the market. You bet. Given the policies we have that drive down prices every year, more loan deficiency payments are almost bound to come, plus the fact we took action, as the Presiding Officer will recall, in August to send another \$5.5 billion as an emergency tranche, as we have the previous 3 years.

Some farmers will say we need to have certainty with this bill because each year the Senate votes for more money. Do you believe for a moment, given the political competition in this body, there will not be somebody on the floor of the Senate next June, July, August, suggesting we have a crisis at hand and, by golly, we ought to send more money on top of the fixed payments as we have done the previous 3 years? That is the nature of the debate we are having today.

The fact is, farm income is at a record level. We have a situation in which we are at war, and we have need for money to pay for the war. We have a recession in which we have deficits around us. A prudent person, seeing we have a farm bill on the books that is going to pay fixed payments plus loan deficiencies, would say: This is not the time for the debate. That is what I say.

I hope Senators will not move to proceed to this bill and will not vote for cloture on the motion to proceed. I think it would be a mistake.

Having said that, if that mistake is made, let me mention to the distinguished chairman that, indeed, we will try to remedy the bill in a big way. I have a comprehensive commodity title, a lot to say about enhancing nutrition, a lot to say about conservation and research. Furthermore, finally, we will get to reform of the sugar program and reform of the peanut program and big reform of the dairy program. This bill has an egregious dairy section, and Senators are already quoted as being dismayed to proceed. It creates in a big way a consumer problem throughout

America. But this time something very sensitive, the price of milk, goes up for everybody. That really is unacceptable.

Other Senators may also have amendments. This is a list of those we already prepared on the bill I gave to the Agriculture Committee. These are not figments of the imagination. The amendments are drafted and the talking points are ready. I hope it will be an educational experience Senators will enjoy and, furthermore, that they will vote with me and reform this bill.

Let me conclude by saying I do hope we will get to the defense bill quickly. I take the time I have on the floor to say that I noted with some concern—perhaps there will be an explanation for this—in the release coming from the Defense Appropriations Subcommittee, a note that it provides \$357 million for former Soviet Union threat reduction, the Nunn-Lugar program, a cut of \$46 million from the budget request.

I find that to be inexplicable. At a time in which our President and President Putin are talking about reduction of nuclear weapons, in which the fundamental thrust of the war is to keep weapons and materials of mass destruction from terrorist cells, I am dismayed. I want to get to that debate. I think that is serious with regard to the world, with regard to our security. That is a real issue.

In due course, we will discuss the subsidies. Senators will have parochial interests, I understand that. But I hope we can hold it to a dull roar. I hope there will be some proportion given the deficits of the next 3 years, not a 10-year program but a 5-year program which the Senate did adopt but which we still have to work on in conference, if we come to that point prematurely.

For all these reasons, I hope the Senate will vote no on cloture, that we will get on to the serious business that really faces the country in its defense, and that other issues such as this we may be able to work out more amicably in the Agriculture Committee or elsewhere in the ensuing weeks.

I yield the floor.

The PRESIDING OFFICER (Mr. CORZINE). The Senator from Texas.

Mr. GRAMM. Mr. President, I take this opportunity to congratulate the distinguished Senator from Indiana. It has been my privilege to serve with him now going into my 18th year. I have always admired him. I have always thought he was the one reasonable, sane leadership voice on agriculture in the Senate. I take a little bit of the time I have this morning to say that.

I am not going to get into the merits or demerits of the American farm program or this bill. I can sum up my own feelings by simply saying that America's farm program would make an old commissar from the Soviet Union puke.

It is a program which is an embarrassment to logic and reason. It chronically encourages overproduction. It hurts the best farmers the most. It has no socially redeeming value, and America would benefit greatly if we could eliminate the great bulk of the farm program.

I would say, in sort of the ultimate insult to everything that many Members of this body claim to believe in, we literally have a program in this bill that builds upon an idea where we drive up the price of milk consumed by children, many of whom are from poor families, to pay more subsidies to people in the dairy industry who on average have assets of over \$800,000.

How that can be justified defies imagination. Yet we constantly are engaged in debating compacts which are really conspiracies against trade. In this bill, we solve the problem by just giving a whole bunch of money to everybody.

I don't want to debate the demerits of the farm program or this bill. I want to make several points.

First of all, it is December. In the last 25 years, we have not often been in session on December 5. We have work to do on serious issues. We are at war with terrorism. We have an economy that desperately needs attention. We have a handful of appropriations bills that have to be passed. Senator LUGAR raised the need to debate Defense appropriations. God knows, while we are still feeling the shock of the last terrorist attack, knowing there may be another, that is the business of the Senate.

The economy is in a recession, or at least we have had a negative quarter of economic growth, and almost certainly we will have another one. We ought to be debating a stimulus package. We have a very real problem with terrorist acts and their impact on insurance. We ought to be dealing with that issue.

Instead we are dealing with extraneous matters in what is a political agenda, sort of a political one-upmanship effort.

What are we doing talking about a farm bill that does not even expire for a few more months? What is this about on December 5? Does anybody really believe there is any possibility whatsoever, any chance that this bill could be finished before we adjourn? Does anybody really believe that?

If we were mean spirited—and, of course, we are not—but if we were mean spirited, we would let you get on this bill and make you stay on it awhile. But nobody has any intention of staying on it.

This is all a political one-upmanship to try to bring up a bunch of extraneous issues that supposedly have some political saliency. My own view is we need to get on with the pressing business of the country. We are going to get paid every day next year. This bill

doesn't expire for a few more months. Let's set it aside, go to the Defense appropriations bill, finish these appropriations bills, and make a decision on if we can pass a decent stimulus package. If we can, we should; if we can't, we should forget about it.

Can we deal with terrorist threats and the insurance implications of them? We ought to do those things and finish our business.

But why are we bringing up a farm bill which is way over budget, which I think the President will veto? There is only one reason. It is political. I don't think it makes any sense.

We have some people on our side of the aisle who want to bring this up because they want to offer amendments to it. We don't have anybody, as far as I know, on our side of the aisle who is for the bill as it is now. The point is, we have all next year to offer amendments. I hope we can deny cloture on bringing this bill up and get on with the business of the country.

I am not getting mail here—none of my colleagues are—so I have probably 200,000 first class letters. And I will bet you not one of them says: Stop what you are doing; stop fighting this war; stop worrying about the economy, and raise the price of milk. I don't think America is concerned about the farm program right now. The current farm program is going to be in effect for a few more months. But they are concerned about a lot of work we have not done.

This is a political stall, in my opinion. We ought to get on with the business of the country.

I thank the Senator for yielding.

Mr. CONRAD. Mr. President, farmers would have been stunned to have heard the speech of the Senator from Texas, because in his world the economics of what happens to farmers just doesn't matter. But to hundreds of thousands of farm families, the economic downturn started for them 5 years ago. They have been in a constant recession. In some cases, they have been in a depression for 5 years.

The Senator from Texas says it doesn't matter, you don't need to do the bill now because the farm bill does not run out for 9 months. That is really not the case. Effectively, this farm bill expired 4 years ago because that is when we started writing disaster assistance packages for agriculture because prices were the lowest they had been in 50 years. So, effectively, the farm bill that is the underlying law was altered 4 years ago and each and every year since because of the disastrous conditions that exist for American farmers today.

When the Senator from Texas says this bill is over budget, that is false. This bill is not one penny over budget. If he really believes what he says, come out here and bring a budget point of order against this bill and let's see the

ruling that will flow from that. He won't do it because the fact is that this bill is not over budget by one thin dime.

The reason we need to write a new farm bill, and do it now, is that American agriculture is in deep crisis. This says it very well. On this chart is the crop farm index: Prices received and prices paid by farmers from 1990 through 2002. The green line on the chart is the prices that farmers receive. The red line is what they pay to produce those commodities. Just looking at it, one can see there was a rough balance until the last farm bill was written. Then the commodity prices farmers received collapsed. The prices they paid to produce those commodities continued to increase—especially with the energy runup we experienced earlier this year. The result is an enormous gap between the prices that farmers are paid and what they pay to produce these commodities.

Again, we have the lowest prices in real terms in 50 years. On top of that, in the month of October, when the new price index came out, we saw the biggest 1-month decline in the prices that farmers receive in 91 years. The records have only been kept for 91 years. So what we have seen is the biggest monthly decline of the prices going to farmers in the entire history of the commodity index.

The harsh reality is that American agriculture is in deep trouble. When I talked to the farm group leader and I asked him what would happen if this farm bill did not pass with the additional resources that have been provided for in the budget, he said it would be a race to the auctioneer. He was right because that is what we confront in rural America today.

One key reason for that is our major competitors, the Europeans, are supporting their producers at levels much higher than ours. The most recent numbers show this. This is the European Union and the amount of support they provide per acre to their producers: \$313 an acre of support. We provide \$38 an acre of support. In other words, they are outgunning us nearly 10 to 1 in support for their producers. It is no wonder American agriculture is in crisis. It is no wonder that if they don't get a safety rope, if they don't get something to assist them through these difficult times, we will see literally tens of thousands of farm families forced off the land. That is the economic reality.

It doesn't stop there. When we look at the world agricultural export subsidies, this is what we find. This bar chart shows who accounts for world agricultural export subsidies. The blue part of this pie is Europe. They account for 84 percent of all the world's agricultural export subsidies. This little piece of the pie, this red chunk, is the United States, which is 3 percent.

We are being outgunned here 28 to 1. The deck is stacked against our producers. The playing field is not level.

It is no wonder, therefore, that our producers are in deep financial trouble. They are saying to us: We need to know now what the rules are going to be before we plant the next crop. We need you to tell us of what the farm program is going to consist. That is why there is urgency today. It has nothing to do with political one-upmanship, as claimed by the Senator from Texas. It has to do with urgent economic necessity.

The fact is, despite the budget increase, farm support funding is projected to decline under this bill. You will hear a lot of talk on the floor that there has been this big increase, there has been an increase over the so-called baseline. That is the red line on this chart. The baseline is the funding that would flow from current farm law. You can see that this bill provides more funding than that baseline. That is true. What is missing is not what Congress has been providing to American farmers the last 4 years. It hasn't been the baseline. No. We responded to the crisis by every year passing an economic disaster package to help our producers. And this farm bill will provide less assistance than farmers have been getting the last 4 years. That is a fact.

Over the life of this bill, you can see—that is the green line—the support will be in decline. As I said, it is less support than farmers have actually been getting in each of the last 4 years because of the economic disaster packages Congress has passed in response to the economic emergency that exists all across rural America.

When we look at the Senate bill versus the House bill on commodity program funding for the first 5 years of this bill, we see on this chart that the Senate bill is somewhat more than the House bill, about \$2 billion more—\$27.1 billion versus \$25.1 billion. If we compare the Senate and House bill on conservation program funding, we see on this chart that the Senate bill is \$8.4 billion versus \$6.8 billion in the House bill. So there is more for conservation, which I think the overwhelming majority of the American people support.

On this chart, on nutrition programs, over the 10-year life of the legislation, again, the Senate bill has somewhat more—\$5.6 billion over 10 years versus \$3.6 billion in the House bill—money for the basic feeding programs of the Federal Government because we know in an economic downturn more people need food assistance. America is a compassionate nation and one that responds to the needs of its people.

I urge my colleagues to vote to allow us to proceed to this bill so the Senate can work its will on farm policy, so we have a chance for people to vote. There will be amendments, no doubt, to improve this bill. We will have a chance

to fix the dairy policy that the Senator from Texas criticized. I don't think any of us wants the results he described. We are going to have a chance to fix that, and negotiations are underway to fix that, and it will be fixed. But it won't happen unless we get to the bill. It won't happen unless we have a chance to debate, discuss, and amend. That is what the cloture motion is all about—to give the Senate a chance to act. Rural America needs it. Our farmers need it. They are in a desperate struggle for economic survival. They are up against the European Union, our major competitors, who are spending \$90 billion a year to support their producers—far more than the United States. It is no wonder we are in economic trouble. I urge our colleagues to vote to proceed to this bill.

I recognize the chairman of the Senate Agriculture Committee, who has done an absolutely superb job in getting this bill to the floor. There is no more difficult challenge than writing a farm bill. The Senator from Iowa has done a brilliant job. Let me also recognize the ranking member who, while we disagree on farm policy, is one of the most thoughtful Members of this body and somebody we all respect.

My hat is off to the chairman of this committee for what is I think one of the most productive performances of any member this year in getting this bill to the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. Seven minutes and 40 seconds.

Mr. HARKIN. Mr. President, I thank my friend from North Dakota for his kind words, and I respond in kind by thanking our distinguished chairman of the Budget Committee for being not only a valuable member of the Agriculture Committee, but for his leadership. The Budget Committee allotted us \$73.5 billion. I also thank him for continuing to point out the dire state of agriculture today.

When I first spoke, I pointed out that if you discount the added money the Congress is providing every year for agriculture, our net income right now to farmers is 54 percent of what it was in 1996.

The leader of the Budget Committee has continually brought to our attention that we have to make sure we get this bill done this year to provide for the farm economy of this country the amount of money that was allocated to us because our farmers and our rural communities need that money.

Rural America is in trouble. Thank God we have good advocates such as Senator CONRAD from North Dakota who fights for rural America, who understands we do not have as many people in rural America as in the big cities

in California, New York, and other States. The work people do in rural America is what keeps this country going. We cannot afford any longer to have them on that downward track that the Senator from North Dakota pointed out on his chart.

I thank the Senator from North Dakota for being a great leader on our Budget Committee and for providing these funds and making sure we meet our obligations. I thank him very much.

I yield whatever time he may need to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I need only a few minutes. I am in the mood for thanking all three Senators. I, too, thank Senator CONRAD. Every time I talk to agriculture people in northwest Minnesota, I talk about Senator CONRAD's work and the fact we need to pass this bill now. We have the budget money. It is critically important.

Frankly, time is not neutral. As I have said before, I have seen more broken dreams, broken lives, and broken families in rural America than I ever wanted to. This is for real. I thank the Senator from North Dakota very much for his work.

I say to my colleague from Iowa, it is a modern miracle this bill came out of committee with strong support. The Senator from Iowa had to deal with a lot of different perspectives.

I forget the figures, but we received an announcement the other day that net farm income will be a couple billion dollars a year, a little over \$3 billion a year if we pass this bill. I saw it somewhere. That is what it is about: Trying to get farmers leverage to get a price but focus on the environmental credits and CRP and focus on the energy section.

People are so excited about renewable energy, economic development, and nutrition. I thank both Senator LUGAR and Senator HARKIN for their leadership. Senator LUGAR has done a great job of being so outspoken and so tenacious about the importance of nutrition programs. This has made a safety net for many vulnerable families in this country and many children. This bill has the right balance. We have been doing an awful lot of negotiation on dairy, and I believe we are getting there.

If part of the importance of legislating is to bring people together, I think the Chair of this committee, Senator HARKIN, has done a masterful job. I cannot say I agree with every provision in this bill.

Mr. HARKIN. I have to say to my friend from Minnesota, I do not agree perhaps with every provision in this bill either. This is a balanced bill. We have to balance a lot of different interests in this bill.

I thank my friend from Minnesota for his service on the Agriculture Committee. Minnesota is very lucky to have both Senators on the Agriculture Committee. We appreciate that.

I point out to my friend from Minnesota, the factory study showed there would be an increased average of \$3.2 billion annually.

Mr. WELLSTONE. That is what I was saying. That is net.

Mr. HARKIN. Net farm income.

Mr. WELLSTONE. That is important. I certainly hope Senators will vote to proceed to this bill. We need to move on and get this work done. I thank the Senator.

Mr. HARKIN. Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I understand I have 15 seconds remaining. I will be brief.

As Senators prepare for this vote, they must know that if they vote for cloture, we are stuck; we are on agriculture and that will continue indefinitely unless there is unanimous consent to leave it. I ask my colleagues to vote against cloture. The vote on this is no.

Mr. HARKIN. Mr. President, we should vote for cloture. Let us get on with the farm bill. Let us have the amendments. Let us have time agreements. Let us move on. Let us send a signal to rural America that we are going to be there for them in their hour of need. I ask Senators to vote for cloture.

I yield back the remainder of my time.

CLOTURE MOTION

The PRESIDING OFFICER. Time is yielded back. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to Calendar No. 237, S. 1731, the farm bill:

Tom Harkin, Tim Johnson, Bill Nelson, Harry Reid, Byron Dorgan, Fritz Hollings, Richard J. Durbin, Paul Wellstone, Kent Conrad, Tom Daschle, Debbie Stabenow, Tom Carper, Barbara Mikulski, Evan Bayh, Ron Wyden, Ben Nelson, Jean Carnahan, Patty Murray.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that the debate on the motion to proceed to S. 1731, an act to strengthen the safety net for agricultural producers, to enhance resource conservation for rural development, provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant

food and fiber, and for other purposes, shall be brought to a close? The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. LIEBERMAN) is absent attending a funeral.

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

The yeas and nays resulted—yeas 73, nays 26, as follows:

[Rollcall Vote No. 352 Leg.]

YEAS—73

Akaka	Dayton	Lott
Allard	Dodd	Mikulski
Baucus	Dorgan	Miller
Bayh	Durbin	Murray
Biden	Edwards	Nelson (NE)
Bingaman	Feingold	Reed
Bond	Feinstein	Reid
Boxer	Fitzgerald	Roberts
Breaux	Grassley	Rockefeller
Brownback	Harkin	Santorum
Burns	Helms	Sarbanes
Byrd	Hollings	Schumer
Campbell	Hutchinson	Sessions
Cantwell	Hutchison	Shelby
Carnahan	Inhofe	Smith (OR)
Carper	Inouye	Snowe
Cleland	Jeffords	Specter
Clinton	Johnson	Stabenow
Cochran	Kennedy	Stevens
Collins	Kerry	Thomas
Conrad	Kohl	Torricelli
Corzine	Landrieu	Torricelli
Craig	Leahy	Wellstone
Crapo	Levin	Wyden
Daschle	Lincoln	

NAYS—26

Allen	Graham	Murkowski
Bennett	Gramm	Nelson (FL)
Bunning	Gregg	Nickles
Chafee	Hagel	Smith (NH)
DeWine	Hatch	Thompson
Domenici	Kyl	Thurmond
Ensign	Lugar	Voinovich
Enzi	McCain	Warner
Frist	McConnell	

NOT VOTING—1

Lieberman

The PRESIDING OFFICER. On this vote the yeas are 73, the nays are 26. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The Senator from Iowa.

Mr. HARKIN. Madam President, I appreciate the overwhelming support that we had from the Senate for moving to the Agriculture bill. However, with the rules that we are operating under, that was just a vote on cloture on the motion to proceed. Now I understand that we have 30 hours, under the rules of the Senate, before we have a vote on the motion to proceed.

With that overwhelming vote on cloture, I hope we might collapse that 30 hours. There is no need for that 30 hours. We might as well have the vote on the motion to proceed and get to the bill and let's start having amendments and move this bill expeditiously. I see no reason we have to have 30 hours of debate right now. We ought to move to the bill and let's have the amendments.

With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold his quorum call request?

Mr. HARKIN. I withhold it.

The PRESIDING OFFICER. The Senator from Florida.

TERRORISM INSURANCE

Mr. NELSON of Florida. Madam President, I would like, while we have a lull on the farm bill, to take this opportunity to speak on a subject that is very near and dear to my heart: What we are going to be doing as a nation to address the fact that, as a result of terrorist acts, there may be a lack of terrorism insurance on January 1. That is not only for commercial lines of insurance, which would be businesses such as shopping centers and office buildings, but it could also affect homeowners and automobile owners. Since September 11, businesses and consumers have suffered great economic losses, and we are reading about those repercussions every day. So I would like to address this very sensitive topic as we come into the closing days of this session.

The insurance industry is now saying the clock is running out for those businesses that want terrorism insurance because 70 percent of reinsurance policies—that is, insurance on insurance, or, in industry terminology, reinsurance—70 percent of those reinsurance policies expire after December 31, and many insurance companies are threatening to cancel policies or to exclude terrorism coverage.

We simply can't let that happen. Congress must act to make sure that insurance is available and affordable. It is the responsible thing to do. The problem is that there are so many different ideas on how to do it.

I served for six years as Florida's elected Insurance Commissioner and State Treasurer. During that time, we experienced a major catastrophe—Hurricane Andrew. This natural disaster, with insurance losses totaling \$16 billion, proved to be the most costliest in the history of this country. The private market was so paralyzed from this event that nurturing it back to life proved extremely daunting. Insurance companies were not offering new home owners policies; to the contrary, they were trying to flee the State of Florida and were cancelling policies for those who remained in the State of Florida. Fortunately, by establishing a private pooling mechanism, and carefully monitoring rate increases, we were able to reinvigorate and stabilize the market. Accordingly, in the waning days of this session, I would like to offer some of my experience as guidance as we proceed.

Let me give you an example of what is happening just to set the stage as to how serious this is right now.

The ISO, the Insurance Services Organization, which files policy provisions for many insurers, has announced

that it is asking for terrorism exclusions in insurance policies across the nation.

That should be the first warning sign. But there are other warning signs.

For example, I will read from the Chicago Tribune of October 28. Listen to this:

The world's leading insurers, led by Lloyd's of London, a collective name of 108 insurance-writing syndicates, said this month that commercial property premiums would rise by more than 80 percent.

That is the Chicago Tribune.

Then listen to a report that was sent out by Lloyd's of London. I quote from the investor newsletter of Lloyd's of London,

Members of Lloyd's of London: Names may now have a historic opportunity for property underwriting following the sharp rise in premiums in the aftermath of the American catastrophe.

That newsletter added that premiums were at "a level where very large profits are possible."

If there is any doubt about some of the shock to the system right now because of what is happening with rate increases, let me point out that the Wall Street Journal reported that insurance companies are already raising premiums by 100 percent or more on some lines of commercial insurance coverage.

These accounts were presented by the Consumer Federation of America's insurance expert, Bob Hunter, at a press conference earlier today.

Bob Hunter also talked about a big reinsurance company, one of the giants in Germany, named Alliance. Alliance has announced increases of 20 to 50 percent, and in some cases increases may reach 200 percent.

Another example hits close to home for all of our Senators in the Northeast corridor:

It is reported that the cost of insuring Giants Stadium in New Jersey's Meadow Lands for terrorism is now being increased from \$700,000 to \$3.5 million.

That is a fivefold increase. That is a 500-percent increase.

If that were not enough, the CEO of Zurich Financial Services, which is another one of the major giants from Europe which does business through subsidiaries here in the United States, told a gathering of insurers, on November 27, with respect to the terrorist attacks of September 11:

The industry needed it to operate efficiently. The players who are strong in a responsible manner and are aggressive will be the winners of the next 15 years.

What we saw in Florida with insurance rate increases after Hurricane Andrew seems to be occurring again this time on a national scale with huge increases in commercial insurance rates.

That is why we must act.

I understand that there are all kinds of barriers to progress on this issue—people are trying to rewrite the tort laws

of this country and thus you have a fight that has gone on almost as long as the Republic on this issue. If this continues, it is possible that we will not be able to pass anything in the next week. I am trying to understand what would be the consequence. Will the market respond? But I don't think that is the responsible thing. I think the responsible thing for us to do is enact a piece of legislation and get it signed into law.

But I want to say to my colleagues that from all of my experience with insurance, as we deal with terrorism insurance we must be ever-mindful of consumer safeguards:

Therefore, any bill that we would enact must have three fundamental protections for the consumer.

I think the bill has to have three protections for consumers: No. 1, commercial insurers must offer coverage for the risk of terrorism on all policies.

In other words, an insurance company could not clearly say they will cover your little two-story office building but not cover your 20-story office building. They cannot cherry-pick. There has to be mandatory coverage for all on terrorism risk. No. 2, the insurance company cannot cancel the terrorism insurance unless it is in the normal course of business, such as somebody did not pay their premiums. And No. 3, because we not only have to make terrorism insurance available, we have to make it affordable.

Commercial consumers cannot afford these kinds of price increases. They cannot afford a 500-percent increase. They cannot afford a 200-percent increase. They cannot afford what Lloyds of London was saying was an 80-percent increase, particularly not if the legislation we pass here is going to have the Federal Government picking up most of the terrorism risk.

So I clearly advise all my colleagues in the Senate, the third protection is that there has to be a reasonable amount of rate increase, and what it can be has to be limited. I have suggested it be in the range of about 3 percent, which would produce an additional \$6 billion of premium, and that the \$6 billion of premium associated with the terrorism risk not being mixed with all the other premiums like on fire and theft. Our legislation should require insurers to specify the price for terrorism coverage as a separate line item on the policy.

If we do not carefully monitor proposed rate increases, the insurance companies are going to file whatever they want in an increase with 50 State insurance departments. Then those insurance commissioners, who are trying to do a good job, are going to put their actuaries to work to see if this is a reasonable filing.

How do they determine if it is reasonable and not excessive and non-discriminatory, which is usually the

statutory standard for reviewing a rate increase? They have to have data and they have to have experience. We do not have any of that in our 50 State insurance departments. Thus, what will happen is, whatever the rate hike is that is filed, the insurance departments of the 50 States will not be able to say that it is excessive, and they will not be able to prevail in a court of law or in an administrative court of law. As a result, the practical effect will be that the insurance rate hike that is filed will, in fact, be in effect. And it would be 2 or 3 years before you could ever start to overturn it.

What is worse, there are 10 States whose law says that an insurance company cannot file a rate until it is approved by the insurance commissioner. The legislation that is being contemplated to be passed in this body would say, this Federal legislation will supersede the State law, so that, in effect, the rate hike takes effect immediately even though the State law says, in those 10 States, that the insurance commissioner has to approve it first.

That is a pretty high-stakes ball game. We simply cannot afford for this to go on. So what I am going to continue to urge, as I have privately—this is my first public statement on this, save for an interview I had last week with the Washington Post and save for the testimony I gave to the Banking Committee and as a member of the Commerce Committee when I had the opportunity to express my thoughts there—but so much more is known now as to see what is starting to happen in these last few days of this session. This is what we are confronting.

Simply, if we do not watch it, we are going to allow to pass through this Chamber, and be accepted by the House, a piece of legislation that, in order to take care of the problem of the lack of terrorism insurance, will then allow the rates to go sky-high, rates, I submit respectfully to all of my colleagues, that will not be able to be affordable, particularly by homeowners and by automobile owners.

Even though the bills being contemplated say this is primarily for commercial insurance, they also say, at the option of the insurance company, for personal lines of insurance, such as for automobiles and homes, they can opt into it. What homeowners' insurance company, if it has homes, for example, in the neighborhood of a nuclear power plant, is not going to opt in to this kind of protection?

So what I am saying is, you better watch out. We are about to vote for something that is about to mandate huge rate hikes. The Senate and the House of Representatives do not normally handle this stuff because ever since the 1940s in the McCarran-Ferguson Act, we transferred that ability to regulate insurance to the 50 States.

Thus, we are not familiar with the facts of rate-making and the experience and data as to what is excessive in rate increases. We had better watch it.

From the insurance companies' standpoint, let me tell you, I do think they need protection. They cannot simply be asked to accept the terrorism risk. There is not an insurance company in the world that wants to accept that risk. So in this Senator's personal opinion, I believe there is a role for the Federal Government as a backstop for the insurance industry accepting this huge potential risk.

If we are fortunate, if our intelligence apparatus is working, then we will be fortunate not to have other significant terrorism losses. But there is that uncertainty on the basis of what we experienced on September the 11th, what we experienced back in the early 1990s when they tried to blow up the World Trade Center, what we have seen with regard to the Timothy McVeighs of the world and the Oklahoma Federal building, and so forth.

So there is that element of terrorist risk where I do believe insurance companies need to be partnered with the Federal Government in helping assume that risk.

We better watch out about the potential price hikes. We know the property and casualty insurers are going to be paying about \$50 billion in claims from September 11. That is a huge payout. But let's remember that the companies are going to recover a lot of those insurance losses they have paid out in tax breaks where they can carry forward those losses and offset them against gains.

Remember, this is an insurance industry. This is an industry that has been very fortunate to be financially flush with cash. In the property and casualty field, there is a surplus to the tune of in excess of \$300 billion. In the reinsurance world of just those companies that reinsure, there is a surplus in the range of \$125 billion. Their problem is not a lack of cash; it is the uncertainty of the quantifying and the pricing and the spreading of the risk of future terrorist attacks.

In time, I believe, just as we have seen in Florida in the aftermath of that catastrophic hurricane that disrupted the entire homeowners marketplace, you will see the marketplace—along with the strengthened security that we are now imposing, fortunately, in this Nation, and our war against terrorism—I think in time that will solve the problem. In the interim, we are going to have legislation in the next few days in front of this body.

Remember the three items we ought to look for, for the protection of the consumer: No. 1, that there be mandatory coverage for terrorism, that they can't red-line and say, I will select your skyscraper but not your skyscraper; No. 2, that they cannot willy-

nilly just cancel the terrorism coverage; and No. 3, that there be a reasonable amount of rate increases proportionate to the risk the insurance industry is picking up, given the fact that the Federal Government will be picking up most of the risk, and not let this be an excuse for rate hikes that ultimately will affect the economic engine of this country. If insurance becomes unaffordable, the economic engine of this country cannot operate because of the need to have the protection against these acts of terror.

I am grateful for the time to speak on a subject that is very important to this country. I thank the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, I ask unanimous consent to speak as in morning business.

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

NOMINATION OF EUGENE SCALIA

Mr. BOND. Madam President, I rise today to express my very strong support for the embattled nomination of Eugene Scalia to be Solicitor of Labor. I am extremely frustrated, as many of us are on this side, by the other side's unwillingness to bring this nomination to the floor for a vote.

Mr. Scalia has been cleared by the HELP Committee and is now languishing in limbo with the session fast drawing to a conclusion and the window for acting starting to close. There are no good reasons for holding up this nomination, for refusing to bring it to the floor.

May I be permitted to state the obvious? The debate is not about Eugene Scalia's qualifications, experience, intelligence, dedication, compassion, or any other attribute we would normally consider to determine if a candidate should be confirmed. He meets everyone's definition of what this position requires. Even those who have opposed his nomination are quick to admit he possesses the skills and the experience that Solicitors of Labor typically have.

It seems to me the only basis on which Mr. Scalia is being blocked is that those on the other side did not agree with the results of last year's election on two levels and with some of the actions this Senate has already taken. First they do not like the fact that George Bush emerged as the new President, and some are trying to do anything in their power to frustrate and impede his administration from pursuing its agenda.

Secondly, because Mr. Scalia's father is one of the Justices of the Supreme Court who was in the majority decision which found for George Bush in Florida, they are using their disagreement with Justice Scalia as a reason to block the confirmation of his son.

Both of these reasons are shameful, and they should have no place in this consideration.

The opponents of Mr. Scalia have raised other arguments which are equally without merit and specious. One of these is that Mr. Scalia is not qualified for this role because the Solicitor of Labor must serve as the people's lawyer and take up the cause of those whom the labor laws and regulations are intended to protect and, because Mr. Scalia has represented employers, he is on the wrong side of the equation. That argument fails on a number of grounds.

First, the Solicitor of Labor answers to the Secretary of Labor. The Solicitor's role is to advise the Secretary about the arguments surrounding the Department's actions and her decisions. This is the role this position has played regardless of the administration or party in power. While it is an important position, it is not at all the policy-oriented position that Mr. Scalia's opponents make it out to be. The notion that the Solicitor of Labor is the people's lawyer is a straw man argument invented for the sole reason of creating a fictional standard that Mr. Scalia's opponents think he fails to meet because he has spent his career representing employers in labor issues.

The second reason this argument fails is that it does not recognize the substance of Mr. Scalia's work. Even under this fictional standard, Mr. Scalia would qualify. A large part of Mr. Scalia's career in labor law has been spent advising his clients, the employers, on how to comply with the law and steering them away from mistreating their employees under the law. In other words, his career has been focused on helping employers treat their employees better in accordance with the laws passed by this body. Thus, he has indeed taken up the cause of those whom the labor laws are intended to protect.

Another unsupportable argument against Mr. Scalia has to do with his involvement in the OSHA ergonomics regulation debacle. I know something about that matter. We in the Small Business Committee spent a good deal of time working on that issue. Mr. Scalia represented employers on this issue and thus was on the side that ultimately prevailed when both Houses of Congress, by bipartisan margins, invalidated that regulation last March. May I remind fellow Senators that the vote was 56 to 44, with every single Republican and 6 Democrats supporting the resolution of disapproval. Why should this be held against him, when he agreed with the position we took by a 56-to-44 vote margin? This was a resounding victory, perhaps one of the biggest for those of us on this side of the aisle on the labor issue.

The fact that Mr. Scalia was right in his arguments should be to his credit. It should be an indication that he understands what the limits of government are, what the limits on govern-

ment should be, and if the Department goes too far, it should be reined in.

I don't need to go through the long list of reasons we won that vote. It should be clear that we would not have won with such an impressive margin if that rule had not been so horribly flawed. Are we willing to say that because the Clinton administration OSHA put an egregiously flawed regulation forward, we are not going to confirm Eugene Scalia to be Solicitor of Labor because he agreed with the majority in both Houses and the President that it should be repealed?

While all these arguments and discussions about Mr. Scalia's merits unequivocally support confirming him, they obscure one of the hidden truths about him. He genuinely cares for the people whom he represents and will approach the position of Solicitor of Labor ever mindful of those who rely on the Department of Labor for protection.

Since his confirmation hearing and the subsequent vote approving him in committee, we have received a letter from a woman whose case he took pro bono—at no charge—which illustrates this point and conclusively demonstrates the caliber of person Eugene Scalia is. It is a short letter. I will read excerpts from it, and then ask unanimous consent that the full text be printed in the RECORD.

The letter is from Ms. Cecilia Madan. It begins: I am a deaf, Hispanic immigrant and a single mother, working full-time to support my daughter. And I have information about Eugene Scalia's handling of a labor employment matter involving me.

She describes how, in 1998, her work environment became increasingly hostile, abusive, and difficult for her to bear. In seeking legal assistance, she learned she could file an action under civil rights laws, the Americans with Disabilities Act, or the DC Human Rights Act. But every lawyer she consulted told her that even if they were willing to take the case on a contingent fee basis, she would have to pay a substantial retainer upfront. She simply did not have it. She could only afford their consultation fees.

Then she writes:

Then a friend of mine recommended that I try the "pro-bono" program at Gibson, Dunn & Crutcher, and Mr. Scalia in particular. My brother called for me, to see if I could have an appointment. I was so worried that Mr. Scalia might be too busy and turn me away (after all, I had never heard of him before)! But he agreed to an appointment immediately. At our meeting, Mr. Scalia was so kind, and thoughtful, and patient; he even asked to see a picture of my daughter! I fear I must have rambled a great deal when I told my story, but he didn't seem to mind at all. Our meeting lasted a long time, but he didn't ask for a consultation fee or a retainer, and he told me that he and his law firm would take my case "pro bono." He said that he didn't think a lawsuit (which could take a long time) would be necessary, because often

these matters could be resolved through "firm negotiations," which he was fully willing to undertake for me. He made every effort to reassure me, saying that he and his associate would do everything they could to "resolve this." He seemed to sense my extreme anxiety and tried his best to calm my fears. I was able to walk away with confidence and hope.

The negotiations went on for several weeks, but they were tremendously successful—much more than I had even hoped for. "Firm negotiations" is right: The employer agreed to just about everything I had asked for, and "my lawyers(!)" got the employer to agree to things I hadn't even thought to ask for!

Not only did he and his associate negotiate around the employment problems I was facing right then, they took great care to look ahead and watch out for my future interests.

A few months later, when I was able to get a new job, with a different employer (as a result of the settlement Mr. Scalia got for me), I was impressed to receive brief word from him saying that he had heard of my new job and hoped that my daughter and I were well. . . .

She concludes her letter this way:

Throughout my ordeal, Mr. Scalia went out of his way to help. He seemed especially . . . concerned about not making things worse for me on the job, while he was vigorously defending my rights with my employer. Even though he had never seen me before and even though I could never pay him, simple justice is what he wanted for this employee and worked hard to get, and that is what he got for me. I am so grateful to him for his efforts as my lawyer. . . .

I ask unanimous consent that the full text of the letter be printed in the RECORD.

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

OCTOBER 9, 2001.

[Re nomination of Mr. Eugene Scalia to be Solicitor of Labor.]
Hon. EDWARD M. KENNEDY,
Chairman, Committee on Health, Education,
Labor and Pensions, Dirksen Senate Office
Building, Washington, DC.

DEAR MR. CHAIRMAN: I am a deaf, Hispanic immigrant and a single mother, working full-time to support my young daughter, and I have information (which I hope will be helpful in considering Mr. Eugene Scalia's nomination to be Solicitor of Labor) about his handling of a labor/employment matter involving me.

I began full-time work in 1991 for a local employer. By 1998, the work environment there had become increasingly hostile towards me, abusive, and difficult for me to bear, and I was terrified that I would lose my job. In desperation (I was heavily in debt and living from paycheck to paycheck, just to make ends meet), I went to several labor-lawyers in the area, who advised that me I could file lawsuits under the 1964 Civil Rights Act, the D.C. Human Rights Act, and the Americans with Disabilities Act, based on the facts of my employment situation, on the grounds of my ethnicity/race, my sex, my hearing disability, a medically-diagnosed chronic condition I was suffering from and under treatment for at the time, and my marital/family status. Unfortunately, all of these lawyers—even those who said that they could take the case on a contingency-fee basis—insisted on my paying them a substantial retainer up front, and I had no

money to pay them any more than their consultation fees.

Then a friend of mine recommended that I try the "pro-bono" program at Gibson Dunn & Crutcher, and Mr. Scalia in particular. My brother called for me, to see if I could have an appointment. I was so worried that Mr. Scalia might be too busy and turn me away (after all, I had never heard of him before)! But he agreed to an appointment immediately. At our meeting, Mr. Scalia was so kind, and thoughtful, and patient; he even asked to see a picture of my daughter! I fear I must have rambled a great deal when I told my story, but he didn't seem to mind at all. Our meeting lasted a long time, but he didn't ask for a consultation fee or a retainer, and he told me that he and his law firm would take my case "pro bono." He said that he didn't think a lawsuit (which could take a long time) would be necessary, because often these matters could be resolved through "firm negotiations," which he was fully willing to undertake for me. He made every effort to reassure me, saying that he and his associate would do everything they could to "resolve this." He seemed to sense my extreme anxiety and tried his best to calm my fears. I was able to walk away with confidence and hope.

The negotiations went on for several weeks, but they were tremendously successful—much more than I had even hoped for. "Firm negotiations" is right: The employer agreed to just about everything I had asked for, and "my lawyers(!)" got the employer to agree to things I hadn't even thought to ask for! Not only did he and his associate negotiate around the employment problems that I was facing right then, they took great care to look ahead and watch out for my future interests.

A few months later, when I was able to get a new job, with a different employer (as a result of the settlement Mr. Scalia got for me), I was impressed to receive brief word from him saying that he had heard of my new job and hoped that my daughter and I were well. We sure are . . . thanks in such great part to him!

Throughout my ordeal, Mr. Scalia went out of his way to help. He seemed especially to be concerned about not making things worse for me on the job, while he was vigorously defending my rights with my employer. Even though he had never seen me before and even though he knew I could never pay him, simple justice is what he wanted for this employee and worked hard to get, and that is what he got for me. I am so very grateful to him for his efforts as my lawyer. And I hope you soon will give other people in the workforce the opportunity to have him as their lawyer, as Solicitor of Labor.

Please let me know if you need more information or if I may help Mr. Scalia's nomination in any way.

Sincerely,

CECILIA MADAN.

Mr. BOND. I think this simple letter speaks volumes about Mr. Scalia and the type of person and the type of lawyer he is. It is a clear statement of the values he upholds and the positive impact he believes he can have as a lawyer. This is the person President Bush has chosen to be his Solicitor of Labor. I truly and honestly believe the President could not have found a better candidate, or one who is better qualified, better trained, and better motivated. I am thrilled that Mr. Scalia is willing

to accept the responsibilities of public service, and I implore the majority leader to bring this nomination to the floor for a vote before we adjourn.

Every shameful day he remains unconfirmed is another day the Secretary of Labor and America's employees do not benefit from his abilities and compassion.

I yield the floor.

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

The PRESIDING OFFICER (Mr. EDWARDS). The clerk will call the roll.

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

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

Mr. LUGAR. Mr. President, as we are in preparation for a debate on farm legislation, I want to call to the attention of the Senate a very useful and, in fact, remarkable publication called "Food and Agricultural Policy, Taking Stock for the New Century," published by the U.S. Department of Agriculture this summer to state the views of the Department, and to offer data for Senators and members of the public as we began the farm debate.

I want to quote extensively from chapter 3, entitled "Farm Sector Policy" because I believe it gives a very good outline of USDA's opinions on farm policy as it has progressed in our country, and as we hope it may progress through constructive debate on this bill.

Mr. President, the chapter begins by saying that:

If farmers and farm families all across the country share the same goals and face the same challenges and opportunities, fashioning farm policy today would be straightforward. And, indeed, that is the way it must have seemed in the 1930s, when farm families depended mainly on farm earnings and grew crops and livestock on much the same acreage as their neighbors. Then, policy had a more focused objective—helping to reduce the wide income disparity between farm families and their urban counterparts—and a "one-size-fits-all" approach was more appropriate. Supporting field crop prices provided widespread assistance, since most farmers grew some field crops, and helped stabilize the entire sector. The farm sector and all of agriculture are vastly different today, as is much of rural America. Yet our farm policy retains vestiges of the New Deal programs and reflects a time of greater homogeneity across American farms and farm households.

Today, the farm sector is diverse beyond the imagination of those who framed the New Deal legislation. On average, farm family incomes no longer lag, but rather surpass those of other U.S. households.

That, I found, Mr. President, to be a remarkable statement, counterintuitive to much of the debate we have on the subject. I will mention again:

On average, farm family incomes no longer lag, but rather surpass those of U.S. households. Most farms are run by people whose principal occupation is not farming. Markets

have changed, too. Domestic demand alone is no longer sufficient to absorb what American farmers can produce. Demand by well-fed Americans grows slowly, with population growth. The promise of new, much-faster growing markets lies overseas, in countries where economic prosperity is emerging for larger numbers of people.

As a result, the United States must consider its farm policy in an international setting, helping farmers stay competitive while pressing for unfettered access to global markets. At the same time, Americans' expectations with respect to food have moved well beyond assurance of adequate quantities to include quality, safety, convenience, and many more attributes. And expectations now extend to environmental preservation and enhancement.

More than seven decades of farm policy have provided a rich, full experience upon which to draw as we contemplate appropriate 21st century policies for our industry. The view of policies and programs across their history has proved very instructive, providing invaluable lessons which, at very minimum, can help us avoid the obvious mistakes of the past. History shows us that growth in farm household income was largely due to rapid improvements in productivity, supported by a strong research base, along with better opportunities to market products, including export markets and off-farm employment opportunities.

Many of the program approaches since the 1930s proved not to work well, or not at all, produced unexpected and unwanted consequences, became far costlier than expected, and have been continually modified over time in the long succession of farm laws. Some major and still highly relevant lessons learned include: History has shown that supporting prices is self-defeating. Supporting prices is self-defeating. Government attempts to hold prices above those determined by commercial markets have simply made matters worse time after time. Artificially higher prices encourage even more unneeded output from the most efficient producers. At the same time, they discourage utilization, consequently pushing surpluses higher and prices lower. Costs to taxpayers grew until the point was reached where something had to be done. All too often, that turned out to be finding ways to restrict output.

The second lesson, Mr. President, of the USDA book is supply controls proved unworkable, too.

These usually involved restricting the amount of land farmed in attempts to reduce output. But the remaining land was farmed more intensively, and supply rarely was cut enough to boost prices to politically satisfactory levels. The programs were costly to taxpayers and consumers and the unused resources were a drag on overall economic performance. But, perhaps the most important of all, limiting our acreage was a signal to our competitors in other countries to expand theirs, and we lost market share that is always difficult to recapture.

The third lesson of the farm bill is stock holding and reserve plans distort markets enormously.

Isolating commodity stocks from the market when supplies are abundant is attractive for its short-term price stimulus. But, because such stocks eventually must be returned to the market, they limit the recovery of prices in the future. Moreover, time after time, stocks have proved costly to maintain, distorted normal marketing pat-

terns, ceded advantage to competitors, and prove tempting targets for political tampering.

The fourth lesson is:

Program benefits invariably prove to be disparate, providing unintended (and unwanted) consequences. The rapidly changing farm sector structure produced a wide array of farm sizes and efficiencies. Many farms were low cost and the programs were of enormous benefit, enabling them to expand their operations. Others did not receive enough benefits to remain viable and thus were absorbed along the way. That situation still maintains to some extent today, even though we now have fewer farms.

The clarity of these lessons provided several emphatic turning points in national policy. The 1985 farm law proved to be one such point when, after long debate on fundamental philosophy, a more market-oriented approach was adopted. That market orientation was extended in the 1990 farm law, making a less intrusive and expensive role for government in farmer decisionmaking and in the operation of the markets.

The Federal Agricultural Improvement and Reform Act of 1996—

A law that currently we have in place—

proved to be historic in that it removed much of the decades-old program structure, provided unparalleled farmer decision-making, flexibility through "decoupled" benefits, and set a new example throughout the world for providing domestic farm sector support.

While that approach is arguably still the least distorting of markets and resource use, its direct payments—

These are the so-called AMTA payments, Mr. President—

do share some unintended effects with price support programs, namely the artificial inflation of farmland prices. The effect clearly has been exacerbated by the size of payments in recent years, some \$28 billion in the last 4 years above the amount provided in the 1996 law.

While the rise in land prices creates wealth for some, it works to the disadvantage of others. Direct government transfers distort real estate markets, keeping land prices artificially high when commodity prices are low, as we are seeing today. Higher land prices for consecutive years of large program support make it more difficult for beginning farmers by increasing capital requirements. This inflation also makes it more costly for existing farms to expand to achieve size economies, either by purchasing or renting additional acres (since land rents move in tandem with prices). Higher land values do benefit local tax authorities and the collateral base of farm lenders, but add directly to production expenses through higher interest and rental costs. Since the land charge is such an important component of a farmers' total cost, sustained increases in land prices and rents have a decidedly adverse effect on the competitiveness of our farmers in the marketplace compared with those in other exporting countries, a cause of growing concern in recent years.

To come to the nub of the problem, the farm sector chapter says:

Squaring Today's Realities With Policies. Because of their historical evolution, current program benefits still are largely directed to specific commodity producers, resulting in only 40 percent of farms being recipients.

That is a remarkable figure. After all is said and done and the payments are

made, only 40 percent of farmers receive anything; 60 percent receive nothing, a fairly large majority.

And, there still is no direct relationship between receiving benefits and the financial status of the farm. The most financially disadvantaged segment of farmers today is the low-income, low-wealth group.

And this is defined in appendix 1 of this book. Essentially, the book points out that there are commercial farms, intermediate farms, rural residence farms, and then they are distributed by size and income.

In any event, the most low-income, low-wealth group comprises 6 percent of farms, had an average household income of \$9,500, and received less than 1 percent of the direct payments in 1999.

In contrast, 47 percent of payments went to large commercial farms, which contributed nearly half of program commodity production and had household incomes of \$135,000.

These are families, obviously, that are middle class, upper middle class, and they received half of the payments.

Our current broad-scale, commodity-oriented approach to farm support does not recognize existing wide differences in production costs, marketing approaches, or overall management capabilities that delineate competitive and noncompetitive operations. It thus is impossible to provide enough income support for intermediate farms without overly stimulating production by the lower cost, large-scale commercial producers. Even though many intermediate farms and rural residence farms receive some program benefits, only one in four generated enough revenue to cover economic costs. Even more problematic is the inability of these farms to improve their cost efficiency at the same pace as larger commercial operations, whose investment in new technologies and ability to expand are aided by program benefits.

Another unintended consequence of current programs stems from the increasing disconnect between land ownership and farm operation. While program benefits were intended to help farm operators, most support eventually accrues mainly to landowners in the short run through rising rental rates and, in the longer term, through capitalization and to land values.

Land prices in recent years have been relatively robust, especially in areas producing program commodities, despite concerns about low commodity prices and the future direction of farm programs.

For many farm operators, renting land is a key strategy to expand the size of business in order to capture the size economics, as evidenced by the fact that 42 percent of farmers rented land in 1999.

Clearly, operators farming mostly rented acreage may receive little benefit from the program. The impact of income from any source, including program benefits on land values, depends on whether that income is viewed as permanent or transitory. The degree of certainty that the income will continue in the future and even though production flexibility contract payments were intended as transitory when authorized by the 1996 farm bill, subsequent emergency assistance and a 70-year history of Government involvement in agriculture have reaffirmed expectation that support will continue in the future.

Indeed, Mr. President, in both the bills offered by the House of Representatives and by the Agriculture Committee of the Senate, the so-called AMTA payments continue throughout the entirety of the bills.

There was no expectation that they would be phased out as in the 1996 farm bill, no anticipation that they would be transitory. As a matter of fact, in both bills they are larger, and therefore the impact, which has been found in the chapter I am reading, the difficulty for farming, is likely to be exacerbated. The 1996 FAIR Act also continued the marketing loan program, another evolution of the old price support idea, but importantly modified to avoid government stockholding which proved so burdensome in times past.

Marketing loan payments effectively provide a large countercyclical component to farm income but distort markets by limiting the production response to falling market prices. The program guarantees a price for traditional program commodities: Food grains, feed grains, cotton, and oil seeds. As market prices have fallen below this guaranteed price, total marketing loan benefits have risen less than \$200 million in the 1997 crop to \$8 billion for the 1999 and \$7.3 billion to date for the 2000 year crops.

Since 1996, countercyclical marketing loan benefits have totaled about \$20 billion. While the current policy made large strides toward greater market orientation, a careful evaluation in the context of today's diverse farm structure and increasingly consumer-driven marketplace still reveals several misalignments among policy goals, program mechanisms, and outcome. Improvement could support more sustainable prosperity for farmers, agriculture, and rural communities without engendering long-term dependence on direct government support.

I will translate that in many ways to the debate we are now having. Essentially, the bill that is before the Senate as reported by the Agriculture Committee attempts not only to continue fixed payments for 10 years without accuracy, thus implying a perpetual agricultural crisis the last farm bill in 1996 had in mind, that essentially we would move toward more of a market economy and transition payments would go to certain farmers who have been in the business.

This has led to substantial debate in the last 5 years because essentially, as many have said, there are landowners receiving payments who are no longer farming at all. They literally are not in the business. The contract we made with farmers in the 1996 farm bill was that if one had a history of planting corn or wheat or cotton or rice—and eventually soybeans have entered in through a marketing loan situation—they receive money on the basis of that history. Thus a part of the distortion

that the USDA now points out: The payments are heavily loaded toward people who own land, but 42 percent of those who are actually in the fields this year rent land. They do not own it. Their rents are higher. As a result, their net income is lower.

The policy we have adopted essentially of the fixed payments plus the other aspects, the marketing loans, the other countercyclical situation, increase essentially the land values. If someone is a landholder, that is helpful. As the USDA publication points out, if one is a mortgage banker holding a note, the value of that land increasing is useful. But for young farmers coming into the business, this is potentially disastrous. There is very little entry. For those renting, 42 percent, certainly they have higher costs year by year.

Furthermore, as the USDA publication points out, all of this is occurring to the benefit of only 40 percent of farmers to begin with. The other three-fifths are out of the picture.

One of the interesting facets of farm debates is many farmers must surely believe they are benefiting from this. It is apparent that, really, for time immemorial, a minority of farmers have received any benefit. A substantial majority are not touched by this, certainly in terms of their income.

In addition, the farm policies, whatever their intent, have stimulated overproduction. As USDA points out, essentially the most efficient farmers, using the very best of research, using the best of machinery and equipment and seed, are able to produce a bushel of corn or a bushel of wheat for substantially less than their domestic competitors, fortunately for much less than almost all of their foreign competitors. Therein lies the advantage of the United States in terms of exports.

The problem comes, to take a very specific example of corn, as I mentioned earlier in the afternoon, the loan deficiency payment for a bushel of corn in Indiana and in many other locations is \$1.89. That figure was meant to be a floor. It was anticipated the price of corn would be more than \$1.89 and seldom would it reach \$1.89, but in the event that it did, a farmer could be certain of receiving \$1.89 regardless of what the market price might be. The taxpayers generally picked up the difference between the market price and the loan deficiency payment level, the loan rate at \$1.89.

But what if corn farmers who were very efficient find that they can produce additional bushels for much less than \$1.89 per bushel? The incentive obviously is to produce as much as possible because \$1.89 is guaranteed for every bushel, and if one is producing for less than that, it is a profit on every single additional bushel. That does not escape the attention of many of our most efficient farmers, and they

have increased their production. By and large, they have grown. Other competitors have not grown and, as the USDA points out, in many cases have either sold their properties or rented them to others who are able to obtain better results, I suspect.

This has led to a certain amount of decline in the number of farmers in the country. But as many farm statisticians have pointed out, in recent years the numbers of farms have grown in various sectors of our society, in large part because many Americans who are professionals in the city, or who simply wanted a rural life-style, purchased small farms or at least some acreage. They qualify under USDA standards as a farm situation if they have \$1,000 of sales. That is the cutoff point. Many do have \$1,000, and many maybe have \$10,000 worth of sales, but increasingly large numbers, hundreds of thousands of persons, have qualified as operating farms on that basis.

Seventy years ago, no one would have considered attempting to think through a farm bill that would be of assistance to all of these additional farmers. But as USDA points out, a majority of persons now obtain more of their income from something other than farming, even as they are classified as one of the 2.1 million farm situations in our country.

I mention that simply because in rhetoric in this debate, or at other times, about farm bills, a great deal is said about the plight of the small family farmer and saving that person. In fact, I would contend most of our farm bills have done a pretty good job of that. There literally is a pretty broad safety net but only if you are in certain types of farming; namely, the row crops—corn, wheat, soybeans, cotton, and rice. For instance, if you are a livestock farmer—hogs, cattle, sheep—these programs do not pertain to you at all.

Increasingly in our farm debates, we have been hearing Senators describe strawberries, cherries, peaches, nuts, and cranberries. These are sometimes known as niche crops, specialty crops, but clearly are not crops contemplated by farm bills. No money in these farm bills goes for these crops. That has not been very satisfying to most Senators who come from States with these constituents.

The situation now with the specialty crops is, Senators come to the floor and ask quite candidly: What is in this farm bill for us? We understand from the New Deal days onward, people in cotton, rice, corn, and wheat were taken care of; a safety net was there for them. But no one thought about us in those days. We are thinking about "us" now.

As a result, the Senate fields annually a large number of disaster bills. Somewhere in the United States of America, the weather is not good for

whoever is doing whatever they are doing. They point out that although corn growers or cotton growers are having their problems, the strawberry growers and others are also having a very tough time in other areas. Or the cranberry situation is a disaster.

As a result, the plea comes for disaster assistance payments to these farmers. The USDA, as a rule, has not been geared up to make these payments because there is no particular crop history or there is not a tradition of making the payments. As a result, the payments don't occur for a while because USDA must establish regulations as to who is eligible, how to verify this, and how to audit these situations. Nevertheless, as we have had the disaster bills or supplemental bills, each summer more and more Senators are finding the focus of these disaster bills is not very wide. This is also the case with the farm bill. The 40 percent who get the money are not 100 percent; the Senators who represent the other 60 percent say: What about us?

We have had hearings before the Agriculture Committee, and there are debates among people in the so-called specialty crops—fruits and vegetable and so forth. Some say: Leave us alone. You have pretty well mangled other markets. Supply and demand still pertains in what we are doing without government supports, without subsidies. As a result, there is risk but there is also reward. The market works for us. Don't gum it up.

On the other hand, many well-meaning Senators trying to help constituents are not prepared to take that for an answer. They visit with many farmers who have had genuine disasters caused by the weather or other problems, and they want relief for these constituents. Again and again, the disaster bills try to address all of these localized problems.

The so-called stimulus package offered to the Senate—which we are not considering for a variety of reasons, and which I gather is now grist for the mill, with the overall group discussing this in a bicameral way—had about \$6 billion worth of agricultural provisions in it. Many of them duplicate items in the farm bill we are now considering. Perhaps Senators were nervous that the farm bill would never get to them, and the urgency, at least as they saw it, was that the money in the stimulus package might be spent sooner. Perhaps so.

We found these same ideas popping up in the debate we had in August, when the Senate sent \$5.5 billion to farmers in the country, mostly to row crop producers, but with a debate on specialty crops and other things that ought to be covered to address their particular problems.

This simply reinforces what USDA has started in chapter 3 of its recent policy book; namely, one size doesn't

fit all. As a matter of fact, the number of farming operations in terms of size, scope, altogether the things they are doing, is so diverse, it is very difficult for any farm bill to encompass a majority, or even a small minority of operations, for that matter.

This is why, as we have this debate on the farm bill, I look forward to the opportunity to offer an amendment to the commodity section. I tried to look realistically as to what is occurring on American farms today. I am saying that in Federal policy, strawberries and cattle should be treated no differently than wheat.

In essence, we should take a look at the whole farm income. Each farmer must file with the Internal Revenue Service the proper returns that indicate all income generated on the farm. For many farms that are fairly diversified, that have income from cattle, from hogs, perhaps some from timber, perhaps some corn and soybeans, sometimes some wheat. In the South, more likely it is from cotton or rice, along with the livestock. In essence, we are saying, income earned from all agricultural production should be treated equally in federal farm policy.

Take the example of a farmer who receives \$100,000 a year in agricultural sales from all sources. Under the bill I presented to the Agriculture Committee, that farmer would declare that income, and he would receive a \$6,000 credit from the Federal Government (or 6 percent of that \$100,000) to be utilized in one of three ways. The \$6,000 could be used to purchase whole farm revenue insurance, guaranteeing 80 percent of the 5-year income to that farm; in other words, a genuine safety net created on the basis of the history of that operation. If the farmer has had \$100,000 of income 5 years in a row, obviously, the average is \$100,000, and the farmer would receive a \$6,000 government credit. This would buy an 80 percent whole farm revenue insurance policy, which means that in a case of a disaster or a downturn of income, that farmer is guaranteed at least \$80,000 of income. That premium would be paid for by the \$6,000.

Say the farmer has some money left over. He could utilize that then for a so-called farm savings account. A farmer puts the money from the Federal Government into this account and he matches it with an equivalent amount. At that point, that account remains for a rainy day purpose—once again, to stabilize farm income and to offer a genuine safety net. Or the farmer may use more sophisticated means of risk management. He also has the option to use the \$6,000 to purchase other risk management or marketing tools that are of equivalent value.

In essence, we recognize all of agriculture, all of America, all the diverse ways in which people make money. We offer a genuine market-oriented pro-

gram through a variety of risk management options (including whole farm revenue insurance) so that essentially no farmer could do worse than 80 percent of his annual income in any kind of disastrous year. We encourage savings accounts with a matching Government contribution, to increase the farmer's financial reserves and enhance the financial viability of the family farm. This has the virtue of being relatively inexpensive. That particular virtue has escaped the debate thus far altogether, in large part because Senators have competed with each other to provide more subsidies for more constituents. I understand that urge. But I have also suggested that this debate is occurring at a time in which it is prophesied by the Office of Management and Budget that we will have 3 years of Federal deficits.

One can say, after all, if we are doing deficit spending into deficits for all sorts of other things, the farmers ought to have their share of the deficit spending, too. But that is not the way this debate began. It began with the thought that we were going to have a \$300 trillion surplus for the coming year and, for that matter, for most of the years in the coming decade. I have argued earlier on that the outlays, in my judgment, lead to overproduction and lower prices, distorted land values, and make it tougher for young farmers, tenant farmers, and farmers that rent land.

But leaving aside that argument, I make the argument now that we do not have the money. We have not had the money for some time. It is obvious to everybody who has common sense outside the agricultural debate. But sometime it will dawn upon most Americans, and they will wonder what we are doing here.

Senators who rush back to their constituents and say, "I got \$173.5 billion in farm subsidies for you," may find some skeptics who will say, "Where was the money? Where did you find the money?"

The Senator may say, after all, the farmers deserve the same benefits as everybody else. There was not any money, but there will be someday. Surely, this thing will turn around. Maybe so, maybe not. My constituents in Indiana are wondering about this.

Two percent of us, and I include myself among this group in Indiana, actually are in the farming business. That is a declining number. But 98 percent are not. Maybe those of us who are in the 2 percent count upon the 98 percent never looking into this picture and wondering how in the world it is all formulated and why we are receiving money. But more and more of the 98 percent are looking into it.

What is occurring is not a mystery to editorial writers in Indiana. They write about it all the time. So do people in the Associated Press. So do people who

are local reporters. They are reporting how much money farmers are receiving in Indiana, county by county, by dollar.

This comes as a revolutionary surprise. Many farmers are able to explain—I try to do so, too—that these payments come because we have a farm program which was supposed to be a transition program. We were going to move from heavy subsidies to the market in a 7-year period of time in the last farm bill. These were transition payments. Other payments come, likewise, because of the loan deficiency payment business that I just explained. There is a floor price, really, for every bushel of corn, every bushel of soybeans.

Some payments come because of conservation and cooperation by farmers to do things that are very helpful as stewards of land and water. So there are good reasons for some of these payments. Most constituents understand that.

But they do find it difficult to understand why persons on Indiana farms that appear to be very prosperous receive hundreds of thousands of dollars from the Federal Government. They are wondering, have we missed something here? Was it the argument about the devastation of rural America, the loss of income of people, the loss of farms, young farmers coming in, and so on? And they wonder how are any of these persons helped in the process?

I am saying that these folks whom we intend to make beneficiaries are not in fact helped and have not been for some time.

Let me conclude this explanation with some principle that I found to be useful in an USDA publication, and I commend it to the attention of Senators because I think it offers a fairly good foundation for this debate on farm policy. As the debate continues, I want to return to other aspects that I found especially illuminating in the same publication, but I offer this, at least as some basis for an amendment I intend to offer in due course in the commodity section, which I believe will be constructive, which will be more fair, and which will clearly be less expensive, and which has at least some semblance of reality, considering the times we are in, fighting a war and recession and attempting to do common sense things as Senators.

I yield the floor.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent the Senator from North Dakota, Mr. DORGAN, be recognized immediately upon the conclusion of my remarks.

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

Mrs. FEINSTEIN. Mr. President, I rise to talk about the farm bill as it is presented to this Senate, and specifically the dairy part of that bill. I rise with the knowledge that some negotia-

tions are going on to see if that particular dairy program cannot be improved, at least improved from the position of California. The present bill, as drafted, before this body, is one, frankly, I cannot support. I cannot support it largely because of the dairy provisions.

I thought it might be helpful if I related my experiences. The problem is that some States have many small farms, 60 to 80 cows, and other States have larger farms. That is where the subsidies intermesh to really create a very difficult playing field for California. Essentially the provisions in the agriculture bill that is on the floor now would force consumers across the United States to pay \$1.8 billion more for milk each year. It would drive down essential income to dairy farmers who produce the milk contained in most of our Nation's dairy products.

California is the largest dairy State in the Nation. Last year, dairy farmers produced 32.2 billion pounds of milk. Over 19 percent plus of the Nation's supply comes from California. The industry is a \$4.3 billion industry in the State, and dairy is the largest part—most people do not know that—of what is a \$30 billion agricultural industry. We have 2,000 dairy farms in the State—2,100 to be exact. We lead the Nation in the total number of milk cows at 1.5 million. I often joke I wish they could vote. The California industry produces 122,000 jobs and contributes \$17.5 billion overall in the economy each year.

These are full-time, year-round jobs in agricultural counties that make up the heart of the great California central valley. Dairies provide jobs for farmers who grow and ship feed, for farmhands who milk the cows, for workers in the processing plants who make our famous California cheeses, and for packers, marketers, and many others. In fact, in the great San Joachin Valley, one in every five jobs is dependent on the dairy industry. If California were a separate nation—I think most people do not know this—it would rank eighth in the world in milk production, fifth in the world in cheese production, and ninth in the world in butter production.

I want to make it clear that we are talking about California more than any other State when you talk dairy. So it is simply not possible to leave California out of any dairy equation.

I am aware that the dairy industry, particularly in the Northeast, needs government help. I want to make it clear that I can't support that help if it greatly disadvantages the dairy farmers in California.

I think the California Secretary of Agriculture put it best. I would like to quote from a letter dated December 3:

Consumers will see higher prices for fluid milk. In the Senate bill, it is 40 cents more a gallon for milk.

State law and economics dictate that California's dairy prices must bear a reasonable relationship to milk prices in neighboring regions.

California law, like it or not, ties us into any pooling agreement that might be made.

As fluid milk prices in surrounding states rise, California fluid milk prices would be increased in a corresponding manner. Unfortunately, the higher milk prices will force some consumers to switch to less expensive—and less nutritious—non-dairy alternatives. Dairy processors would be negatively impacted by this loss of fluid milk sales.

At the same time, California's dairy farmers will also lose under the Senate plan. Increases in fluid milk prices will undoubtedly lead to increased milk production. Once an area covers its needs for fluid milk, the additional milk goes for manufactured product such as cheese, milk powder, and butter. California is the leading producer of both milk powder and butter. California is the second largest producer of cheese, and in fact only 19 percent of California's milk production goes for fluid milk. By simultaneously stimulating production while dampening demand, the Senate plan strikes at the heart of California's dairy economy by severely depressing prices for manufactured dairy products.

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

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

CALIFORNIA DEPARTMENT OF FOOD
& AGRICULTURE,

Sacramento, CA, December 3, 2001.

HON. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: I recently wrote to you expressing concern about the proposed changes to the federal dairy system and its impact on California. While this proposal has changed since that letter, its impact remains negative for California's consumers and dairy producers.

The new plan, contained in S. 1731 as of this writing, would apply to only the federal order program. However, it would have enormous consequences to this state.

Consumers will see higher prices for fluid (drinking) milk. State law and economics dictate, that California's dairy prices must bear a reasonable relationship to milk prices in neighboring regions. As fluid milk prices in surrounding states rise, California fluid milk prices would be increased in a corresponding manner. Unfortunately, the higher milk prices will force some consumers to switch to less expensive—and less nutritious—non-dairy alternatives. Dairy processors would be negatively impacted by this loss of fluid milk sales.

At the same time, California's dairy farmers will also lose under the Senate plan. Increases in fluid milk prices will undoubtedly lead to increased milk production. Once an area covers its needs for fluid milk, the additional milk goes for manufactured product such as cheese, milk powder, and butter. California is the leading producer of both milk powder and butter. California is the second largest producer of cheese, and in fact only 19 percent of California's milk production goes for fluid milk. By simultaneously stimulating production while dampening demand, the Senate plan strikes at the heart of California's dairy economy by severely depressing prices for manufactured dairy products.

This is the case even though the Senate plan will primarily increase production in other parts of the country. Manufactured dairy products may be easily stored and transported. Accordingly, the markets for these products are nationwide so that even if increased production were limited to other regions, California's prices for its manufactured products will drop significantly.

The Alliance of Western Milk Producers estimate that over 9 years the bill would have the impact of reducing California dairy farmer's revenue by approximately \$1.5 billion. At the same time, California consumers would pay an additional \$1.5 billion in higher retail milk prices. The Alliance estimate seems reasonable using the analysis completed earlier by the University of Missouri's Food and Policy Research Institute. Our economists concur with these estimates.

Without question, dairy policy offers some of the most contentious issues in agriculture. The sole positive attribute of the Senate plan is that it has united California's dairy consumers, producers, and processors in opposition to the proposal. Whatever it does for the rest of the country, it is bad for our state.

I thank you and your staff for all of your efforts on behalf of Californians. If I may be of any assistance to you on this or any other matter, please do not hesitate to contact me. Sincerely,

WILLIAM (BILL) J. LYONS, JR.,
Secretary.

Mrs. FEINSTEIN. Mr. President, I said that California families under the Senate bill will pay 40 cents more per gallon of milk. That is according to the California Department of Food and Agriculture. That represents a net cost to the industry of \$1.5 billion over the 9 years of this bill.

Do we really want to make it more expensive for parents to provide calcium to their children? Do we want to deprive the elderly of nutrition that strengthens bones, fights cancers, stops osteoporosis? Do we want to make families cross milk off their grocery list because it costs too much? I don't think so.

For Californians, the legislation is a double-edged sword. Not only will a mother in Los Angeles be paying more every week at the grocery store, but a father who runs a dairy farm in Modesto will see his income slashed, if this bill becomes law. For one co-op, this represents a loss of \$71,000 per dairy farm.

The payment formula may be complicated and crafty, but the winners and losers are clear. California is targeted by this bill to be a loser.

Like other goods, a higher price established for fluid milk by law—not the market—will cause families to buy less, as I said, and cause suppliers to get an improper price signal to produce more. If there is too much drinking milk in the marketplace, it spills over to compete against milk used to produce cheese, butter, milk powder, and other dairy products.

Prices for milk are based on how the milk is used, which is referred to as "ultimate utilization." Since over 80 percent of the milk in California is

used to produce these dairy products, any excess milk will drive down the prices received by California dairy producers. Other States with small dairies can take advantage of government subsidies no matter what the milk goes for. But States such as California are excluded under their proposal because dairy farms have large herds. The average size of the 2,100 herds in California is 656 cows.

Again, this is an attempt to take money from California to give it to other States.

Dairy producers estimate they are going to lose \$1.5 billion over the next 9 years if the provisions in the Senate farm bill are enacted into law.

Let me read a couple of letters from California's dairyland.

Jim Tillison, Chief Operating Officer of The Alliance of Western Milk Producers, writes that the dairy program in the Farm Bill "is bad for California's consumers and it is bad for California's dairy farm families." He estimates, "the net loss of revenue from manufactured milk will decrease California dairy farm family income by \$1.5 billion over the next 9 years." The Alliance of Western Milk Producers is a trade association that represents California dairy cooperatives. Together, Alliance member cooperatives market approximately 50 percent of the milk produced in California both as raw milk and as processed dairy products.

Rachel Kaldor, Executive Director of the Dairy Institute of California, a state trade association representing the manufacturers of over 70 percent of the fluid, frozen, and cultured dairy products in California, writes, "any legislation which creates federal price floors, production limits and income redistribution—national pooling—is bad news for California."

In another letter, Gary Korsmeier, Chief Executive Officer of California Dairies Incorporated reports, "the milk prices for California farm milk used in cheese, butter, nonfat milk powder and other dairy products, would drop by \$2.9 billion dollars." Korsmeier predicts the average dairy farmer in the cooperative would lose \$71,000 per year. California Dairies Incorporated is a member of the Alliance of Western Milk Producers. Formed from the merger last year of three California dairy cooperatives, California Dairies' 700 members account for about 40 percent of California's milk production.

I could go on and on. I can talk about lower milk consumption, increased milk production, and dramatically increased government expenditures on the dairy program. I can talk about another layer of bureaucracy and exacerbation of regional disparities. I can talk about providing another chance to pit big producers against small producers and reduction in the percentage of producer income that is derived from the market. I can talk about contradicting congressional intent for the current program, setting up regional supply management boards, and increases in assessments on dairy producers.

The dairy program is a bad part of this farm bill.

I would like to read into the RECORD the agricultural groups that oppose the dairy provisions currently in this bill: California Farm Bureau Federation, Alliance of Western Milk Producers, Western United Dairymen, California Dairies Incorporated, Milk Producers Council of California, Montana Dairy Association, Dairy Producers of New Mexico, Idaho Dairymen's Association, Oregon Dairy Farmers Association, Texas Association of Dairymen, Utah Dairymen's Association, and the Washington State Dairy Federation.

It is not only California, it is a number of Western States that would be seriously impacted by the dairy provisions of this bill.

Let me say in conclusion that a national dairy policy that strikes at the heart of California's dairy industry and other Western State dairy farmers is not an option. I cannot support a farm bill that harms California. I hope the negotiations going on to try to come up with another formula to meet this concern are successful.

I thank the Chair, and I yield the floor.

Mr. President, I appreciate the unanimous consent agreement to recognize the Senator from North Dakota. But I also notice that he is not present at this time. I ask that the unanimous consent agreement be rescinded.

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

The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I rise today to voice my strong support for the consideration of the passage of a farm bill this year. We have been discussing and debating and moving forward with a number of pieces of legislation, but, in my home State of Arkansas, there is no piece of legislation more important than the pending farm bill.

Two major issues that have been discussed are biosecurity and economic stimulus. For my State, the farm bill addresses both of these issues. I urge my colleagues to move forward with this legislation expeditiously.

I commend Chairman HARKIN for holding a markup this year and not bowing to those voices that said we should delay this.

While I do not claim that the Harkin bill is my preference on a number of issues, I am pleased that the Agriculture Committee worked so hard and so diligently in getting a bill out of committee this year. I hope the full Senate will now act expeditiously.

For rural America and for most of Arkansas, an economic stimulus package must be tied to agriculture. To talk about passing an economic stimulus package and not doing a farm bill, for the State of Arkansas simply does not make sense. For Arkansas, the two complement one another and are intricately related.

The agriculture industry in Arkansas has been in distress over the last few years due to a combination of high energy prices, low commodity prices and difficulties in opening up foreign markets to American goods.

Agriculture and agriculture-related activities account for a full 25 percent of my State's economy and provide \$5 billion in farm income. It is Arkansas's single largest industry. Farming is, in many ways, the lifeblood of my State. It is imperative that a new farm bill be passed this year, which is why many of us have worked so hard to push for the completion and passage of a farm bill while we are still in session this year.

Fewer and fewer farmers in my State are able to continue farming due to, not a recession, but a depression that the agricultural sector has experienced over the last few years. While the rest of the economy grew and benefitted during the late 1990s, agriculture was one of the very few industries that actually suffered during this time.

Let me share with my colleagues just a few of the statistical facts regarding the farm economy in my State over the last few years. These are Arkansas-specific numbers from the USDA.

In 1996, the price for rice was \$10.20 per hundredweight. For the year 2000, that price was \$5.70 per hundredweight. In 1996, for the entire rice crop production in Arkansas, the value was \$733 million. In the year 2000, the value of production had dropped to \$490 million.

Next, let me share the statistics on cotton. In 1996, the price was 71 cents a pound. In the year 2000, the price had dropped to 56 cents per pound. In 1996, the cotton crop value of production was \$555 million. By the year 2000, that had dropped to \$388 million.

In 1996, for wheat, the price was \$4.38 per bushel, but, in the year 2000, the price had dropped to \$2.40 per bushel. In terms of the value of production, in 1996, the wheat crop was valued at \$293 million; by the year 2000, it had dropped by more than half to \$142 million.

For soybeans, a major commodity crop in Arkansas, the price was \$7.34 per bushel in 1996; in the year 2000, the price had dropped to \$4.90 per bushel. In 1996, the value of production was \$824 million; in the year 2000, the value of production dropped to \$407 million.

Overall, the net farm income for agricultural production in my State has gone from about \$2 billion in 1996 to just over \$1.5 billion in the year 2000. That is a decline of nearly half a billion dollars. In a small rural State such as Arkansas, that impact is devastating.

It is my sincere hope that we can get a farm bill into conference, get it passed, and signed by the President this year.

There are few issues that are followed as closely or scrutinized as completely as agriculture policy. The Agri-

culture Committee was given the very great responsibility of creating a farm bill that will determine the direction of agriculture policy and the assistance available for farmers and rural communities over the next 5 years.

In committee, there were a lot of compromises that were reached. In a bill of this scope, with the impact it will have on rural America, it is never possible to please everyone. The goal of this farm bill, from the beginning, was to re-craft a failing policy and provide the assistance and certainty that our producers must have.

This policy is extremely important. In many cases, it will determine whether or not farmers in the State of Arkansas will be able to plant next year, and, in an even broader sense, it will determine if many of the hard-working farm families in Arkansas will be able to continue to work their land and make a living.

Over the past 4 years, rescuing the farm economy has cost over \$30 billion in emergency Federal farm aid. It is quite clear that our current farm policy is not working. It has been an ad hoc policy. We have been forced to address short-comings annually. The current policy has been devoid of certainty—creating instability in the farm economy across this country. It has resulted in farmers never really being sure of what Congress is going to do, and it has resulted in Congress having to make ad hoc emergency assistance as needed from year to year.

It is imperative that we end the annual struggle where Congress must find money and make available large numbers of emergency funds to support our nation's farmers due to insufficient agricultural policies. We must recognize the needs of our farmers and address them.

My views, and the views of a few other Members, were made quite clear with the introduction of S. 1673. I still believe that the bipartisan compromises we came to in that bill would provide the type of assistance our farmers need while providing a healthy framework for agriculture policy in the future.

This is indeed a unique time in our Nation's history. Now, more than ever, our country is looking to its leaders for guidance and support. Our national security has been tested, and our economy is in need of a stimulus. Throughout all of this is the need for strong, comprehensive policies that reflect the needs and priorities of our country.

I do not need to tell this body that agriculture is one of these priorities and that a strong, responsible, and well-crafted farm bill will ensure the assistance our farmers and rural communities need while providing the stability and certainty they must have to continue over the next 5 to 10 years.

While I have been pleased with the steady progress we have made with the

farm bill over the last few weeks, I urge my colleagues to push hard to complete the consideration of the bill so we can provide for the needs of our nation's farmers.

Over the last few weeks there have been reports criticizing farm policy and criticizing the various farm bills. Despite these reports, I would argue that strong farm policies are absolutely essential to assure the safe, abundant, and affordable food supply we enjoy in this country. The farm policy of the past may not have been perfect, but it is that which has given the American people the safest, most abundant, and most affordable food supply in the world. Our farmers are, in fact, the best in the world. This is a testament to their hard work and their commitment to advancing agriculture. But their hard work must be joined by sound agriculture policy.

I realize the diversity of agriculture in different parts of this country. However, I also realize a farm bill is just that, it is a farm bill meant to reflect and address the needs of our agricultural communities. Numerous titles of this bill address key issues of rural America, but if farmers are not farming, what will happen to those communities then? What will happen to the seed dealers, the bankers, the car dealers, and a whole host of industries directly reliant upon the farm economy?

As you are all aware, there are numerous proposals out there to address the farm sector's needs. While I worry that the best possible policy might not emerge, I do believe we will make improvements to our current policy. I am firmly behind moving forward and completing a farm bill this year. It is a must for our farmers. I believe that, in the end, we will work to provide for the needs of our nation's producers.

In terms of trade, I agree with the Secretary of Agriculture, in her testimony before the Agriculture Committee, that expanding trade is an essential part of agriculture policy. I believe that aggressive action on this front will greatly benefit our producers and allow the United States to fully participate in the proliferation of trade agreements that are now emerging out of Latin America, Asia, and with our allies in the Middle East.

Agriculture trade can open up whole new markets and provide our country with new friends abroad who will be able to share in our wealth during prosperous times and come to our aid in times of need or tragedy.

However, trade also requires compliance with international agreements. While I have been critical of some of the provisions in past trade agreements, and will likely have misgivings about some future agreements, I understand the importance of the United States keeping its word.

As Senator CONRAD has pointed out in committee and on the floor with numerous charts, we don't support our

producers at nearly as high a level as our European competitors. Our farmers are at a strategic and competitive disadvantage. The way to fix this problem is with green box payments. Senator COCHRAN and Senator ROBERTS are to be commended. They have crafted a proposal in committee—and I assume will be offering it on the floor as well—providing the support our farmers need while remaining true to our obligations abroad. While there may be other proposals that are WTO compliant, few would provide the level and assurance of support that the Cochran-Roberts proposal would.

The greatest fear of many farmers and their lenders in my State is replicating a system where a farmer is not certain of the level of support they will receive from year to year. This has been the fatal flaw with our current policy. The rapid phase-out of the fixed, AMTA-style payments in the Senate version of the farm bill that came out of committee is very troubling. That style payment is one of the only true green box payments in the bill. If the WTO calls for lowering allowable amber box payments, these payments may be the only money allowable for safety net purposes.

While I support moving forward, I believe the assured levels of assistance in S. 1673, the House bill, and the Cochran-Roberts approach are, by far, more favorable than some of the other proposals circulating that would diminish these payments.

In addition to trade, conservation is a key component of the farm bill, as it should be. Our farmers and ranchers are stewards of our nation's natural resources. It is important that incentives be available that encourage and reward environmental stewardship. It is my belief that this is an important component of farm policy, but it is a component that must be balanced with other titles in the bill.

I strongly support the increased acreage for WRP in all of the proposals we have seen. CRP has also been an important program for Arkansas. In addition, the Wildlife Habitat Incentives Program has also been successful in promoting the health of wildlife in Arkansas. These are all good programs.

While I support these programs, I believe a balance must be struck. I agree with many of my colleagues that this is done by strengthening programs we know are successful, where we know our funding can be maximized to the benefit of the environment and the agricultural sector.

As we have learned from the last few years, a farm bill must provide a safety net for producers through a good commodity title. A sufficient commodity title is absolutely essential in providing the support needed by our country's farmers. Without these programs, our farmers would be at an incredible competitive disadvantage with our Eu-

ropean counterparts. Many of our farmers would simply be put out of business.

The farm bill must reflect the needs of our country's producers. It must also allow the Congress to avoid the costly ad hoc emergency spending that has characterized farm policy for a number of years.

Proper funding and allocation of these funds is essential in allowing our farmers to remain on their farms. Without farmers working the land, without the type of technical expertise present in our country's agricultural sector, we would not have the abundance of nutritious food we enjoy in this land.

Our farmers are indeed the best in the world. They are early adopters of new technology and enhanced growing techniques that allow them to increase production while reducing the environmental impact of agricultural activities. Much of these great strides forward have been the direct result of this nation's commitment to its farmers.

This Nation has its roots in its fertile soil. It is important that we remember that agriculture has been, and will continue to be, a source of great strength and security for our country.

I conclude by emphasizing to my colleagues just how important the farm bill this year is. It is an absolute must-have for our nation's farmers and rural communities. I hope we will move forward quickly and responsibly.

I yield the floor.

The PRESIDING OFFICER (Mr. REED). The Senator from North Dakota.

Mr. DORGAN. Mr. President, are we in the postcloture period for debate?

The PRESIDING OFFICER. Yes, we are.

Mr. DORGAN. Mr. President, we are now, as I understand it, in a 30-hour postcloture period following the cloture vote on whether we should proceed to consider the farm bill.

I don't quite understand this, frankly. We ought not to have had a vote on whether we should proceed to the farm bill. Of course, we should proceed to the farm bill. Who on Earth thinks we should not proceed to write a farm bill.

The current farm bill is a miserable failure. Not many people in the Senate have farmed under that farm bill, as a matter of fact. Those who have had to try to raise a family and operate a family farm under this current farm bill, Freedom to Farm, understand it is a miserable failure. The whole premise of the current farm bill was a failure.

The premise was, whatever happens in the marketplace, that is all fine and that is all farmers need to know. And if the marketplace collapses and farmers don't have support for their products and they go broke, God bless them; the country doesn't care. America will be farmed from California to Maine, and we will have giant agrifactories. We

will still get food on the grocery store counters. Under the philosophy of Freedom to Farm, family farmers are kind of like the little old diner left behind when the interstate highway comes through—kind of nice to talk about, nice to think about, nice to remember, but they are not part of today.

People who think that way couldn't be more wrong. The seed bed of family values in America has always come from family farms. It is the road to small towns and big cities and has nurtured and refreshed this country in many ways. Family farming ought not be out of fashion. It ought not be yesterday's policies. It ought to be what we aspire for tomorrow's food supply. Family farming ought to be an important part of this country.

Why do we need some special help for farmers? Why do we have a farm bill? That is a good question. In fact, the U.S. Department of Agriculture was created in the 1860s by Abraham Lincoln with nine employees. My feeling is we don't need a Department of Agriculture if the sole purpose is not to foster a network of families that farm this country. If our goal is not to foster a network of family producers for America's food supply, then I say put a padlock on USDA, turn the key, and get rid of it. We don't need it.

If the goal, however, is to foster a network of family food producers because we believe, both for social and economic purposes, it strengthens and enhances this country, then let's write a farm bill that does that. Let's write a farm bill that supports that. The current one does not. We haven't had one that supports that for a long while.

It is interesting, I come from western North Dakota, a very sparsely populated part of the country. We had a little dispute recently in western North Dakota with prairie dogs. I got right in the middle of the dispute. I can't stay out of a dispute like that, I guess, much to my detriment.

Here is the situation. It relates to what is happening in western North Dakota. We are in western North Dakota becoming a wilderness area. There is no Federal designation. We don't need one. We are fast losing people. My home county was 5,000 people when I left it. It is now 3,000 people. I left a small county in southwestern North Dakota. It is actually pretty big in geographic size. I left to go off to college. It was 5,000 people; now it is 3,000 people.

The adjoining county just south of the badlands in western North Dakota is Slope County, about the same size. Actually, it is almost as big as one of the small eastern States. It has 900 people; seven babies were born in that county last year. So I come from a part of the country that is losing population hand over fist. People are moving out, not in.

Family farmers and ranchers are not able to make a living so they leave. Their dreams are broken. All that they aspired to do to live on the land and make a living with their family, all those dreams are gone.

Then this past spring, the U.S. Park Service, which is also in western North Dakota, had a problem. Out in the badlands of North Dakota we had a little picnic area, and it belonged to the taxpayers and the Federal Government. It was our picnic area. The prairie dogs, furry little creatures, took over this picnic area. Prairie dogs are very much like rats except they have a button nose and furry on the tail, and they multiply quickly.

So the prairie dogs took over the picnic area. Our Federal Government sprang into action. They just sprang into action and did an environmental assessment—an “EA,” they called it. They did a finding of no significant impact—some sort of SNIFF; there are acronyms for these major things they do. They jumped right into action. You know what the conclusion was? If the prairie dogs have taken over the picnic area, then move the picnic area. It is a quarter of a million dollars to move the picnic area.

That doesn't make much sense to me. I said: Why don't you move the prairie dogs? We are not short of prairie dogs, we are short of people in western North Dakota. We are not short of prairie dogs; move them.

They said: We can't do that.

I said: When I was a kid, 14 years old, the rats took over our barn and my dad asked if we could have a program to get rid of the rats. And myself and two other 14-year-old boys very quickly pointed out to the rats that the dumping grounds for our town was about a mile away, and lo and behold we got rid of the rats.

I said: Hire three 14-year-old boys from western North Dakota to get rid of the prairie dogs, and it won't cost you very much. We will reclaim our picnic grounds.

I said: The point is, I am really interested that you are going through this machination with respect to prairie dogs and picnic areas, when I can't get anybody interested in the fact that our State in the western part and in most rural counties is systematically being depopulated. Family farmers are going broke, ranchers are going broke, people are moving out. We can't get anybody interested in what all that means and the consequences of it, but you have a few prairie dogs move into a picnic area and, by God, the whole Government has studies going on and they are going to spend money to move picnic grounds.

I said that is a strange set of priorities, in my judgment. I have gone off a bit, but in fact it is hard to get people interested in the real issues. The real issues in western North Dakota

are that family farms are losing their shirts. Ranchers have had a big struggle there and people are moving and nobody seems to care much. But they care about a few prairie dogs.

As an aside, I lost the issue. They moved the picnic grounds. Then, about a month later, after all this big controversy, I read in the newspaper that a guy from Oklahoma had invented a truck—he created a truck with a hose on the truck that had a vacuum attached to the hose, and he would stick the hose in prairie dog holes and suck them out of the holes. And it threw them into the back of this truck, which he had padded with mattresses so they didn't get hurt.

I said: That is an interesting approach—to suck the prairie dogs out of the holes and then throw them into this truck with mattresses and they don't get hurt.

Then 2 weeks later, on the national news I saw that in Japan they were selling prairie dogs for \$250 apiece as pets. I am thinking to myself that here is a solution to a problem. Hire that guy from Oklahoma, suck those prairie dogs out of the holes, ship them to Japan, reduce our Federal trade deficit, save the taxpayers a quarter million dollars, and reclaim our picnic grounds. Of course, that was way too simple for the Park Service.

I digress a bit only to say this: When you get a prairie dog problem, you have the whole darn Government running to see what they can do about it. But when you have a problem with family farmers making a living, who invest all they have in the spring to plant a seed and get on the tractor to plant that seed, and then they hope beyond hope that the insects won't come, that it will rain enough—but not too much—so they won't have crop disease, that they won't have hail, and that if they are lucky, in the fall they will be able to get out there with a combine and harvest the grain and put it in a 2-ton truck, only to find out when they drive that truck with a load of wheat to the elevator, the elevator and grain trade will tell them: This food you produced doesn't have any value. This food you produced on your farm doesn't have value.

That family farmer on that farm scratches his head and says: What is this about? Our food has no value?

We have a world in which a half billion people go to bed every night with an ache in their belly because it hurts to be hungry, and we are told the food we produce in abundance has no value. Are we not connecting the dots somehow? Is something missing here? The farmer who is told his food has no value goes to the grocery store on the way home and picks up a box of puffed wheat, or puffed rice, or Rice Crispies, or shredded wheat. What they discover is that someone discovered that grain had value. It wasn't the person who

produced it, who risked their money to produce it. It was the person that puffed it, crisped it, crackled it, popped it, put it in the box, and sells it for 100 times what family farmers are getting who took all the risks to produce it. There is something fundamentally wrong there.

My point is this: We have struggled to write a farm policy that recognizes the value and the worth of family farmers to this country. Some say: Why are farmers different? Why don't you recognize the value and the worth of the person on Main Street who runs the hardware store, or the barber shop, for that matter? Well, the family farm is the only enterprise in our country that has the risks I have just described—planting a seed, borrowing all the money they can to plant the seed, and hope beyond hope that all the other circumstances that could completely wipe them out financially do not do that between when they plant the seed and when they harvest it; and then they go to the grain elevator with no understanding that their product is going to have any value at all. They are the only small enterprise that has all of those concurrent risks at the same time.

The question for this country about its security and about the nature of its economy is: Do we want to maintain a network of family producers producing our food or not? It is very simple. Europe has made that decision. Long ago, Europe decided it wants family producers to be producing food for Europe. Why? Because Europe has been hungry in its past and doesn't want to be hungry again. It believes food production by family units is a matter of national security for Europe. We ought to believe the same for the United States.

I grew up in a town of 300 people. When I was a boy, in my hometown, I would go on Saturday night to my hometown and it was full of cars. The barber shop was open until midnight. The barber was cutting hair there at all hours of the night on Saturday night. It was like a festival on Saturday evening in my hometown. That is not the case anymore. Family after family after family have gone broke—forced to leave the family farm because they could not make a living raising their grain and the livestock and selling them at prices that the grain trade and the exchanges provided.

Now, one might say that is just the way things are and there is really nothing you can do about that. Europe didn't decide that. They said: We want to maintain a network of family producers for our national security. We believe food security is critically important, and we want to maintain a network of family farm producers for that purpose. Go to Europe and to a small town in rural Europe on a Saturday night and see what you find. You will find that those small towns are alive,

as I described my small town was many decades ago. They are alive and thriving. Why? Because the blood vessels that create the economy of a small town come from family farms to these small communities and nourish those small communities.

In many ways, this debate is about values. What kind of an economy do we want? What do we cherish? What do we think is valuable about this country? It is always interesting to me that if you are big enough, strong enough, powerful enough, have enough resources, and you come to this Congress, I am telling you, people stand at attention and say, yes, sir; no, sir; what do you want, sir. I could give a lot of examples of that.

Tom Paxton wrote a song a long time ago, many decades ago when the Congress gave Chrysler Motors a bailout. Mr. Paxton, a great folk artist, wrote, "I Am Changing My Name to Chrysler." It is interesting, even as we now are struggling to get through a motion to proceed on a postcloture, 30-hour discussion, just to get to the farm bill to try to help those families out there, even as we do that, we have a package to try to stimulate the economy that comes over from the House of Representatives that says: Do you know how we do that? We give Ford a \$1 billion rebate check for the alternative minimum taxes they paid in the last 13 years. We give IBM a \$1.4 billion tax rebate check for the last 13 years. Maybe Mr. Paxton should write a new song called "I Am Changing My Name to Ford."

The point is this: The individual family farmers around this country don't have the kind of clout and power and opportunity to access their Government that some of the largest enterprises in this country do.

Family farms play an important role in our economy and in our culture. For social and economic reasons, I believe this country ought to want to foster and nurture a network of family farmers across this country producing America's food.

We can do it another way, and in some areas we do. In California, they have areas where one company milks 3,500 cows every day three times a day. God bless them, in my judgment. They have every right to do that.

I suggest we have a price support under the milk produced from about 100 cows and say: If you want to milk 120 or 3,020 cows, God bless you, but that is at your risk, not ours. We will provide a price support of the milk on the first 100 cows you milk. That is what we ought to do with respect to providing a safety net for family farmers.

Let me speak for a moment about the farm bill that was written in the Senate Agriculture Committee. Certainly it is not perfect. It is not exactly the bill I would write. I would prefer more

targeting in the bill to be more helpful to family-size farms.

This bill is sure a whole lot better than the underlying farm law. I was here when we debated Freedom to Farm, which I thought was a catastrophe and I voted against it, and I am pleased I did. I want to see somebody stand up in this Chamber and say how well Freedom to Farm has worked. It almost bankrupted a lot of family farmers except for the fact every single year we had to pass emergency legislation to fill the gaps between Freedom to Farm which was such a miserable Swiss cheese piece of legislation that really did not help family farmers at all.

When the Freedom to Farm bill was passed, we had high grain prices, and we had people around here thinking that it was going to last forever; we are always going to have high grain prices, so we will just give these farmers declining payments over 7 years, not with respect to what the current market prices are; we will just pay them, and things will be great.

It was an absurd proposition. The fact is, prices collapsed almost immediately, and they stayed down and they are down today.

The current, underlying farm law does not work at all. It is a miserable piece of public policy that should never have been enacted but was, and we have had to make the best of it by the end of each year passing some emergency legislation to respond to the needs that were unmet in Freedom to Farm.

The Senate Agriculture Committee has passed legislation that does a policy U-turn, and that policy U-turn says: Let us go back to at least some form of countercyclical help, getting help only when you need it. That makes good sense to me. That countercyclical help is the help that I hope will give family farmers a message from the U.S. Congress that says: You matter; you count; we want you as part of America's future.

Those Senators who come from farm country have had the same kind of calls I have had and the same experience as I have had. Some say: Those are anecdotes that are emotional but do not mean very much. They mean everything.

Arlo Schmidt was doing an auction sale in North Dakota. He was auctioning a farm that had gone broke. A little boy came up to Arlo at the end of the auction sale. He was about 8 or 9 years old, Arlo told me. The little boy was angry. He had tears in his eyes. He grabbed Arlo Schmidt around the leg, looked up at him and said accusingly: You sold my dad's tractor.

Arlo patted him on the shoulder to comfort him some, and the kid would have none of it. He said: I wanted to drive that tractor when I got big.

The point is, that little boy felt that he, too, wanted a chance to farm, but

his family lost their dream, and the result was an auction sale. Those auction sales all around the country, those poster sales of those broken farms reflect a failure of farm policy.

This is a hungry world. It is an enormously hungry world, and we produce food in such great abundance. The economic all-stars of food production are family farmers. There is something fundamentally wrong when we cannot make the connections between what we produce in great abundance and what the world needs.

As I speak today, there are tens of thousands of children who will die from hunger and hunger-related causes every hour, and nobody thinks much about that. I had a friend who was a singer many years ago who died in 1981. His name was Harry Chapin. He was a wonderful singer. He devoted one-half of the proceeds of his concerts every year to fight world hunger.

Harry Chapin used to say if every day 45,000 children die of hunger and hunger-related causes, it is not even in the newspaper; there is not even a news story about it. But if in New Jersey, 45,000 people died in one day, it would be headlines. The winds of hunger blow every minute, every hour, and every day, and it is not even newsworthy. We have family farmers with hopes and dreams to produce America's food and to produce food for the world only to be told that which they produce has no value. There is something dramatically wrong with that.

I will finish by saying this: I regret we are here today dealing with this bill. We should have been on this bill long ago. I especially regret we had to have a vote on a motion to proceed. We are having a debate on whether we are going to proceed to the agriculture bill.

I have the deepest respect for Senator LUGAR of Indiana. I listened to his speech. I could not disagree with him more. He knows I have spoken many times about the Nunn-Lugar program, for which I will have admiration forever for Senator LUGAR. What he has done in some areas is so wonderful and so important to this world. But in agriculture policy, I could not disagree with him more.

It is important for us to have aggressive debate about this so that the country gets the best of what all of us have to offer. I am hopeful at the end of the day that we will get past this postcloture debate, get on the bill, offer amendments, and get this bill done.

Today is Wednesday. We ought to finish this bill this week. We ought to have a final passage vote on Friday, go to conference next week, finish the conference report, and put it on President Bush's desk for signature at the end of next week. That is what we ought to do. I commit myself to doing that. I hope others will as well.

Today, let us make that commitment to America's families who are desperately trying to make a living and hold on to that dream of making the family farm work.

In this hungry world, especially at this time when we talk about security, food security, and contributing to the world's food supply by our country's economic all-stars, the family farmers, it is something that merits the attention and merits the writing of a good farm bill by the Congress, and it merits us doing that now, this week, and next week, and finishing that product so we can have the President sign it before the end of this year.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. THOMAS. Mr. President, are we on the farm bill?

The PRESIDING OFFICER. We are on the motion to proceed to the farm bill.

Mr. THOMAS. Mr. President, I want to talk about the farm bill for a moment. I have been listening to my friend from North Dakota talk in general terms of where we ought to be and what we want to do for the world, but we have not talked about how we get there.

There ought to be some target, instead of talking about having food. That is great. The fact is, we are talking about a policy. Look at this bill. It was brought up to the Chamber this morning. There is a lot of detail in this legislation. What we need to be talking about and have been talking about but have not completed is a vision of where we want to go, what do we want agriculture and our food system to be in 10 or 15 years.

My colleagues talk about the politics of it, of course, and that is great. They can talk about distributing funds to everyone, and that is great. All of us want some safety net in agriculture, and we will work to do that, but we have to go beyond that and take a look at how we get there and what is the best way to do that.

Quite frankly, I have been involved in agriculture. My friend was talking about coming from a town of 300. I come from Wapiti, WY. That is not even a town; it is a post office.

I know a little about agriculture. That has been my life as well, a different kind of agriculture to be sure, and that is one of the issues. There are all kinds of agriculture with which we have to deal. The Bush administration took a look at it and they had a statement I thought was good. They believe

farm policy should ensure compatibility between domestic and trade objectives.

Have we talked about that? No, we have not. Support open markets. Did we talk about markets? No, we did not. Provide market-oriented farm safety net? I think all of us want to do that, not create undue uncertainty. These are the principles we ought to have as we move forward.

I am a member of the Agriculture Committee. I am a new member of the Agriculture Committee this year, as a matter of fact. The idea of finishing on Friday bothers me a little bit because this bill was jammed through the committee in time that most of us did not even have a chance to take a look at what was being proposed. It was brought up when we, quite frankly, ought to have been dealing with our economic stimulus package.

We ought to be dealing with doing the appropriations and those matters that really have impact. The farm bill does not expire until next August. I am one who thinks, yes, we ought to go for it after we get back in January so farmers will have some idea, before planting time, as to what they look forward to in the future. But the idea that we take something like this that hardly anyone in this whole place has looked at and pass it in 2 days is criminal, and I hope that does not happen.

I objected as we went through this bill a time or two simply because we have not had an opportunity to look at various complicated titles, and they are complicated. We were asked to deal with titles such as conservation, for example, in a markup in the morning when we did not even get the language until some of the staff got it at midnight the night before. I do not think that is a very responsible way to deal with a bill that is as important as this Agriculture bill. It is my opinion the committee moved much too quickly. We did not have an opportunity to find out what was in the particular title, whether it be marketing titles, competition titles, conservation titles, or commodity titles.

Did we have a chance to talk a little bit about the projected ideas and the proposals with people at home in the business? No, we did not. We did not even receive the language until midnight the night before the markup.

So I think we need to take a little time and look at all the aspects. Agriculture is a complicated industry everywhere. In every State, it is a little different. I am from Wyoming. Our largest activity, of course, is livestock, mostly cattle, some sheep, but we also have crops. Interestingly enough, our largest cash crop in Wyoming is sugar beets. So each of us is different. As we went through this in the committee, people were talking about cranberries, about cherries, about apples. That is okay, but it takes a little time to put

together a responsible kind of policy to deal with those issues.

During the time the committee was working on the bill, we never did get overall scoring. We never did get a real look at what it was going to cost. Indeed, after the committee was directly forced to deal with it before it was brought to the Senate, changes had to be made which we did not even have anything to do with. That is not the system I believe ought to be used in this place, especially when we are talking about something as complicated and far-reaching that impacts as many people as does a policy for farming.

As we went through the bill, the chairman would talk about a reconciliation process, that after we have waded through the first part of it we could come back and do it. We did not even get a chance to look at the reconciliation until it is now being considered. So I have to say that as interested as I am—and as I said, my own background is in agriculture. I have always been involved with agriculture, so I am very much interested in it, not only because of whom I represent in Wyoming but because I am personally very interested in a successful agriculture that has some opportunity to be market-oriented so we are producing those commodities that the market requests, so that we can build new markets overseas, which we have to do in order to have a program of that kind. So it is a complicated matter, and we really need to move on with that.

As I have said repeatedly, I asked for a little more time in the committee, but we did not get it so we will deal with it as we are, and there will be amendments we can take a look at. Quite frankly, we may be dealing with Defense appropriations before this is completed. We may be dealing with economic stimulus. In any event, we ought to be taking a look at where we want to be over time. We ought to promote the idea of family farms instead of the big corporate farms, of course, so that families can afford to stay on those farms and be effective. We need to find additional markets.

We produce more than we are going to consume. So in order to be an effective industry, we have to find markets and move there. I think we have to be very careful, as we are in this trade business, that the things we do will fit into trade, the so-called green box, the WTO, or the amber box. If we find we do not have these payments that fit into the WTO rules, then we have some difficulties in being able to do that.

I happen to think one of the most important issues we ought to look at is conservation. In my part of the world—and I think it may be even more important other places—people would like to see open space remain. One of the best ways to do that is to have successful agriculture, of course. We need to do that.

There are a great many things we must do and I think we can do. I think there is more emphasis on conservation, whether it is grasslands or whether it is timber or whether it is crop lands itself. These are the kinds of things we need to think about. We need to have a thoughtful bill which we have time to discuss and not jam through because of the political expediency of getting it done before this year is over. I do not think that is the best reason to come up with something that has not had the kind of consideration and thought we look forward to having.

Mr. President, how much time do I have?

The PRESIDING OFFICER. Under cloture, each Senator may speak up to 1 hour.

Mr. THOMPSON. Very well. I am not going to take up the 1 hour. I yield to my friend from Indiana.

Mr. LUGAR. May I respond to the distinguish Senator? In the event the Senator does not use his hour, if he were to yield the balance of that time to me, that would be helpful in the expedition of the debate. But the Senator should be prepared to utilize his full hour.

Mr. THOMPSON. No, I am not going to utilize the full hour.

The PRESIDING OFFICER. The Senator from Wyoming has yielded time to the Senator from Indiana.

Mr. LUGAR. Mr. President, the forum we are attempting to adopt is one in which a Senator yields time to me as manager of the bill as sort of a time bank. I will explain for all Members I am allotted only 1 hour under the rule. I can accumulate as much as 2 more hours by such allocation from Senators, which I seek to do simply to expedite the debate during those times when there are no other Senators present to speak.

In that event, will the Senator yield whatever time he has remaining when he completes his speech?

Mr. THOMPSON. I yield the remainder of my time to the Senator from Indiana.

Mr. LUGAR. I thank the Senator.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MILLER. Mr. President, I rise in support of the committee-passed farm bill and to express my hope that we can complete action on it quickly.

First, let me commend Chairman HARKIN and the majority leader for their fine work in meeting the needs of the Senators from different regions of this great and diverse country. We all have unique needs. It is not easy to address all of them and to bring them together. I thank the chairman, again, for his efforts to do so.

I think we have come up with a good farm bill, worthy of passage. This legislation provides a critical income safety net for American farmers. It includes an unprecedented \$20 billion increase in

conservation spending. It substantially increases allocations for nutrition, for rural development, and forestry programs. This bill meets the needs of our rural communities while remaining within the budget authority.

I am also pleased that the chairman has included an energy title in the legislation that provides incentives for alternative fuel technologies. The energy debate over the past few days only solidifies the need for further advancements in alternative fuels.

Let me take a moment to focus on a major reform that is in this bill, a major reform of the peanut program. In a place such as Washington, where talk of eliminating a program is as rare as spotting a whooping crane, we are now ready to eliminate the Depression-era peanut quota program from our Nation's \$4 billion peanut industry. That is worth repeating. Some may think they heard me incorrectly.

There is a provision in this bill to eliminate the old peanut quota system. For decades this system served the South well. For decades it provided economic security to some of our country's poorest areas and it guaranteed the domestic market a safe, high-quality source of peanuts.

But all of that changed when NAFTA and GATT were passed. These agreements effectively ended the peanut program as we know it. Trade protections for peanuts were ratcheted down. Imports gradually increased and farmers' quotas were reduced. In the 1996 farm bill, Congress had decided to require farmers to cover peanut program losses, making it a no-net-cost to the Government. That sounded good politically, but it failed to make peanuts more competitive on the world market and it certainly did not quell imports.

Peanut producers have faced up to this competitive reality. The vast majority are willing to finally give up a program that has served them well for more than 60 years. Yes, it is going to cost some money to compensate quota holders for their losses, but it would be unthinkable for the Government not to compensate farm families for their property. There has to be a bridge between the old system and the new system, and this bill gives us one. It makes that necessary transition and it does it in a fair way.

At a time when we are searching for the best ways to stimulate our economy, this farm bill is the greatest stimulus we can provide to rural America. It will give that economy an instant boost.

If we do not act, I can tell you what the scenario will be in Georgia and in other parts of this country. If we do not pass a farm bill now, local banks will make a fraction of their traditional farm loans. Farmers without financing will either get out of farming or declare bankruptcy. Who will suffer then? I will tell you who. Those farm-

ers, those families in fragile rural areas where the economy is driven by the feedstore and the family restaurant and the local car dealership.

With many textile plants and other industries leaving the rural South, these farmers have fewer and fewer places to turn. In rural Georgia, the challenge today is just to stay afloat. It is becoming tougher by the day. Our Nation's great prosperity over the past decade, unfortunately, has not always filtered down to these rural areas. We have failed to bring many of these communities along economically, and it shows.

We have spent a lot of time looking out for Wall Street, and well we should. Now it is time we look out for Main Street. We need to help places such as Moultrie, GA, and Driver, AR, and Seagraves, TX. Our Nation is focused on the September 11 attacks, and rightly so. But let us not forget that agriculture has been mired in a 5-year disaster, devastated by bad weather and bad prices. Almost every year in this body we have had to provide supplemental appropriations. We need this new farm bill to stop the cycle.

The time is now for a new farm bill. We must act before adjourning for the year. We cannot go home for Christmas with generous, bountiful gifts for certain segments of our economy but only ashes and switches for our farmers.

Mr. SANTORUM. Will the Senator yield for 1 minute?

Mr. MILLER. Yes.

Mr. SANTORUM. I just want to say to the Senator from Georgia, I congratulate you and commend you. For many years we have had battles in the peanut program between those who are peanut consumers in large consumption States and those who are producers, but you have stepped in and provided great leadership for your growers through this transition process. I am very privileged and pleased to join you in a truly unique situation. I think it has not been seen here since the peanut program was instituted. Those who are the consumers of peanuts and those who are the growers of peanuts have found common ground to work on a piece of legislation that will transition us into a whole new era in peanut production.

I commend the Senator for his great leadership from a great peanut-producing State, to help shepherd his growers into a much more market-oriented approach to growing peanuts. I commend the Senator for his great effort.

Mr. MILLER. I thank the Senator for his remarks. He is one who has studied this program closely in the past.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise today to offer my concerns over the action of the Senate in proceeding to the

Farm Bill, notwithstanding the nice dialog between the Senator from Pennsylvania and my good friend from a fellow peanut-growing State, the Senator from Georgia, Mr. MILLER.

I understand the desire to make improvements in the existing farm bill. There should be improvements made. From what I can tell, the House-passed bill and the Senate-Agriculture-Committee-reported bill have several very worthy provisions.

No one can argue against the need for a strong farm bill. Indeed, it is a high priority, and I certainly will not disagree with that. In my home State, the Commonwealth of Virginia, agriculture accounts for a significant part of our diverse economy. Agriculture creates approximately 388,000 jobs in Virginia, which is about 10 percent of the total jobs statewide.

Virginia agriculture contributes about \$19.5 billion to Virginia's gross State product, or 11.2 percent of the total GSP.

Farms cover 8.8 million acres, or 34 percent of Virginia's total land area. There are 49,000 farms in Virginia. Most farms in Virginia are smaller farms, but there are 49,000 of them. Again, a strong farm bill is very important to Virginia.

I do applaud the work of the committee in drafting this bill. However, I have several concerns and I cannot agree with moving forward on this bill right now. Let me elaborate on these several concerns.

Number one, this is not the right time to deal with this bill. The current farm bill, with whatever flaws it may have and whatever improvements need to be made to that bill, does not expire until the end of fiscal year 2002, which is September 30 of next year. We are already several months into the fiscal year 2002. It is simply unfair to our hard-working men and women to make any changes to this legislation that may harm their income in the middle of the current year. They just finished the fall harvest and are now involved in planning, buying, and leasing for the next planting. It would be like lining up to kick a field goal and having the goalpost moved after you kick the ball. After you kick it, nobody is allowed to move the goalpost back. That simply would not be fair. It is a terrible way to make changes, whether it is in the peanut program in particular in Virginia or any other sort of program when farmers are making these decisions.

The second problem I have with this measure being brought up now is that Americans have much more pressing problems to deal with rather than changing a law that doesn't expire for another 10 or 11 months. We are at war. Financing this war is important, and making sure that the men and women in uniform have adequate compensation is important. It is important that

they have the armaments and the most technologically advanced equipment for protecting our interests at home and abroad. We need to be worrying about that and dealing with the crisis of terrorism. That must be dealt with now.

The Defense appropriations bill: We need to be dealing with proper funding for our Defense Department.

Overall appropriations: The Senate and the House have not completed work on all the fiscal year 2002 appropriations bills, yet we are considering a bill and a law that has not expired and will not expire until the end of fiscal year 2002.

Sometimes I may have a hard time getting used to the logic of the Federal Government—trying to change a bill that has 10 months of validity to it while not even taking care of bills that should have been financing our military or schools since the first of October. These are supposed to be 5-year farm bills. There is a logic to making this a four-year bill. There is a predictability that allows farmers to plan ahead and make investments so that they will grow the best crop possible to provide for their families. That bill doesn't expire until late next year, and here we are arguing that issue.

Meanwhile, we are in a war, and we are not dealing with the Defense Appropriations bill or the Labor-HHS Appropriations Bill. As far as I am concerned, these appropriations bills are some of the primary functions we serve as Members of Congress. The one thing we have to do each and every year is fund the government. We haven't completed that task yet. Those bills should have been completed before October of this year. Here we are fiddling around and debating a very important measure with important implications, but again not taking care of the things that are most timely.

We have emergency appropriations, and \$20 billion in appropriations still has to be finalized by Congress concerning response to the September 11 terrorist attacks. Congress has yet to spend the \$20 billion appropriated portion of the war on terrorism for emergency security, response, and recovery efforts. This issue should be on our plate right now for action rather than the farm bill.

Economic stimulus: We realize our economy has a great deal of consternation. Consumer confidence is low. Businesses are not investing. Jobs are being lost. An economic stimulus package, something that will help spur consumer spending and business investment and thereby the creation of more jobs rather than the loss of jobs—that should be a priority. That is a clear and pressing need for the people of America right now, not a law that expires in October of next year.

Getting hard-working Americans back to work is a priority. Our econ-

omy has lost thousands and thousands of jobs and these job losses are not unique to the airline or tourism industry, or even to New York or Virginia. They are felt in every corner of the country and in every industry. As the Senator from Georgia mentioned, we have lost a lot of textile jobs in the South. In Southside, VA, 2,300 jobs were just lost at VF Imagewear in the Henry County area—in the heart of Virginia.

The President's back-to-work package is a way to help those folks who are out of work—hopefully temporarily—with their health care as well as with their unemployment benefits. We need to help these people through tough times and most importantly, strengthen the economy to enable them to get back to work. That is a part of the stimulus package that I wish we were arguing, debating, and acting upon at this moment. But we are fiddling with this bill that doesn't expire until next year.

Nominees: The President ought to have his team in place. I know the Senator from Georgia at one time was an executive. They need their own team in place to respond and to effectuate their philosophy, to act upon the principles, promises and policies that they enunciated to the American people. Yet the President has not gotten the deserved attention to have his nominees for key administration positions—whether it is in the State Department, judicial arena, or in other areas.

I think the Government needs to have capable people to do the work of the Government. Senator BOND spoke on this matter earlier and I agree with his remarks.

Energy legislation: I very much agree on the need to pass comprehensive energy legislation that deals with both supply and demand issues. That is a positive aspect of this farm bill that the Senator from Georgia, Mr. MILLER, brought up. Fuel cells and new technologies are very important. We can't keep doing things the same old way. We need to have a diversity of fuels and not be so dependent on foreign oil. I would like to see us become more energy independent in this country so that we are not jerked around by monarchs or others in the Middle East for our reliance on oil, which matters a great deal for our economy, and clearly it matters to farmers. When diesel prices or gas prices are skyrocketing, they are put in quite a bind.

An energy bill, which has consisted been advocated by Senator MURKOWSKI of Alaska, is something we have been trying to deal with for this entire year. It is an important issue that has been dealt with in the House and deserves the Senates attention.

We are at war in Afghanistan. We also have a war on the homefront as well. We have become the target of domestic terrorism that is accurately described as war. We need to make sure

that in our homeland we have the right safety and security—not just abroad but here at home as well.

The farm bill, in my view, is not a piece of legislation that should be rushed into. I believe Senator CONRAD accurately portrayed why we may be pushing this legislation forward. He explained that issue very well. He said: “The money is in the budget now. If we do not use the money, it will very likely not be available next year.” While what the Senate Budget Committee says may be true, it is not a good reason to rush through floor consideration on a piece of legislation as important as this one. The farm bill is an important matter. It merits time, consideration, and full debate on the floor. With all of the other priorities that the Senate really must consider prior to recess, it doesn’t make sense to hold them up for the farm bill.

I am not a member of the Agriculture Committee and was therefore not able to offer amendments in the committee. I look forward to the opportunity to work with committee members and potentially offer amendments on the floor.

I also understand that the committee markup was not very open to amendments. While I am sure there was a significant amount of wonderful work done by the chairman on the bill, I know there are significant differences even within the Agriculture Committee. These differences are obvious even to someone who is not on the committee. Especially when you look at the number of competing bills introduced by committee members themselves. First there is the Harkin bill which was passed by the committee. There is a Lugar substitute, and the Cochran-Roberts substitute is a third measure. There is a fourth measure being considered, the House-passed bill, and the fifth is the Lincoln-Hutchinson bill.

I heard from people all across Virginia about many of the positive changes that several of these bills would make. However, I also heard from Virginia peanut farmers who have a different view than peanut farmers maybe in Oklahoma, or New Mexico, or Texas, or even the Empire State of the South, Georgia. That is my third concern. The peanut farmers in Virginia may very well go out of business with this measure as written. This new peanut program will hurt the income of hard-working Virginia peanut farmers.

In 1996, when the Federal Government last debated the farm bill, the target price was lowered from \$670 per ton down to the current level of \$610 per ton. This \$610-per-ton level is not due to expire until the end of fiscal year 2002—September 30, 2002.

These peanut-growing farmers in Virginia have sense and practicality. They have already entered into agreements for land. They have entered into agree-

ments for equipment leases as well as renting quota for the upcoming growing season. They will be planting in Virginia only about 5 to 6 months from now. That is simply the planting, and these farmers are certainly in the midst of preparation prior to planting right now.

This farm bill will change their revenue stream after they have already entered into contracts based upon the provisions in the current farm bill. People in the real world think that law doesn’t expire until September 30 of 2002. They think that law is going to be there. They make decisions based on that law. Here we are debating changing the rules on them.

The bottom line is that it is simply not fair. It is not fair to our hard-working farmers who have to be dealing with a moving target.

I have been working on these issues with members of the committee and other concerned Senators and look forward to the opportunity to make some changes that will benefit the hard-working family of peanut growers in Virginia and, indeed, every farmer, regardless of crop throughout our country.

Virginia’s peanut farms cannot withstand another 10-percent reduction in the price of peanuts as we saw back in 1996. This current farm bill, as proposed, will do just that and then some. Virginia has about 76,000 acres of peanuts and 4,000 peanut growing farmers. The crop brought in \$60 million to the State’s economy last year. While these numbers may not look large to some Senators who have large corporate farms in their States, these peanut farms are the basis of many local rural communities, particularly in southeastern Virginia. And there are different types of peanuts. I am not going to name every one, but in Virginia we grow the jumbo—the nice, big peanuts. You may see the brands Whitley’s or the Virginia Diner peanuts, the Hancock peanuts, the blanched peanuts. Those are Virginia-style or sometimes called Virginia-Carolina style peanuts—the jumbos, the big peanuts, not the small, little redskin peanuts or the Spanish peanuts, goobers, or runters. Those are all fine peanuts as well. You just have to eat two of them for every one of a Virginia peanut. They are probably just as great for peanut butter and candies.

Most of the States are different. Virginia grows this different type of peanut. While it is larger, it does get a lower yield per acre than you would with the smaller peanuts, and they also have a higher cost per acre. Our peanut farmers in Virginia risk having their revenue cut to a point where they will lose money on each pound that is produced. Again, it is a different peanut than is grown in other regions of the country. And while that raises our costs, it unfortunately does not often

equally raise the price that the farmer receives. So a tough situation now would just become disastrous if this measure became law in the middle of this year, or, for that matter, even after 2002.

The situation here is one where our economy would be affected. The farmers, in particular, who have purchased equipment, who have made leases on equipment, on implements, on fertilizer—I know the Presiding Officer understands because in his State they have a lot of good rural communities—if there is a good crop that brings in a good yield, sure, that helps the farmer, the implement dealer, those who sell feed or seed or fertilizer, but it also has an impact on the entire community with the money that comes into the businesses there, such as grocery stores and restaurants. It has a big impact on that economy through both direct and indirect means.

Having met this summer with a great deal of peanut growers in southeastern Virginia, it reminded me of when I saw the tobacco farmers just a few years ago, where they were trying to get the best yield per acre they could get and they were under attack by officious nannies from Washington, who are looking to reform somebody else’s habit, and here are these communities wondering how they are going to survive. They are simply hard-working law abiding men and women trying to provide for their families. And these proposed changes don’t only affect them—it affects their whole community. It is not a matter of humor nor to be taken lightly. Their livelihoods are at stake.

So I say, number one, this is not the right time to change the law before it expires. Let the law expire before you change these laws affecting these peanut farmers. Number two, we have much more pressing issues on which to be focusing our current attention and our brainpower, whether it is supporting our war effort, addressing our economy, getting people back to work or gaining energy independence. And number three, I think this would have a terrible impact on Virginia’s peanut farmers and their communities.

I find it completely wrong for the Federal Government to change, at this time, a law that many good, decent, hard-working, law-abiding citizens have relied on. To do that would put a lot of people out of business. And any new law should take effect after the end of the current farm bill.

So with that, Mr. President, I thank you for your attention. I thank my colleagues for their attention. And I hope to be able to work with all of you in the months ahead to come up with a peanut program that is good for the taxpayers, and also one that allows Americans to enjoy the benefits of good, wholesome, nutritious peanuts as well, and takes into account fair practices as far as legislating up here. And

we should not change laws before they expire, especially when so many people have relied on those laws. I especially hope that Virginia peanuts will always be around for all of us to enjoy.

With that, under the provisions of rule XXII, I yield my remaining time to the ranking member of the committee, Senator LUGAR.

The PRESIDING OFFICER. The Senator has that right.

The Senator from Colorado.

Mr. ALLARD. Who controls the time?

The PRESIDING OFFICER. Under cloture, there is no control of time. Each Senator has a maximum of 1 hour.

Mr. ALLARD. One hour.

The PRESIDING OFFICER. One hour.

Mr. ALLARD. Mr. President, I thank you for recognizing me and giving me an opportunity to rise today to talk about the farm bill which the Senate is debating. I would also like to thank and commend the Ranking Member of the Agriculture Committee Senator LUGAR for his leadership during this debate. As a member of the Senate Agriculture Committee, I participated in the drafting of the bill which we are now about to consider. Also, when I was in the House of Representatives, some 5 years back, with the passage of the freedom to farm bill, I was on the Agriculture Committee on the House side.

I think this is a great opportunity for us to do some good things to help agriculture in this country. However, it is an opportunity to do the wrong thing. I do think we have to be careful about moving forward too quickly on some of this legislation without giving our farmers and our ranchers and the agricultural interests in our various States an opportunity to study what is in the bill to give us a full assessment of how it is going to impact businesses in their various States.

In the State of Colorado, agriculture is very important. We have always worked on trying to have a broad, diversified economy. So we have other industries and other sources that broaden out our economic base in the State.

For example, in Weld County, this is a county frequently recognized as one of the largest agricultural producing counties in the country, usually rated in the top 5, based on gross agricultural dollars that are brought in.

I have another county in north-eastern Colorado that produces a lot of corn. It is one of the largest corn-producing counties in the country. Again, this varies a little bit depending on weather and how yields come out year to year. So certainly agriculture is important to the State of Colorado.

As a member of the State senate—I also served on the agriculture committee in that body—we continually worked to have a broad base.

In the State of Colorado, not only do we have some counties that contribute considerably to agriculture in the country, but they also add a lot of opportunity for other businesses in the State of Colorado to develop added value to those agricultural products.

We all want to do the right thing and help the agricultural economy. But everyone needs to have the opportunity to review the legislation to understand how it effects them. This is not the bill that was reported out of committee, however, nor the one which was introduced on November 27. So it has been a little difficult to determine what is exactly contained in this particular bill. Farmers in Colorado, as best I can figure out, would probably do best under the Cochran-Roberts proposal. But, again, we need more time, more opportunity to talk with farmers in the State of Colorado.

We certainly have different types of operations. Some of them that we have in Colorado are strictly ranching operations. We have a lot of wheat operations, irrigated agriculture—vegetables. We need time in our office to begin to assess how these various agricultural operations are going to be impacted by a bill as complicated as the farm bill that we are about to consider on the floor of the Senate.

This has been an interesting process to go through this past couple of months as we have attempted to draft a bill. I have been somewhat skeptical, as we drew to a conclusion to get a bill here to the floor. The current farm bill, the Freedom to Farm bill, does not expire until September 2002. Again, I do not fully understand why it is so important we push forward so quickly because I think input from our agricultural interests in our respective States is very important. If this goes through too quickly, they will be divorced of that opportunity to have their input to their Representatives so they can have an impact on the agricultural legislation.

I was a member of the House Agriculture Committee and supported the provisions contained within Freedom to Farm. I did not think it was necessary to rewrite the bill a year earlier. But here we are, ready to rewrite the farm bill.

It is complicated. As I stated, I have some problems and concerns about the legislation and how this bill moved forward. This has been a trying time for the Senate, for example, with the anthrax problems we have had in the Hart Building which has impacted some 50 of our colleagues. It has been difficult for them to get in touch with their records that are embargoed within the building. It has made it difficult for colleagues who have been on the Agriculture Committee—and I suspect it would have an impact on Members here on the floor—to evaluate what their positions are, as far as a major

piece of legislation such as the agriculture bill, without full access to their office resources and files.

So as we move forward in an expeditious manner, we put certain Members of this body at a disadvantage. We have to be sensitive to their needs and their desire to do the best job and represent their constituents.

In my office, we have been hosting several staffers of Senator CRAIG THOMAS. I am sure it has been difficult to continue to operate throughout this process. It is an unfortunate situation, and I am sure it has not helped the drafting of sound legislation.

As for the process with which the farm bill moved through the Senate Agriculture Committee, we were not receiving legislative language until about 1 to 2 a.m. in the morning on the same day of the bill markup. It was hardly sufficient time to fully analyze and assess its impacts.

Generally speaking, most of the titles were agreed to on a bipartisan basis. As the Chair knows, so many of these issues break out on a commodity basis and not on a partisan basis.

During the committee markup, I did support an alternative commodity title offered by my colleagues, Senators ROBERTS and COCHRAN. The fundamental component was the establishment of farm savings accounts.

Rather than continue to rely on Federal subsidies during bad times for farmers, many in Congress believe farmers and ranchers should have the opportunity to set up accounts to set aside income during the years in which their income is high so that they could then withdraw funds in years when their incomes are low. Unfortunately, this alternative was defeated in committee.

I see this provision becoming more important as we see the price of implements used in farming, for example, get more expensive. If you have a large farm operation, it is not unusual to see somebody spend \$100,000 for a tractor. I remember when I was a young lad working in the hay field, we had a large tractor. We spent \$4,000 or \$5,000 on it. When you have high costs on your implements, that means you have to accumulate savings over the years in order to be able to afford that tractor.

If you have a year when you have a good return on your commodity prices and the farm does well, you may end up with a considerable amount of income. But you find yourself as a farmer getting kicked into higher income tax brackets. So instead of being able to set that aside for investments that will help you be a better farmer and produce better in future years, you find you have to hand the dollars over to the Federal Government. So the idea of the farm savings accounts is, during those years when you have a lot of revenues coming in, you can set that aside for future years.

Then when you get into years when you don't have as much return on your crops, then you can carry those profits forward and distribute them out over the years. That has profound impact on farm operations today and is something that should be implemented.

I indicate my strong support for an upcoming amendment to be offered by Senators ROBERTS and COCHRAN. When putting a farm bill together, my philosophy is to let farmers do what they do best, and get the Government out of the farm. Unfortunately, the farm bill that came out of committee and which is now being considered does not do that. It moves us back towards more Government intervention and less towards free markets and free enterprise.

Senators ROBERTS and COCHRAN are to be commended for developing a sound alternative to that which came through the committee. This is a solid proposal they are going to introduce. It needs serious consideration by the Senate.

An important component of the farm bill is the research title. As a veterinarian, this is an area in which I believe strongly. If we are going to continue to have an abundant and safe food supply, we need to continue to fund our Nation's research priorities. I was able to include two provisions which I believe are extremely important.

The first allows for research on infectious animal disease research and extension to allow grants for developing programs for prevention and control methodologies for animal infectious diseases that impact trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis and E. coli 0157:H7 infection, which is the pathogenic form of E. coli infections.

It also set aside laboratory tests for quicker detection of infected animals and the presence of diseases among herds, and prevention strategies, including vaccination programs.

This is becoming a smaller world. Not only do we need to be concerned about diseases that are naturally occurring, but we need to be aware and cognizant of the potential impact of diseases that don't occur. For example, we saw the profound impact of hoof and mouth disease in countries such as England and the devastating impact on the livestock industry in that country. We need to make sure that we have the research in place in this country where we can develop modern technologies and that will help protect the livestock industry.

The second provision I had put in the bill establishes research and extension grants for beef cattle genetics evaluation research. It provides that the USDA shall give priority to proposals to establish and coordinate priorities for genetic evaluation of domestic beef cattle.

It consolidates research efforts to reduce duplication of effort and maximize the return to the beef industry and also to streamline the process between the development and adoption of new genetic evaluation methodologies by the industry; and then to identify new traits and technologies for inclusion in genetic programs in order to reduce the cost of beef production to provide consumers with a high nutritional value, healthy and affordable protein source.

Research, in my view, is fundamental. It is extremely important that we have the research base there to continue to improve production in order to deal with infectious diseases that affect plants and animals and to help assure a high quality food supply.

I do think the people of this country have a great deal. They have the best quality food at the most reasonable price of any place in the world. That is something to be proud of. We need to do everything we possibly can to make sure that we maintain our position in the world.

A couple other provisions are in the bill. There are some attempts within the bill to deal with alternative fuels. It is something I have worked on. I established the renewable energy caucus. I believe that renewable fuels is certainly something we need to look at for energy independence instead of war dependence on energy sources particularly out of the Middle East. We need to look to agriculture to help us meet some of those energy needs.

I also have a provision in there to deal with cockfighting. It is an attempt to try and protect States rights. The State of Colorado, along with 46 other States, have all passed laws against cockfighting. We have three States that have not.

However, Mr. President, those states that have chosen to outlaw cockfighting have difficulty enforcing their own laws. As a result of a loophole in the Animal Welfare Act, which specifically excludes live birds from the interstate transport ban, individuals who are caught with fighting birds can avoid being detained by law enforcement by claiming that they are transporting the birds to a state in which cockfighting is legal. Game birds are the only animal for which this loophole exists and this is unfair to the states that have chosen not to allow cockfighting.

My attempt is just to make sure that we don't preempt the States in a way through this Federal loophole that they can't enforce the law they passed. This is an important provision—something I have worked on for almost 3 years. It was passed by a strong majority in the House Farm Bill and has been passed previously by the Senate. It is my hope that we are able to retain this language in the final version of the Farm Bill.

Mr. President, agriculture is important to this country. It is important to States such as mine and certainly important to the Senator who is presiding over the Senate at this particular time. I think we all have a common interest. We want to see our farmers and ranchers be able to stay in business, and we want them to be able to compete in a world market. We need to work to expand not only our international markets, but also our domestic markets. Sometimes that requires thinking beyond the box. It is a challenge for those of us who are looking at establishing the proper public policy that would allow our agricultural sector to continue to grow and prosper.

This is an important piece of legislation. I hope we don't rush it through to the point where we haven't given the various agricultural interests an opportunity to have their input as to what the final outcome of this bill will be.

I hope that we allow enough time for them to participate in the process. It is important that we do the right thing. We can do that if we allow plenty of opportunity for everybody to participate.

Mr. President, I yield the remaining time to the ranking member of the committee and look forward to working with him on this legislation.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Colorado for yielding that time. I thank him even more for his message. It has been a genuine pleasure to work with him on the Agriculture Committee in trying to formulate good legislation. I look forward to supporting the ideas he has presented this afternoon.

Mr. President, as a part of the background for our debate, we ought to consider carefully the status of the farm economy presently. Many views have been given, and they are earnest views of Senators and their States' particular agricultural interests.

Let me review a summary of where we stand at this particular point in the year 2001. Current USDA forecasts suggest that the underlying farm economy, exclusive of Government payments, is stronger this year than last. While U.S. agriculture continues to face the prospects of somewhat reduced income and outgoing structural change, many indicators remain favorable. The indicators that remain favorable are: Exports are up; asset values for agriculture throughout the country are up in the aggregate; debt levels are down; the rate of inflation for the overall economy, of course, has been down; interest rates are down; productivity and prices appear to be strengthening.

Clearly, in the soybean and corn markets, which I know the occupant of the chair watches, as I do, we have seen mercifully an upturn, after bottoming out. In any event, the price levels across the board for all crops appear to

be slightly stronger than last year. World markets are extremely important to us, and this is why we are all encouraged that export sales apparently will finally come in somewhere close to \$53.5 billion in 2001, as compared to \$49 billion a year ago, an increase of \$4.5 billion. They could grow to as much as \$54.5 billion in 2002, according to USDA's best projections. These levels are still below the record levels of 1996, often cited primarily in response to continuing problems in Asia, and production increases by competing exporters—many of them in Latin America.

Nevertheless, the sales appear to be increasing significantly. Year over year, forecasts of grain, poultry, and horticultural exports in 2002 will exceed 2001, largely due to increased volume. Exports to major U.S. markets in Asia and the Western Hemisphere are projected above 2001, even in spite of slowing economic growth or, in some cases, recession in those areas.

Overall farm income has this projection: The intermediate term economic outlook for agriculture is uncertain, as always. It is clear that many underlying farm economic conditions are stronger this year than last. Farm cash receipts could be near high record levels for 2001, and, indeed, earlier this morning I discussed this subject. We found figures from USDA that showed roughly \$60 billion of net cash income. This would be, in fact, a new all-time record for any year, including 1996.

Farm cash receipts have been driven largely by a 9-percent increase in livestock sales. Overall crop sales appear to be up about 3.1 percent. Gross cash income is up 4 percent and net cash income is up 5.7 percent over last year. The \$20 billion in payments from the Federal Government, including the AMTA payments, which we voted on in the summertime, come to \$20 billion less, in fact, than the \$23 billion that the Congress allocated last year. That is significant because the net cash income record was received, even though Government payments have come down this year by, apparently, something close to \$3 billion.

The projected increase in sales in 2001 will more than offset the modest decline in the Government payments and could boost cash income to \$239.3 billion, up significantly by \$9.2 billion from last year.

I mention all of this, Mr. President, not that these are figures that are likely to lead anyone to a false impression about agricultural prosperity but it seems to me important because this debate thus far has been about a necessity of having the farm bill passed during this calendar year. One of the reasons offered by some Members has been the gravity of the situation for many farmers. Each one of us has many such farms in our States that are not working well. But the overall picture is im-

portant. The overall picture is one of higher net cash income.

I found it to be extremely important to study the USDA tables on farm balance sheets. One of the factors of obvious debate that always seems counterintuitive to many who listen to them is that, each year, I and others have made the point that the total value of farms in America has been growing. By that I mean the estimates of the total value of farms, the equity, after all liabilities, real estate debt, or any other farm debt have been subtracted, is \$1.36 trillion. That is up from \$1.4 trillion last year.

In other words, the equity in farms in this country—the bottom line is there has been an increase of 3.2 percent. That is not unusual. Simply tracing back over the course of time, USDA points out that in 1995, the net equity in farms in America was \$815 billion.

In 1996, often cited as the high water mark in terms of farm prices and prosperity, farm values were \$848 billion, but in 1997, this went to \$887 billion, in 1998, to \$912 billion, and in 1999, to \$964 billion. Last year, it went to \$1.4 trillion, and this year it went to \$1.36 trillion.

Throughout this time, however—Senators wish to argue the ups and downs of agricultural prosperity or difficulty—the value of their farms went up every single year without exception. Many have asked: How can this be? I have tried to answer that question in earlier statements.

The programs we have adopted, for better or for worse, finally add up to more land value. They go essentially to landowners. That is capitalized in the land. They are able to borrow more on it, and they become more prosperous. The market value is higher because a stream of payments guaranteed by the Federal Government appears to be behind those values.

Some, without being spoiled sports, have raised the question of whether these land values have a reality to them that is solid for the future. They have not suggested a so-called bubble effect that land values, much like communication or telecommunications firms in our economy in the last 2 years, simply exceeded the potential for income streams that might come from them.

Nevertheless, it is difficult to argue that these land values, increasing each year, do not have built into them certain expectations of Federal policies that are very generous.

Perhaps over the course of the next 5 years, or in the case of the House bill the next 10 years, the general public in the United States; that is, taxpayers, everyone who is not a farmer, are prepared to make very large transfer payments of their moneys to those who are farmers and to do so in such a predictable way that anyone who owns land can anticipate that kind of flow. It

would have no relationship to whether or not there was an emergency. It simply is a guaranteed transfer of payment with the same certainty as a pension right or some other property right involved.

That is a judgment for Senators, Members of the House, and the President to make, and we all have our different views on this issue.

I have always wondered whether those who are not farmers understood the transfer that was occurring and the seeming permanence of that, as opposed to payments that came in emergencies.

Senators have risen throughout this debate and condemned the farm bill of 1996 as a terrible failure, pointing out that it is so bad that we are compelled as Senators to meet almost every summer and vote to send more money to farmers.

With some degree of political realism, I would say the compulsion for us to meet every summer to do this is probably being propelled much more by our own desires. To a certain degree, I have noted an amount of political competition in this—some persons purporting to be stronger friends of farmers than others, all believing we ought to be able to help out by sending more money in that direction. There has been no reticence on the part of Senators on both sides of the aisle to vote this money.

I predict, I think without being too far off the mark, that whatever kind of a farm bill we finally enact this time, there may be those among our number who will ask us each summer to come to the Chamber to vote more money, to supplement whatever it is we have done. In other words, I have never found in my experience in the Senate that the issue is ever settled. The emergencies occur every year and in many parts of the country and sometimes vary widely. Let me offer a reason why that is so. This is not a cynical reason. This is a reason rooted in the reality of my own experience.

One of the questions I frequently ask witnesses before the Agriculture Committee when we are having debates on programs or incomes is to give me an estimate of the return on invested capital that they obtained from their farm operation.

Most witnesses, even those who are fairly sophisticated, do not know. They really have not thought that problem through. They say that is almost irrelevant: My problem is keeping the farm alive, keeping the dairy operation alive. I do not know what the return on investment is; the problem is paying the banker and having enough capital to buy new equipment to be competitive.

I understand that, but it illustrates part of the problem. When I have had discussions with very prosperous farmers in Indiana, whom I respect for their

abilities and have learned a lot from them, their answer to that question is usually a 3 to 5-percent return on invested capital over several years. Some years it is much better, but some years it is close to a wash.

Some suggest, of course, that depends on how leveraged the farm is. If, in fact, a very valuable property has an almost equally valuable mortgage on it, the amount of equity that the farmer has in play is fairly small; therefore, any income fluctuation makes the return on income either go up or down very rapidly.

Let us say for the sake of argument that the farm has no debt. That has been essentially my case for many years, and my own experience has been roughly 4 percent on invested capital. When that figure arises in a forum that is not a farm meeting, many people raise the question: That is pretty low for a large enterprise over a long period of time. For example, many people who are skeptics about this would say you could have gotten a 6-percent return just by investing in U.S. Treasury bonds for 30 years during many recent periods. For that matter, prior to this lower interest rate period we are in now, you probably could have bought the bonds maybe even for 7, 8, or 9 percent at different times during this decade, with absolutely no risk economically, no risk from markets drying up abroad, no risk from the weather.

This raises the question: Why is \$1 trillion of American capital tied up in farms—which, indeed, it is—2 million such entities, at least with the definition of \$1,000 in sales?

The reason ultimately, in my case, as well with most people, is that we like what we are doing. Frequently, it is a family tradition. That is my case. My dad bought the farm 70 years ago. It is something very important to me as a person. It is more than simply a business enterprise. But I have to recognize there are alternative things I could do with the capital and probably do better than 4 percent. This 4 percent is anecdotal in a sense but not entirely.

If, in fact, as the distinguished chairman of the committee pointed out this morning, net farm income in this country for 2001 is 49.4 percent, and you factor that with a divisor of \$1.36 trillion for the value of real estate and so forth, you come to something like 4.8 percent. Taking a look at all of American agriculture, that net was earned on this amount.

So my experience is not too far away from the mainstream, which is comforting to know, but not for farmers generally because there is not much leeway.

I suggest the reason we have debates almost every year is a good number of farmers do not have any leeway. If farms that are fairly large and well managed do no better than 4 percent on average, and in some years 3 percent or

2 percent, situations that are not so well managed, do not have modern equipment, the research into seeds or planting processes, or have not done conservation work that has proper drainage, they are going to have problems meeting it at all every year; there is so little leeway.

Intuitively, we have known it even if we could not quantify it, and our policy has generally been, regardless of which farm bill I have been involved in, to save every family farmer. We have tried, in fact, to think through how there could be a safety net and ad hoc emergency payments and whatever was required. We have not succeeded, although, as I mentioned in an earlier debate today, we have stimulated a lot of people to come into farming, many of them in a small way. It is not a major income. So the numbers of farmers do not trail off as rapidly as they did at the turn of the century, 100 years ago, or all the way through the 1930s. Nevertheless, the concentration into about 170,000 large farms in this country is pronounced. These farms are doing the majority of the business, and about 600,000 farms in America plus or minus a few do about four-fifths of all we do.

Trying to fashion a farm policy, therefore, that fits these situations, these diverse situations, is virtually impossible. At the same time, we have tried—all of us have tried. The bottom line has been we have succeeded in good part, but the debate continues because farms that do not make very much on invested capital are in trouble every year.

I do not know the answer to that question. My guess is, in part, it is being answered by age. The average age of people who are farming increases. The people who come to the distinguished occupant of the chair and to me, who have, say, a 30-, 40-, 50-herd dairy situation, say: What are we going to do? I am 65, one farmer will say. I would like to retire. I would like to get a pension or my money out of this. The son who is about 40, it is very doubtful whether he wants to continue, whether there is enough for a livelihood at a middle-class level in our society, and they come to us and ask for counsel as to what to do. There is no good answer. It finally has to be a gut feeling on the part of that farmer.

The farm bill on which we are about to embark, if we adopt the bill passed by the Senate Agriculture Committee, in my judgment, makes the situation substantially worse. I do not paint this in disastrous hues. My own judgment is, regardless of what we do, this will not be an irrevocable disaster for the country, but I think some people will get hurt. Among those who will get hurt are probably the small, simply because most of the payments will go to the large. The payments will be much larger than they were before, so the large will be even more consolidated

and confirmed in their situations. Land values will continue to increase, maybe not to a bubble situation but clearly rising on the basis of not much behind them.

The return on capital is still pretty sketchy. If one were to take a look at this, such as the people at the stock market, it would be seen as a pretty precarious kind of investment, and based largely upon the general mood of the public as a whole. Since this prosperity would not have been based on the market necessarily but really on the basis of our political debate and public policy, that which is given can be taken away.

I have no idea what the mood of the Congress will be 2 or 3 years from now, if in fact we have sustained deficits for 3 years as the Director of OMB has prophesied we will. There is no farm program that is engraved forever. We can pass a bill that has 5 years' duration or 10, but each Congress can amend that very substantially and change it materially and must have the right to do so on the basis of whatever the crisis the country faces or its priorities then.

That is why I fear the idea of 5 or 10 years of very large fixed payments to 40 percent of farmers who are in the program as opposed to 60 percent who are not, based on nothing more than the fact that one has been a farmer in the past, whether they are farming now or not. It has some problems to it. They are not being glossed over. I think Senators must understand what they are doing.

Having heard a lot of criticism about fixed payments in the past, these so-called AMTA payments, I am astonished so many Senators are fully prepared to do more of it now really without any limitation. The bill I presented does have limitations. The 6 percent credit that one receives on the basis of all the total whole farm income is finally limited to only \$30,000 a farmer. The Senate Agriculture bill we are now considering could pay as much as \$500,000 to a single farm entity. In fairness to my chairman, Senator HARKIN, who has long believed there were problems in having such distortions, he readily admits in order to obtain a majority support in the committee, he acquiesced to those who wanted more. For all I know, those limits are still being raised, even as we speak, to accommodate the situations of particular crops.

This does not bode very well for the small family farm situation, or the saving of everyone, or the general ethic of the bill that is often presented that way, or even those particular cases of distress in the midst of the overall increasing prosperity I described in the overall report.

These are concerns that have led me and others to suggest alternatives. In the event the debate proceeds, we will

have that opportunity. I utilize this time of deliberate and thoughtful debate on the farm bill to bring forward some of these facts and some of this information.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to use up to the hour of time postcloture that I am entitled to and that I be allowed to speak as in morning business.

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

ENERGY POLICY ACT OF 2002

Mr. BINGAMAN. Mr. President, today I joined Senator DASCHLE in introducing the Energy Policy Act of 2002. This bill is a culmination of a great deal of work involving several committees in the Senate. In the Committee on Energy and Natural Resources alone, we had over 50 hearings in the 106th and 107th Congresses that relate to this bill.

The staff of the committee, particularly the majority staff, who have worked on drafting the legislation we introduced today, did yeoman's work. I will mention the individuals who worked so hard on this: Of course, Bob Simon, who is our staff director. This list is in no particular order except perhaps alphabetical, although I am not sure that is exactly right. Patty Beneke worked hard on various provisions; Jonathan Black; Shelley Brown helped us with the bill; Mike Connor; Deborah Estes; Sam Fowler, who was the principal draftsman on the bill; Jennifer Michael; Leon Lowery; Shirley Neff made tremendous contributions. Malini Sekhar, Vicki Thorne, John Watts, Bill Wicker, and Mary Katherine Ishee also made great contributions.

So I want to publicly state my appreciation to them for the good work they did.

Although the bill that we introduced today is the culmination of a great deal of work, it is also in many ways just a beginning. It is a starting point for the next phase of the Senate's consideration of energy policy. Senator DASCHLE has indicated he desires for us to bring it up and debate this legislation and the entire subject area during the first period of the next session.

One obvious question is why we invested so much time on this topic of energy in developing this bill. There are two basic answers to that question. First, energy is central to our present and future economic prosperity. Any of us who lived in the last few decades of this country know we depend upon foreign sources for much of our energy. Our economy is vitally dependent upon reasonable prices for energy.

Second, there has been significant changes in energy markets since the last time Congress considered comprehensive energy legislation. The last

major energy bill we passed was the Energy Policy Act of 1992. Since that time, as a nation we have moved further away from command and control regulation of energy toward a system that relies much more on market forces to set the price of energy. In the process, our energy markets have become more competitive, more dynamic, and there have been some significant bumps in the road which we have all observed.

Consumers are now more vulnerable to the vagaries of energy markets and the volatile prices for energy. The structures to regulate these emerging market forces are not fully developed, as we could see very clearly in the last few weeks with regard to the circumstances of Enron Corporation.

Gasoline supplies nationwide have become increasingly subject to local crises and to price spikes due to the proliferation of inflexible local fuel specifications and tight capacity in refining and in pipelines.

Of course, the events of September 11 have caused many of us to reflect on the inherent vulnerabilities of our energy transmission system. The time may be right for us to rethink how we site energy infrastructure, the balance between central and distributed generation of power in our electricity system.

So Congress needs to respond to these changes and challenges and opportunities. If we do so in a balanced and comprehensive and forward-looking way, then we can develop an energy policy that will lead to a new economic prosperity for the country and for the world. But we will not get there simply by perpetuating the energy policy approaches of the past. New ideas and approaches are needed as well as greater investment to move into the future.

That is what this bill we have introduced today tries to do. The bill has three overarching goals. This chart specifies what those are.

First, we try to ensure adequate and affordable supplies of energy from a variety of sources—from renewable sources as well as from oil and gas and coal and nuclear. I emphasize renewables because, as I will indicate in a few moments, that is an area to which we have given too little attention.

Second, the bill improves the efficiency and productivity of our energy use, including energy reliability and the productivity of our electric transmission system and energy use in industry, in vehicles and appliances, and in buildings.

The third overarching goal of this legislation is to keep other important policy goals in addition to our energy policies, goals such as protection of the environment and global-climate-change-related issues—keep those goals in mind as we sort through our energy policy choices.

I think we can achieve these three goals if we accelerate the introduction

of new technologies and if we create flexible market conditions that empower energy consumers so they can make choices that will benefit both them and our society more generally.

This combination of new technology and policy innovation in pursuit of a diverse and robust national energy system can be seen in the provisions of this bill as they relate to the first major goal. This is obtaining an adequate and affordable supply of energy. So let me start the discussion by speaking first about this important subject of renewable energy that I referred to a minute ago.

Our Senate bill contains numerous provisions enhancing the contribution of renewable forms of energy to our future energy mix. Under the "business as usual" approach of the House energy bill, H.R. 4, which has been proposed at various times on the Senate floor, the contribution to our energy mix from renewables will not substantially increase over the next 20 years. The result will be an energy system, particularly for the production of electricity, that will go from being about 68 percent based on coal and natural gas to being about 80 percent based on those two fuels. That overdependence would leave our country very vulnerable to shortfalls in the delivery of either of those commodities. Consumers would be exposed to severe risks of price spikes.

We clearly need more diversity in the ways that we produce electricity in this country, not less diversity. Our overdependence does not make sense in light of the commitments to renewable energy that have been made in other countries, particularly in Europe. This chart demonstrates that very graphically. This chart is entitled "Commitment to Renewable Generation." This is generation of electricity. The percentage increase in nonhydro renewable generation during the 5 years 1990–1995—a 6-year period, I guess—here you can see the percentage increase. In the case of Spain, it was a little over 300 percent. In the case of Germany, it was something over 150 percent—175 percent. In the case of Denmark, it was nearly 150 percent. Then it goes on down until you get to the United States, which is way down in the single digits.

There are countries that did less during that 5- or 6-year period than we did but not many. Even France, which is often held up as a model for its commitment to nuclear power, has outpaced the United States in recent years in its investment in renewable sources of electricity other than nuclear power. The United States needs to lead the world in renewable technologies.

We have abundant domestic renewable resources. The world market for such technologies is capable of strong growth in the future. Renewable technology leadership would help U.S.

firms achieve a strong position in winning those markets and thus creating new jobs in our own country.

If our country is to lead the world in renewable energy technologies, we need to do a better job of getting those technologies into the marketplace in this country.

Our bill that we have introduced today would boost future use of renewables in five major ways. Let me summarize those five ways.

First, the bill contains market incentives that would triple the amount of electricity produced from renewable energy over the next 20 years. Here is another chart that tries to show graphically where we are today, slightly after the year 2000, at less than 5 quadrillion Btus annually. This green wedge shows what we would anticipate as the growth in the production or generation of electricity from renewable sources between now and the year 2020 under this legislation that we have introduced.

These incentives include a renewable portfolio standard that creates a market for new renewable sources of electricity, whether they are wind or solar or biomass or incremental hydroelectric generation from existing dams.

A second market incentive is the Federal purchase requirement for renewables that would grow to 7.5 percent of all Federal electricity purchases by the year 2010. The renewable energy production incentive, which is an existing program to help rural electric co-ops and municipal utilities generate renewable energy, is also reauthorized in this bill and extended to include Indian lands which contain some prime renewable resources. So that is the first way in which this bill would make an effort to boost our future use of renewables.

The second is that the bill being introduced today greatly expands the contribution of renewable fuels such as ethanol and biodiesel-powered vehicles and transportation. By 2005, 75 percent of the Federal Government's vehicles that can burn alternative fuels would be required to do so, creating more market certainty for renewable fuels and their associated infrastructure.

By 2012, 5 billion gallons a year of renewable fuels would be blended into our gasoline, decreasing our import dependence on foreign oil.

The third way in which the bill helps renewables contribute more to our energy mix is by removing existing regulatory barriers that affect renewable energy. For example, wind and solar power can be effectively tapped by small distributed generation systems, but current practices and rules in the marketplace often discriminate against distributed generation. Our bill tries to deal with this problem by requiring electric utilities to offer their customers net metering, in which a customer can offset his electric bill by

the amount of electricity that he generates and sells to that local utility.

The bill also requires fair transmission rules for intermittent generation such as wind and solar.

Finally, the bill mandates easier interconnection for distributed energy production into the interstate transmission grid and requires States to examine ways to facilitate that interconnection of distributed energy into local electric distribution systems as well.

A fourth major way in which our bill promotes renewables is by disseminating information about and facilitating access to areas of high resource potential, particularly on our public lands. There are many places in this Nation and my State that have untapped renewable energy potential. The bill creates a pilot program at the Department of Energy and in the Forest Service for development of wind and solar energy projects on Federal lands.

A fifth and final area in which the bill helps make renewable energy a bigger part of our energy picture in the future is through enhanced research and development programs. These research and development programs in our bill at the Department of Energy will grow from an authorized level of \$500 million in fiscal year 2003 to \$733 million by fiscal year 2006.

I would like to briefly talk about some of the other more traditional energy supply sources in addition to renewables that we try to promote and encourage in this legislation.

Natural gas is one of those in our Nation at a crossroads major policy decision with regard to energy security. U.S. natural gas demand is expected to increase from 23 trillion cubic feet per year. Demand is expected to be about 35 trillion cubic feet per year by 2020. Much of that demand is going to be driven by the use of natural gas for electricity generation because, as we build more powerplants to produce more electricity, virtually all of those new powerplants that are coming on line—not all, but many of those new powerplants that are coming on line—are expected to use natural gas.

As you can see from this chart, which goes from the period of 1970 through 2020, today there is more consumption of natural gas than there is production in the country. But it is not a very major gap. As we move forward for the next 20 years, that gap grows. Our consumption of natural gas is going to increase more quickly than the production of natural gas is expected to increase.

We tried to follow the developments in this field internationally to understand what is occurring. We have a very disturbing development of which I think the Senate needs to be aware and of which our entire country needs to be aware.

As a result of this gap that I have pointed out on this chart, as a nation

we are at the risk of becoming dependent upon imported natural gas brought to our shores in tankers for a substantial portion of the gas that we consume.

The countries on which we would rely for much of that gas are prone to political instability. They are in the early stages of forming an OPEC-like organization for natural gas exporters.

There is a cover story in the June 2001 issue of OPEC's Bulletin that discusses Iran hosting an inaugural meeting of the Gas Exporting Countries Forum.

As a nation, we do not want to be in the position of having to deal with a cartel in natural gas in addition to the cartel we already deal with related to oil.

Our bill takes several steps to come up with a different policy for natural gas.

We increase funding for research to develop domestic natural gas deposits in deepwater areas in the Gulf of Mexico and in harder to tap geologic formations on shore.

We provide research funds to explore the potential of methane hydrates that are trapped on the ocean floor at great depths.

The bill authorizes more funds to facilitate the permitting and leasing of Federal lands for natural gas production in places where that is environmentally acceptable.

The bill addresses a number of developing problems in natural gas production, such as conflicts over coal bed methane and hydraulic fractures and to bring these conflicts to resolution before they reach crisis proportions.

But even these steps, which I believe will be useful and important, will not be enough to close the gap that is reflected on this chart. The most significant step the bill tries to take for future natural gas supply is to provide enough financial incentives so that we see the construction of a pipeline to bring down from Alaska the vast reserves of natural gas that have been discovered and have already been developed in the Prudhoe Bay region.

The Presiding Officer and I had the opportunity to visit there earlier this year. The existing reserves are estimated to be over 30 trillion cubic feet of gas. It is estimated that the total natural gas resources on the North Slope of Alaska could be in the order of 100 trillion cubic feet. A natural gas pipeline from Alaska to the lower 48 States would provide at least 4 billion to 6 billion cubic feet of natural gas per day before the end of this decade.

Once the pipeline is constructed, it would provide gas to American consumers for at least 30 years. It would be a stabilizing force in natural gas prices as well.

The project makes a great deal of sense. But it has not happened because there is a lack of certainty about the

investment risk of building such a major pipeline.

We are talking about an enormous undertaking. The pipeline would be one of the largest construction projects ever undertaken. It would create a massive number of jobs in Alaska, in Canada, and in the lower 48. The project would require the construction of the largest gas treatment plant in the world, and the laying of about 3,600 miles of pipe requiring 5 million to 6 million tons of steel.

The preliminary estimates are the cost would be in the range of \$40 billion. But since natural gas prices vary from \$2 to \$10—which we have seen that just in the last 12 months—per mcf it is hard for the market to take on this challenge by itself. So we are proposing legislation that would expedite the process for permitting, for providing rights-of-way, and certifications that are needed for the U.S. segment of the pipeline.

The Government would step up and offer to underwrite loans for 80 percent of the cost of the line that is constructed within the United States.

There are various other provisions which we think would improve the likelihood that this pipeline would be built in the near future.

I believe it is important for the Senate to be proactive on this project—not simply to sit back, cross our fingers and hope that the various companies that are looking at this decide to go ahead.

If we do not act while there is substantial private sector interest in building this pipeline, we will lose an important opportunity to bolster our national energy security in natural gas.

As a consequence, we might well be hearing speeches 10 to 20 years from now about our dependence on foreign natural gas which would sound a lot like the speeches we have been hearing about our dependence on foreign oil.

Since I mentioned oil, let me say a few things about what we have in this bill related to oil, and the ways we are trying to increase domestic production of oil.

(Mr. DAYTON assumed the chair.)

Mr. BINGAMAN. When you hear all the rhetoric about drilling in the Arctic National Wildlife Refuge—and we have heard various speeches about that in this Chamber—one would think it is the only place in the United States where we could find more oil. That is far from true. There are 32 million acres of the outer continental shelf off the coast of Texas, Louisiana, and Mississippi that have already been leased by the Government to oil companies for exploration and production. They are shown on this map I show you by these yellow blocks.

There is no requirement that any legislation be passed in order for drilling to occur in these areas. These are areas

that have been leased. They can be drilled. We need to do what we can to encourage the actual development of those leases.

In addition to the production off the Gulf of Mexico, there are outstanding prospects for increased production from the National Petroleum Reserve—Alaska.

Again, the Presiding Officer and I had the opportunity to see the promise that some of the oil companies obviously felt about the potential production there.

Under the Clinton administration, the previous administration, leasing was expanded in this area. Industry made some major finds. There is no law that needs to be passed in order for additional leasing to occur in that area. I, for one at least, believe that is an appropriate place for us to be pursuing additional oil production.

If the problem really is not finding areas to lease under current law, then why is there not more domestic production going on in the areas that are already leased for exploration and production? We need to look at that question. That is not a simple question to answer.

We need to look at the differences between our Federal and State royalty and tax policies and those of other countries with oil and gas resources. We have provisions in this bill to try to have that analysis done.

A second proposal to boost domestic production in the near future is to provide adequate funding for the Federal programs that actually issue new leases and new permits for oil and gas production. For all the rhetoric from the administration about the need to boost domestic production, in its last budget request, the administration did not ask for adequate funding to do this work properly. The result of inadequate funding for U.S. land management agencies is delay and frustration on the part of U.S. oil and gas producers. This bill calls for increased budget levels for those functions. The Federal Government can then take the necessary steps to make oil and gas leasing faster and more predictable where it is already permitted.

The bill also contains increased research and development funding to support domestic oil and gas production by smaller companies and independent producers. These entities account for the majority of on-shore U.S. production of oil. They do not have the resources to do their own exploration and production research and development.

Let me say a few words about coal. This is an important contributor to our current energy supply picture.

Fifty-nine percent of our electricity generation nationwide is based on coal. This chart I show you is a good background chart for anyone interested in how we produce electricity in this country. You can see this top line is

coal. That represents the 59 percent to which I just referred. Fifty-nine percent of our electricity generation is based on coal. We have tremendous coal resources. We have been called the “Saudi Arabia of coal” by some.

But coal’s place in our energy future needs to be clean and needs to be emission-free. Coal-based generation, as we all know, produces more greenhouse gas emissions per Btu of energy output than does natural gas-fired generation that I was talking about a few minutes ago. Other pollutants from coal-fired plants have been the source of regional tensions between States where coal-fired plants are located and States that are downwind from those plants.

Coal is too important a resource to write off. Technology holds a promise for dramatically lowering, even to zero, the emissions from coal-based plants. This bill takes a very forward-looking approach to the issue by authorizing a \$200 million per year research and development demonstration program based on coal gasification, carbon sequestration, and related ultraclean technologies for burning coal.

The proposal was a result of a strong bipartisan push in our committee by Senator EVAN BAYH and Senator CRAIG THOMAS and is one more example of the crucial role that research and development is going to play—and needs to play—in shaping our energy future.

Research and development are also keys to the future of nuclear power in this country. Nuclear reactors emit no greenhouse gases, so on that basis one would think they are an option that we should be looking at for the future. But nuclear plants have other characteristics that are not as attractive. They have very high up-front capital costs compared to other generating options. That puts them at a disadvantage in the marketplace. The nuclear waste problem is not yet solved. Nuclear safety is a continuing concern for many in the public. Our cadre of nuclear scientists and engineers is growing older and dwindling, and we are not seeing a large supply of students being trained to help us deal with nuclear issues in the future.

This bill takes on these problems by focusing on research and development on new nuclear plant designs that might address these problems and on a program to strengthen university departments of nuclear science and technology.

The bill also contains a partial reauthorization of the basic nuclear liability statute; that is, the Price-Anderson Act. The part that is in the bill deals with liability of Department of Energy nuclear contractors, including the National Laboratories that are a significant source of our national nuclear expertise. The other main part of the Price-Anderson Act, dealing with the commercial nuclear power industry, is being developed by the Committee on

Environment and Public Works and is expected to be offered by them as an amendment when we get to the floor consideration of the bill.

Hydropower is another source of energy supply that this bill addresses related to electricity generation. Many hydroelectric facilities are reaching the age at which their original licenses under the Federal Power Act are about to expire. The process of relicensing these facilities needs to be protective of the environment, predictable for licensees, and efficient in the way it is administered.

We have been working for months with both the hydropower industry and the environmental groups to develop a consensus on how to achieve these goals. There is strong bipartisan interest in moving in that direction. We are committed to working toward this end. We have worked with Senator CRAIG extensively on this issue. We look forward to continuing that communication and hope that by the time this bill comes to debate on the floor we have a consensus on that issue.

A final way in which the bill focuses on increasing the supply of domestic energy is through a series of provisions facilitating the development of energy resources on Indian lands. Let me say that is an important new area we are trying to put some emphasis on in the bill.

The second of the major overarching goals that I mentioned at the beginning of my comments was this need to use energy supplies more efficiently and productively. So far, we have talked about how to increase supplies of energy through renewables, through oil, gas, coal, hydroelectric, and nuclear.

Let me refer now to parts of the bill that deal with this second overarching goal: how to use energy supplies more productively and efficiently.

As I have mentioned consistently throughout the past year, you cannot have a sound energy policy based only on production or only on conservation. We need to focus on both. Our energy policy needs to combine programs that boost supplies with programs that use those supplies more efficiently.

The first major way in which we can use our energy supply more efficiently is by having an electricity transmission system that is ready for the challenges of the next century. Electricity is essential to our modern way of life, yet our electric system largely operates on a design that is nearly a century old.

We have vulnerabilities in our current system. We just excerpted some of the headlines from national newspapers, and I have put those up here on a chart to remind people of what we were hearing in the news and on television earlier this year.

Let me just read a few of these: "Electricity crisis: The Grinch that

stole Christmas." That was last Christmas.

"Happy holidays. Now turn off that Christmas tree." That was last Christmas.

"California declares power emergency." "Blackout threat remains as California scrambles." "California power woes affect entire west coast." "Energy chief moves to avert California blackouts." "Utilities seek immediate rate hike to avoid bankruptcy." Those are the types of headlines we were seeing at the end of last year and early this year.

We need to address the issue of electricity generation and transmission. The central challenge we face with electricity is to have two elements: First, to have market institutions that ensure reliable and affordable supplies of electricity and, second, to have policies that favor future investments in new technologies that give consumers real choices over their energy use. We have provisions in this bill to do just that.

I could go through those provisions in detail. Since I notice there are others wishing to speak, I will skip over some of these and move on to the highlights of the rest of the bill.

A second way in which we need to increase efficiency in the various uses of energy is in the fuel efficiency of vehicles. The bill contains two provisions in that regard: One that mandates higher fuel efficiency in the vehicles purchased by the Federal Government for civilian use, and a second that provides a framework for the Department of Energy to assist States in expanding scrappage programs to get old fuel inefficient vehicles off the roads. This is cash for clunkers, as it has been referred to by some.

I know Alan Binder has spoken eloquently about how important he thinks it is that we pursue that course both for our energy future and as a way to get cash into the hands of people to stimulate the economy at this point.

Let me move to one other chart to make the point that we do need to deal with this issue of transportation, if we are going to begin to deal with total oil demand in the country. This is a chart that shows U.S. oil consumption in millions of barrels per day. It goes from the year 1950 to the year 2020. This line, which is here at 2000, sort of shows where we are today. You can see that the total oil demand has been increasing and is expected to keep increasing. Total transportation demand has been increasing and is expected to keep increasing.

Domestic oil production has been declining since about 1970. That is not going to change. Domestic oil production is going to continue to decline.

We can affect it. Domestic oil production, if ANWR is opened, will be affected. It will increase it somewhat. That is reflected with this little red

line. But when you look at what are the steps that can be taken that will have a major impact on this total oil demand, this top number, you can see that doing something about transportation demand is by far the largest action that we can take.

The Commerce Committee is having a hearing tomorrow on this very issue. They are intending to develop a proposal to bring to the Senate as an amendment to this bill to indicate a change in the requirements, the corporate average fuel efficiency requirements, the CAFE standards, fuel efficiency standards, and I look forward to seeing what they propose. I do believe it is important we take serious steps in this regard. The House-passed bill did not do that.

We as a Nation have to come to grips with this issue. The technology is there. This is not something we have to go out and speculate on as to whether the technology could be developed that will get us better fuel efficiency. We all know Senator BENNETT, our good friend from Utah, has a hybrid electric vehicle he parks right out here at the Senate steps. I complimented him on it. I asked him yesterday: What kind of fuel efficiency do you get on that car? He said: 53 miles per gallon in town. Now, that is a clear signal to me that the technology is there. We can produce more efficient vehicles. We should do that. We should provide incentives for people to use those.

There are other steps. The Federal Government can do a much better job of increasing efficiency in the energy it uses. We have included various provisions to encourage that. Industrial energy efficiency can be dramatically improved. We have various provisions to encourage that. Commercial and consumer products can be much more efficient than they are, and we have provisions in the bill to encourage that.

There is a new generation lighting initiative in this bill which I believe is a major step in the right direction. We are still using incandescent light bulbs, just as Thomas Edison taught us. There is no reason why we can't be using much more advanced technology which is much more efficient. About 25 percent of the power that goes into most lighting fixtures actually winds up being translated into light. The rest goes off in heat. We can do much better than that. This next generation lighting initiative we believe will help U.S. industry to meet that challenge and help our country to benefit from the development of those new technologies.

We also have a provision for substantially increasing the effort for energy efficiency assistance programs. This is the LIHEAP program, the Low-Income Home Energy Assistance Program. Many people depend upon that as we get into the winter months. You do not know it today by the temperature outside, but there are cold days coming. In

the winter, this is an extremely important program. And also in the summer, when air conditioning is needed, this is an extremely important program for many of our citizens. We propose increases there.

A third and final overarching goal of the bill is to balance energy policy with other important societal considerations. Energy production and use comes associated with a host of consequences for the environment. We need to strike the right balance among energy, the environment, and the economy. That balance is what we are sent to Washington to try to find. This bill addresses the issues in a number of ways. Several provisions of the bill deal with the legacy of past problems posed by energy production and use for the environment.

We have major provisions to focus the attention of the country and the Government on dealing with the issue of global climate change, a proposal Senators BYRD and STEVENS made earlier this year that has been considered in the Governmental Affairs Committee, setting up an office to look at global climate change to come up with a policy and coordinate our governmental response to that issue. That is a proposal the bulk of which we have included in this legislation.

That is a very important part of the bill. I have said from the beginning of the discussion about an energy bill that we needed to have one that integrated energy policy with climate change policy, and we have tried very hard to do that.

We also have provisions in the bill to reconcile energy policy with the needs we have for security of our energy infrastructure. The events of September 11 have caused us to think about potential security vulnerabilities of the energy infrastructure. This is an area where there is a considerable amount of work that has been done, but more needs to be done. We have provisions to focus on the Strategic Petroleum Reserve, to direct the administration to fill the Strategic Petroleum Reserve. We also have provisions related to security of other parts of our energy infrastructure.

Let me say a couple of words about why we have not included a provision in this bill to open the Arctic National Wildlife Refuge to drilling. If you take all of the discussion about energy policy that has occurred in the Chamber over the last 10 or 11 months, you would think that this was the centerpiece, this is the main thing the country needs to be doing to solve its energy problems. I dissent from that view. I do not believe this is the centerpiece of our energy policy. This is a case of the tail wagging the dog.

I do believe that opening the wildlife refuge for drilling is not an essential or substantial part of solving our national energy needs in the future. As you can

see from this chart, it does increase production domestically. It does not increase it to such an extent that our problems of growing dependence on foreign sources of oil are solved.

That debate is one that I am sure we will have, and we have had it already many times in the Senate Chamber. We will have an opportunity to have it again when this bill comes up, and each Senator has a strongly held view on the subject.

Let me put up one final chart and then I will conclude. Earlier this year, President Bush appointed a task force and asked Vice President CHENEY to head the task force and work up a so-called energy plan for the country, look at our long-term energy needs. Although that plan was severely criticized by some, I thought there were some constructive suggestions in it. I didn't agree with everything in it, but I thought there were constructive sections in it.

The administration recommended that the Congress act in 10 different policy areas. We have those on this chart. They range from electricity, to energy tax incentives, expedited Alaska gas pipeline construction, and on down through the list. The House-passed legislation, H.R. 4, which has been proposed here at various times on the Senate floor, addresses 5 of the 10 key areas that the administration proposed that we address.

The legislation we are introducing today addresses 9 of the 10 key issue areas. I am not saying the administration embraces every aspect of what we proposed in each of these nine areas, but in many respects we do believe we are making recommendations that are consistent with that energy plan that was earlier issued by the administration. We believe these issues should not be partisan. We believe there is a great deal of common ground that we can find on energy issues. I look forward to working with my colleagues on the Democratic side and the Republican side in identifying ways this bill can be improved, if there are suggestions out there. The bill is there for anyone to study and to suggest improvements. I think, in many ways, having it available for that kind of scrutiny over the next weeks, until we get into the new session after the first of the year, will be very good and will help us produce a better product for the American people.

I see this as a project that, hopefully, will set the course for our energy policy in this country perhaps for another decade, for some period. It was 1992 when we passed the last major energy bill in the Congress and had it signed into law. There is no reason to believe we are likely to try comprehensive energy legislation in the near term again. I hope very much that we can seriously consider this legislation in the new session of the Congress in February, as

Senator DASCHLE has indicated, and that we can pass a bill on a bipartisan basis and go to conference with the House.

Mr. DORGAN. I wonder if the Senator will yield for a couple questions.

Mr. BINGAMAN. I am glad to yield to my colleague from North Dakota. I compliment him on the very major contributions he made in the development of this bill.

Mr. DORGAN. As a member of the Energy Committee, I am pleased to work with Senator BINGAMAN. He has done an extraordinary job. We have had many Members of the Senate come to the floor of the Senate talking about the urgency of having a new energy policy. I agree with that urgency and that the policy should be new, and I agree it ought to be a balanced, comprehensive policy. The other body, the House of Representatives, wrote an energy bill that I classified as kind of a dig-and-drill bill that is not changing anything very much. It is just trying to produce more of that which we have been using. This legislation enhances production of oil, natural gas, and coal in an environmentally acceptable way. We agree with that proposition. But it is also the case that we believe much more needs to be done.

I wonder if the Senator from New Mexico would describe again the components, other than enhanced production, which we have in this comprehensive plan—the components of conservation, efficiency, and renewable energy, which I think are so important to a balanced energy plan. I wonder if the Senator from New Mexico would especially talk about conservation because I think that is a significant portion of any energy policy that would work in the long term for this country.

Mr. BINGAMAN. Well, I am glad to briefly describe again the main things we are trying to do in the conservation area and increased efficiency area. We are trying to increase efficiency in all aspects of how we use energy—in appliances, residential construction, commercial construction, and increased efficiency with the Federal Government and State governments and schools, school buses, automobiles, and SUVs, and the whole range of places where we use energy in our society, in our economy. We are trying to say we can be much more efficient in the use of energy we produce. There is a great opportunity there.

When the President came out with his energy plan, and the Vice President came out with his plan, it had one statistic that was referred to repeatedly, and that is that we are going to have to build 1,300 new power generation plants in the next 20 years. Well, that is not our analysis. We don't believe that is the case. We think if we take some prudent steps to improve efficiency in conservation, we clearly will need new generation in the next 20 years, but not

anything like the new generation to which the Vice President has referred.

So I think there is a great opportunity here. As the Senator from North Dakota says, we have tried very hard to balance the two—balance increased production with increased efficiency, and move us down the road in a way that is acceptable to the environment.

Mr. DORGAN. The Senator from New Mexico, the chairman, will remember that at a hearing we held with the Department of Energy, I asked the Deputy Secretary what our goals and aspirations were for the next 25 and 50 years, and what kind of energy plan do we have for 50 years from now? What do we aspire to do? What kind of national objectives do we have with respect to supply, and what kind of energy? The answer was, we are going to have to get back to you on that, because they don't have plans 25 and 50 years from now.

The reason I asked the questions, the Senator will recall, is when we debate, for example, Social Security, everybody talks about what will the balance be in the account 30 years from now or 50 years from now. When we talk about energy, nobody is thinking ahead.

That is the point of the bill that has been introduced today. I am proud to be a cosponsor of it. This bill says you have to have balance here and, yes, you have to produce more. But if that is all you do, is produce more natural gas, oil, and coal, then you are consigned to a policy that I call yesterday-forever. Yesterday-forever as an energy policy for this country is shortsighted and foolish. The legislation being introduced today under the leadership of the chairman of the committee is balanced. It includes production, yes, but significant conservation. Conserving a barrel of oil is the same as producing a barrel of oil, along with significant efficiencies and significant new emphasis on limitless energy and renewable energy.

I drove a car on the grounds of this Capitol Building that was run by a fuel cell. There are new technologies, new approaches, new kinds of fuel that are limitless and renewable year after year that we also ought to embrace. Federal policy ought to be the lead in embracing that as a matter of public interest in this country.

So let me again say to the Senator from New Mexico, it has been more than a decade since we have had a comprehensive policy change in energy in this country, one that is thoughtful and balanced and really provides initiative to move us in the direction that would be productive for this country. I think the Senator has provided leadership on a draft of something that is very comprehensive and remarkably refreshing, as compared to what the other body did. I think the other body is saying what we did yesterday, let's do more of tomorrow. That is not a

very thoughtful policy. Let's do a lot of good things that work to move us in a new direction to meet our energy needs.

Again, I asked if he would yield for a question, and I guess I could ask a question, but I did want to say to him that this is good policy. It is not the case that the long-term energy needs of this country will be served in a very comprehensive way if we are able to pass this bill as-is tonight. We won't do that. But does the Senator not believe that this will really advance this country's energy policy in a significant way?

Mr. BINGAMAN. Obviously, I believe it would advance the interests of the country in a very substantial way. I appreciate very much the comments of the Senator from North Dakota. Again, I want to just acknowledge and compliment him on the great contributions he made to the development of this legislation. We have many of his ideas that are central to this legislation.

We look forward to the scrutiny by the rest of our colleagues in the Senate, and I hope very much when this bill comes up for consideration that we will have a good bipartisan vote in favor of it.

Mr. President, I yield the floor. I see there are other Senators wishing to speak.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I ask unanimous consent to speak as in morning business for 15 minutes.

The PRESIDING OFFICER (Mrs. CARNAHAN). Without objection, it is so ordered.

Ms. LANDRIEU. Madam President, before the Senator from New Mexico leaves the floor, I wish to thank him for his leadership on the issue of energy policy for this Nation and thank him for the way he has worked with me and Senator BREAUX representing Louisiana, which is a producing State but also a State that is very interested in alternative energy sources, particularly from agricultural products, which we think holds a lot of promise.

Many of our universities are engaged in alternative fuel developments, as well as environmental cleanup. I thank the Senator particularly for his willingness to put in this bill significant authorization for the first time for \$450 million for the seven producing States, much of that production being off our coastline. Because of current law, which has been in place for many years, as the Senator knows, Louisiana and other coastal States have been shortchanged because of the impacts that affect our States.

We will be able to use this money to help restore our wetlands which we are losing at an alarming rate. It will help us to provide the critical investments to protect our infrastructure—our pipelines and other facilities—that not

only helps Louisiana but supports the whole Nation, which the Senator from New Mexico mentioned.

I thank the Senator on behalf of all the people of Louisiana and many people in the coastal parts of our Nation for his insight and leadership in including that provisions.

I wanted to go on record this afternoon about this bill and to thank the Senator from New Mexico. There are a number of other good provisions in this bill.

Mr. BINGAMAN. Madam President, may I respond briefly to the comments? The Senator from Louisiana has been a tireless and very effective advocate for her State and for coastal regions generally in this regard.

There are substantial impacts that oil and gas development in particular have had on those regions. We have tried in this legislation to include a provision at her urging that will help provide resources to deal with those impacts. I think it is good legislation. It will be good public policy.

I thank her for her many other contributions to this legislation as well. She is a very valued member of our committee and has made great contributions to various provisions in the bill since the beginning of consideration of it. I thank her very much.

Ms. LANDRIEU. I thank the Senator.

NATIONAL ADOPTION MONTH

Ms. LANDRIEU. Madam President, I want to speak to the Senate for a few minutes on a different subject, but one that is equally important and deserves our attention and focus.

I had hoped to get to the Chamber last week when it was actually November to speak about this subject because November is National Adoption Month. I want to spend a few minutes talking about what that means to us as a nation and what adoption has meant and continues to mean and will mean in the future to so many of our families in the United States and around the world.

I also want to talk about all the great successes and celebrations for us to be proud in a bipartisan way. This truly has been one of the issues on which there is unanimous consent and a truly deep commitment on the part of both the Democratic Party and the Republican Party.

I want to spend a few minutes, even though it is December 5, because the schedule was so hectic in the last week, talking about what National Adoption Month means.

Since 1993—so it has been almost 10 years—by Presidential proclamation, the 30 days in November have been declared to be a special recognition of National Adoption Month. During this month, communities, States, and local governments, not-for-profit organizations and adoptive families come together from the east coast, the west coast, the north, and the south to sponsor activities and events to help raise the awareness of the joys of adoption.

My husband and I do not have to attend any of these events necessarily because we live with this joy every day. Our two children are adopted. They are now 4 and 9 years old. It has been the greatest joy of our life. I know the specific stories of hundreds of families. I have held these children in my arms. I have read to them. I have played with them. I have seen them in so many different settings and at so many different ages and in many different physical, emotional, and mental health states; some very healthy, other children with great challenges that God has given them who now have loving parents and the great opportunities these children now have in homes where they can be provided and cared for.

We do not have to go far to these events, but I never tire speaking about it with our colleagues and sharing the importance of it and how proud we are of our success. We recommit our efforts in the month of November to make the way easier, to reduce the barriers that still exist, to recommit our energies to the fact that it should be a God-given right, I believe, and one that we should support for every child to have a family.

God did not create human beings to raise themselves. It just is not possible to do that. Every human being needs to be raised by another human being in a very loving and nurturing way.

For many years, unfortunately, we have had this idea that governments can raise children. Governments cannot raise children; families raise children. Or that some children are damaged goods and they can just raise themselves. No child is damaged goods. Or that children in some way can wake themselves up in the morning even at 3, 4, 5 years old, get themselves dressed, get themselves off to school, feed themselves, care for themselves, protect themselves. It does not happen without a nurturing adult.

Our idea is to talk about the fact that every child deserves a family on which they can count, a family with at least one loving adult, if not two, who will love them, nurture them, protect them, raise them, and give them the opportunities to which they are entitled. We recognize that while we have a lot of successes, we have a long way to go.

Let me share just a few successes. Last year, in 2000, nearly 50,000 children were adopted out of foster care, a record number. That success is built squarely on the shoulders of what President Clinton and Vice President Gore, and now what President Bush and Vice President CHENEY, have committed, which is to help invest resources and help write policies and laws that promote adoption in this Nation.

This represents a 78-percent increase over 1996. There are not many pro-

grams run by the Federal Government, the State governments, or, for that matter, private-sector initiatives or enterprises that can boast of a 78-percent increase. We are proud of our work at the Federal level working with our State governments and, in many instances, faith-based organizations and nonprofits promoting adoption.

Second, because of the work this Senate did, we passed the first international treaty on adoption last year called the Hague Treaty, which is now being ratified and signed by many nations in the world. I specifically thank Senators HELMS and BIDEN for their extraordinary leadership.

While many of the children who are adopted in the United States are born in the United States and then come to families through a domestic system, a growing number of children are coming into this country from other countries, such as China, Russia, countries in South America, and countries in the Mideast.

As this treaty is adopted and embraced by many countries, we are hoping the world—some developed nations, some underdeveloped nations, some nations that are Christian in their outlook, some that have other religious leanings—say with one voice: We believe the world community has a responsibility to see that every child in this world has a home. We wish that every child could stay with the parent to which they were born. That is our greatest hope. We wish we could fix every problem that a family has so those children can be raised in that home into which they were born.

There are terrible circumstances. There is alcoholism, drug addiction. There is abuse and neglect and mental illness and war and famine that separate children from their birth parents. So we cannot leave those children. We cannot say to them: Raise yourself. We have to have international laws in place and policies in place that help to heal that, to give those children, if they cannot stay with their own parent, to be able to have some kind of family to call their own.

I cannot imagine living without having a mother or a father, someone to pick up the phone, even at my age, at any age, to be able to not have someone you can rely on to give you a reference point and stability in your life.

Without this Hague treaty we passed, there are millions and millions of children who will never find a home. Our great hope is this treaty will be implemented with all haste. The State Department is, unfortunately, quite busy with the war effort now, but as soon as it can give its attention, Secretary Powell has assured me he is going to provide the resources necessary to the State Department to get this new system set up. I think it would be welcomed around the world.

The third success we have had, and on which we continue to work, is an

adoption tax credit. If we can give tax credits to some major corporations in this world worth millions and hundreds of millions of dollars, we can most certainly provide tax credits to families who are not wealthy, who live paycheck to paycheck, whose paychecks might be small but their hearts are large, who have loving homes and they want to take a child in.

It is very expensive to raise a child. So the \$10,000 tax credit we can give by doubling the current tax credit and making it permanent will say the Government believes if a private citizen or a family takes a child in through adoption, they are entitled to have some of those expenses written off and we thank them for the contribution they are making to that child's life and we thank them as taxpayers because the taxpayers have to pick up the tab for the raising of that child at higher rates of reimbursement, sometimes as much as \$100 a day for emergency placement or extraordinary fees paid through government agencies. So we are saving ourselves money.

The Senator from Texas, Mr. GRAMM, was wonderful when he spoke about this. When I said the scoring mechanism made us say this tax credit would cost the taxpayers money, he and I entered into a colloquy and we rejected that notion, although technically we were not successful in that, by saying for every dollar we give out in a tax credit, it probably saves \$10 to the taxpayer because these children come off the public roll, come into the loving arms of a family willing to spend the time and basically put sweat equity into the raising of this child, and we are forever grateful. Our tax credit is passed and we now need to make it work for foster care children.

Additionally, the Presidential candidates in this last election, I think for the first time—in my lifetime for pretty certain, and maybe in the history of the country—made adoption a central component of their Presidential platform. So this issue is gaining in strength and is becoming part of the American psyche and conscience, and we are very grateful for that success.

Secondly, while we are very excited and passionate about these successes, we also have a great challenge ahead of us. There are still today 570,000 children in foster care in the Nation, more than half a million children. These are children who have been taken away from their birth parents for many good reasons. Hopefully, many of them will return to their birth parents in an atmosphere of safety and security, but the parental rights of some of these children must be terminated because they are at risk, their life is at risk, unfortunately. There are about 130,000 of these children of all ages and shapes and sizes and colors who are waiting to be adopted today.

I want to share in a couple of weeks from now that we are going to host a

major national event in New Orleans. We are pleased to host this event. We are excited about hosting it. I am going to be there, along with my senior Senator from Louisiana, at the Super Bowl. We are going to be in a stadium. It is called the Dome Stadium. We are proud of it. It is one of the finest stadiums in America. Eighty-five thousand people can fit into this stadium, and there is going to be a record crowd for that event. There will probably even be a few people standing in the aisles.

The only thing that would make it better is if the Saints were playing in the playoffs and the championship. Maybe that will happen. Anyway, this event is going to take place. When it does, I want people to hear this message and my colleagues to think about the fact there are more children waiting to be adopted in the United States than could fit in every seat in the Dome Stadium, in the aisles, and crowding around the concessions.

So when my colleagues see that panoramic, beautiful view of the Dome Stadium, I want them to think about the fact that in every seat there could be a child saying: All I want is a mother or a father or a family to call my own. I am alone in the world. I need someone to help me.

I want to show some pictures and tell some stories of two of these 130,000 children. This is Joshua and Tiffany. They are twins. They are fraternal twins. They are 5 years old. They are beautiful children. They were born premature, as many millions of children are born premature, some extremely so. They have some developmental delays, but they are generally healthy children. Their favorite cartoons are Barney and Teletubbies. I understand 5-year-olds. I have Mary Shannon who watches not too much television but enough to know who Barney and Teletubbies are.

They say in their bio their favorite snacks are cookies and they love ice cream, but what they really want is a mother and a father to adopt them. They are available for adoption. They would love a family. These children are born healthy and they would be two of the children sitting in those seats in the Dome Stadium. I hope somebody will want to take them in. The government has to do a better job of connecting these children to the waiting families who are out there, and I think we are on the track to do that.

Let me show another picture. This is a precious little girl, as are these two. Her name is Cheyenne. She is from Louisiana. Cheyenne is 6 years old. She was born in 1995. She is bright and charming. She wants to be part of a family. She has beautiful blue eyes. They say in her bio she is a little shy, but if I did not have parents, I might be a little shy, too, because it is your mother and your father who help you

to learn how to communicate, learn how to talk to people.

She enjoys active sports. She does not have a family. So if we could be a little more enthusiastic and committed to helping in terms of all the things we are doing, we can help Cheyenne find a family perhaps in Louisiana.

I see my colleague from Arkansas who has done some beautiful work in this area, as well as my colleague from Virginia.

If we can find a family for Cheyenne so she has somebody to count on and depend on, that is what this is all about.

One of the things we are working on—and, again, there are 160 members of our coalition on adoption; that number is growing—one of the projects we hope to have funded this year is an extension of what we call Faces of Adoption. It is an Internet site. Anyone can log on the Internet at www.adopt.org. This site is funded by the Government in partnership with all of our State agencies, with a nonprofit organization out of Philadelphia, the National Adoption Foundation, which has been sort of the lead nonprofit. I thank the President for putting money in his budget so by the year 2005, if we fund it, we will have pictures and information about every child waiting, like Cheyenne, like the twins, like the other children, some of whom are perfectly healthy, some of whom have challenges. There is not one who would not be wanted by some family in this country.

I am very excited about new technologies that can help connect these children to families. We say there are no unwanted children, there are just unfound families. We should thank the Lord for the new technologies that enable us to tell these children's stories to families and to say that while everybody thinks they want to adopt an infant, and it is wonderful to adopt infants—and we did that in our situation—there are children of every age, every race, every background who could fit beautifully into a family.

I want to share one of the other great successes with my colleagues. It is called Angels in Adoption. So many in the Senate, and I think so many of the people in my State and around the Nation, are angels because they do help to find homes for children and take children into their homes. We call them angels. I don't know if the camera can show my angel pin was designed by an artist in Louisiana, Mignon Faget. We give this pin to the Members of Congress and to our award winners in our States. I will talk about Angels in Adoption.

We were scheduled to do this event on September 11. It was planned a year ahead of time. We had thousands of people in Washington that night for this event. We were going to present these awards to these people. I see my

colleague from Idaho; he was going to be cohosting the event on September 11 with me. Of course, we know what happened on September 11. I spend just a moment to say what would have been said that day, but events prevented going forward with the event.

For the record, let me cite some of the people who would have received the angels award. The idea is for every Member of Congress to find one person in their district—it could be a parent who adopted a child; it could be a judge who works overtime and gets into the office early or stays late or takes a couple of cases extra to help make sure that child gets the home they deserve; it could be a local attorney who does it pro bono but really believes in adoption so he or she gives their time; it could be a church that has taken this as a special mission in their community. The Members of Congress give out these awards I cite for the record.

My award would have been given to Volunteers of America in north Louisiana, a nonprofit that has placed 2,500 children in homes in Louisiana and actually some in Arkansas and in our surrounding region. The reason I decided to give my award to the volunteers was that their board created a video which I saw. I was very moved. It was a story of a birth mother and father, a young couple who just were not quite ready, didn't have the resources or the maturity to raise a child. They made a courageous, selfless, and loving decision to give their child to a family who was desperately wanting a child, to provide a home. That video was so moving and would be such a good example for so many young people to see, I thought they should be given an award so we could distribute that video to communities around the country.

Second, Representative JIM MCCREERY from Louisiana would have given his award to Lillie Gallagher who is an angel in the outfield in Baton Rouge, LA. She is director of St. Elizabeth's, a foundation that was created because an individual—a man—went on a retreat. He believes in prayer. God gave him a vision to create an agency. He did it with his own money and his friends. That agency, without government support, has helped place hundreds of children. Lillie contributes tremendously as the original founder and director of that agency. So she was presented an award. This is just an example.

Senator John Breaux would have presented his award to Linda Woods, a birth mother and an adoption advocate in Louisiana. She has been active on many boards and commissions. Linda is an Angel in Adoption.

And finally, one of my favorites, although it wasn't my award, was the award given by the Congressman from my State, CHRIS JOHN from Lafayette, to Kaaren Hebert. I want to talk a minute about Kaaren because she is an angel whom I hope others emulate.

Kaaren is a young woman. She works for the State of Louisiana. She is a government employee. She is fabulous. She worked in a small parish in Louisiana and was so recognized for her work that she was awarded and given a promotion to be a regional director. So she moved up to be the regional director in Lafayette, which is in south Louisiana. It is a beautiful city. About 250,000 to 350,000 people live in the region. Kaaren, under her leadership, had in 1997 35 adoptions in that region. In 1998, there were 43 completed adoptions. In 1999, there were 66 completed. Under her leadership, she has placed over 459 children out of the Louisiana foster care system into homes in Louisiana. Some of them were placed out of State.

If every government worker did the job that Kaaren did—just 85 percent of her work, not 100 percent—I would estimate there wouldn't be any children waiting in this country, if everyone were as conscientious and as gung ho and as wonderful as Kaaren. She most certainly deserved an award, and she got it, although not publicly because of what happened that day.

I wanted to share a few of the angel stories. But there are remarkable stories from every place in the Nation. We hope the press will write about the stories so it will encourage other people to join in and help.

Finally, several Saturdays ago was National Adoption Day. On that day, 1,000 adoptions were finalized in capitals all across the Nation because the judges and family courts have decided to come together and try to promote adoption on one day.

Finally, I end by thanking my colleagues for their work, acknowledging my wonderful partner, LARRY CRAIG, a Senator from Idaho, as we cochair the adoption caucus in the Senate, and I thank the Senator from Arkansas, the Senator from Virginia, and the Senator from Indiana for their good work and say as we celebrated Thanksgiving last week and as we celebrate Christmas, let us recommit ourselves to the idea that these celebrations aren't really worth having, if you think about it, if you don't have a family with whom to celebrate. Nothing, to me, would be sadder than to have no place to go on Thanksgiving or Christmas. I guess because I come from such a large and loving family, the thought of it is so alien to me, I cannot quite grasp it. But I know there are in this world millions of children who not only have no place to go on Thanksgiving and Christmas, but they have no place to go any day. They put themselves to bed and sleep at night by themselves. I hope we will remember them. Think about their pictures, like Cheyenne. Think about so many of them who just need our people and every government official in this Nation, at the Federal, State, and local level, to do more than we do, including

myself. I recommit myself to do this work even harder during this next year.

I thank my colleagues for their work in this area and I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I wish to commend my distinguished colleague from Louisiana. I have been privileged to serve here many years in the Senate. In the 23 years I have been here I do not know of a single Senator who has ever taken the depth of interest and time and commitment to this ever growing, important subject in our land.

This is not politics. This is not partisanship. This is plainly, simply trying to help those who, for many reasons, are less fortunate than ourselves. I commend the distinguished colleague from Louisiana.

Madam President, I would like to address the Senate briefly on the question of the agriculture bill. The distinguished Senator from Indiana is managing this bill from our side. He and I have been discussing an issue with regard to the peanut section of the bill.

Throughout my career here in the Senate, I have worked with those Senators from the areas in which peanuts have been grown and hopefully will grow in the years to come. We have always been able to reach a meeting of the minds to try to provide, not a tremendous profit, but a reasonable profit for the arduous work of growing peanuts.

In my lifetime I had the opportunity to own and operate several farms. In many years we had a small peanut patch. It is not easy to grow those peanuts. It requires a lot of manual labor. There is a constant battle with disease. Now we see a bill before the Senate, indeed one was before the House, which fractures the coalition of States that for so many years have joined together to ensure that our respective peanut growers have a fair share, an opportunity to have the benefits provided by law for those who toil in the most respected profession of agriculture.

Somehow that fracture, in my judgment, seems to hurt Virginia very severely. Virginia prides itself in growing a specialty peanut. Small family farms in rural areas. I have always enjoyed traveling through those areas. You see the old silos, the old barns, in many parts of the State the old farm machinery. But they are very proud of their operations, whether it is a half acre or 500 acres—whatever it may be. Oftentimes, generations pass down to future generations the various plots of ground on which these peanuts have been grown through the years.

We recognize that as things have changed in this country, more and more we try to establish agriculture on its own two feet, independent from sub-

sidization. We have done our best to preserve the ability of these families to continue to raise peanuts.

Virginia, again, grows a specialty peanut. There is not a Member of this Chamber who has not at sometime enjoyed that rather large peanut. It is anywhere from about three-eighths an inch up to a little bigger than a half-inch. It is quite white after it is finally processed for consumption.

By and large, the specialty peanut is served in dishes and bowls where it can be seen. It is such an excellent peanut. But it is costly to grow this peanut. It has such extraordinary quality it really is not economical, in many ways, for them to break it up and put it into candy and cover it with chocolate. Very little goes into peanut butter. Because of the quality and flavor, and indeed the visual aspects of this peanut are so wonderful that it is served on the family table, particularly at festive times of the year. At Christmas, I would bet half the tables in America will have the quality-type peanut grown in this segment of our country, primarily Virginia, some in North Carolina, some in the other States.

Farmers in Virginia are the ones who are, in terms of the numbers of farmers in it, perhaps the most concentrated in this specialty peanut. This legislation, unfortunately, leaves them behind—and I think unfairly. That is the principal thrust of my comments—fairness. I want to see that our farmers are treated as fair as the other peanut farmers, and that they get a fair return for this particular peanut.

These rural areas are suffering from a loss of jobs. Young people are moving on to other areas of our State and elsewhere seeking jobs. If we do not correct this inequity with regard to the production of these specialty peanuts in Virginia, these rural areas are going to suffer an economic loss, one that on the horizon we do not see a recovery to provide the jobs that will be lost in this peanut industry if this bill is passed as it now stands goes through.

The particular farm bill on which farmers all across our country are operating today does not expire until next September. Yet, for some reason, those who drew up this peanut provision said once the Presidential signature is affixed to this piece of legislation and it becomes the law of the land, the programs under which our peanut farmers have operated since the 1930s are gone. And such support as they receive, really what we call the no-net-cost-to-the-Federal-taxpayer-program, is gone.

At a minimum, it would seem you would allow the peanut farmers in Virginia and elsewhere to finish out this growing cycle, a cycle that started first with the decision of the various farmers not to go for another crop, go to their bank, make their commitments for financial resources, and

begin to till the ground and put the necessary fertilizer and other nutrients in that soil to raise next year's crop. Now all of a sudden, bang—the program stops. That is not the type of fairness our Congress wants to inflict on this very small number of farmers.

I will urge and continue to work with the managers of this bill in hopes that, at a minimum, we can have such effective date of the legislation to enable the farmers to continue this growing cycle under the existing farm bill until it expires next September.

I thank my colleague, the distinguished Senator from Virginia, Mr. ALLEN, who spoke on this earlier.

I yield the floor.

COMMENDING SENATOR LANDRIEU

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Madam President, before I begin my remarks I would, as the distinguished Senator from Virginia did, compliment my colleague from Louisiana who has tirelessly involved herself with the issue of adoption, making it more acceptable, more reasonable, and easier to work through in this Nation. She has done a fabulous job. She has provided leadership and compassion in this area, and I have been delighted to work with her, to learn from her, and to share in the experiences that she can bring back to us in this body to help us, in this great Nation, improve the laws of the land that can reach out to the smallest of our constituents to make their quality of life just that much better, providing a loving home and the support they need.

I wanted to compliment her on her work and encourage her as she has rededicated herself today. I, too, rededicate myself to the issue of adoption and working with our States and families across this Nation and other legislators to improve the approach this government takes on adoption, and to making it a much easier, simpler and encouraging process.

Madam President, I rise today to add my voice to those in support of this year's farm bill, and to encourage my colleagues to join me in bringing this bill to the floor as quickly as we can.

For the last 5 years, our farmers have worked to make ends meet under incredibly difficult circumstances. As prices for equipment, fertilizer, energy costs, and other inputs have skyrocketed, the returns have plummeted. Every year they have harvested their crops without knowing if they will be able to afford to plant another crop in the next growing season.

When I was in the House of Representatives, I opposed the 1996 Freedom to Farm bill because it did not provide adequate support for our farmers. It provided flexibility, and it provided policy—but policy that was dependent on other areas of government for which we did not have the wherewithal to provide the support.

Since that bill passed, farmers in Arkansas and around the country have been in limbo every year waiting for Congress to pass emergency spending bills because the existing farm policy was absolutely inadequate. The United States has the safest, most abundant and affordable food supply in the entire world. But if we are going to ensure that safety and abundance, we must invest in our farmers and rural communities, and we must do it immediately.

We desperately need a farm bill to provide a dependable safety net that ensures not only the financial viability of our farmers but also the viability of local bankers, merchants, and other rural and small town institutions that depend on a safe farm economy.

We need a farm bill that will improve and stabilize farm income by continuing fixed income payments and creating a countercyclical income protection system.

We need a farm bill that creates new conservation incentives and increases acreage for existing programs, such as the CRP, our Conservation Reserve Program; the WRP, the Wetlands Reserve Program; the Equip Program; and many other proven programs that allow us to take marginal lands out of production to use our own resources in our farming operations to be better stewards of the land, and to be more productive in our production.

Rural communities across the Nation will see the benefits of a new farm bill.

As we move forward, we need a farm bill that will spur rural development and expand broad-band access to our rural communities so they, too, can compete in this global economy, and so our producers can access the very Government programs that we want to provide them.

As we have tried to minimize Government in bringing it down and making it more efficient, we are dependent on technology. Yet many of our rural communities can't access the very technologies we are expecting them to use for the programs that the Government provides their producers.

We need to increase funding to land-grant colleges. And we desperately need to improve nutrition and food aid programs, energy conservation programs, and forestry initiatives.

We need a comprehensive package for our farm economy and for rural America. We have produced a good, solid, comprehensive package out of the Senate Agriculture Committee.

This past year, I begged my Senate colleagues to focus on our desperate need for new agriculture policy in this country.

This past year, I have also urged my colleagues on the Senate Agriculture Committee to work hard together to deliver a new farm bill this year—something on which producers can depend, something with which they can go to the financial institution to ask

them for the ability to put next year's crop in the ground.

It is time for us to make that happen, and we can. In these few short days that we have left, we can bring about good, comprehensive, constructive agriculture policy that will help the producers of this country and that will allow them to continue to be the producers of the safest, most affordable and abundant food supply in the world.

But it is going to take us coming together, working hard, and focusing on what we need to complete before we break for the holiday.

I am proud to stand up today for American farmers. I am proud to stand up before my colleagues and beg them to come together and bring about a comprehensive policy that will allow the agricultural producers of my State and other States across this country once again to go back to doing what they do best; that is, producing that safe and abundant food supply in a way that they can be assured their Government is providing them the safety net they need to be competitive with other farmers, and particularly other governments across the globe.

As we look at the export assistance numbers across the globe, we can see that the European Union is consuming about 80-plus percent of the export subsidies worldwide. Our farmers are not competing with other farmers. They are competing with other governments, and it is now time for our Government to stand and say we are going to provide the safety net, and we are going to provide the Government assistance in working with our agricultural producers so they, too, can be competitive.

Today, I urge my colleagues to join me in supporting a farm policy that works for working farmers—a farm policy that we can conference with the House and get a good, solid, comprehensive bill to the desk of the President so we can once again have good, solid, agricultural policy on behalf of the many hard working men and women on family farms today and across this Nation.

Thank you, Madam President. I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Thank you, Madam President.

EXPIRATION OF ATPA

Mr. GRAHAM. Madam President, I am here this evening with a tinge of sadness. At midnight last night, one of the most important and successful efforts in the United States to build better relations with our neighbors in Latin America expired. After 10 years of successful service to the United States and the four countries of the Andean region—Bolivia, Peru, Ecuador, and Colombia—the Andean Trade Preference Act expired of its own accord last night, and the Congress has not allocated the time necessary for its extension.

This landmark trade agreement, which was passed in 1991, has helped the United States and these four countries to develop legitimate, strong, expanding commercial ties, and it has contributed substantially to the goal of stabilizing the economies and political systems of these four countries by encouraging a diversification of their economies.

To look backwards, in the last full year before the Andean Trade Preference Act was passed, the United States imported \$12.7 billion from these four Andean countries, primarily in traditional agricultural commodities such as coffee and bananas.

In the year 2000, the United States imported \$28.5 billion from these countries—a 125-percent increase. Much of this increase was in new and frequently nontraditional areas of economic activity for these four countries.

To mention one example, the cut-flower industry hardly existed in terms of its imports into the United States prior to the Andean Trade Preference Act. In 1991, the year before ATPA took effect, the United States imported \$220 million in flowers from the four Andean countries. In the year 2000, the United States had more than doubled that amount to over \$440 million worth in flowers.

The flower industry is particularly important because it is a very strong job generator. I have been told that, on average, for every hectare of land that is committed to flower production in the Andean region, there are between 5 and 10 persons employed to work those flowers and to bring them into full blossom and ready to be exported not only to the United States but increasingly to the world.

The United States has also been a significant direct beneficiary in that we have substantially increased our exports to the Andean region. Over the last 8 years, those exports have grown by 65 percent, to a total of \$6.3 billion in 1999.

As one visits the Andean region, they are struck by the prevalence of U.S. products—everything from the yellow diesel equipment, Caterpillar, to telecommunications equipment made in the United States.

Given the clear value this program has had for the United States and our four neighbors in the Andean region, it is a sad commentary that after 10 years of success we have allowed this program to expire. It also ought to be a strong motivation for us to say we shall not conclude this session of Congress without extending this program and expanding the program so that it will yield even greater benefits to the United States and to our Andean neighbors.

I filed legislation in the last Congress and again in this one which has that objective. I am pleased to report that the Senate Finance Committee, last

week, reported favorably the legislation which will extend and expand the Andean Trade Preference Act. The House of Representatives has already adopted a similar piece of legislation. I hope in the next few days the Senate will do likewise, and we can move quickly to resolve differences between the two Houses and send this legislation on to the President to be signed.

I also am very hopeful we will make this legislation retroactive to midnight of last night so there will not be a hiatus in the benefits which have been available for a decade.

Why is all of this important to the United States beyond the amount of direct economic benefit? It is important to the United States because the United States has a stake in what happens in this region of the world—a region that is so close to us.

If we are serious about halting the flow of illegal drugs into the United States, we must be concerned about the Andean region because over 80 percent of the cocaine that comes into the United States, and an increasing proportion of the heroin that comes into the United States, comes from this region. If we are interested in building strong democratic capitalist institutions, we should be concerned about this region.

Colombia has had one of the longest democracies in South America. It has been a role model to other countries in the hemisphere. But Colombia, as well as its neighbors, has faced unusually stressful and challenging situations over the last decade. The Andean Trade Preference Act has been a source of stability in a region which has frequently been in turmoil. If we are steadfast in our war against terrorism, then we must be concerned with what is happening in the Andean region.

Some of the most violent terrorists in the world are in our own hemisphere. The guerrillas and drug traffickers who are waging war on civil society in Colombia are some of the most vicious in the world. What many Americans fail to recognize is that the largest single source of terrorist attacks against Americans in the world is in the country of Colombia.

In the year 2000, over 40 percent of the incidents of terrorist attacks against U.S. citizens and U.S. interests were in the country of Colombia. Unfortunately, that violence in Colombia is spilling over to its neighbors, especially Ecuador.

I am concerned that we have already taken a step back from our commitment which the Congress made just a year ago through Plan Colombia, a commitment that was to galvanize the international community with Colombia in a major effort at rolling back drug trafficking, guerrillas, and terrorism. One year later, we in the Senate, by a 22-percent margin, have cut the funding for the Andean Regional Initiative.

I hope before we vote on the foreign operations conference report the negotiations between the Senate and the House will result in a significant restoration of those funds not only because the dollars are needed in order to accomplish their important objectives but also because of the symbol that those dollars represent in terms of our commitment to a long-term war against terrorism.

The Senate must act rapidly on this legislation so the people of this region will have confidence in our reliability as a neighbor and partner and that they will have incentives to develop legitimate economic alternatives to the production of drugs and other illicit activity.

It has been estimated that in Colombia alone, if we were to be fully successful in our efforts to rid that country of the scourge of drug production and trafficking, some 400,000 Colombians would be without a livelihood. It is important that we be a partner not only in the eradication of drugs but also in the provision of legitimate, lawful employment to replace those 400,000 illicit jobs.

I would point to the fact that the legislation I hope we will soon be considering is not just a replication of that which passed in 1991. There have been significant changes in the political and economic landscape of the Andean region since that initial enactment.

To mention one of the most significant of those changes was last year's passage by the Congress of the Caribbean Basin Trade Partnership Act of 2000. This was important to the Andean region because it changed the competitive playing field between the Andean region and the Caribbean Basin.

The 2000 legislation—the Caribbean Basin Trade Partnership Act—gave to the countries of Central America and the Caribbean, which participate in the Caribbean Basin Initiative, parity with the benefits that had earlier been offered to Mexico under the North American Free Trade Act. The effect of this has been to change the competitive position between the Caribbean Basin and the Andean Trade Pact.

In one of the most critical areas, which is apparel assembly, today most apparel in the Caribbean Basin will come into the United States duty-free, while the Andean region will still be paying, on average, a 14-percent duty for the same assembled items. There have been fears that that differential—zero from the Caribbean; 14 percent from the Andean region—could result in as much as 100,000 jobs lost in Colombia alone, lesser amounts in the other three Andean trade countries.

That would go in exactly the opposite direction of what we should be doing in terms of encouraging more legitimate jobs in the region as an alternative to the licit jobs in the drug trade. We are seeing the effects of that

14-percent differential. In May and August of this year, imports of apparel from Andean trade countries declined 6 percent over the same period just a year ago. Through that same period, imports from the CBI countries have increased over \$47 million. We are already beginning to see some relocation of industrial activity out of the Andean region into the Caribbean.

I was the sponsor of the Caribbean Basin legislation in 2000 and have long been a supporter of our relations with that region of the world. We must not continue to help one region at the expense of the other. We must have a trade, economic, and foreign policy perspective that treats all of our neighbors with respect and equality.

I would like to point out that there is not only a past and a future in the United States relationship with the Andean trade region, but there is also going to be a past, a present, and a future. That future is that it is critical that we prepare for the year 2005.

What is the significance of the year 2005? The significance is that in the major area of job creation and promotion that we can influence in this region, which is primarily in the apparel assembly area, we are going to lose the protections we have had over the recent past.

A little background: For much of the past several decades, there has been an international agreement called the multifiber agreement. That agreement has restricted the number of specific apparel items which any individual country can ship into the United States. Under that agreement, for instance, the country of China is limited as to the number of shirts and blouses and other items it can import. Those numbers are substantially below what its capacity to produce is.

Because of that, the differential in the cost of production between Mexico and the Caribbean and the Andean region and the Far East has been kept within tolerable limits. The concern is that as soon as that multifiber agreement lapses, which will occur in the year 2005, there will be the potential that the United States will be swamped with apparel products from Asia with which our neighbors in Mexico and the Caribbean and the Andean region cannot compete.

Therefore, the next few years are critical in our urgency of developing a more efficient and productive industry and a partnership between the U.S. textile capability, because virtually all of those assembled items are assembled from U.S.-grown fiber and U.S.-spun textiles, which are then assembled in either Mexico or the Caribbean or the Andean region. We must make that partnership of American textiles and near-neighbor assembly sufficiently efficient that it can survive in a post-2005 economic environment.

We need to start that process as rapidly as possible in all areas. We have

already done it with Mexico and the Caribbean. Now we must turn our attention to the Andean region.

One final point: Our office is receiving calls from a wide variety of businesses, both in the United States and in Latin America, complaining that they will be subject to increased duties starting today, December 5. Many of these companies deal with perishable goods, including cut flowers and vegetables, that cannot be held for days or weeks while Congress deliberates.

I would like to make it clear again that it is my intention and hope to work to assure that the current ATPA benefits will be retroactive from the date of enactment of any legislation to midnight of last night. That would mean that any duties collected in the coming days by the Customs Service would be refundable.

We recognize that the confusion and inconvenience this situation will create will result in some dislocations and some abrasions between our country and these four good neighbors. I wish it could have been avoided. What we can do today is commit that we will make this period as short as possible and we will make it as painless as possible to all involved.

The old cliché is "trade, not aid." That is not a cliché but a truth that has worked in the Andean region to our benefit and to the benefit of our four neighboring countries. The United States has been a powerful beacon for open markets and strong free trade and a capitalist economic system as a fundamental foundation under democracies. Now it is our challenge to rebuild that foundation in a deeper and expanded form for our relationship with these four neighbors in the Andean region. I hope we will get about that business of foundation building as soon as possible.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, I appreciate very much the words of the distinguished Senator from Florida. I share his feelings completely. We had the privilege in the Foreign Relations Committee of having a meeting with the President of Bolivia just this morning. President Ramirez is in Washington to meet with President Bush tomorrow.

Obviously, the President of Bolivia, an extraordinarily talented person, a great leader in South America, expressed very considerable anxiety over the end of the Andean free trade situation. Bolivia has taken extraordinary steps against the drug trade at great cost but with great effectiveness. Our foreign policy really depends upon the support of extraordinary leaders such as the President of Bolivia.

The words of the Senator from Florida are timely, and his leadership on this issue really has been exemplary. I congratulate him and look forward to working with him.

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.

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

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

HEALTH CARE AND NEW YORK DISASTER NEEDS

Mrs. CLINTON. Mr. President, I appreciate the opportunity and thank the distinguished ranking member on the Agriculture Committee for the chance to come to the floor and speak about a matter of great concern and urgency to my State. I also commend the Senator from Indiana and the chairman of the Agriculture Committee for their very hard and diligent work on the bill we are considering.

I turn our attention, as I have on numerous occasions over the past weeks, to the situation in the State of New York following the attacks on September 11 and the extraordinary damage inflicted on the infrastructure, on the economy, and most especially on the lives of New Yorkers.

I commend Senator BYRD and the Appropriations Committee for the extraordinary job they have done in marking up the fiscal year 2002 Defense appropriations bill which addresses not only the pressing national security and defense needs of our Nation but also marks a significant step forward in addressing our homeland defense needs, as well as the specific needs related to the cleanup, rebuilding, and revitalization of the city of New York.

Just days after the horrific attack on September 11, just over 12 weeks ago, President Bush told a joint session of Congress: We will rebuild New York City. The President's Budget Director weeks later said: The President's pledge of \$20 billion is an absolute guarantee, and it is likely to be more.

We have collected quotations from other leaders. It is very gratifying to me that Senator BYRD and the Appropriations Committee have moved forward to fulfill the promises and commitments made to the people of New York. I personally thank and commend Senator BYRD for balancing the needs of our country with the need to be prepared in the face of terrorism, to rebuild the financial capital of the world, New York City, and to be fiscally responsible—understanding if we don't get our economy going, if we don't proceed, it will cost more later. I also thank the Appropriations Committee staff, especially Terry Sauvain and Chuck Kieffer and Paul Carliner on Senator MIKULSKI's staff who have given my staff and myself so much assistance in the weeks since September 11.

The bill reported out of committee is just the first step. As we go to the floor, which could be as early as tomorrow, I hope my colleagues understand

and appreciate we are fighting a war on two fronts. We have to fully fund the important defense needs of our Nation, and we have to fully fund, beginning with the Appropriations recommendations, the homeland security needs and New York City's needs.

I will speak today particularly about the health care needs of New Yorkers and Americans in the aftermath of this disaster. The essential services that hospitals and health care workers provided throughout the World Trade Center disaster demonstrate how much we depend upon our health care system all the time, but particularly in a time of need. New York's hospitals and hospital workers pitched in heroically during the emergency, not only on the day of September 11 but on the days and weeks following. They worked around the clock. They operated on backup power systems, without phones and other utilities. Health care workers jeopardized their own lives to be at their stations. Hospital personnel provided supportive services to community members and hospitals that were right there at ground zero. St. Vincent's and NYU Downtown not only cared for the injured but provided meals for rescue workers, took meals to elderly residents who were trapped in their apartments. They served as the backbone of the care and support system we relied on during this crisis while suffering their own structural damage. NYU, for example, lost its data center, and therefore its billing capacity. In effect, that was a fitting metaphor for how these hospitals operated: According to their mission, not their bottom line. They did not begrudge the costs of clearing hospital beds. They did not count the costs of bringing staff in on highest alert on overtime pay. They did not stand at the door of the emergency room asking to see people's insurance cards and sending them to a line to get their applications filled out.

They incurred security expenses. They depleted stockpiles of emergency supplies, pharmaceuticals, and blood. They provided disaster counseling services as well as emergency food, housing, and transportation. They also incurred expenses on emergency telecommunications and backup generators. When they ran out, they had to purchase and rent equipment. They had to set up an emergency morgue. They incurred so many extraordinary costs, and it is in part to alleviate some of those costs that we have a special provision in the appropriations for hospital costs that were incurred during this disaster.

But the disaster has had a devastating impact, not only on providers but on health coverage as well. One of the most unfortunate consequences of the disaster, combined with the economic downturn, has been the impact on workers. Many workers in New York

City saw their jobs just vanish in the rubble of the collapsed towers. Thousands more throughout the city and State lost their jobs because of the aftershocks of the disaster. Then it spread out around our country.

The unemployment rate nationally has gone up half of 1 percent—faster in 1 month than at any point in the last 20 years. In New York City, of course, the problem is exacerbated. In the span of 1 month, unemployment rose 1.3 percent, more than twice the national rate.

This is a picture of a recent job fair. Here you see people scrambling for their livelihoods, for their families' economic survival, but with limited opportunities in a recessionary economy.

The headline from the San Antonio Express News, October 18:

New York job fair sends thousands away; Arena isn't big enough for crowd.

The New York Department of Labor has estimated that 250,000 New Yorkers will be out of work by year's end. Based on what we know about the rates of health insurance among the jobless, the majority will lose their health insurance.

While some may be able to rely on Medicaid, estimates show that 100,000 of these displaced workers will end up uninsured. This is true across the country. We know that more than two out of five Americans who lose their jobs lose health care as well. That inflicts a double blow. It is my hope that in the coming days we can address some of these pressing economic and health care needs, not only for New Yorkers but for all Americans, first through supplemental appropriations, then through the stimulus package.

The proposed Senate economic stimulus package reported to the Senate floor would provide additional help for displaced workers who are eligible for COBRA continuation but cannot afford to use up over half of their unemployment check each month just for health insurance. The proposal would cover 75 percent of the cost of COBRA, making it affordable for far more unemployed families. This would mean we would see that approximately 457,000 temporary unemployed workers and their families would be covered. Currently the COBRA premiums, which average over \$7,700 for families in New York, are unaffordable without some additional help.

But we also know that many workers in small businesses are not COBRA eligible. In New York, 25 percent of workers are employed by small businesses not covered by COBRA. The stimulus proposal addresses that gap by offering health coverage through a temporary State Medicaid option with an enhanced match to encourage States to provide the coverage.

We will see not only an effect on individuals and their families but also on State budgets. States expect to see an

additional 4 million individuals added to their Medicaid rolls. The number of children on Medicaid could rise as much as 11.3 percent.

Here you see on this chart the steady growth in Medicaid enrollments as unemployment rates grow. At a time when States are already reeling from reduced revenues, many of our States will not have the resources to meet this increased need. We already have heard troubling stories from our States. Tennessee is proposing to eliminate coverage for 180,000 Medicaid beneficiaries. Washington is considering cuts of 10 percent to 15 percent. California is talking about budget cuts of up to \$1 billion in Medicaid. Florida may eliminate coverage of adults with catastrophic health care costs. And Indiana has appropriated \$140 million less than is projected will be needed for Medicaid in that State alone.

So just when we have unemployment going up, revenues going down, many more people being thrown into the ranks of the unemployed, unable to keep their insurance, when we have 2.6 million more children having to rely on this safety net program, the States are in an impossible position, and it is a vicious circle because if they cannot provide at least some Medicaid funding, many hospitals will be forced to provide services the best they can, increasing their costs which will not be reimbursed. And we are into that vicious cycle where uncompensated costs create downward pressures on institutions such as hospitals that have to cut services even for the insured and have to turn away the uninsured.

Many States are going to be in that difficult position. I hope we are going to provide at least some temporary support through increased matching funds to help Governors be able to deal with the increasing health care costs.

I know in the State of New York we came up with a quite creative approach by creating something called the Disaster Relief Medicaid Program. It cut through all the bureaucratic redtape, cut the application process which many of us have been complaining about for years—cut it down to one page, allowed many needy people to skip over all those bureaucratic hurdles to be able to be eligible for Medicaid. It has been a lifesaver for a lot of our New York families.

We will not be able to continue that without some additional help. I think, actually, this program is a very good model we ought to look at in the future when we try to think of some permanent ways to provide more Medicaid assistance. But certainly this streamlined post-crisis process really did a tremendous job filling a breach that would have otherwise caused a tremendous amount of backlog and uninsured people not being given the health care they deserve to have.

Yesterday, Congressman PETER KING from New York, along with some House

colleagues, introduced legislation on the House side to hold States harmless if they were slated for what is called an FMAP decrease—in other words, the match they get from the Federal Government—and provide an additional two point increase to all States, with an additional 2.5 percent available to States with unemployment rates higher than the average across States nationwide.

I think this is a good short-term solution. It is also a good stimulus, if you can get money into the hands of people who need to spend it, as people who have health care needs have to spend it. But it is the right thing to do as well.

I urge my colleagues to support the kind of cobbled together approach that would give COBRA premium subsidies, would provide an increase in the FMAP, at least temporarily, to help out our States that are facing such revenue shortfalls, provide a Medicaid option for non-COBRA-eligible workers which will be not only important for our States and for our economy and our health care system but absolutely essential to so many of the workers who, since September 11, have been not only out of work but out of health insurance as well.

I thank my colleague, the ranking member of the Agriculture Committee, for his indulgence, in being able to address this critical issue that will come before us sometime in the next few days. I appreciate greatly the attention that can be paid to making sure we provide the kind of health care support that is needed at this time.

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

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

UNANIMOUS CONSENT AGREEMENT

Mr. REID. Mr. President, I ask unanimous consent that at 12 noon, Thursday, December 6, the motion to proceed to S. 1731, the farm bill, be agreed to and the motion to reconsider be laid on the table; that the Senate then proceed to the consideration of Calendar No. 254, H.R. 3338, the Department of Defense appropriations bill, provided, further that no amendments be in order to S. 1731 prior to Tuesday, December 11.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, the two managers of the bill, Senators HARKIN and LUGAR, are two of the prizes we have in the Senate. The debate has

been very civil, and they really look forward to going back to this bill. Debate on the bill should be one of the better debates we have had this year. I hope everyone who has concerns will get their amendments ready so we can finish this bill before the end of the year.

Mr. HARKIN. Mr. President, if the Senator will yield, I thank the Senator for working out this agreement and for getting us to cloture on this bill so we can proceed to the farm bill.

As my good friend from Nevada knows, people in rural America need this bill. They need it now.

The Presiding Officer also knows that his farmers in Georgia, and especially farmers around the South, are going to have to go to their banks pretty soon after the first of the year to get loans ready for planting their crops. Their bank is going to say: What are you looking at? What are you going to have next year? They will not know. Many farmers will be right behind them in about February and March. They will be going to their banks.

That is why it is so important to get this farm bill finished. As I said earlier today, and I say to my good friend from Nevada, right now we are facing over 54 percent less net farm income today than we had in 1995. We can't afford to wait any longer. We have a good bill. It is a balanced bill. We have worked out all of our agreements.

This is a good bill for all Americans. It is a good bill for farmers all over this country. It is a good bill for people who live in our small towns and communities.

I want to personally thank my good friend from Nevada, the assistant majority leader, for all of his help in getting this bill to the floor and for making sure we get this bill finished before we go home for Christmas. We are going to do that. We are going to finish this bill. We are going to have it out of here, and we are going to let the farmers of America know what they can count on for next year.

I thank my friend.

Mr. REID. Mr. President, the majority leader asked me to also announce that when we go to the Defense appropriations bill, we are going to complete it this week. He will certainly have more to say about this tomorrow. But this is something we have to do. People who serve in the Senate want to be out of here by a week from Friday, and we have to finish this bill so it can be taken to conference over the weekend and the conference report brought back prior to next Friday. I hope everyone will understand that.

As he said—I am speaking for the majority leader—we may have to work through the weekend. But if people have any hope of getting out of here by next Friday, they are going to have to really work with us and move this legislation.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination: Calendar No. 532; that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements thereon be printed in the RECORD, and the President be immediately notified of the Senate's action.

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

The nomination was considered and confirmed as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

John P. Walters, of Michigan, to be Director of National Drug Control Policy.

Mr. LEAHY. Mr. President, all of us have a strong desire to confront and conquer the scourge of drug abuse and the ways it ravages American lives, especially young American lives. The debate on how best to prevail in this struggle is well under way in communities and at kitchen tables across the nation. The President's nomination of John Walters to head the Office of National Drug Control Policy has been the most recent catalyst for this debate.

I voted against Mr. Walters' nomination in committee. In light of that, I would like to share some of my concerns about Mr. Walters in the hope that he will take them to heart, and that he will greatly exceed my expectations and the expectations of the other Senators who voted against him in committee.

I believe Mr. Walters was the wrong choice for this job, and that his sharply partisan approach to drug policy issues provides an imperfect fit for an era of growing bipartisan consensus about drugs. Indeed, his ideological bent is a hindrance when our efforts to prevent drug abuse call for cooperation and pragmatism. Until his confirmation hearings, most of the little he had said and written about drug treatment was deeply skeptical. He has focused primarily on the need to reduce the supply of drugs, too rarely focusing on the neglected demand side of the drug equation. He has also dismissed concerns about the racial impact of our current drug policies and the utility of mandatory minimum sentences. In short, Mr. Walters' public record does not inspire confidence in those of us who think Congress has occasionally made the wrong decisions in our attempts to prevent drug abuse.

I do not doubt Mr. Walters' intellect or the depth of his concern about our nation's drug problems. I simply believe that he is not the best person to coordinate our anti-drug efforts. We all agree that the fight against drug abuse is vitally important. We disagree only in the methods we choose to achieve our shared goal of a drug-free America.