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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable MARK DAYTON, a Senator from the State of Minnesota.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Father Paul Lavin, Pastor of St. Joseph's on Capitol Hill.

PRAYER

The guest Chaplain offered the following prayer:

Let us listen to the word of the Lord given us by David in Psalm 140:

"Deliver me, O Lord, from evil men; preserve me from violent men, From those who devise evil in their hearts, and stir up wars every day.

"Save me, O Lord, from the hands of the wicked; preserve me from violent men Who plan to trip up my feet—the proud who have hidden a trap for me; They have spread cords for a net; by the wayside they have laid snares for me.

"Grant not, O Lord, the desires of the wicked; further not their plans. Those who surround me lift up their heads; may the mischief which they threaten overwhelm them.

"I know that the Lord renders justice to the afflicted, judgment to the poor. Surely the just shall give thanks to your name; the upright shall dwell in your presence."

Let us pray.

God our Father, You reveal that those who work for peace will be called Your children. Help the men and women who serve in the United States

Senate to work without easing for that justice which brings true and lasting peace. Glory and praise to You, for ever and ever.

PLEDGE OF ALLEGIANCE

The Honorable MARK DAYTON led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 14, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK DAYTON, a Senator from the State of Minnesota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DAYTON thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Minnesota is recognized.

SCHEDULE

Mr. WELLSTONE. Mr. President, speaking on behalf of the leader, we expect several amendments to be offered and debated today. No rollcall votes will occur today. The next rollcall vote will occur on Tuesday at approximately 11 a.m. on the adoption of the ESEA conference report.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute.

NOTICE

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Michael F. DiMario, *Public Printer*

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



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Smith of New Hampshire Amendment No. 2596 (to Amendment No. 2471), to provide for Presidential certification that the government of Cuba is not involved in the support for acts of international terrorism as a condition precedent to agricultural trade with Cuba.

Torricelli Amendment No. 2597 (to Amendment No. 2596), to provide for Presidential certification that all convicted felons who are living as fugitives in Cuba have been returned to the United States prior to the amendments relating to agricultural trade with Cuba becoming effective.

Daschle motion to reconsider the vote (Vote 368) by which the motion to close further debate on Daschle (for Harkin) Amendment No. 2471 (listed above) failed.

The ACTING PRESIDENT pro tempore. Under the previous order, the senior Senator from Minnesota is recognized to offer an amendment.

AMENDMENT NO. 2602 TO AMENDMENT NO. 2471

Mr. WELLSTONE. I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 2602 to amendment No. 2471.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. WELLSTONE. Mr. President, I will be very brief in the summary of this amendment. This amendment restricts new or expanding large confined animal feeding operation, CAFOs, from receiving Environmental Quality Incentive Program (EQIP) funds for animal waste structures. We will go over the definitions as we get into this debate on Tuesday, but, for example, 1,000 animals is equal altogether to 9,090 hogs. These are big operations.

This amendment also deals with what we call multiple CAFOs. The amendment prohibits an entity with interests in more than one CAFO from receiving more than one EQIP contract, thus prohibiting double payments. This measure helps ensure that this Federal farm conservation programs and the funds are not used to promote consolidation and concentration of livestock production.

The third part to this amendment deals with flood plains. The amendment restricts the use of EQIP funds for new or expanding livestock waste facilities in a 100-year flood plains. Locating a large animal waste facility in a flood plain is contrary to all good conservation common sense.

Fourth, the amendment requires animal operations receiving EQIP funds for structures to also develop and follow a comprehensive nutrient management plan to ensure that the conservation assistance does not end with the storage of manure but that the entire operation be taken into account, including the ultimate disposition of the waste in terms of being applied to the land.

Finally, on payments, the amendment doubles the current annual payment limitation for EQIP, which I would rather not do. The amendment increases the annual payment from \$10,000 to \$20,000, and doubles the current payment limit per 5-year contract from \$50,000 to \$100,000 while retaining the current law waiver authority for the annual limitation at the discretion of USDA. The committee bill, by contrast, increases the cap of \$50,000 and also a 3-year cap of \$150,000.

My colleagues should know that the current average EQIP contract for animal waste structures is approximately \$13,000. So this amendment would not affect the majority of those producers who receive and need assistance from this program. We are really talking about the very largest of operations here. And don't forget the existing CAFOs around the country would not be affected, this amendment only applies to new or expanding CAFOs.

I have summarized this amendment. It deals with a growing problem in agriculture; that is to say, the concentration in the livestock sector, the environmental pollution, and, frankly, Federal subsidies that go to these large farming operations and encourage yet more consolidation and more big business and, in this particular case, more environmental destruction.

The amendment is simple. It says we in the Congress should, and will, work to help alleviate the environmental and public health threats posed by these large-scale animal factories. However—I emphasize that word, "however"—Congress should not be subsidizing the expansion of these large animal confinement operations. That is what this amendment says.

My colleagues should know that this amendment has broad support from both the farm and environmental community, from groups such as the National Farmers Union, Defenders of Wildlife, Environmental Defense, Environmental Working Group, Humane Society, National Wildlife Federation, Natural Resources Defense Council, and the Sustainable Agriculture Coalition.

I look forward to debating and adopting this amendment. I wanted to lay the amendment down today. I will get back to this debate on Tuesday.

Mr. HARKIN. Mr. President, I understand the amendment of the Senator from Minnesota has been laid down?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. This is the amendment on the Environmental Quality Incentives Program that would allow cost-share funds to all existing livestock operations, but would limit it for the largest ones that are new or expanded after this bill is enacted; is that right?

Mr. WELLSTONE. That is correct.

Mr. HARKIN. I thank the Senator from Minnesota. I rise in support of the amendment. I am proud to support this amendment with my colleague from Minnesota.

During the 1996 farm bill debate, I successfully offered an amendment that limited cost-share funding under

EQIP for large confined animal feeding operations. That was the 1,000-animal unit limit that has existed under the farm bill since that time. I offered that amendment in 1996 because of the special environmental concerns associated with these large operations.

CAFOs, as they are called, confined animal feeding operations, CAFOs, these are operations of greater than 1,000 animal units. What that means—that is 455,000 broilers, 4,000 head of veal, 5,400 head of swine of an average weight of 185 pounds—these numbers are for the average number of livestock confined for 45 days over a 12-month period. So it is not 5,400 swine for the year. It is how many are confined for 45 days in any 12-month period. It could be double or triple that number of hogs over the year. That is a lot of animals.

Again, these are large operations. Over the last several years we have seen an increase in the development and enforcement of Federal, State, and local environmental laws regulating waste from animal feeding operations. I believe we need to help producers comply or avoid the need for regulations. We should provide cost-share funds to these existing CAFOs to build structures that will contain waste to protect water quality and to protect the environment generally. However, EQIP money was never designed to subsidize the expansion of livestock operations.

The underlying bill allows the use of cost-share funds for all existing operations, and that is fine. But, it also funds for new CAFOs and expanding operations to CAFOs. That is what is wrong because obviously, if you can use the money to fund expansion, it gives you an incentive to get larger.

This amendment, the amendment of the Senator from Minnesota, does not prevent the use of funds for small operations or for existing CAFOs. But it prohibits cost-share funding for new or expanding confined animal feeding operations; that is, operations over 1,000 animal units. It limits the subsidization of the growth for the very largest livestock operations.

I believe this amendment is consistent with the underlying bill. It still helps livestock producers who are now in operation who need to meet ever stricter environmental standards. We have put more money into EQIP. We have expanded the EQIP program over six times above the baseline over the next five years—from \$1 billion to \$6.2 billion. So we are putting in a lot of money. I think this is a good way to invest this money protecting the environment, helping the livestock producers meet the more stringent environmental standards.

Again, we have more money, but that money ought to be used for the ones that are there now, the ones that need this help now. We have taken the cap off of limiting funds to large CAFOs in

the underlying bill, we have gone above 1,000—again, that is fine. But we don't want people to see the EQIP funds as an incentive. We don't want people to say: Gee, I have 800 animal units, I can go up to 2,000, 3,000 animal units now and the Government is going to come in and help me build these structures. If they want to expand and build facilities on their own, we don't prohibit that, but we don't want to use Government money to encourage that.

So it is a good amendment. I think it should be adopted.

I understand some other people may want to debate it, but the order is we are going to lay this aside for other amendments; is that correct?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Arizona or his designee is recognized to offer an amendment.

Mr. HARKIN. I yield the floor.

Mr. LUGAR. Mr. President, before that occurs, since I will be the designee, I just want to make a comment about the amendment of the Senator from Minnesota, Mr. WELLSTONE.

I appreciate what he is attempting to do. I find the situation—one in which I argued fairly strenuously, but I think without necessarily persuading Senators—that the farm bill, at least as it is now constituted, will inevitably increase planting of corn, wheat, cotton, rice, soybeans—those things to which the money is directed. There is strong evidence the USDA pointed out our last farm bill stimulated about 4 million acres of additional production into the program crops.

One might argue that we were not subsidizing expansion. But the evidence is much of this increase in acreage came from our largest, most efficient producers, whose names appear in lists receiving the most subsidies. Perhaps if we were to try all this over again and look with some consistency as we take a look at the livestock portion of agriculture at the same time we deal with the crops and various other parts—and that is what the Senator has sought to do, to take a whole farm, whole income approach—perhaps this amendment might have some more equity. It probably has value for the reasons the distinguished Senator from Iowa, our chairman, has pointed out. Clearly, most persons involved in these reform movements, support the EQIP program. I believe it is an important one with regard to the environment, as well as some equity for livestock producers. They are loathe to admit that this might produce more livestock, greater herds subsidized by the Federal Government. Obviously it does.

The Senator from Minnesota is trying to plug up that particular hole, while it seems to me there are gaping holes in the dike all around that are likely to lead to very large expenditures. I will study the amendment carefully. I will likewise attempt to work with my colleagues to see if we can bring some equity in all parts of agriculture. We will take a look again at the whole farm situation.

Does my colleague wish further debate on the Wellstone amendment?

Mr. HARKIN. No.

AMENDMENT NO. 2603 TO AMENDMENT NO. 2471

Mr. LUGAR. I understand the Senator from Arizona, Mr. MCCAIN, has an amendment at the desk. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. LUGAR. On behalf of the Senator from Arizona, I call up the amendment at the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. MCCAIN, for himself, Mr. GRAMM, Mr. KERRY, and Mrs. MURRAY, proposes an amendment numbered 2603 to amendment No. 2471.

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

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

The amendment is as follows:

(Purpose: To provide for the market name for catfish)

At the appropriate place in the substitute, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term "catfish" shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. . LABELING OF FISH AS CATFISH.

Section 755 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002, is repealed.

Mr. SMITH of Oregon. Mr. President, I rise today in strong support of the McCain amendment. This amendment will effectively repeal a ban on catfish imports which was quietly tucked into the most recent Agriculture appropriations bill.

It may seem on the face of it that a ban on catfish imports is of little consequence if you are not from a state that produces catfish. However, put in the larger context of the multi-billion-dollar U.S. seafood industry, the implications are clear. If this ban on catfish imports were allowed to stand, it would pull the rug right out from under our own U.S. Trade Representative who is trying to fight similar protectionist actions against the U.S. seafood industry by our trading partners. Regardless of the intentions of proponents of this catfish ban, it has significant impacts for other U.S. fisheries and deserves greater scrutiny than was afforded during the consideration of the Agriculture Appropriations bill earlier this year.

The specific reason why I have come to the floor to speak on this matter is because of its implications for the Oregon pink shrimp fishery. The pink shrimp fishery in Oregon has become

increasingly significant to Oregon fishers in recent years as the groundfish fishery has declined. Pink shrimp, along with West Coast groundfish and Dungeness crab form the foundation of the commercial fishing industry in my state. Unfortunately, the successful development of the Oregon pink shrimp fishery will always be handicapped as long as we are unable to get fair treatment in the European market for the variety of pink shrimp harvested in the waters of the Pacific Northwest. The Europeans have been able to shut Oregon pink shrimp out of their market through a tariff policy that is biased in favor of the shrimp varieties found in their waters. With that tariff regime in place, Oregon pink shrimp effectively cannot compete in the European Union. As a result, the situation has had negative impacts on the price paid to Oregon pink shrimp fishers.

Recently, it has been brought to my attention that there may be a similar problem in getting access to the European market for Oregon sardines. The recent reappearance of sardines off of Oregon has been attributed to a significant ocean regime change. In any case, I want to make sure that this resurgent Oregon sardine fishery has fair access to foreign markets as well.

Given time, I hope that the United States Trade Representative will be able to resolve some of these issues with our friends in the European Union. However, that simply cannot happen when we in the United States Senate invoke protectionist measures of our own to keep foreign seafood products from competing here. That is what happened with this attempt to bar Vietnamese catfish from the U.S. market. It is prudent for us to act today to repeal this catfish ban. At the very least, a proposal of such significance should have been subjected to a full debate in the Senate during consideration of the Agriculture Appropriations bill.

I thank the Senator from Arizona for putting forward this amendment. I hope that the Senate will act today to repeal the catfish ban and allow all the issues involved to be considered by the appropriate committees of jurisdiction.

Mr. LUGAR. Mr. President, I understand the order is the Chair might at this point lay this amendment aside. If so, I suggest that.

The ACTING PRESIDENT pro tempore. The amendment is laid aside.

Mr. LUGAR. Is the amendment laid aside?

The ACTING PRESIDENT pro tempore. Yes, it is.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. HARKIN. Mr. President, again for the benefit of those in their offices, Senators who are here today, the farm bill is open right now for amendment. Under the agreement made by the leaders, yesterday, I guess, or the day before—obviously there are no votes today. We can still take the amendments. They can be laid down, we can debate them with whoever is here, and they will then be in line for voting when we come back on Tuesday, or further debate, also, when we come back.

I say to my friend, I see my friend from Kansas is here. Maybe my friend from Kansas has an amendment he would like to offer on the farm bill and get it in line so we could, perhaps, vote on this mythical Cochran-Roberts amendment that I keep hearing about but I can't see. It is sort of ephemeral—sort of out there somewhere, but we can't seem to get our fingers on it. Maybe we could get the Cochran-Roberts amendment over here today, lay it down, and start discussing it so we can have it here next Tuesday.

I urge any Senators who have amendments to come over to the floor and lay them down.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

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

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. GRASSLEY. Mr. President, I will address the Senate for a short period of time today. Next week I hope to be able to speak on this subject with a potential amendment I might offer about the trade aspects of the farm bill.

I start with the premise that we have a farm bill—and we have had farm legislation for 60 or 70 years—with what we call a safety net to give structure to the economics of agriculture, to give some certainty to agriculture, and to help farmers in times of low prices and problems.

So much of farming is beyond the control of the individual farmer. One of those things is international trade. Maybe we don't think of that as often as we do things such as natural disasters that hit farmers, domestic politics which might cause prices to go up or down, and decisions of the Federal Reserve which affect the value of the dollar. Sometimes international policies affect the value of the dollar.

There are just a lot of things out there that affect the family farmer over which they don't have any control. Family farmers tend to be more in the position, unlike most businesses, of having to take a price the market dictates for the products they sell over which they don't have any control.

Also, they do not have a lot of control over the cost of their input for the production of their products. They are one of the few segments of our economy that have to pay whatever the market demands for their input, and they receive from the market whatever it pays.

That is why we have a safety net. We have had a safety net for farmers of one form or another. There hasn't been a lot of difference in those programs over the last 70 years.

We tend to speak about farm bills as if this farm bill is much different from the previous farm bill, et cetera. I am not going to go into those things. But there hasn't been that much difference. The premise has been very much the same. We are going to have a safety net for farmers to guarantee a certain floor of income at times of low prices because there is so much affecting the economics of the family farmer that is beyond their control.

I start with the premise—and the extent to which my colleagues disagree with me on this, I welcome their disagreement and this debate on it—that the farm bill, whether it is a 1950-type farm bill, or the 1996 farm bill, or even the one we are debating right now, is meant to have a safety net, is meant to sustain farmers in business during the period of time of low prices, which a lot of times is caused by things beyond the farmers' control. This safety net doesn't guarantee profitability. I don't think there is anything in any farm bill I have ever seen to guarantee profitability.

That is where trade comes in. When we produce 40 percent more than we consume domestically, it means that farmers have to have the ability to export. Export is very important. When there is no profitability in the farm bill, then the only profitability in farming is going to come from the marketplace.

When you produce more than you can consume domestically, that means the world marketplace is where the profitability for agriculture is going to come. In other words, there is not profitability in a check from the Federal Treasury to a farmer when prices are low, as has been the case in recent years, particularly in emergency bills, but there is profitability in exports.

Let me put it this way: the only reason there is profitability for farmers is due to the exportation of our surplus agricultural products. That is why trade is an important part of any discussion of farm legislation, even though the trade policies of this country are decided by other committees. One of those happens to be the Finance Committee on which I serve. The Finance Committee has jurisdiction over all trade policy. The most recent one is just about out of committee now—it had an 18-to-3 vote on final passage—which was trade promotion authority.

That is why sometimes when newspeople ask me, what are we doing for farmers in the farm bill, I give the

same spiel you just heard me give about the safety net aspects of farm legislation being very important to helping sustain farmers.

But there is no profitability in the check from the Federal Treasury when prices are low. The profitability for farming is going to come through trade. That is why I like to remind people that trade promotion authority, and other trade policies, are probably as important to the family farmer as what is in a farm bill, and particularly when it comes to profitability.

So I try to look at a farm bill to make sure it has these opportunities. But the most important fact is that we have had trade agreements. The last General Agreement on Tariffs and Trade, which created the World Trade Organization, had certain limits that could be spent in certain categories of farm support.

There is a limit on what we call trade distorting expenditures, that if you exceed those, the United States and, in turn, the U.S. farmer, can be retaliated against legally if those are exceeded. So we have to be concerned about those issues.

I am not here to say that in every respect all of the different farm proposals floating around here are unconcerned with trade implications. It does not matter whether it's the farm bill that is before us, it does not matter whether it is the Daschle amendment to that bill, it does not matter whether it is Senator ROBERTS' and Senator COCHRAN's proposal, and it does not matter even whether it is the House bill; it is legitimate to bring the issue of trade to the attention of our colleagues.

For instance, in the House bill, it is my understanding—and I have not read that bill in its entirety, obviously—but it is my understanding that the House Agriculture Committee was concerned about this, so they put a provision in their farm bill that if the Secretary of Agriculture found that legislation violated the WTO agreements, that it could be suspended. If that is exactly how it works and we have to spend more on agriculture, because that would be trade distorting, due to the fact that prices are low and then we could be retaliated against dollar-for-dollar for the excess expenditure and the farm program has to be suspended, then you are suspending the safety net for farmers at exactly the time they are going to need it. What the bill does is cut off payments when family farmers would very likely need those payments the most.

Now, this can be avoided. Maybe my colleagues who are writing these provisions will say they are taking that into consideration and they are going to avoid it, or they may say the conditions under which this happens are not as dangerous as maybe I lead people to believe. So I am not here to question anybody's intentions or motivations or anything. I am just here to ask my colleagues to give further thought to ways in which the legislation that is obviously going to become law—if it does

not become law before this year, it is going to become law early next year; and whenever it becomes law, it is going to become law in ample time so we have it for the next crop-year in 2003 that it is needed—to take these things of trade into consideration.

(Mrs. CARNAHAN assumed the chair.)

Mr. GRASSLEY. Each year our farmers become more reliant on overseas markets to sell their commodities. In fact, last year, farmers in my home State of Iowa exported more than \$3 billion worth of corn, soybeans, meat products, and even live animals.

Nationwide, American farmers annually export close to half of their soybeans and 20 percent of their corn production. Given the importance of export markets to American agriculture, the United States must assume a leading role in eliminating tariffs, excess trade-distorting subsidies, and other barriers to trade.

In 1994 we joined our trading partners in the World Trade Organization to discipline domestic agricultural support programs and to facilitate more open trade. The agreement, called the Uruguay Round Agreement on Agriculture, capped the level of trade-distorting support that WTO members can provide to producers.

Worldwide, agricultural tariffs were reduced by an average of 36 percent over a 6-year period. The United States agreed to reduce its own trade-distorting domestic support, or what is referred to as "amber box" spending under this trade agreement, by 20 percent, down to a point of \$19.1 billion per year.

The Senate must pass legislation that abides by this commitment or our trading partners could take retaliatory action against our farmers and against our agricultural exports. Unfortunately, the farm bills before us, and I think particularly the House bill—and even the bill that was passed out of the Senate Agriculture Committee—leads our Nation down a dangerous road toward exceeding our "amber box" limits and opening the door to this WTO legal retaliation. Retaliation through higher tariffs on our exports and reduced market access for our farmers would reduce the worldwide demand for our commodities, resulting in an overwhelmingly domestic surplus and depressing domestic commodity prices.

In light of the high stakes for America's farmers, I urge my colleagues to carefully consider the potential impact on America's farmers of a farm bill that could violate our international trade commitments. We need to revisit the piece of legislation that was passed out of committee and work to improve it before we conference with the House because, as I pointed out, I think the House bill has very dramatic problems in this area as well.

Our farmers know how important international trade opportunities are for our commodities. That is why farmers support issues such as trade pro-

motion authority and trade with China. That was such a hot issue last year being dealt with in the Congress. But if we don't practice what we preach regarding our World Trade Organization commitments, how will we ever convince our potential trading partners around the world that they should lower their trade barriers? And that is a goal of not only this administration, but also we have to compliment the previous Secretary of Agriculture, Mr. Glickman, the previous Special Trade Representative, Charlene Barshefsky, when about 15 months ago they tabled in Geneva for negotiation purposes of the agricultural negotiations that were going on under the WTO as it was mandated to happen in 1993 to start in the year 2000. They tabled negotiation positions for our country's farmers that were in the best interests of our farmers of zero tariffs in agriculture.

This administration has followed through on that in the Doha Round that started in early November, which is the new round of WTO negotiations that are going on. And that is what trade promotion authority is all about, to give the President the authority to make such an agreement. We have followed on the very good suggestions of the Clinton appointees on what sort of direction our agricultural trade ought to take.

I don't think there is any partisan disagreement on what we want to do on international trade to help the American farmers. The only thing we have to do is make sure we write farm legislation that is compliant with the intentions of what was initiated in the Clinton administration and followed through on by the Bush administration.

As I have said in the past, the Government can provide support, but only the marketplace can provide profitability. This isn't putting anybody in a position of political posturing if they don't agree with that. I just think it is the cold hard truth about our agricultural economy, if we are going to produce to our potential we must sell our surplus on the world market. We surely don't want the alternative, which is to produce for the domestic market only and find ourselves in a position of taking 40 percent of our productive capacity out of production and, through the Federal Treasury, pay the farmers for doing that. I don't think the taxpayers would support that.

Worse yet, that might sustain farmers; you could even have support high enough to guarantee profitability. But you would ruin the economy of the United States if you produced 40 percent less farm machinery, 40 percent less input into agriculture. A lot of that comes from the small town main street businesses of the America. We don't want to do anything negative to them. We want to keep our rural areas vibrant. That means economic activity.

Economic activity in American agriculture is to produce and to produce

not only for the American people but for the hungry of the world, to help our economy, but also to help the economy of other countries as well.

It is a simple fact of life that the profitability in farming ought to come from the worldwide marketplace because the Federal budget is not big enough to provide farmers profitable margins year after year.

If we don't establish a farm bill that helps us to lower trade barriers, we will not be able to assist the agricultural community develop this long period of profitability.

Last week the Food and Agricultural Policy Research Institute, which is located on two campuses—Iowa State University and the University of Missouri—published a paper stating that there was over a 30-percent likelihood that the farm bill coming out of the Senate Agriculture Committee would violate our trade commitments.

They could say the same thing about some other ideas floating around here. They surely could say it about the House agriculture bill.

Think of it this way: If there was a better than 30-percent likelihood that a ship would sink, you wouldn't get on board. The farm bill before us has the potential to impose significant harm on our family farmers by violating the current trade commitments. If this were to happen, our trading partners could refuse to accept our exports and this action, being legal, at the same time would decimate the price of U.S. commodities affected. We can do better.

I hope as the debate on this farm bill continues or the debate on any farm bill continues, these issues of compliance with our international obligations, which is for the benefit of American agriculture, because as we can reduce worldwide tariffs that average about 60 percent down to where U.S. tariffs are single digits on agricultural products, just those facts make it a no-brainer that the United States should pursue free trade policy in agriculture and that it will benefit the American farmer.

If our tariffs are here and the worldwide tariffs average 46 percent, whatever we do to negotiate to bring those down—and remember our goal under the Clinton administration, now followed by the Bush administration, is zero tariff—it is a no-brainer that this is going to affect very positively American agriculture and bring profitability to the farmer.

The only place for profitability in an industry that exports or that produces more than 40 percent more than we can consume domestically, the only profitability then is in the world market.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mrs. CARNAHAN. Mr. President, a few weeks ago, the Department of Agriculture announced that commodity prices had taken their biggest 1-month drop in more than 90 years.

It has been 5 years since Congress last passed a farm bill. Every year since then, we have needed an expensive bailout bill. These bailouts are usually referred to as emergency disaster assistance. But the real disaster has been our farm policy itself.

The 1996 farm bill provided farmers with flexibility in deciding what, when, and where to plant. But it left them utterly without a safety net. When floods came, the farm bill gave them nothing.

When droughts cut their output in half, the farm bill gave them nothing. When the bottom fell out of prices, when the cost of fuel skyrocketed, when armyworms destroyed an entire crop, the farm bill gave them nothing.

Only when Congress passed emergency spending bills did farmers get any relief. That is a raw deal for the people who feed our Nation—and the world. How can farmers and ranchers plan for the next year's crop not knowing what programs will be in place?

It is time for Congress to act on a new farm bill—one that promoted competitiveness and consumer choice, while providing adequate income to farmers.

This fall, I wrote to Chairman HARKIN outlining my priorities for the farm bill.

I shared with him the recommendations I have heard from farmers across Missouri. I am pleased so many of these ideas were included in the bill reported by the committee.

First and foremost, this farm bill recognizes the need for a safety net. The safety net is counter-cyclical—to give farmers assistance when they need it the most. It will buffer our farm economy in difficult times, and allow small producers to stay in business.

The bill also allows producers to update the baseline acreage used to calculate these payments, to ensure they reflect the realities of today.

Earlier this year I proposed legislation to expand tax credits and other incentives to promote ethanol, soy-diesel, and other value-added products.

I am pleased that this new farm includes an energy title that will harness the potential of these clean, renewable fuels.

They provide valuable economic development, they give farmers a greater

market for their product, they cut pollution and they decrease our reliance on foreign oil.

I applaud Chairman HARKIN and the committee for crafting a farm bill that strongly encourage the continued development of biofuels. I hope amendments will be added that will further promote the use of these fuels.

The farm bill passed by the Agriculture Committee makes a historic commitment to conservation. It allocates \$20 billion over the next 10 years in new spending for conservation programs. That is \$5 billion more than the House passed, and we need every penny.

The farm bill would invest almost \$750 million in conservation efforts for Missouri over the next 5 years.

The bill protects the property rights of landowners. It encourages producers to remove sensitive land from agricultural production. It also offers incentives for continuing conservation practices and adopting new ones. It offers technical assistance for farmers and ranchers. It gives greater opportunities for private landowners to voluntarily expand conservation on forested lands. And it provides livestock producers with resources to build waste management systems.

I also believe we need country-of-origin labeling, as called for under this legislation. America's farmers grow the best products. They are the most efficient. They sue chemicals that are proven to be safe. And they live by the strictest environmental standards in the world.

I believe consumers, if given the option, would choose American products every time.

Now more than ever, Americans are concerned about food security. They want to know where their food is coming from. Country-of-origin labeling would not only help our livestock producers, but would also assure consumers that the products that they buy are safe.

We need measures to help rural America and help the family farm stay in business. Missouri farmers have urged me to assist them in efforts to revitalize rural communities and promote economic development. Rural America needs improved drinking water, telecommunications, and other infrastructure. This bill provides funding to address many of these needs.

And it increases access to capital for rural business ventures, particular equity capital.

I am particularly concerned about our young farmers who need financing

to begin farming or to stay in the business.

Under this bill, the Direct Loan Farm Service Agency Program of the Farm Service Agency will be strengthened to assist these young producers.

In addition, a new farm bill must include a strong nutrition title. We must provide the Food Stamp Program with the resources it needs. We cannot abandon families who have been hit hard by the recession, or those struggling to move from welfare to work.

Chairman HARKIN's bill invests more than \$6 billion in this important title. The House bill provides only half that. But with so many people out of work, so many children going hungry, we need the full amount.

Chairman HARKIN's nutrition title will make the Food Stamp Program work better for the people it serves. It makes the process of applying for food stamp benefits more efficient. It helps families moving from welfare to work by extending transitional benefits. It restores the value of food stamps to help poorer families keep up with inflation. These changes will mean a great deal to those who are struggling with the essentials of daily life.

One deficiency of this bill is that it does not address the issue of competition. There is a growing problem of vertical integration and concentration among agribusiness firms. The small family farm is becoming an endangered species, and that's just not right.

We need a strong competition title to maximize consumer choices. We must facilitate farmers' choices in marketing products and meaningful price competition.

I hope that over the course of the next few days, this bill can be improved with a competition title that will ensure we have a vibrant farm economy.

Mr. President, this farm bill isn't perfect, but it makes sense for Missouri's farmers. And it makes sense for America. It expands markets. It protects the environment. It is fair to small family farmers. And, most importantly, it provides a safety net when farmers need help.

Fundamentally, this bill is about ensuring that the hardworking men and women who produce the food that feeds the world can earn a decent living. These farmers deserve our full support.

Once again I thank the chairman and the committee, and I hope the Senate will act quickly on this legislation.

I yield the floor.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Utah.

Mr. HATCH. I ask unanimous consent to proceed as in morning business.

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

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

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Iowa.

AMENDMENT NO. 2604

Mr. HARKIN. Madam President, I know two Senators are waiting to speak on the bill. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. GRASSLEY, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. ENZI, proposes an amendment number 2604.

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

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

The amendment is as follows:

(Purpose: To apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals)

On page 941, strike line 5 and insert the following:

Subtitle C—General Provisions

SEC. 1021. PACKERS AND STOCKYARDS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

“(12) LIVESTOCK CONTRACTOR.—The term ‘livestock contractor’ means any person engaged in the business of obtaining livestock under a livestock production contract for the purpose of slaughtering the livestock or selling the livestock for slaughter, if—

“(A) the livestock is obtained by the person in commerce; or

“(B) the livestock (including livestock products from the livestock) obtained by the person is sold or shipped in commerce.

“(13) LIVESTOCK PRODUCTION CONTRACT.—The term ‘livestock production contract’ means any growout contract or other arrangement under which a livestock production contract grower raises and cares for the livestock in accordance with the instructions of another person.

“(14) LIVESTOCK PRODUCTION CONTRACT GROWER.—The term ‘livestock production contract grower’ means any person engaged in the business of raising and caring for livestock in accordance with the instructions of another person.”.

(b) CONTRACTORS.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921, is amended by striking “packer” each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting “packer or livestock contractor”.

(2) CONFORMING AMENDMENTS.—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting “, livestock contractor,” after “other packer” each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting “or livestock produc-

tion contract” after “poultry growing arrangement”.

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting “any livestock contractor, and” after “packer,” each place it appears.

(c) RIGHT TO DISCUSS TERMS OF CONTRACT.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), is amended by adding at the end the following:

“SEC. 417. RIGHT TO DISCUSS TERMS OF CONTRACT.

“(a) IN GENERAL.—Notwithstanding a provision in any contract for the sale or production of livestock or poultry that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of any contract with—

- “(1) a legal adviser;
- “(2) a lender;
- “(3) an accountant;
- “(4) an executive or manager;
- “(5) a landlord;
- “(6) a family member; or
- “(7) a Federal or State agency with responsibility for—

“(A) enforcing a statute designed to protect a party to the contract; or

- “(B) administering this Act.

“(b) EFFECT ON STATE LAWS.—Subsection (a) does not affect State laws that address confidentiality provisions in contracts for the sale or production of livestock or poultry.”.

Mr. HARKIN. I send this amendment on behalf of myself, Senators GRASSLEY, FEINGOLD, WELLSTONE, and ENZI. I will just take a few minutes to describe it because I know Senator COCHRAN and Senator ROBERTS are waiting to speak.

With this amendment, I would like to continue on one of the important themes I have stressed throughout the farm bill debate, competition issues in agriculture. In fact, the occupant of the chair, the Senator from Missouri, spoke about that a few minutes ago, about needing better competition in agriculture.

We had a competition title in the original farm bill. I thought it was extremely important. That was defeated but for one provision, country of origin labeling. That succeeded on an independent vote in committee, but the rest of the title did not make it through committee.

Some of us vowed to resurrect a number of provisions on the floor, not the whole title but a number of key provisions that were in the competition title. Beyond the amendment I speak about, two amendments were agreed to yesterday which I cosponsored. Senator FEINGOLD introduced an amendment which prohibits forced arbitration in livestock and poultry contracts. That amendment was adopted. After that, Senator JOHNSON from South Dakota offered an amendment that prohibited the ownership of livestock by packers. That amendment was adopted.

The amendment I offer today will address one more issue in the competition arena and that is livestock production contracts and the right of a farmer to discuss those contracts with his closest advisers.

As I said, the cosponsors are Senators GRASSLEY, FEINGOLD, WELLSTONE,

and ENZI. The American Farm Bureau, National Farmers Union, as well as dozens of other farm, community, and religious organizations, support the amendment. And for good reasons. Farmers are concerned about competition.

A 1999 Iowa State Extension Service Rural Life poll indicated that 89 percent of Iowa farmers thought there was too much power concentrated in the hands of a few large agribusiness firms. A similar poll recently released by Kansas State University that targeted 27 farm and ranch States found that 77 percent of producers favor maintaining or strengthening current antitrust laws.

To address just a small part of that concern, the amendment I introduced today will provide some minimal protections to livestock production contract growers. The amendment does two things. First, it closes a significant loophole in the Packers and Stockyards Act.

Presently, the act protects farmers who sell livestock to packers. The Packers and Stockyards Act also protects those who grow poultry for others under production contracts. That was adopted in 1935. So since 1935, it has applied to production contracts in poultry. But the act does not protect those who raise livestock under production contracts for packers in other areas, such as for swine and cattle.

Again, in 1935 production contracts were not a big issue in livestock. It was a whole different world at that time. Since that time we have seen the growth of production contracts, both in hogs and now extending into cattle. The amendment would close this loophole so farmers who raise livestock under production contracts will be protected by the prohibitions against unfair and deceptive practices under the Packers and Stockyards Act.

Second, the amendment will allow a producer to share his or her contract information with their business adviser, landlord, executive or manager, attorney, family, and State and Federal agencies charged with protecting parties to the contract. I understand in some States farmers already have some of these rights, but many farmers tell me they feel intimidated to share their contracts with even their trusted advisers, with their banker. That is because the contract specifically says that none of the terms of the contract are to be discussed with anyone else. So the farmer feels very intimidated about discussing that—and, frankly, could face either a lawsuit or the loss of the contract if, in fact, that farmer does discuss that with an with a banker.

Again, as I have said, the first part deals with production contracting. Right now these arrangements—production contracting arrangements—are like a franchisee-franchiser relationship. It is becoming more prevalent in hogs and growing in the cattle industry.

When we passed the Packers and Stockyards Act in 1921, the industry was different. Livestock was owned by the farmers. They took it to the stockyards. The packers bought the livestock at the stockyards. That is why we passed the 1921 Packers and Stockyards Act, because the packers and stockyard owners were collaborating and conspiring to drive down prices for farmers. So Congress passed the Packers and Stockyards Act to prohibit these unfair practices in 1921.

The act currently addresses relationships only between packers and those who sell livestock to packers. It does not address production contracts. Right now, as I said, more and more of these production contracts are becoming common.

An Iowa State study indicates that 34 percent of the hogs in America are raised under production contracts. Current law does not address this current situation, and this amendment closes that loophole and provides protection to livestock production contract growers.

Again, because of their relatively weak bargaining position, farmers feel intimidated under these contracts. The amendment would specifically limit livestock contractors from engaging in unfair, deceptive, and unjustly discriminatory practices, section 202 of the Packers and Stockyards Act; and second, it gives the farmers the right to discuss terms of their contract with certain people: a legal adviser, a lender, an accountant, an executive or manager, a landlord, a family member, or a Federal or State agency with responsibility for enforcing a statute designed to protect the party to the contract.

Importantly, this amendment doesn't require anyone to share any information. It doesn't require that the contract be made public in any way. It does not affect the confidentiality clauses that state farmer can't share the information with a neighbor, or with the contractor's competitors. They can still do that. It is important to note the distinction.

Again, this amendment takes a couple of small steps to protect farmers against unfair and deceptive conduct in the livestock and poultry contracting business.

It will provide some protection for these growers and bring them more in line with the poultry growers since 1935. They have had this protection since 1935. It is time now to extend it to our cattle and to our swine producers and other livestock producers in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, I rise today to discuss the pending legislation and the responsibility that we have in the Senate to carefully craft our Nation's future farm program policy. Note that I said "carefully craft."

In doing so, I am being joined by the distinguished Senator from Mississippi,

my good friend and colleague, the former chairman of the subcommittee on appropriations for agriculture on the Senate Appropriations Committee, THAD COCHRAN. I do not know of any Senator in the Senate who has been more of a champion for our farmers and ranchers throughout our country. We refer to him as "our banker" on the Appropriations Committee, who has the tremendous responsibility and does it so well in making sure we meet our budget guidelines while also ensuring the needed investments we must make in agriculture.

I feel quite honored and privileged to have him as a coauthor of the alternative amendment to the bill pending in regard to farm program policy.

I also thank his staff, Mr. Hunter Moorhead, who has worked extremely hard many hours; and my two staffers, Mike Seyfert, who is sitting to my right, and I would like to let his wife Christy know he is here. He has been by my side early morning, day, and night for the past week. I want to let her know he is really doing fine. Matt Howe, who is sitting in the back, has helped me tremendously. We are only as good as our staff.

We think we have come up with a positive alternative with the current legislation which makes a great deal of sense. I thank THAD COCHRAN for his leadership and help and for being a coauthor on this amendment.

This legislation directly affects the daily life and well-being of every citizen in America and many throughout a very troubled and hungry world. You can't read the headlines about Afghanistan and not realize there is a humanitarian effort now taking place with many organizations. That effort is made possible by the food which is produced in this country going to our troubled and hungry world—and the modern miracle of productivity of American agriculture.

But more particularly, this legislation directly affects the livelihood of America's farm families, those who persevere and prevail despite all sorts of obstacles not of their own making and things beyond their control. Yet despite the tough times, they feed us and those in need, and their record of productivity is, indeed, a modern miracle.

So here we are, my colleagues, on a Friday morning with several Senators present. We have had quite a debate over the last 3 or 4 days on yet another farm bill.

Counting the years I have been here as a staff member, a Member of the House, and a Member of the Senate, this is my sixth farm bill. I can recall the former esteemed chairman of the House Agriculture Committee, the venerable Bob Poage of Texas who used to describe farm bills in this way:

My colleagues, is this the best possible farm bill? He would say:

No, but it is the best farm bill possible.

There is a difference.

That is usually the way legislation works as we try to reach a compromise and pass the "best bill possible."

We need to certainly do that this time around. Our Nation's farmers and ranchers remain in the midst of very difficult times. We are not in very good shape in regard to farm country.

The challenges that we face today in the domestic and global marketplace and the revolutionary times we face today in agriculture are certainly unique.

I had hoped we could carefully craft a bipartisan bill and pass it out of the Senate Agriculture Committee.

As a reminder, we did that in achieving significant crop insurance reform just a session ago. It took 18 months. That bill was coauthored by myself and Senator Bob Kerrey, the former Senator of Nebraska. In fact, we have had more interest in that particular bill than almost any bill I have been associated with since I have had the privilege of public office.

In farm country, if you call a meeting of farmers, and if I happen to be the speaker, there may be 30, 50, or 100 farmers present, depending on where you call a meeting. With crop insurance, you will have 1,000.

Those of us who are privileged to serve American agriculture are very much aware of the fact that we have a very disparate and independent bunch of farmers and ranchers. We know they are in much better hands if we work together, if the agriculture posse tries to ride in the same direction, more or less, despite our differences.

I regret to report to you, Mr. President, and my colleagues and our farmers and ranchers, that I don't think that is the case today. We, unfortunately, are at odds both in terms of policy, and some would even allege there is just a tad bit of politics being played in this year's farm bill deliberations. That is not only too bad, but it is downright counterproductive. In fact, in Dodge City we say it is "a dirty shame."

For the record, I thank the chairman of the committee. I thank him for asking my advice and for meeting with me and my staff to see if we could reach an accord on a bipartisan bill.

We just had a discussion to see if there was some way we could work this out. I hope we can. The chairman, his staff and mine met for several hours in private discussions. I believe we made some real progress toward a bipartisan proposal that could, and I think would, have garnered support of the majority of members on both sides of the committee.

Certainly the Harkin-Roberts bill would have caused some double takes and some jaw dropping on the part of a few veteran farm bill watchers. I am sure of that. I sincerely appreciate the effort by the chairman, who is a good colleague and a friend.

The key was in the mailbox, according to that old Country Western song. And he said: Come on in. Let us work something out.

We left town Friday before Veteran's Day, and I believe some progress was being made. Unfortunately, something happened during the weekend. When we returned the following week, both the key and the mailbox were missing, and we were told to plan immediately for a very different bill and some different marching orders.

I remember an old television program called "Name That Tune." They would listen to the song on the record. Then two people would race down the corridor and grab onto something, and say: I can name that tune in about 3 seconds. I guess that is sort of dating myself. Unfortunately, with regard to the new committee bill, others have named the tune—more particularly, leadership—and there was a new game. It was called "Name Your Price"—a game that is still in progress, by the way.

The end result was a bill that is now going back to loan rates and target prices as income protection. And the committee bill was passed on a party-line vote.

Now, I do not question the intent of people who truly believe we ought to go back to loan rates and higher target prices. I just think that is not the way we ought to go. I think we have a better alternative. I do not question the intent of my colleagues. But I do question the process and the policy, and both, in my view, are counterproductive. That is about the nicest way I can put it.

It is one thing, my colleagues, to decide you are going to do a partisan bill, but it is another to deny the minority of the right to review the language of the bill and, as a result, the right to debate in an effort to, once again, carefully craft policy that will better enable the farmer and the rancher and the consumer to survive the fast-changing and dynamic environment in today's agriculture.

Just when farmers and ranchers need new tools and new policy, and a new reality check, the committee is playing the lead role in "Back to the Future."

My colleagues, we did not even receive a final copy of the commodity title of this bill until 1 o'clock a.m. on the same morning of the markup. Now, that alone is ludicrous and a black mark on the committee. For those of us who have no offices to work from—I am one of those who is a Member of the ever-increasingly disgusted "Hart Homeless Bunch" where we do not have an office, no access to files, limited access to computers, limited access to telephones, and limited access to e-mail due to closure of the Hart Building—the situation was impossible. One o'clock in the morning we got the mark.

Markup on the committee bill started at 8:30. I was still trying to write my statement to summarize my concerns at 8:47. I noted it on the clock. Staff had not even had time to read the bill, let alone carefully craft a substitute with Senator COCHRAN, which we fi-

nally did. I mentioned before, I have been through six farm bills and some pretty tough debates with strong differences of opinion, but at least I knew, or staff knew, what was in the bill.

Now, there is more than one way to "skin the minority cat" than to put his head in a bootjack and pull on his tail. That is no way to run a committee. Certainly, that was not the way it was done when our distinguished ranking member, Senator LUGAR, was chairman.

I understand that maybe I am erring on the side of being too harsh. Maybe this effort to lock up \$73 billion for agriculture over 10 years, in a 5-year farm bill, to meet the requirements of an already outdated and unrealistic budget and to accommodate the party leadership and old partisan constituencies, and to satisfy the insatiable needs of different commodity groups and farm organizations and your same party colleagues, was just too overwhelming. I don't know. It is a daunting task. It is a tremendously daunting task. I know; I have been there. And I sympathize and I empathize.

This task must be overwhelming, Mr. President, because the show is still going on. I would like to say last-minute major policy changes stopped when the bill passed the committee, but it did not. This bill is probably about 1,000 pages. I meant to have a copy of the bill to see if I could lift it, but I am not going to go through that.

Staff reports just a small \$15 billion scoring problem with the dairy section of the committee-passed bill, something that may be of interest to the Presiding Officer. The answer was a "technical correction" that solved the problem that completely changed the content of the language in the dairy section. Now, that is quite a technical correction.

When we have the final bill language for floor debate and action, and wade through it, we not only find dramatic changes to the dairy title, but significant changes to the conservation title as well. It is like Topsy; it tends to grow with each passing day and each passing vote.

Mr. President, so much for process. After all, fair and reasonable deliberation is in the eyes of the beholder. Process does not mean much to the producer down at the feedlot or the country elevator or the coffee clatch. But, by golly, policy does. Policy sure counts. It counts because it directly affects the farmer's pocketbook and his future.

Today, as I said before, we are not in very good shape. I do not criticize this bill because of intent or even the politics of bringing back outdated farm program policies simply because it is in the calcified bones of its authors and supporters. We all have our prejudices. I criticize this bill because I think it will be counterproductive, because I do not think it is going to work, that it will take us back to policy that does not fit today, and it will increase addi-

tional farm assistance in the future. At the same time, through its use of front loading of spending and budget manipulation, the bill mortgages what we call future baseline or our ability to write future farm bills.

Latest figures: \$45.2 billion over 5 years in regard to the Daschle-Harkin bill. That leaves \$28.3 billion for the second 5 years. Basically, if we do this, we have eliminated much of the baseline in the outyears. We need to find \$16.9 billion when we write the next bill just to get back to this first 5-year level. We are mortgaging our farm bill future.

There are also two other considerations of no small notice. In its current and ever-changing form, it will be almost impossible to conference with the House. The President opposes it. The administration opposes this. They have a statement of administration policy opposing this. More about that just a little bit later.

Let me spell it out. The bill before us takes us back to past farm program policies of trying to provide income protection with higher loan rates and target prices. Now, there is no question that the farmer needs income protection with all the variables that he has to face and all that has gone on that is not talked about much in regard to critics of agriculture spending: the loss of the Asian market, the value of the dollar, different buying patterns, the European Union spending incredible amounts of money, and on and on and on, a glut all across the world in regard to commodities, which is unprecedented. Not many people really take a look at that when they try to criticize the farm program policies that are spelled out either by the distinguished chairman or by Senator COCHRAN and myself.

At the same time, it pays for higher loan rates and target prices by phasing out direct payments to the farmer and by cutting some \$2 billion from the bipartisan crop insurance reforms we passed last year. Now, I am not happy about that. We spent 18 months putting together crop insurance reform as one of the tools that we promised when we passed the Freedom to Farm bill. The Freedom to Farm bill was passed on one side. And then there were about six other promises that we made to try to complement that bill.

No farm bill by itself can do what we all want to do on behalf of the American farmer. It took 3 years to pass the crop insurance reform. Here we find that we are virtually phasing out direct payments. In order to pay a higher loan rate and target prices, we are cutting \$2 billion from the crop insurance reform we passed last year. That is wrong.

This business is supposed to provide a better safety net again by phasing out direct safety net payments and cutting crop insurance, the one program we have passed in the last years that prompted an overwhelmingly positive response from farmers.

I want to restate that. I do not think I can restate it too many times. The bill takes money from a bipartisan reform bill passed last year to pay for a “scheme”—that is not a nice word—a plan that is shaping up to be a party-line battle. I do not think that is progress.

Now, my friends, we have been down this road before, and it did not work. Some continue to insist that higher loan rates will mean more safety net protection for producers and will prop up prices. I know that. I have listened to that argument during six farm bills. It is an old argument. It is a good argument, but it is a misconception, in my view.

First, our farmers only receive a payment under the marketing loan program, the loan program, if the market price is below the loan level and if the farmer actually produces a crop. If the producer does not have a crop to harvest, if there is a crop failure, of which we have many—that is why the distinguished Senator from Mississippi, in his role on the Appropriations Committee, steps forward year after year, to make ends meet—when farmers suffer from crop failures, all across the country, guess what. Then there is no payment. So the loan rate really does not provide any income protection for a farmer who does not have a crop. When he needs it the most, the assistance is not there.

Second, under the target price proposal, which, by the way, does not take place until 2004—until 2004—farm prices have to be below the target price level to receive a payment.

The problem is, crop failures often result in reduced supplies that cause high prices above the target price. That occurred in Kansas in 1988 and then 1993. In 1995 there was a freeze, a drought. Again, a producer may have no crop, and if prices rise because of decreased production and supplies because of crop failures, there may well not be the so-called target price countercyclical payment.

Go through the history of past crop failures where they occurred, count the bad years. It is possible that a farmer could have no crop to harvest, still receive no assistance through the loan deficiency program and the so-called countercyclical programs in the committee bill. If that happens—and I hope it doesn’t—does anybody here believe those producers and their farm organizations will not be back asking for additional emergency assistance or, for that matter, a higher loan rate or target price? It has happened before.

I remember the late 1970s, the American Agricultural Movement came to Washington. Was that an experience. As a result, we simply increased the target price from \$2.41 to \$2.90. I think that was what it was. The distinguished chairman of the committee at that particular time was Ambassador Tom Foley, Speaker Foley, from the State of Washington.

What happens is, we simply increase the loan rate or the target price. That

is not a safety net. Relying on loan rates and target prices under those circumstances is not a safety net. It is a hammer. I think the farmer prefers the safety net.

All of the uncertainty and unfair competition and lack of an aggressive, consistent trade and export policy is why we moved away from the higher loan rates and target prices and provided a guaranteed direct payment that the producers and their lenders—don’t forget the lenders—could count on every year, especially when they suffered a crop loss.

We made a deal. We made a contract. We even had a colloquy on the House floor. Is this a contract? Can’t take it away? No. And we wrapped up what we thought was a reasonable investment in regards to farmers and farm programs only to face unbelievable changes about two crop-years after that, and we had to move to some emergency help. Even that was under the rubric or the architecture of the 1996 act.

Again, I am very concerned that the proposal before the Senate basically pays for higher loan rates and target prices through a virtual phaseout of these payments by 2006. This is the wrong way to go. We do not think we should take away a payment our farmers and lenders can bank on—no pun intended—when they are drawing up operating plans for each crop-year.

We also need to remind everyone that the commodity title before us today tends to be less environmentally and conservation friendly than the proposal Senator COCHRAN and I will put forward. Ours is the better bill in this regard because it is not coupled to production. That is a big difference. When you have a payment program that is more dependent on actual production, there is a greater incentive to farm fragile land and use excessive chemicals and pesticides to improve yields. That is why the 1996 act was the most favorable to the environment passed up to that date.

This bill, with some differences in conservation, will have that as a hallmark. I do credit the chairman of the committee for focusing on conservation. But if you couple production and your payments, that is what will happen under the committee-passed proposal. Here again, we go back to the future.

In addition, we made a conscious decision between two basic choices when we wrote the last farm bill. We could continue on a course of micromanaged planting and marketing restrictions that have often put our producers at a competitive disadvantage in the world market, or we could pursue a course that would eliminate these restrictions and allow farmers to make their own planting decisions based on domestic and world market demands, while also receiving guaranteed levels of transition payments.

That, in fact, was the primary purpose, the primary goal of the 1996 act

and the much maligned Freedom to Farm bill. It was not to take the Government payments and transition them and march the farmer off the cliff when the free market does not exist. It was, in fact, to give more decision making power and decisions to the farmer and, with that flexibility, as I have indicated, five or six other initiatives: Tax policy changes, crop insurance reform, regulatory reform, aggressive trade policy, and sanctions reform. We might have been a little naive in thinking we could accomplish this, but I would hope we could accomplish this prior to consideration of the next farm bill. That was the goal.

Before these changes, farmers used to put the seed in the ground according to dictates issued by the Department of Agriculture. It was what I called a command-and-control farm program policy. We lined up outside the ASCS office, now the FSA office, walked in and talked to Aunt Harriet. She made out all the paperwork and forms. And you set aside this ground and then you waited on Washington to figure out how much you had to set aside and what you could plant, when you could plant it. We were paying farmers for not growing anything. We lost market share. We used to have 24 percent of the world market share in terms of global exports. Now we are down to about 18. Guess who is 17? The European Union. Guess who is going to be 18 next year and we will be 17, if we pass this bill? The United States. That is not right. That was a dead-end street.

We are pleased that whatever proposal will be before us does at least maintain the planting flexibility. At least we did retain that. But we are also concerned that because of the increased focus on loan rates and target prices, we may end up with budget exposures that will force us back to set-asides and supply management—it would be an easy thing to do—in order to avoid excessive budget costs. Then we are really back to the future. That would be one of the most counterproductive things we could do for U.S. agriculture which must compete in a global marketplace. We may not like it, but that is the way it is.

Furthermore, since the committee bill or the substitute’s basic tenet is raising loan rates, let me reflect for a moment on what the purpose of a loan rate is. This seems to be the nexus of the dispute between the two bills. Is the loan rate a market clearing device, or is it price support? I don’t think it can be both. If we set the price at \$3 on wheat and \$2.08 on corn—and you could do the corresponding number with other crops—it very well may become a ceiling on price.

We also understand the belief among many Members and some producers that a higher loan rate is a greater incentive to put the crop in storage and simply wait for a higher price. That is the alleged goal of the loan program.

The question is, Would that result in a greater income for farmers, or does it

mean that they will simply pay higher storage and interests costs that would more than offset any increase in the loan rate? We have to ask ourselves what raising loan rates does for those producers who again suffer no crops and disaster.

We are well aware of the problems our friends in the northern plains have faced in the form of floods and blizzards, crop disease in recent years. Time and time and time and time again, with chart after chart after chart, we have seen our distinguished colleagues and friends across the aisle come down to the floor, 4 years, 5 years, 6 years, 7 years straight, and talk to us about the blizzards and the intemperate weather, the infestation, and goodness knows what else. These are regional weather problems that would have occurred regardless of the farm policy we put in place.

I grieve for those farmers. I empathize with those farmers. We have that in high-risk country in Kansas as well; not to that extent, but at least we know what they are talking about. Can we guarantee that higher loan rates would have done anything for these producers because they had nothing to harvest? The answer is no. They wouldn't have gotten a payment without the crop under higher loan rates. So does it make sense to spend \$73.5 billion on a new policy that won't provide assistance to producers when they need it?

It is because of these concerns that Senator COCHRAN and I are offering our amendment to this legislation. Our bill is the only one of these two proposals that is, No. 1, nonmarket or production distorting.

No. 2, it provides a guaranteed direct payment to producers when they suffer a crop loss, when they need it the most.

No. 3, it provides a new, innovative approach to a countercyclical program, which I will describe in a moment.

No. 4, it creates a stronger footing for our international trade negotiators by enhancing the level of green box support we are providing to our producers.

Let me stop for a minute and indicate that on the Daschle-Harkin bill we have been warned by the administration that box may not be amber, it may be red. We can get to the cutoff very quickly. If we are successful in the WTO negotiations—and I don't know if we will be or not—it could conceivably result in the WTO really taking us into the proceedings where the United States government and the Secretary of Agriculture would have to come back to our producers and ask them to give money back. Senator GRASSLEY has a bill to address that, and it is a very important bill. I can't imagine it would come to that, but why go down that road to begin with?

So certainly, this bill doesn't have that problem because you are in the green box, not the amber box. Those are the boxes we define as to whether

you are WTO legal or whether you are working out an international trade agreement with which you can work.

No. 5, let me say this is supported by the administration, supported by the President, and can be conferenced. All these groups and commodity organizations that have come in here and written letter after letter saying "move the bill," if you want to move the bill, that can be conferred with the House Agriculture Committee, pass Cochran-Roberts, and it can be signed into law this year.

I think our approach is clearly the better way to go as it provides a direct payment that reflects the unique and very difficult times we face in agriculture today. As I have said probably 10 times—and now I will say it for the 11th—it ensures that our producers will get assistance when they need it the most, when they have no crop to harvest.

While our colleagues across the aisle have looked to the past in creating their countercyclical program, we have looked to the future. This is a unique program. It would ask the farmers and ranchers to pay a little attention. We have proposed the creation of a farm savings account, set up by a producer, in conjunction with the Department of Agriculture, at the bank of the producer's choosing.

Under our proposal, a producer can place a portion of their yearly earnings into a farm savings account. The Secretary of Agriculture will then provide a matching contribution of up to \$10,000, which will be based on the producer's level of contribution and the total number of producers who participate in the program.

The total level of funding in the account at any one time cannot exceed 150 percent of a producer's 5-year average adjusted gross revenue. In addition, a producer can only pull funds out of the account in two instances: No. 1, when his or her adjusted gross revenue for the year falls below 90 percent of their 5-year adjusted gross revenue, or when the producer retires.

By putting in these withdrawal triggers, we are setting up a countercyclical program that will only be triggered when an individual producer's gross revenues fall below their historical levels. Thus, it becomes truly a countercyclical program that guarantees that a small, or regional, crop loss will not prohibit producers from obtaining assistance when they need it the most. Under the committee proposal, and the substitute—a thousand pages or more—producers may not receive assistance, again, when they need it the most.

There are three additional important points we want to make regarding this farm savings account. I want to make sure our colleagues understand this.

First, participation is voluntary. A producer only participates if he wants to, but the incentive is that they will receive a matching payment from the Secretary of Agriculture.

Second, specialty crop and livestock producers are eligible for this proposal. How many times have we heard the livestock producer and those who represent specialty crop producers—more especially from the Northeast—complain that the farm program left them out? That is not the case here. The producers of fruits, vegetables, forestry, and livestock are all eligible to receive matching payments from the Secretary. Ours is the only proposal that will provide assistance directly to specialty crop producers.

While the proposal across the aisle provides for specialty crop commodity purchases, where most of the funding goes to large cooperatives or businesses, ours goes directly into the hands of the specialty crop producers.

Finally, we want to clear up some false statements that have been put forward regarding our savings accounts. They are not tax provisions. These are not tax-deferred accounts as have been proposed in separate legislation in this and previous Congresses—I am for those, by the way. However, they can earn interest at a rate determined by the bank where the account is established.

Mr. President, the choice between the two proposals could not be clearer on the commodity titles, as I have demonstrated. The proposal put forward by the committee takes us back to the policies of the past while our proposal looks to the future and is more consistent with the bipartisan proposal passed in the House that largely maintains current loan rates and provides reasonable direct payments to our producers.

We also have serious concerns with the proposed conservation title. It has been changed considerably from what passed the committee, and, in an effort to attract votes, it is dangerously mortgaging future farm bills by taking funds from the budget baseline in the years beyond the 5-year length of this proposed farm bill. I already referred to that in terms of the one figure, \$45.2 billion over 5 years, leaving only \$28.3 billion for the second 5 years. So that is what we are talking about.

Specifically, they are jeopardizing the future of some of our most popular and successful environmental programs, including the Environmental Quality Incentives Program—EQIP—Wetlands Reserve Program, Wildlife Habitat Incentives Program, and the Farmland Protection Program.

Their proposal frontloads funding for these programs and then provides for draconian reductions in the baseline for 2006 through 2011. At the same time, it greatly increases funding for something called the Conservation Security Act. That is a new, interesting, but untested program in 2006 through 2011.

I don't argue that the Conservation Security Act's goal of providing conservation incentives on working lands is not a good one. It is a good one. In fact, in our alternative we set aside a portion of our EQIP funds for activities

on working lands. But I don't think it would be right, and I think it would be a critical and unfortunate mistake, to eliminate the future of many of the successful programs I just mentioned in 2006 and beyond and, instead, stake our conservation success on an untested program.

We also remind colleagues that those programs that would face the most severe cuts and restrictions in the out-years are those that most directly impact wildlife, livestock, and dairy producers.

Is this really the way we want to go? Senator COCHRAN and I don't believe so. That is why you see a significant investment in current conservation programs and the ramping up of these conservation programs in our bill. We gradually increase funding for the popular programs that farmers now enjoy and participate in over 5 years for all of the specific purposes that certainly are commensurate with the worth of the programs.

Let me say that we are not trying in this effort to point out the differences between the bills, to create a partisan fight in response to what happened regarding the process of the debate. We are simply putting forward what we believe is better policy and a more responsible use of the funds available to it.

The time is short in this session of Congress, and even shorter as we speak today on Friday. If we are serious about really finishing the farm bill this year, we should pass our proposal, which is very similar to the bipartisan bill passed by the House and, again, which could be conference with that bill in a matter of days.

Our alternative does not slow the process. Some are trying to say we are slowing down the process. We point out that all the other titles of the substitute proposal—Senator COCHRAN and I sat down and looked at each and every one of them—we put forth are very similar to those titles passed by the Agriculture Committee. We do not have a quarrel with those. We do not have any dispute.

Except for shifting some money from mandatory to discretionary and eliminating the partisan use of crop insurance reform funding as an offset, we have largely left those titles intact. We agree with many of the principles that are contained within these titles. As I said, there is no dispute.

We always try to pass the best possible bill when we are considering farm bills. I do not believe the underlying bill is the best we can do. It is not time to reinvent the wheel and go back to the policies of the past. We are at another one of those historical crossroads in agricultural program policy. We can look forward or we can look back. We can choose to return to the failed policies of the past and put our farmers and ranchers at a competitive disadvantage on the world market at the same time our dependence on the world market actually continues to increase,

or we can take the necessary steps to provide our producers and trade negotiators with the tools necessary to open foreign markets and meet the demands of the world market.

The critics of our proposal have in past years stated on the Senate floor that one day we will wake up and discover that we are no longer the leader in agricultural exports. I just mentioned that we are about 18 percent in all of the commodity exports globally. The EU is 17, and the trend is not good. It is just like we lost the market in regard to automobiles. It is interesting to note that many of the pitfalls suffered by the U.S. auto industry in the seventies and early eighties were based on an unwillingness to change policies and adapt to the desires of the consumer market.

Could there be a similar effect for agriculture if we proceed with the proposal that is put forward by the committee and continue down the path of programs that will make us uncompetitive in world markets and hamper our bargaining power at the WTO negotiating table?

My colleagues are correct. The choices we make today and in the next few months will affect the future of agriculture in the United States. My hope is that we will continue to look, with our producers, toward the future, as I have indicated, and not in the rearview mirror and at the broken policies of the past.

I have a letter that was addressed to the Honorable TOM DASCHLE, majority leader of the Senate, and the Honorable TRENT LOTT, the minority leader, from quite a few commodity groups and farm organizations urging progress on the farm bill so we can get it done this year.

I emphasize again that I want the best possible bill we can get. Some producers in Kansas have been in touch with me and asked: Can we get this done?

I said: I hope so. But would you support a bill that would provide you \$1.3 billion less over 5 years in Kansas than the bill we have proposed? Would you support a bill that robs crop insurance reform to pay for higher loan rates which may depress the market? Would you support a bill that has a brand new conservation package that out on the high plains we really do not know that much about? And all of the additions that have actually been proposed? The answer to that is no. The answer to that is we want a better bill, and if you have a better bill that can be conference more quickly and supported by the administration, it seems to me that is the way to go.

Which bill has better results for Kansas farmers? There is an outfit called the Agricultural Food Policy Center—the acronym is called AFPC—at Texas A and M University. They estimate our proposal will provide \$1.3 billion more in Government assistance to wheat farmers from 2000 to 2006. It also shows sorghum producers will receive more

funding, and according to analysis by the Food and Agricultural Policy Research Institute (FAPRI) Cochran-Roberts/Roberts-Cochran will result in higher market prices, i.e., overall returns from the marketplace, while the Daschle-Harkin bill will actually drive prices lower than what would occur if the current farm bill remains in place with no changes.

It is the same in Montana and in other areas of the country, according to the FAPRI study, an independent study.

Sure, I want a bill. I want to get it done. I want to get it done as fast as possible, but I do not want to support the worst possible bill of the two.

I thank my colleagues for allowing me to speak at great length. I apologize to my colleagues for taking this much time. I have not had an opportunity to talk about this yet. I have amendments to offer, but I wanted to take this time to fully explain my personal view and the hard work that went into the alternative that I think certainly merits the support of the majority in regard to where we go with the next farm bill.

I yield the floor.

Mr. COCHRAN. Mr. President, I am pleased to join the distinguished Senator from Kansas in offering a substitute, an alternative, to the Daschle proposal for agriculture legislation. It is important we recognize we are involved in a process that does naturally and routinely, whenever Congress addresses farm legislation, take a considerable amount of time.

At the outset, I am disturbed by hearing news conferences are called for the purposes of highlighting how Republicans are obstructing or slowing down the consideration of this farm bill and are putting in jeopardy the passage of a farm bill before this session of Congress adjourns. That is totally unfair and unjustified.

If we look over the history of farm bill consideration, the 1996 farm bill, for example, under which we are now operating, there were over 300 amendments considered to that farm bill during the consideration by the Senate. There have been only a handful of amendments considered so far during this farm bill debate. They have all been germane amendments, all conscience efforts to improve the bill or change it in a way that will help provide more support that is needed by farmers in this perilous economic situation we are in, or in other ways changes farm policy the Senate has a right to consider.

There are going to be amendments. I do not know how many amendments are now pending. I am told there are over 30, according to our count last night. The point is, this is a serious issue. It has huge ramifications, not only for those involved in agricultural production but also for American consumers and the agricultural economy worldwide. So it is not a subject that ought to be flippantly or quickly

rammed through the Senate under the pressures of the last closing days of the session.

If this was thought to be an appropriate time to bring up a farm bill by the Democratic leadership, under the obvious constraints of the time we have available, why did they wait so long? Why did they wait until the last few weeks of a session of Congress to bring up a bill such as this? The House passed a bill much earlier in the year, even though at the time many of us thought it was not necessary to pass a bill that early. The legislation we are under now does not expire until next September. Farmers are worried, and justly so, that because of declining balances in the Federal Treasury, more pressure on the budget to wage a war against terrorism, to deal with the realities we have to confront on that subject, it may be more difficult to get the level of financial support for production agriculture than we may be able to get if we could act during this year. So that is really one of the reasons.

Another reason is so there can be a predictable level of support committed by the Federal Government to production agriculture, those who are involved in planting the crops, those who are involved in financing the planting of the crops, a level of certainty and predictability so they can make plans for this next crop-year. So that is a legitimate concern as well.

So we are trying to accommodate those concerns and interests, but it is very difficult. The pressures are tremendous to get this done and to get it done quickly and get it to the President so it can be signed and enacted into law.

That brings into question, which process or which proposal, which alternative, will likely serve that goal? I suggest it is the Cochran-Roberts bill and not the Daschle substitute. The Daschle substitute has an enormously high level of loan rates in it. That is one of the big problems because that is not going to become law. That is just not going to happen. That is pie in the sky. It is not a realistic expectation, under the circumstances we have today, for a new farm policy to be enacted quickly without people understanding all the ramifications. It is such a dramatic departure from current law, past policies, and the impact it is going to have on commodity prices, the production levels of commodities will distort the world market to such an extent it is unacceptable. That is the big problem.

There are other problems with this bill as well. There are huge numbers of new mandatory spending programs contained in this Daschle bill. In the rural development section of the bill, which we considered in our committee, there are numerous new mandatory spending programs. What is that? These are programs where the spending of the money is directed by law at prescribed levels for certain activities in rural development. Those programs

that have been authorized in the past authorized funding levels, and the appropriations process then analyzes the availability of funds, tries to deal with the allocation of resources in a fair and justifiable way, after hearings and consideration of what the needs are each year, so annually we make a decision as to how much money is to be spent.

This bill is going to predict and mandate over 5 years how much money has to be spent for each of those rural development programs. That is new. That is a dramatic change. That is really not good policy. The Senate had not heard about that, had not talked about it, but that is in this bill. That is in the Daschle substitute.

I complained about it during the markup. We received the markup papers in the middle of the night before we marked up at 9 a.m. This is another part of this rush to legislate. The committee did not take time to have hearings, to consider carefully the options for a new farm as did the House. The House had hundreds of days of consideration prior to the beginning of the markup of the House bill. They had hearings all over the country, hearings in Washington. Our committee had some hearings.

There was a transition that made some difference. In March, the party majority switched in the Senate and the new leadership of our committee had the responsibility of taking over abruptly. That made it a little more difficult. There was a startup problem. We have had the anthrax business in the Senate. Senators have been displaced from their offices. Staff members have been displaced from their offices. There have been problems. There have been challenges to the ability of the Senate to work quickly to respond to the legitimate needs we have for appropriations legislation and other legislation. That is the reality of the situation.

There are amendments that I may offer on the rural development side. In fact, the Cochran-Roberts bill changes these mandatory spending programs into authorized spending programs so we can annually make decisions about the level of funding available and justified. Instead of being able to project a long period into the future of budget surpluses, which was the case, we are confronting a new reality. We are not going to have as much money in surplus in the Federal budget as we expected. That may affect the funding levels realistically available for some of these rural development programs. All of them sound good, but we have to view them in the context of budget realities and legitimate needs and how effectively these funds will be used to try to address the problems they are designed to solve.

One other aspect of difference between the Cochran and Roberts bill and the Daschle substitute is the conservation title. We have a very strong conservation title in our bill. The commodity title is different, as well, not

only in the loan rates I mentioned but also in the predicted constant level of Government support made available, directed to producers of agricultural commodities.

Let me point out in some detail the differences in the commodity title in Cochran-Roberts compared with the Daschle substitute. Our bill maintains planting flexibility with a fixed payment throughout the 5-year life of the bill. In the last few years, Congress has provided producers with supplemental assistance because of the depressed prices and because of natural disasters which have struck many States. The combination has created disastrous situations. Congress has responded. There is no guarantee under the budget realities of today that we are going to be able to continue that level of ad hoc special emergency funding to provide those levels of support in the future. That is another reason the Cochran-Roberts bill determines in advance and sets out in clear language and numbers in the bill the amount of payments the Federal Government will make to producers of agricultural commodities.

Another aspect of our bill that is different is we maintain the successful marketing loan programs with loan rates that do not distort market prices. They do not encourage overproduction and therefore have a depressing effect on market prices.

A new farm savings account is authorized in this legislation. This will be money available to farmers from the Government to match their own savings they invest in order to cushion the effect of years where commodity prices are lower. There are naturally going to be ups and downs in market prices in agriculture as there are in a lot of other economic activities. This account creates a new 401(k) program for farmers. The Federal Government will match the money that the farmers put into these accounts.

Another change that farmers will appreciate in this legislation we are proposing is a provision allowing them to update their base acres. A lot of farmers are convinced the system, the way it works now and the way the program is administered, penalizes them because it contains out-of-date information and is not an accurate reflection of the number of base acres that are farmed and on which the payments can be calculated under this program. This process allows farmers to be paid on a more recent production list.

The conservation title I mentioned briefly. Let me point out specifics in the conservation title in Cochran-Roberts and why it is a very strong commitment to the conservation of soil and water resources in our country. There are higher levels of authorization for the programs that have proved to be successful in encouraging farmers to produce their crops in environmentally friendly ways. The centerpiece of the conservation title is the Environmental Quality Incentives Program, known as EQIP. Under the current EQIP, there is an authorization

level of \$200 million per year, or \$1.2 billion over the 6-year life of the bill. The Cochran-Roberts substitute raises that authorization by \$450 million, to a level of \$1.65 billion for the life of the bill. The Conservation Reserve Program is also increased from 36.4 million acres to 40 million acres. The Wetlands Reserve Program is increased to 250,000 acres annually. The Wildlife Habitat Incentives Program authorized at \$25 million annually is increased to \$100 million each year. The Cochran-Roberts substitute contains a generous level of support for conservation programs.

In summary, these are the reasons why the Cochran-Roberts bill is a preferred alternative to the Daschle substitute. It is trade friendly; it is consistent with the WTO rules; loan rate levels are consistent with the House bill, which makes the bills more easily conference. The Daschle-Harkin approach is not going to be easily conference with the House. In my view, it will be impossible to conference with the House. It cannot be reconciled with the House because of that fundamental major departure. Cochran-Roberts provides a strong commitment to conservation. I mention that again because some are suggesting we are not providing enough support for conservation programs in our alternative. That is just not true.

We have a farm savings account which will help counter adverse price cycles. The administration supports our bill. The President will sign a bill that is based on the principles of the Cochran-Roberts bill. Support for Cochran-Roberts will produce a bill and a new farm law, not just a campaign issue.

I urge Senate support.

Mr. CRAIG. Mr. President, the last few years have been very hard on all of Agriculture because what farmers are getting for crops often does not cover the cost of production, let alone make a profit.

Because of the prolonged slump in commodity prices, earlier this year we were on the floor debating additional assistance to farmers. I supported the \$5.5 billion in emergency farm aid for the last 3 years, because I believe if we want our farmers to stay in business and our rural communities to survive, we must help them until prices come back. However, Congress cannot keep doing these ad hoc disaster bills. We must provide more certainty to farmers across the Nation, which is why I am pleased Congress is taking up the farm bill. However, I am disappointed that such a bipartisan issue has been made partisan. It is my hope that we still have time to pass a farm bill with good agriculture policy to help our farmers, ranchers, and rural communities. That is why I support the Cochran-Roberts alternative. A proposal that will provide support for our farmers when they need it and not send signals to produce when the market can not bear the production. Harkin has high loan rates

which cause farmers to produce for the loan deficiency payment, the over production cause prices to be further depressed.

I also support the improvements to the sugar program. The authority for inventory management will help restore balance to U.S. sugar market and prevent more of our farmers from going out of business. The elimination of the marketing assessment was long over due, as sugar was the only commodity to be taxed for debt reduction. Sugar is an important crop to my state and these improvements will help it remain a viable part of Idaho agriculture. Harkin does all of this and gets rid of the loan forfeiture penalty. This proposal does not contain a so-called national dairy program that benefits some dairy farmers at the expense of farmers in my State. We should work on a national policy that is fair to all farmers and that makes us more competitive on the world market. I am pleased that dry peas, lentils, and chickpeas were included as a farm program. Loan rates and LDP's will help these crops remain competitive with wheat and canola in rotations along the northern tier states, this is in Harkin. I also support the nonrecourse loans for wool and honey. Our wool growers have seen wool become an expense rather than additional income from their sheep, this program will help to overcome that. Both wool and honey, as other commodities, have been adversely impacted imports and it is time these commodities have programs as other commodities do. I am pleased with the increases in EQIP, Environmental Quality Incentives Program, funding and the improvements to this program that is vital to our cattlemen who are working to comply with water quality issues.

The grasslands reserve program is a proposal I introduced earlier this year and I am pleased that it was incorporated in this amendment. This proposal will help keep working landscapes intact which will benefit the ranchers, rural communities and wildlife that are dependent upon them. There is much more to this amendment in all of the other titles but I will not go into detail, rather I would like to congratulate Senators COCHRAN and ROBERTS for assembling a well-balanced piece of legislation that works to address the different needs in every region of our country.

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

Mr. BURNS. Mr. President, I rise today in support of the Cochran-Roberts approach to this problem. I think it is a middle-of-the-road approach to where we are under today's policies, what was proposed and what was voted out of the Agriculture Committee.

Yesterday there were a few of us who believed the cloture vote was not a good experience. Most of us who had amendments, and substantive amendments, had not been able to talk about those amendments or even file them.

We believe they are very important. We all have the habit, in this debate, of being a little bit provincial. We look at what we need in our States. What we have experienced in the State of Montana—in the last 3 years especially, but basically we are in the middle of a 5-year drought. That cycle does not appear to be breaking in our State. We had a little snow here 3 weeks ago, but since then the temperatures have moderated and, again, we are into a very dry fall. It is unusual for Montana.

We have had winters when it has been very good in my State, even though we are on the northern tier. Nonetheless, it has been a dry fall and of course we live in the part of the country where, if it does not winter, it does not summer. We are afraid of that again.

The present legislation, the Daschle substitute, still offers some very troubling proposals. The day before yesterday, an extended debate was headed by our good friend from New Mexico, Senator DOMENICI. In the conservation title there is a section title dealing with CRP, to thrust the Government into a position where they can buy out, or coerce out, a farmer or rancher's water rights. This would involve going around the State water adjudication process, going around water trusts that have been set up for States such as Oregon and Montana and other Western States.

We are still looking at that section. Even though it was amended to allow States to opt into the program, we are still looking at it because I think the whole subsection of the conservation title should be stricken. We could talk about that and offer another amendment on that, but that would not be productive during this debate. But I do have a couple of amendments I am going to offer now.

I ask unanimous consent that other pending amendments be set aside.

The PRESIDING OFFICER. Is there objection?

In my capacity as a Senator from New Jersey, I object.

Mr. BURNS. While we are in the process of reviewing that, there are other areas of this legislation where we could offer amendments, areas which I believe have to be addressed by this body and by this Government.

We have a situation on the northern border with our good friends in Canada that is intolerable when it comes to movement of farm chemicals back and forth across the border. We have farmers in Montana who farm both sides of that international boundary. We would like to normalize those labels of like chemicals that are labeled to do the same things. So far, we have not been able to do that. I think it would be inappropriate, again, to offer an amendment, hard and fast, where we could deal with that problem. But I will be submitting some language because this does involve the EPA, the Department of Agriculture, and it also involves our International Trade Representative. To

get them involved, report language is going to be needed in order to deal with that problem.

We could also talk about captive shipper in those areas where we only have one railroad. There is an old saying in Montana that you farm the first year for the Government, the second year is for yourself, and the third year is for the railroad, because they take about a third of your crop just to move it to the processor or to the export terminals. We are in a position where it costs us more than it should. It is funny that you can ship grain from Omaha to Minneapolis or Portland cheaper than you can ship it from Montana. We have to deal with that, and so far we have not been able to come to grips with how to deal with monopolies in a State, especially when it impacts the movement from a State that produces raw materials.

Of course, we have that situation in grain. We have the situation in coal. It impacts the cost of energy. It also impacts the cost of farming. We forget around here that agriculture buys retail and sells wholesale, and usually pays the freight both ways.

We could also get on the old populist line, that what is lacking in agriculture today is that for years—and I suggest this to my friend from Kansas—for years we lived on the part of the consumer dollar that ranges from 15 cents to 20 cents. That is not true today. We are down to 9 cents or 10 cents.

We have no lever in the market. We can't just go to the marketplace and say: No, it cost me \$4 to produce the grain. I am not going to sell it for less than \$4; that would be silly. Because that is like going to a store or tractor dealer or fertilizer guy, who can say: No, it cost us so much for the fertilizer, and this is what it is going to cost you. And guess what. We pay them. But a farmer doesn't have that leverage in the market that he once had.

Yesterday we had an amendment dealing with packer concentration, basically, saying the packers could not own livestock, or, if they did, they could only own it for 14 days prior to the scheduled slaughter. I don't know how you get 14 days and I don't know how you define that—that is yet to be determined.

There is a reason for this. There is going to be a reason we should deal with the Packers and Stockyards Act, because that is a law that was written way back in the 1930s and it has never been amended or changed in a substantive way. Back in those years when I was a lad, I would say 80 percent of the livestock that was marketed went through terminal markets. We can remember the great stockyards in Kansas City, Omaha, Chicago, Minneapolis, or South St. Paul, Sioux Falls, and Sioux City, East St. Louis—all the great terminal markets. Over 80 percent were marketed that way. Packers specifically in that law were prohibited from owning a commission house or stockyards.

There was a reason for it. Back then, we had the "big five." There was Wilson, Swift, and Cuttahay. I have a fantastic memory, but it is short. Back in those days we had the five major ones when we talked about livestock marketing and processing. Now the movement of slaughter animals to market is reversed. The chicken industry is a horizontal and vertical entry. In fact, I would say it is done 75 percent of the time in the hog business. They have "chickenized" the hog business. But in cattle, they have not. If 80 percent of the cattle are going to move to the plants without going through a stockyard, or commission house, or an auction market, then another firewall has to be built.

There is a very good reason for that. The intent of the law was good, and it worked. It worked to benefit the producer. That is why the amendment that was voted on yesterday in the Chamber which came from the livestock area was successful.

I ask the Chair, How are we doing? Can I offer my amendments?

The PRESIDING OFFICER. The Senator may offer his amendments.

Mr. BURNS. I ask unanimous consent to set the pending amendment aside.

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

Mr. BURNS. Thank you very much. I appreciate that.

I offer this amendment, and I will talk more about it later. But it is a limitation on the amount of acres that one landowner could put into CRP.

The CRP is a well-intentioned program, but it has been changed. I guess it evolved. It has been done mostly through Executive order rather than through legislation.

I think it is about time that we get the Conservation Reserve Program back to its original intent. The intent was to set aside those undesirable or highly erodible acres, and the Government would reimburse the farmer for good conservation practices. It was very successful. I don't know of a time in Montana when we have had a better habitat for our upland game birds—grouse and pheasant.

We had the situation where some people under farm programs were plowing from fence row to fence row. Lands that should have never ever been broken were going into cropland.

We kind of killed two birds with one stone. We said: OK. Let us set some of those lands aside. Maybe that will cut back a little bit on production. That will give us a better market. But those highly erodible and marginal lands could also be used for a very good use—for the environment and the maintenance of our habitat for our wildlife.

I don't know of a farmer or rancher who doesn't like a little bit of wildlife around. I know I do. My father even planted little areas of lespedeza, and put four rows of crops around it. It was covered with quail in those areas. They are a marvelous bird.

This amendment deals with the amount of land you can put into CRP.

There is also another reason for this amendment. We have seen in rural areas that our smaller towns have dried up. We have seen very good productive land put into the Conservation Reserve Program. Instead of the farmer selling the land to a young farmer, they have put it in there. And they go where the snow does not fly.

It is really not a bad deal, when you think about it. But it is counter-productive to our communities when the biggest base is production agriculture. Those lands should be kept in production. After all, the American people have decided they want their insurance policy, called "plentiful food." They want the quality and the quantity. They also want the grocery store open 24 hours a day. That is the reason for this amendment.

I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENT NO. 2607 TO AMENDMENT NO. 2471

Mr. BURNS. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 2607 to amendment No. 2471.

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

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

The amendment is as follows:

(Purpose: To establish a per-farm limitation on land enrolled in the conservation reserve program)

On page 205, strike lines 8 through 11 and insert the following:

(c) MAXIMUM ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary";

(2) by striking "36,400,000" and inserting "41,100,000"; and

(3) by adding at the end the following:

"(2) PER-FARM LIMITATION.—In the case a contract entered into on or after the date of enactment of this paragraph or the expiration of a contract entered into before that date, an owner or operator may enroll not more than 50 percent of the eligible land (as described in subsection (b)) of an agricultural operation of the owner or operator in the program under this subchapter."

Mr. BURNS. Mr. President, that is the amendment on which I just had the opportunity to speak.

I ask unanimous consent that the amendment be laid aside and that I be allowed to offer the second amendment.

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

AMENDMENT NO. 2608 TO AMENDMENT NO. 2471

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 2608 to amendment No. 2471.

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

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

The amendment is as follows:

(Purpose: To direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program)

On page 212, strike lines 13 through 15 and insert the following:

reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.

“(j) PER-ACRE PAYMENT LEVELS.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall conduct a study to determine, and promulgate regulations that establish in accordance with paragraph (2), per-acre values for payments for different categories of land enrolled in the conservation reserve program.

“(2) VALUES.—In carrying out paragraph (1), the Secretary shall ensure that—

“(A) the per-acre value for highly erodible land or other sensitive land (as identified by the Secretary) that is not suitable for agricultural production; is greater than

“(B) the per-acre value for land that is suitable for agricultural production (as determined by the Secretary).”.

Mr. BURNS. Mr. President, this amendment also deals with conservation reserve. The original intent was to take those marginal and erodible acres out of production and set them aside.

This amendment pays the landowner more for the acres that he sets aside that are the lower class lands and soils and pays less for the productive land.

This is an incentive for the farmer or rancher to set aside the land that we really want to see in the Conservation Reserve Program, and it will do everything that we wanted to do that I spoke of on the first amendment.

It is fairly straightforward. If we think this program is important, then we must fulfill the intent of the program and give the producer the incentive to carry it out. I think that is what this does.

I will offer amendments as we go along, but those are the two main amendments that I wanted to offer to the Daschle substitute of the farm bill.

I hope as we march down this road to try to craft this legislation that we can at least take a commonsense look at these amendments.

It seems in agriculture when you start talking about a farm bill everybody becomes a farmer. Sometimes we get led astray when we are not living in the real world on what it is like in the country.

I want to tell you that there is only one problem in the country; that is the price. Everything else would go away if we were getting a fair price for the product. The price we get now has very little to do with the cost of the final product we buy in the grocery store.

As I said, we were very happy when we used to receive 15 to 20 cents of the consumer dollar. Now we are down around 9 or so. That becomes a real strain.

I thank the Chair, and I thank my good friends who are managing this bill because it is difficult to do that, at best. But we will start talking about two other items and offering some report language that deals with those items so that we can start the process to deal with that. Those items deserve to be debated. I think everybody in this body needs to know the particulars of what is involved with captive shippers and the problem we have in the normalization of labels when we talk about farm chemicals and fertilizers.

Mr. President, before I yield the floor, I ask unanimous consent that my amendments be set aside and we return to the amendment that was considered before I offered my two amendments.

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

Mr. BURNS. I thank the Chair.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, this morning we have had a generous discussion of farm policy. Some see me come to the floor of the Senate and say: Oh, no, here comes the farm speech again. Probably that is the case because family farming is very important to this country, to its future, and the passion I have for trying to do something to keep a network of food producers in our country represented by families living on farms in America is a passion that doesn't dim. And so I will respond to some to the discussion to date.

We have been debating the farm bill all week. Today we are in a town largely vacated. We don't have record votes. The Chamber is largely empty. We are in a situation where we will now take the farm bill into next week because we had a cloture vote to try to cut off a filibuster yesterday, and we did not succeed. Fifty-four Members of the Senate voted to restrict debate so we could finish the farm bill, and that was not enough. It requires 60 votes.

We have some in this Chamber who have decided to slow-walk this farm bill. While that is not unusual—that happens on legislation—no one has actually confessed to that strategy. They just have done it. Actually, on a good day no one accuses the Senate of speeding. But on bad days, this is almost glacial in terms of its movement. That is what has happened in recent days with respect to the farm bill.

I listened carefully to the discussion this morning and to the discussion earlier in the week with respect to those who don't like the farm bill that came out of the Senate Agriculture Committee. I am reminded of the person who knows the cost of everything but the value of nothing.

We have had a lot of discussion with respect to a farm bill, and it is about numbers—carryover stocks, loan rates, direct payments, a whole range of numbers. No one really talks of values.

This debate is much more than just a discussion about numbers. It is a discussion about values: What kind of a country do we want to be. What kind of an economy do we want to have? Who do we want to produce America's food? Does it provide security to have a network of family producers scattered across this country, producing America's food? Does that produce a more secure food supply? Those are the questions we also ought to be discussing.

I have expressed to my colleagues previously my feelings about farming and family farmers and ranchers in my State and other States. The Presiding Officer today is from the State of New Jersey. It is a large State, an urban State. His experience and background would be different than mine. I come from a town of 300 people. The Presiding Officer likely grew up in a town slightly larger than that.

It seems to me that all of us coming together in this Chamber represent the gridwork of America, bringing different perspectives and different values from different parts of the country together in a discussion about who it is we are and what we want to be. That is why I rise to talk for a moment about family farming in North Dakota and what it provides for our rural lifestyle.

My little town of 300 people just had their last high school prom last May. It was the last high school prom because it was the last year of their high school. I graduated many years ago from that same school in a class of nine. There were seven boys and two girls.

(Mr. INOUYE assumed the chair.)

Mr. DORGAN. Well, the years passed and passed, and some more years passed, and they came to last May when the high school in Regent, ND, was closed. They held their last high school proposal. So the Regent Ranger basketball team and that high school are history. That is happening across much of the Farm Belt in the small towns that are shrinking like a plum to a prune, just shrinking up.

So the question for many is, Does it matter? Isn't that the inevitable march of progress, the drumbeat of moving ahead? Isn't that inevitable? Why not just accept it?

There are things that we lose in this country when we decide that that which is rural doesn't matter. I will give you some examples. I have mentioned before these examples. Nonetheless, they are important. If you are in need of a hotel room and are in Marmarth, ND, this evening, there is a hotel in Marmarth, ND. No one works there, however. You just go in and you take a bed, and the next morning when you leave, there is a cigar box attached to the inside of the door and they would like you to put some money in it, if you can. That is how you get a

hotel room in Marmarth. Admittedly, it is a small town. Marmarth has 70 or 80 people now. It is an old railroad bunkhouse that they use as a hotel. The door is open for you if you need a place to sleep. Just put some money in the cigar box.

That is part of a system of rural values that I think is important to understand. Another part of my State, down the road, also in the southern part of the State, is Havana, ND. People magazine did a story about Havana. They have a cafe in Havana, a little restaurant, but it is also a very small community. I believe it is under 100 people—perhaps just under 200. In any event, in order to keep the restaurant open, because they can't afford to keep it open under regular circumstances, they asked the townspeople to sign up each week for when they can work there for 2 hours—for free, for nothing. That is the way the community keeps the small town cafe open.

In Tuttle, ND, a little town of less than 100 people, they lost their grocery store. That wasn't satisfactory to the people in Tuttle, so the city council decided they would build their own grocery store. So you have a city-owned grocery store there. Some would call that socialism, but they simply wanted a grocery store, so the city built it. I was there the day they opened the new grocery store. They asked me to come. They cut a ribbon on Main Street. They had the high school band out on a beautiful day. The sun was shining, the wind was blowing gently, and the high school band played on the streets to celebrate the opening of the city-owned grocery store. Good for them.

In my hometown of Regent, they had a robbery. They had not had one for an awful long time. The county sheriff from Mott came rushing over in his car. He had his lights and siren on because he doesn't get a chance to use them that much. He came rushing in and discovered someone had stolen some money from a home. He investigated and announced that there was no sign of forced entry because these folks had gone on vacation for 2 weeks and had not locked their house. They had left some cash in their home and someone had stolen some cash. But there was no sign of forced entry because, having left for vacation for 2 weeks, they didn't lock their home.

The county sheriff said to the residents: There are two things you ought to consider doing. One, if you are going on vacation, consider locking your home. Two, if you are going to leave your vehicle on Main Street, consider taking your keys. The people in my hometown down at the cafe talking about that discovered there was a practical problem for the first suggestion. Most people didn't have keys for their homes. Regarding the second recommendation, the county newspaper pointed out that the county sheriff thought people should remove keys from vehicles on Main Street when they parked. They asked a rancher how

he felt about that. His response was: Well, the question I have about the sheriff's suggestion is, what if somebody needs to use my pickup truck?

So that is where I come from. That is a set of rural values that you won't find in some other parts of the country. These are wonderful places in which to live and raise children, places with good neighbors. So this is more than just about dollars and cents. It is more than just about graphs and charts that people show with lines and bars on them. It is about values, a value system.

Let me speak for a minute about what is happening in rural America. The discussion we have heard this morning is about our plan versus their plan. Well, look, every plan that existed in the last 30 years had been a plan during which, when implemented, we have had this relentless march away from rural America.

There is a Lutheran minister in New England, ND, who told me that she conducts four funerals for every wedding. She says: For every wedding I conduct in my Lutheran Church, I conduct four funerals.

I thought, that is the opposite of that movie, "Four Weddings and a Funeral." In rural America, it is four funerals and a wedding. Why is that the case? Because the population is growing older, young people are leaving, family farmers are going broke. This rural lifestyle of ours is decaying and atrophying. The question is whether the Congress cares about it, whether there is a public policy in Congress that matches the kind of public policy Europeans have already embraced that says: Do you know what we want for our future? We want a network of food producers represented by families, producing food on the land across Europe. We want that for food security purposes and for economic and cultural and social purposes. They have done it. Go to Europe and go to a small town and ask yourself whether that town is living or dying. It is alive. Do you know why? Because families out there are making a living on the land producing crops.

This country points to Europe and says it provides subsidies to its farmers, as if it is an accusation. Yes, it does, because that is the kind of economy it wants. When prices for food collapse on the international markets, Europe says they want to maintain a network of farmers in rural Europe. So, too, should the United States decide that family farmers matter. Family farming is much more than just the act of planting a seed. Family farming produces communities. It is the blood vessel that creates small communities. It is where we raise children and educate children, and those family values that start on the farm and roll from family farm to small towns to big cities nourish and refresh the value system of this country. That is why this issue is important to some of us.

We can ignore this, we can pretend the problem doesn't exist, and we can

say everything is just fine. But that ignores the truth—the fundamental truth that somewhere all across rural America this morning families were waking up on farm after farm after farm wondering how long it is going to be before they lose their farm. How long before they lose their hopes and dreams of trying to make a living by scratching the land and planting a seed, how long?

You can't imagine the letters we receive from people who have lost everything. A woman called me a while ago. She and her husband got married just out of high school and started a farm. That was about 25 years ago. It was a dairy operation. If anybody knows anything about dairy, you know how hard that is. You milk every day, twice a day, early in the morning and at night. She said for 25 years they have scrimped on everything; they don't go to town on weekends or at night, and they don't spend money foolishly on anything. They wait an extra year to buy Levis for their kids for school. They called me and told me a story.

She said: The bank says they are going to foreclose on us because the price of milk is too low and we can't make a living milking 80 cows. What are we going to do? It is the only thing we know. It is what we decided to do after high school. Our dream was to run a family farm. We have done it for a quarter century. We are not trained for other things. Can you help us?

That plaintiff cry, "Can you help us," comes from all corners of rural America to the U.S. Congress, asking: Do you care whether family farms produce America's food? If you do, give them a decent opportunity to make a living if they are good managers.

That brings me to the point of the numbers. When a family farm in rural America today raises a bushel of wheat, they are paid a pitiful sum for that bushel of wheat by the grain trade because the grain trade says that food they produce isn't worth anything.

It is inexplicable to me that in a hungry world where half a billion people go to bed at night with an ache in their belly because it hurts to be hungry, our farmers are told their food has no value. It is just inexplicable. That is what the grain trade says to the family farmer, but that food the grain trade tells the family farmer has no value is put on a railroad that in most places charges monopoly rates to a farmer to haul that grain to the market.

From that market, a cereal manufacturer will take from that bushel of wheat a kernel and puff it, and by the time they get that puffed kernel of wheat and stick it in a cereal box, seal it up, put bright colors on the box, send it to the grocery store, and put it on the shelf, they will sell that for \$4 for a small box. All of a sudden that food does have value. It just had no value for the person who bought the tractor and planted the seed and took the risk.

The value is to the company that took the kernel of wheat and puffed it, or the rice or the corn and flaked it

and created the pop and the crackle, and then sold it for \$4 or \$5 a box. That is where the value is, apparently.

Farmers have increasingly lost their share of the food dollar as they are pressed from above and pressed from below by increasing monopolies in virtually every direction that a farmer looks—hauling their product, selling their product, buying their chemicals, buying their seed in virtually every direction. Then when the Federal Government gets about the business of dealing with trade, saying to farmers, by the way, we will let you sell overseas that grain you raised, we discover the trade agreements this country has negotiated with others are fundamentally bankrupt in the way they treat family farmers.

We negotiated one with Canada and sold out American farmers, just sold them out. We negotiated one with Mexico and sold out American farmers. And the list goes on.

Farmers need a little help. Farmers are asking Congress to stand on their side for a change.

Let me go to this question of what kind of plan will work. We have a plan before the Senate that comes from the Senate Agriculture Committee. I know the administration does not like it. I also know some of our colleagues who spoke this morning do not like it very much. The administration wrote a statement of administration policy; it is called SAP. There is an acronym for everything in this town. They said supporting prices is self-defeating.

The point is, we really should not support prices for family farmers. And I fundamentally disagree with that. If a big economic interest has a headache, this town is ready to give them an aspirin, fluff up their pillow, and put them to bed. This town is ready to help them at the drop of a hat.

How about a family farmer who does not have much power? How about a family farmer who discovers the grain they sell has no value? Colleagues say: Supporting prices is self-defeating. It is not self-defeating. Supporting prices for family farmers is an effort to help this country maintain a network of food production that promotes domestic security in this country, promotes a lifestyle and a culture in America that is very important. It is not self-defeating at all.

We have brought this bill out of the Senate Agriculture Committee, and Senator HARKIN and many others brought it to the floor of the Senate. It was reported out unanimously. Every title of the bill but one was voted on unanimously, and that was the commodity title. That title was voted on and had a Republican vote, so it has a bipartisan flavor to it. This bill was virtually unanimous coming out of the Senate Agriculture Committee.

Despite the fact there is an urgency to get this done and get it done now—we are trying to get it done by the end of the year—yesterday we could not break a filibuster because some do not like the price supports in the bill.

Today we have a discussion by some who say they want to offer an amendment. We have been waiting for that amendment for, I believe, 4 days now; the amendment will reduce price supports for every single commodity. It will reduce the price supports for wheat, corn, barley, oats, oil seeds, and soybeans.

It seems to me reducing price supports—and the bill that came out of the Senate Agriculture Committee, in my judgment, is not generous enough, but at least it gets us at the starting line of what we need to do to help family farmers—reducing price supports from that level, in my judgment, would make no sense at all.

The proposition is: Let's have a direct payment to farmers that has no relationship to price. That is Freedom to Farm, too. That is the current farm law. The current farm law, Freedom to Farm—which title is sort of incongruous, in my judgment, but nonetheless that is the title to it—has nearly bankrupted rural America.

Every single year Freedom to Farm has been in force, we have had to do an emergency bill at the end of the year to keep people afloat. Why? Because the underlying farm legislation is awful. It does not work, and everybody in the country knows it does not work.

The proposal that says what we really need to do now is have a fixed payment, notwithstanding what prices are in the marketplace, is saying: Let's continue what we have been doing. Freedom to Farm is a proposal that says: Let's have 7 years of declining payments. It does not matter what the market is.

If the market is \$5.50 a bushel for wheat and you do not need the help, you are going to get it anyway. That is what Freedom to Farm is. They did not calculate that instead of \$5.50 a bushel for wheat, it collapsed to \$2.50, and Freedom to Farm was a miserable pitfall in terms of what farmers needed to stay out of bankruptcy.

The circumstances are that a substitute is going to be offered that says: Let's go back to a fixed payment, and if prices improve, we will still give payments. That is not my interest. In my judgment, family farmers do not want a payment. If they get \$5.50 for a bushel of wheat, they do not want, they do not need a payment, and they should not get a payment. It is just very simple.

What we ought to be doing for family farmers is something that is a countercyclical program that when prices are collapsing and times are tough, we help. When times are good, we do not need to help. That is common sense, in my judgment.

The bill that was brought to us by Senator HARKIN does exactly that. It makes a policy U-turn and says: Let's understand Freedom to Farm did not work, and let's put in place something that is truly countercyclical. It retains all the things farmers want; that is, planting flexibility. They want the

flexibility to make their own planting decisions, and they should have that. Absolutely. They have it under the current law. They will have it under the new law. That makes good sense.

It does not make any sense to begin, even before this bill is passed, pulling the rug out from under price supports saying somehow we want to provide less to family farmers than they need to survive.

This is an extraordinarily important time. We are not in session today with votes. We are in session but have no votes. We return with votes on Tuesday. We will be working Wednesday and through the remainder of the week, I expect. We expected and hoped we would get this farm bill that came out of the Senate Agriculture Committee passed by yesterday or the day before. We were not able to break a filibuster. So now we have to, on Tuesday, come back and see if we can—or perhaps Monday with no votes but then Tuesday with votes—see if we can provide some additional votes on amendments and get to the end stage.

My hope is those who have been developing this slow-motion strategy will understand that it serves no real interest. We are going to finish this bill. The only thing that will have been accomplished is we will have delayed dramatically the ability to pass a farm bill, and we will not have had the opportunity to have a conference with the House of Representatives if this goes much longer.

We have a Republican chairman on the House side who is anxious to get to conference. Congressman COMBEST—good for him—told the White House and the administration some months ago when they said, Don't write a farm bill this year; we do not want you to write a farm bill, Congressman COMBEST said to his own party: It does not matter what you want; we need a new farm bill, and I am going to do it. Good for him. I commend him. He is a good, strong guy who pushed ahead and did it. He wants to go to conference with us; the sooner the better.

My colleague, Senator HARKIN, has now brought a bill out of the Senate Agriculture Committee, and we should be in conference today had we not had a filibuster.

Hopefully we can be in conference next Wednesday. We owe it to the family farmers in this country to get this bill done and get it done right.

We will, I suspect, hear from a lot of family farmers in the coming days through their farm organizations. Every farm organization in America, every one that I am aware of, has asked this Congress to do this job now. Farm organizations and commodity groups have said: We support this job being done now. It is just inexplicable to me that on behalf of family farmers this Congress will not rush to good policy. If this were some other economic sector with big companies and lobbyists filling the hallways, Congress would be rushing off and saying, When

can we get this done? But somehow when it comes to the farm bill, we have people who do not seem very anxious to complete the work.

I began by talking about small towns and values, and let me end again by saying this is about values. What does this country want for its food production in the future? Does it want family producers? If it does, then it has to develop public policy that complements those desires. I mentioned before that Europe has done it. We have not. Some of our friends point to Europe and say they are subsidizing their farmers. Yes, they are doing that. Good for them.

Do you know why they are doing it? Because Europe has been hungry, and it has decided it is never going to be hungry again. We have people who are just benign about family farmers. We have people who say it does not matter who farms America. We have big agrifactories that can line up tractors on farms from California to Maine. That would be fine. All that has been lost is families. Yard lights are not needed if there is nobody living out there. One can fly from Los Angeles to New York and see almost no lights then. I do not think that advances America's interest. I think that retards it.

I think there is a difference in terms of this country's future about who produces America's food, and if we stand with family farmers and believe in a future with family farmers producing America's food and believe the values that come from rural America are important to our country's future, then it seems to me we have an obligation and an opportunity now to do the right thing.

Doing the right thing is passing the bill that came out of the Senate Agriculture Committee, getting it into conference, and joining with Congressman COMBEST and Senator HARKIN in getting this bill to the desk of the President. I do not know whether the President will sign it. That is up to him. It is not our job to anticipate what this President might or might not do in agricultural policy. It is our job to write the best farm bill possible, and that is what we should be about doing.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. 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. HARKIN. Mr. President, I take the remaining few minutes we are in session today to respond to earlier statements of my colleagues, Senator ROBERTS and Senator COCHRAN.

Before I do that, I will respond to the editorial in the Washington Post today at the bottom of the editorial page, entitled "A Piggy Farm Bill." I thought in honor of that I would wear my piggy

tie today. I have a tie with pigs on it, but they are little pigs, not big pigs. That is what the farm bill is about—helping the little person, helping the family farmer who does not have a lot of economic power like the big corporations and the big businesses all over this country.

The Washington Post has it all wrong. They say the farm bill "would institutionalize the insupportable excesses of the past few years. . . ." Excessive spending in the farm bill is what they are alleging. They say we are spending too much money, we should not do this because it is too much money going out to our farmers.

I had my staff do a little research. I thought I would put it in light of what we are spending in this country. During the Depression, public support to farmers was first established. In 1940, Federal farm support accounted for 3.9 percent of the Federal budget and .4 of a percent of the U.S. gross domestic product. In 1963, farm support accounted for 3.1 percent of the Federal budget and .55 of U.S. GDP. Over the last 3 years, Federal farm support has accounted for about 1.1 percent of the Federal budget and .2 of a percent of U.S. GDP.

In the farm bill we have before the Senate, S. 1731, for the next 5-year period, Federal farm support is projected to account for about .65 percent of the Federal budget, the lowest ever, and .1 percent of U.S. GDP, the lowest ever. In 1963 it was .55 percent of U.S. GDP.

When the Washington Post says we are spending too much of our national income on agriculture, I have to wonder, what are they talking about? Look at the past. We are spending less and less of our national income on agriculture. I will have more to say about that next week.

Now I will respond to Senator ROBERTS and Senator COCHRAN, and Senator GRASSLEY, my colleague from Iowa, who spoke this morning about the possibility that this bill would violate the WTO. He was greatly concerned about making sure we maintain our support to agriculture within the WTO limitations. I agree. I believe we should. We helped hammer out the WTO; we should remain within it. However, we should not be slaves to it to the point of neglecting the interests of U.S. farmers just because of WTO limitations.

Here is the data. This chart is complex, but under the so called "amber" box we are allowed every year \$19.1 billion to spend on support for agriculture in this category. That is what the concern is about. Right now the ceiling is \$19.1 billion. That is what we are allowed to spend under WTO annually. Right now, the yellow is where we are, at a little over \$11 billion. Under the projections of S. 1731, the bill before the Senate, under the baseline projection, we will go up to slightly less than \$15 billion over the 5 years, in any given year over the 5 years; the maximum would likely be right at \$16.6 bil-

lion—a lot less than the \$19.1 billion we are allowed.

To hear some Members talk, one would think our support to U.S. farmers ought to be way down here. But as my colleague from North Dakota, Senator CONRAD, pointed out, time and time again, if we are down there, we are unilaterally disarming against the Europeans who are way up here. My point is, under the bill in the Senate, we are nowhere near coming to the \$19.1 billion allowed under the WTO. I hope people do not have some kind of scare tactics out there that we cannot do anything to have an effective farm program. We cannot have loan rates. No, we cannot do that. We cannot have countercyclical payments. No, that might disrupt WTO. I will point to this chart next week to show we are nowhere near the \$19.1 billion.

My main objective on this farm bill is to have a sound farm bill for our farmers. My principal goal is not to satisfy the bureaucrats at the World Trade Organization in Geneva, Switzerland. I repeat that: My principal goal is to help farmers in America, it is not to satisfy the bureaucrats at the World Trade Organization in Geneva, Switzerland. We want to stay under the \$19.1 billion. And we will. But there is no reason we have to be so intimidated that we do not design a program that utilizes fully our ability to operate within that \$19.1 billion.

We have a safety valve in our bill. If the Secretary of Agriculture at any time estimates we are going to be above the \$19.1 billion, she can take action ahead of time, in an orderly manner, to limit our support to U.S. agriculture.

Second, in response to trade, we have been diligent in our farm bill in responding to the needs of our farmers to sell their products abroad. In this bill for five years, we devote \$1.1 billion in added funding to promote trade overseas, such as through the Market Access Program and in the Foreign Market Development Program, Food for Progress, and a new biotechnology and trade program. Over 10 years, the CBO estimates that our bill would provide a total of \$2.1 billion in added funding for advancing our trade opportunities overseas.

Again, the bill we have before the Senate, S. 1731, came out of the committee on a voice vote and with a unanimous vote on all titles—you cannot get much more bipartisan than that; every single title was unanimous, except the commodity title. It was not unanimous, but it was bipartisan.

Senator ROBERTS earlier this morning said our bill would take us back to the failed agricultural policies of the past. I have heard that phrase so many times before—I thought we had given up on that phrase. Which farm policy is he talking about that failed? Obviously the most failed farm income protection policy we have had is the so-called Freedom to Farm policy of the last 5 years. Don't take my word for it. Ask

any farmer in America what they think about the Freedom to Farm bill. They have suffered through years of depressed incomes and have had to rely on the uncertain prospect of emergency farm income assistance year after year. You will not find a more failed agricultural policy in this country than Freedom to Farm.

But the Cochran-Roberts bill continues Freedom to Farm. That is all it is. It is the son or the daughter of Freedom to Farm. It is Freedom to Farm II. I say to all my friends in agriculture, if you like Freedom to Farm, you will love Cochran-Roberts because that is exactly what it is.

When my friend from Kansas, Senator ROBERTS, says the farm bill will take us back to the failed policies of the past, he must be talking about his own proposal because it is Freedom to Farm that has failed us.

What we do is we build four strong legs for farm income support in our bill. Yes, we do keep direct payments, but not as much as what Cochran-Roberts does. Then we have modestly higher loan rates to help farmers when they need it the most. We have a countercyclical payment to farmers when prices are low. And we have conservation payments to farmers for being good stewards on their land.

The Cochran-Roberts bill is really focused on only one thing, direct payments, exactly what we have had under the failed Freedom to Farm. There is a farm income stabilization account proposal, but it is only an add-on to the direct fixed payments. So if you have low prices, you get the same payment as you got when you had high prices.

I will admit that if we have high prices for the next 3 or 4 years, the Cochran-Roberts bill will give farmers more money than what they would get under S. 1731. That is what they told farmers in 1996. In 1996 we had high prices for agricultural products. It was a good year for farmers. So they said: Oh, what we will do is we will have these direct payments out there. No matter what you get, we will have the direct payments. It looked good to farmers. Then commodity prices went in the toilet, we had very low prices, and every year for the past four years Congress has had to come in with an emergency bailout, emergency money for farmers. Is that what Cochran-Roberts wants? More of that? Where every year we have to come back, again and again, for more emergency money for a failed farm program? That is what will happen. That is what will happen if Cochran-Roberts is adopted. It will be just like we had in the last 5 years.

At least under our bill we have better loan rates, loan rates that will guarantee farmers that they will not get any less than a certain amount. Couple that with our countercyclical payments, and farmers will know that no matter how low that price goes, they will have income protection at a set level. They are going to have that support in our legislation.

My friend from Kansas said the problem with loan rates is you have to produce the crop to get the loan rate. If you do not produce it, if you do not get a crop, you don't get a loan rate. Every farmer knows that. That doesn't come as any big revelation.

What he is saying is their direct payment is better because they put more money into direct payments than into loan rates. So if the producer does not have a crop, there is at least the higher direct payment. I am surprised to hear my friend from Kansas say that the direct fixed payments are needed to cover crop loss. He has been taking credit, with former Senator Kerrey from Nebraska, for being the author of the crop insurance reform bill that we passed last year. That bill beefed up the crop insurance program, both in terms of loss of crops and in revenue protection. So not only do you have crop insurance but you have revenue loss insurance. That is what crop insurance is there for. That is why we put money into it.

The Senator from Kansas with good reason touted his crop insurance bill last year. Now he must be saying that crop insurance is not enough after all to protect against crop losses. I don't know for certain if that is what he is saying. I look forward to hearing from him on that question next week.

So that is what crop insurance is for. If you have a lost crop, that is why we have a very sound, good, crop insurance program. The reason we have a loan rate is so at harvest time, when prices are the lowest, that is when farmers need the money and that is when they can get that loan rate. And it goes to the farmer. It doesn't go to the landlord in the way direct payments do. It goes to the farmer. That is where the loan rate goes.

The Senator from Kansas said farmers and lenders can bank on direct payments. He forgot one thing: And landlords can bank on it, too. There is probably nothing that has driven up land prices more and created more of a land price bubble in the last few years than Freedom to Farm payments. AMTA payments are creating a land price bubble out there that has created real uncertainty and risk.

So what our bill does is provide direct payments that phase down but continue. We also have modestly higher loan rates. We keep those loan rates at the set level. We don't allow the Secretary to reduce them.

Under the current farm bill, the Secretary may reduce loan rates. We say she cannot any longer. We also establish a good countercyclical payment in case of low prices. And of course we have our direct payments under the conservation program.

So, again, that is why I believe S. 1731 is a more balanced bill. It is one that has a safety net for farmers. Yes, I will be the first to admit that if prices are high—they aren't now—but if prices are high, farmers will receive more payments under Cochran-Rob-

erts. If you believe the prices will be high, as they were in 1996, you may want to vote for Cochran-Roberts. But if you think we will have some years where prices are low, as they are now our bill is the better bill. And look at the projections. We are not having projected huge increases in prices in our commodities in the next few years. S. 1731, the bill that is before us, the committee-passed bill, is the one that provides that safety net to farmers.

Last, I want to thank so much our majority leader, a valuable member of our committee. He is someone who knows agriculture intimately, who has spent his entire adult life, in both the House and the Senate, working on behalf of farmers. Senator DASCHLE has provided the leadership that we need to get this farm bill through committee and here on the floor. He has taken that leadership position to make sure that our farmers have that safety net, that we have good conservation programs, and other programs in this bill, including especially the new energy title in this farm bill.

I pay my respects to Senator DASCHLE for his great leadership on this. He has provided that leadership because he knows what the farmers, not only of South Dakota, need, but he knows what farmers all across this country need. They need the bill we passed out of committee. And we need to get it done.

We are here on Friday. We will be back again the first of the week. We will have another cloture vote on Tuesday, and we will see if our Republican colleagues are willing to let us come to closure on this bill.

I say to my good friend from Indiana—and he is my friend; I know we have a little disagreement here on some aspects of this bill, but this is the crucible of democracy, to work these things out. Senator LUGAR knows I respect him highly and have great admiration for him.

I hope we can obtain a finite list of amendments; I hope we can list those amendment and bring this bill to closure early next week. The farmers and rural communities of America are demanding this. They need it. They need it before the new year comes. I am hopeful next week we can bring this to a close and we can give the farmers the Christmas present they need and they deserve, and that is a farm bill that they can count on, one that will shore up farm income, one that will keep us within the WTO limits, but also one that will make sure that if there are low prices, we are going to be there for our farmers and we are going to have a countercyclical payment and we will have that safety net there for farmers which we have not had in the present farm bill.

Again, I hope we can bring this matter to a close early next week.

AMENDMENT NO. 2604, AS MODIFIED

Mr. HARKIN. Mr. President, I send to the desk a technical modification of my amendment No. 2604.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, the amendment is modified.

The amendment (No. 2604), as modified, is as follows:

On page 941, after line 5 insert the following:

SEC. . PACKERS AND STOCKYARDS.

(a) **DEFINITIONS.**—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

“(12) **LIVESTOCK CONTRACTOR.**—The term ‘livestock contractor’ means any person engaged in the business of obtaining livestock under a livestock production contract for the purpose of slaughtering the livestock or selling the livestock for slaughter, if—

“(A) the livestock is obtained by the person in commerce; or

“(B) the livestock (including livestock products from the livestock) obtained by the person is sold or shipped in commerce.

“(13) **LIVESTOCK PRODUCTION CONTRACT.**—The term ‘livestock production contract’ means any growout contract or other arrangement under which a livestock production contract grower raises and cares for the livestock in accordance with the instructions of another person.

“(14) **LIVESTOCK PRODUCTION CONTRACT GROWER.**—The term ‘livestock production contract grower’ means any person engaged in the business of raising and caring for livestock in accordance with the instructions of another person.”.

(b) **CONTRACTORS.**—

(1) **IN GENERAL.**—The Packers and Stockyards Act, 1921, is amended by striking “packer” each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting “packer or livestock contractor”.

(2) **CONFORMING AMENDMENTS.**—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting “, livestock contractor,” after “other packer” each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting “or livestock production contract” after “poultry growing arrangement”.

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting “any livestock contractor, and” after “packer,” each place it appears.

(c) **RIGHT TO DISCUSS TERMS OF CONTRACT.**—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.), is amended by adding at the end the following:

“SEC. 417. RIGHT TO DISCUSS TERMS OF CONTRACT.

“(a) **IN GENERAL.**—Notwithstanding a provision in any contract for the sale or production of livestock or poultry that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of any contract with—

“(1) a legal adviser;

“(2) a lender;

“(3) an accountant;

“(4) an executive or manager;

“(5) a landlord;

“(6) a family member; or

“(7) a Federal or State agency with responsibility for—

“(A) enforcing a statute designed to protect a party to the contract; or

“(B) administering this Act.

(b) **EFFECT ON STATE LAWS.**—Subsection (a) does not affect State laws that address confidentiality provisions in contracts for

the sale or production of livestock or poultry.”.

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

Mr. LUGAR. Mr. President, I appreciate the comprehensive statement the chairman has just concluded. Likewise, I have appreciated the statements of Senator ROBERTS and Senator COCHRAN because they have also given a comprehensive view of their thinking regarding their substitute amendments. Senator BURNS of Montana offered constructive amendments this morning, as did Senator WELLSTONE, to initiate our process earlier in the morning.

I believe it has been a good day, a constructive debate. Senators who are following the farm bill debate have a pretty good idea of the parameters of the present discussion and likewise the choices that are going to be before us on Tuesday when amendments come up for further debate and votes.

Let me interject into the debate today what I thought was a timely editorial which appeared in the editorial page of the Washington Post this morning. I was startled by the headline of the editorial, which is: “A Piggy Farm Bill”.

It says:

The Farm bill that Democratic leaders—Majority Leader Tom Daschle, Agriculture Committee Chairman Tom Harkin—are trying to push through the Senate before Congress adjourns for the holidays is obscene.

Those are very strong words to describe legislation we are now discussing.

It would institutionalize the insupportable excesses of the past few years, in which billions of dollars in supposedly emergency payments have regularly been made to some of the nation’s largest and least-needy producers.

In the House, the Republican leadership won approval of a similar bill over mild administration objections in October. Senate passage would make the indulgent policy hard to alter when Congress reconvenes and the bills are put before a House-Senate conference committee next year. Farm lobbyists and their congressional supporters would far rather the Senate vote now than then, when the excessive supports in the bill are likely to look less affordable. But that’s all the more reason why the Senate should delay.

I am not in agreement that the Senate should delay, but I do take at least some cognizance of the Washington Post’s evaluation of where things stand to date.

Congressional Republicans passed a farm bill in 1996 that was supposed to reduce producers’ reliance on government payments; they would provide for the market instead. Still in effect, that act provides basic payments mainly to grain and cotton producers of roughly \$10 billion a year. In each of the past few years, however, Congress has also provided billions of additional “emergency” payments. The effect of the new bill would be to regularize those, thereby abandoning the five-year experiment in supposed market reform.

That is a severe indictment that this farm bill abandons the philosophy of Freedom to Farm in 1996.

I continue with the editorial:

Some of the extra money in the Harkin bill—a couple of billion a year—would be di-

rected to conservation programs. The policy is good, and the political effect has been to buy off environmental groups that might otherwise have opposed the broader pig-out in which they now share. A little of the extra would also be used to shore up the food stamp and lesser feeding programs for the poor. But these are relatively small amounts and a sop to conscience.

Sen. Richard Lugar tried the other day to change the priorities in the bill—limit the farm supports, spread them across more producers and use the bulk of the savings to strengthen the feeding programs, especially food stamps, which have been allowed to wither a bit. He lost 70 to 30; only three Democrats supported him. It’s possible there will be other such efforts before the bill is passed. This bill is not redeemable, but it is improvable. At the very least, a larger share of the enormous sum could be spent on people in need instead of on large producers who love to preach free enterprise but not to practice it. Is that not something Democrats support?

We still have an opportunity to make substantial improvements on the priorities as well as the aspects of programs in which moneys provide a safety net, provide proper incentives to produce for the market, and provide support for our trade negotiators.

Each one of us at one time or another has given many speeches about the salvation of American agriculture coming from the great productive mechanism of our farm situation and exports and feeding people around the world—the humanitarian aspects as well as the commercial ones. That has been elusive for a great number of reasons—some beyond our control as the European Community and others have stymied these efforts. Nevertheless, our farm bill should not do so.

I appreciate the chairman’s careful attention to the green and amber payment situation of the WTO. I have no doubt this is going to come into play in the event we pass a farm bill coincident with that which now lies before us without taking more precautionary measures. That concerns me and a good number of others who are simply interested in the prosperity of this country generally. Movement of goods and services in foreign trade I believe will enhance all of our wealth, especially that of agricultural America.

I think we have to take a look at priorities. I thought the initial amendment offered this morning by Senator WELLSTONE of Minnesota was very interesting. It clearly has the effect of limiting payments to large feeding operations. The whole intent of it was to suggest that the import of the current bill that lies before us might stimulate overproduction of livestock and further subsidize the overproduction. I think he is probably right.

What we are doing with regard to the row crops—the so-called program crops—in a very big way stimulates overproduction, and has for the past 5 years, and is bound to do more of this. That is what I find to be very difficult as I look at the future and see a farm bill deliberately creating overproduction and low prices.

The cycle of this, Mr. President, as you well know, is that prices go lower,

and people give speeches that they can't ever think of a time when they were lower and, therefore, an emergency payment is needed. And it is debated first in June, July, and August with regularity, fully predictable. It is fully predictable now in the event we pass this bill.

Despite all the protestations to the contrary, we will be back. The distinguished chairman will hear the drumbeat of persons who want him to bring another farm bill out 6 months after he passes this one to remedy the deficiency. There will be low prices created by overproduction and stagnation in world trade, which exacerbates the problem.

There could be a year in which the weather situation is truly disastrous. I remember such a year in 1988 in which as many as 20 States, as I recall, had such severe weather problems, and a delegation of Senators talked to President Reagan in the White House and advised him that literally half the country and most of the agricultural country had been devastated by drought in particular. And the President supported a fairly large emergency proposition at that time.

Usually, as the distinguished chairman has pointed out, the weather devastation situations are less than 20 States, and therefore Senators come a crop at a time, or whatever happens to have been in harm's way.

As Senator HARKIN complimented Senator COCHRAN earlier on, Senator COCHRAN, at least in recent years, often had been there to add money to the Agriculture appropriations bill to help those folks out. But that really has not been enough.

The general proposition is that prices are low and, therefore, a double AMTA payment has been sent out. The chairman has pointed out correctly, the AMTA payments may not be the proper vehicle for total equity. They may include people who no longer are in farming but had a history, as in the 1996 bill. But for purposes of efficiency, so money would get to farmers, the rolls are there at USDA. They have been utilized. The money was gone as of the end of August of this year. It was received, to the applause of country bankers who were assured of getting repaid and farmers who were thinking about getting back in the field again. I understand that, as does the distinguished Presiding Officer.

All I am pointing out is that I had hoped, in this farm bill, we would not repeat this cycle of predictable results. It does not do justice to farmers in the United States who, at some point, do want to produce for the markets and do want to have a safety net that is not unpredictable. And any safety net based upon loan rates is certainly unpredictable. It may, in fact, be a cap on prices as opposed to a support.

I hope that some version, at least, of the concept I presented—namely, that farmers have assurance of some percentage of income every year, some

money with which to purchase that assurance—I think, in fact, mechanisms, through bipartisan wisdom, have been set up in the crop insurance program that provide the mechanics for that kind of safety net.

I had attempted to propose a formula in which—using whole farm income applicable to all 50 of our States equally and to all crops and all livestock operations—money would be provided through a voucher, but money, indeed, from the Federal Government, a transfer payment from taxpayers to assure a safety net for farmers, but with assurance, year in and year out, of a certain stream of revenue.

If Senators were to suggest that perhaps 80 percent, as a proposition, is too low a net, I would certainly be prepared to take pencil and paper in hand with any Senator and try out 85 percent. That is the level of crop insurance that I purchased for my own farm operation this year under the policies we have adopted. I think that is a sound thing to do, and to have a marketing strategy based upon the certainty you have 85 percent of your crop before you even plant it. That is possible under current legislation and, in fact, I think to be encouraged with producers all over the country who are always at risk.

But I hope we will move toward more of a basis as I have suggested as we proceed through the debate. I certainly will encourage that as I listen to alternatives that are presented.

Mr. President, this concludes at least my thoughts for the day on the agriculture bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I will just take a couple of minutes, not so much in response to the Senator. But as I listened to my friend from Indiana—the very thought-provoking speech he made—I had some further thoughts.

My friend, the Senator from Indiana, said that under the bill we have, we could expect more emergency farm assistance bills. I know he said farmers will be coming to the chairman saying: We have to have an emergency bill.

If we continue on the present course, that will be true. But we have built into S. 1731 a countercyclical payment program that has an income support wherein we should not have to come back.

I will say this: The reason we had—I believe for each of the last 4 years—to come in and provide for emergency funding for agriculture for farmers was because there was no effective safety net under Freedom to Farm.

I would ask my friend from Indiana to go back before Freedom to Farm, to go back before that was enacted—and I could be wrong; I have not researched this thoroughly—but I cannot remember in all the years I have been here that we came in with that kind of annual emergency funding because of low

prices for farmers. We came in, sometimes, with disaster payments for a drought, flood or a hurricane, or something like that, but we did not as far as I can remember—and I can be proven wrong—but I cannot remember coming in with legislation because prices and income were so low we had to pass emergency legislation to get money out to farmers broadly based all over America. That started with Freedom to Farm, when we took away that safety net.

If we continue on with the Freedom-to-Farm type program, I dare say, yes, you are right, they are going to be coming to me and saying: We need emergency funding.

That is why I feel so strongly about the safety net provisions we enacted in S. 1731 with the countercyclical type of payments. If prices are low—and the lower they go, the larger the payment. On the other hand, if prices are good, then there is not the need for payments that magnitude.

So under that scenario, I really do not see why we would have to come in with emergency legislation other than some naturally occurring disaster or something like that, I say to my friend.

Mr. LUGAR. If the Senator will yield?

Mr. HARKIN. I am delighted to yield.

Mr. LUGAR. The Senator, I think, is historically correct. Within my memory, we had the 1988 crisis with the 20 States. As I recall, we passed some legislation to alleviate that during the appropriations process. That is, at least, my recollection.

Mr. HARKIN. Wasn't that the credit bill we did then?

Mr. LUGAR. No. It was this huge emergency created by the drought. And many of us were involved, in a bipartisan way.

Mr. HARKIN. Yes.

Mr. LUGAR. Probably the Senator himself. The memory grows dim as you go 13 years back in the farm business.

Mr. HARKIN. That is true.

Mr. LUGAR. I suppose my query is just this: You are correct, we have had all these annual situations since the 1996 legislation. But in this particular year, the Secretary of Agriculture, at the time we were debating the emergency in August, pointed out the net farm cash income was \$61 billion. And this is historically an all-time high in terms of income in the country. It was higher than last year, but the last year was more than the year before that. In essence, even in the face of much higher net farm cash income, we have been reappearing.

The safety net under the bill we now have, of course, was these AMTA payments. These were the fixed payments that went to farmers regardless of what else happened. They were to diminish after 7 years, and have been heading down from, say, \$5 billion of Federal expenditures into the \$4 billion range, and so forth, each year, and then the loan deficiency payments, at least for certain of our rural crops.

For example, in my State \$1.89 for corn is the loan deficiency payment level, which means you have \$1.89 regardless of what the market price is, however low it may be recorded. At the time, admittedly, \$1.89 seemed like a price that would not be approached as frequently as it now is.

During harvest time, we are regularly below \$1.89 in terms of people coming into the elevator at that point. So this has led to much greater Federal Government expenditures; \$6 billion, I think, last year to loan deficiency, and not just for corn but for other crops. But that was meant to be the safety net. And it is arguable as to whether it should go higher or lower. It depends upon the Federal outlays, I suspect, quite apart from the fact that more production occurs.

I saw yesterday, as perhaps the chairman did, on the cover of USA Today, their first page, a chart on soybean production in the country. Soybean production, right through the Freedom to Farm experience, had been going up every year. This year's crop is prophesied to be a whopper and, clearly, an all-time high. Given planting intentions, it might appear that next year's would follow.

I mention this because I hope the chairman is right. Let us say, for example, his bill and the Daschle substitute are adopted, but as it turns out farmers think their incomes are not adequate. My point, I suppose, has been that a part of the reason, even in the face of what I think have been fairly record incomes in the aggregate, although not for all States and not for all crops, and a fairly good safety net, is that both of the political parties represented in this body have been competitive for the allegiance of farm voters and people who were sympathetic to farmers.

I admit, throughout these emergency bills, it has been my privilege to serve as chairman. I have stood with you or with Senator LEAHY managing these bills. I was perfectly aware on our side of the aisle that a large majority of our Members wanted more money for farmers. It appeared that was true on your side of the aisle. Whoever was managing this legislation was left with at least the thought of trying to get it right technically so the farmers got the money in as soon a time as possible so, if there were emergencies, these were met, right now as opposed to the hereafter.

So we strove to expedite a process that clearly our membership wanted. That seemed to be true on the other side of the Capitol as well.

None of these bills were vetoed by whoever was President during this period of time. If the White House had a budget objection to these, it was pretty mild or nonexistent.

I mention all this because I think that helps explain a part of the impetus for this bill. In other words, there is almost an annual expectation of correction or of enhancement of whatever

may have occurred. Most of us have voted for that. The two of us may even have helped manage it in one form or another, to try to bring it into clear channels, to have the proper hearings and committee meetings. It may very well be—you are not discovering this but sort of enduring the process—that the expectations of Members on both sides of the aisle are very large when it comes to their States and their constituents. As you strive to find a majority to vote for a farm bill, for a final product, to get the bill out and on to conference, you are forced daily to take into consideration the needs of various Members, some of them very legitimate and poignant. In the same way on our side of the aisle, we attempt to do likewise.

I say this not in sympathy because the chairman is a strong person and fully able to take care of himself and the situation. But I had hoped perhaps to try to guide the process in a different direction.

I would admit, having heard the debate and having seen the votes as recorded dutifully by the Washington Post and others, 70 to 30 is not close. I understand that. On the other hand, we were trying to find something that, as the chairman has pointed out, may have been too much of a change all at one time, may not have been completely understood in terms of the arithmetic, how people come out. So I accept that fact. But nevertheless, I thought it was important to try to make some arguments for maybe a new day somewhere over the horizon.

In the meanwhile, I will continue to work with the chairman with the product we have at hand.

One reason why it has not moved expeditiously is that I suspect there are still some lingering thoughts on both sides of the aisle about limiting payments, for example. We heard a little bit of that from Senator WELLSTONE this morning with regard to the EQIP program and specific extensions of livestock. I think we will hear more from the distinguished occupant of the chair and maybe others who have been concerned about the equities here involved. Therefore, in part, perhaps, the land bubble situation created not only, as the chairman says, by the AMTA payments but by overextension, as people plant for the program, fully supported by this, but sometimes at the expense of their smaller competitors who do not have the research background, the capitalization, even the managerial skills, but for whom our farm bills have been dedicated, the saving of the small family farm or even the medium-size farm in a situation that appears to be more consolidated as time goes on.

Each of these amendments that deal with limits will get into this philosophically, and they are important to hear.

Senator GRASSLEY's comments today about trade—and the chairman has responded to that very ably—this is still

a troubling area in which all the ramifications are not clear, and they do bump dangerously into the 19.1 or the area of the charts that the chairman had which were helpful in giving some idea as to where all of these different lights appear. We will have to be careful there because clearly we need to export. We need if not an overall WTO breakthrough, at least a good number of bilaterals that will be helpful to us.

These are issues that are not easily resolved, but I think they will be as we have debates commencing again on Tuesday, as these issues come up again.

I look forward to working with the chairman in a vigorous attempt as we proceed on Tuesday.

Mr. HARKIN. I appreciate my friend's comments. Quite frankly, I find little with which I can disagree. Everything you have said is basically correct in terms of the historical analysis, where we are, and the various pressures that go on in the Chamber. We all understand that. I will take a little bit of sympathy anyway. I don't mind. But we all have these different demands and expectations, as the Senator full well knows from his stewardship of this committee in the past.

The only further thing I might point out again is the old numbers game. Last year was the highest net cash income, things like that. We have heard that before. I think I mentioned this to the Secretary one time. I said: If your income last year was \$1 million and mine was zero, our average is \$500,000, so why should I have any help? So last year the livestock sector in America did pretty darn well. The crop sector was low, but if you averaged it all out, it looked pretty good. If you just look at the crops, we weren't in very good shape. That is basically what this bill is about, the crops.

The last thing I will say again to my friend, I am not so upset about the amount of money we spend on agriculture. The Washington Post editorial this morning, I know, called it a piggy bill. I said earlier, in honor of that I wore my piggy tie today. It has little pigs on it. We are in favor of the little pigs.

I pointed out earlier—I don't know if my friend from Indiana caught this—that I looked at historically how much of our GDP we spent on agriculture: In 1940, about four-tenths of a percent of U.S. GDP on agriculture; in 1963, .55 percent of U.S. GDP on agriculture; over the last 3 years, two-tenths of a percent of U.S. GDP; under our bill, S. 1731, projected about .13 percent of GDP. I don't think that is a lot of our gross domestic product, .13 percent to spend on agriculture. I don't think that is a lot.

Again, we can debate on how the funds are spent. I do not agree on how it all has gone out. The bigger you are, the more you get. Almost every day we have had a hearing in the committee, I always ask the same question: Should we support every bushel, bale, and pound that is produced in this country?

That is what I think the debate ought to be—how we fashion those programs to help shore up a safety net, but not to encourage people to get bigger and actually use the Government largess to help people get bigger and to artificially boost up land prices. Certainly, that is a principle motivation for my focus on greater support for conservation and on a new program of income assistance tied to conservation.

I have said enough on this matter today. I yield the floor.

Mr. SMITH of Oregon. Mr. President, I rise today to recognize the importance of the Food Stamp Program addressed in the farm bill. I was recently surprised and dismayed to discover that a recent USDA study found Oregon to have the highest rate of hunger in the nation. I think my colleagues would also be surprised to discover how many people in their own home States go to bed hungry.

I have long been concerned that in many cases, children across the country are going to bed hungry simply because America's families do not know about the resources available to them through the Food Stamp Program. It is astounding to note that among persons eligible for this important program, participation rates dropped from 74 percent in 1994 to 57 percent in 1999. More worrying is the fact that participation rates are also low among working poor families with children and the elderly. With additional outreach and targeting, the Food Stamp Program can make it easier for families to access the food support they need with dignity. I am pleased that improvements to this vital program are currently being addressed on the Senate floor as part of the reauthorization of the farm bill.

I would also like to take this opportunity today to recognize the other side of nutrition support: our Nation's network of food banks. Places like the Oregon Food Bank in my home State are filling the plates of America. The Oregon Food Bank and its coalition partners have been working overtime to identify and address the root causes of hunger. Today, I would like to salute them for their hard work and dedication, which has come to fruition in the recent opening of a statewide food recovery and distribution center, all under one roof. Food banks are a vital component of the safety net for America's families, but they alone cannot meet every need. They are straining under the growing demand for emergency food, but we can help them by maintaining a strong Food Stamp Program.

In a country as blessed with abundance as ours, no family should go hungry, and I encourage my colleagues to support improvements to the Food Bank Program in the farm bill.

Mr. GRASSLEY. Mr. President, for years I have worked to decrease our reliance on foreign sources of energy to accelerate and diversify domestic energy production. I believe public policy

ought to promote renewable domestic production that burns clean energy. That's why, earlier this year, I introduced the Providing Opportunities With Effluent Renewable, or POWER Act, which seeks to cultivate another homegrown resource: swine and bovine waste nutrients.

The benefits of swine and bovine waste nutrient as a renewable resource are enormous. Currently there are at least 20 dairy and hog farms in the United States that use an anaerobic digester or similar system to convert manure into electricity. These facilities include swine or dairy operations in California, Wisconsin, New York, Connecticut, Vermont, North Carolina, Pennsylvania, Virginia, Colorado, Minnesota, and my home State of Iowa.

By using animal waste as an energy source, a livestock producer can reduce or eliminate monthly energy purchases from electric and gas suppliers. In fact, a dairy operation in Minnesota that uses this technology generates enough electricity to run the entire dairy operation, saving close to \$700 a week in electricity costs. This dairy farm also sells the excess power to their electrical provider, furnishing enough electricity to power 78 homes each month, year round.

The benefits of using an anaerobic digester do not end at electricity production. Using this technology can reduce and sometimes nearly eliminate offensive odors from the animal waste. In addition, the process of anaerobic digestion results in a higher quality fertilizer. The dairy farm I referenced earlier estimates that the fertilizing value of the animal waste is increased by 50 percent. Additional environmental benefits include mitigating animal waste's contribution to air, surface, and groundwater pollution.

The amendment I am offering will allow livestock producers the option of developing methane recovery systems as a structural practice under the Environmental Quality Incentives Program. This option will provide livestock producers another opportunity when determining what is best for the future of their family farms. Livestock producers will have the ability to meet their own individual energy needs and possibly supply green, renewable energy to other consumers.

Using swine and bovine waste nutrient as an energy source can cultivate profitability while improving environmental quality. Maximizing farm resources in such a manner may prove essential to remain competitive and environmentally sustainable in today's livestock market.

In addition, more widespread use of this technology will create jobs related to the design, operation, and manufacture of energy recovery systems. The development of renewable energy opportunities will help us diminish our foreign energy dependence while promoting "green energy" production.

Using swine and bovine waste nutrient is a perfect example of how the ag-

riculture and energy industries can come together to develop an environmentally friendly renewable resource. My legislation will foster increased investment and development in waste to energy technology thereby improving farmer profitability, environmental quality, and energy productivity and reliability.

This amendment is good for agriculture, good for the environment, good for energy consumers, and promotes a good, make that great, renewable resource that will reduce our energy dependence on foreign fuels. It is my hope that all of my colleagues join with me to advance this important piece of legislation.

Ms. SNOWE. Mr. President, I rise today to praise the consensus that has been reached on dairy programs within the farm bill we are considering today. The farm bill, which needs authorization every 5 years, not only addresses farm income and commodity price support programs, but also includes titles on agricultural trade and foreign food aid, conservation and environment, nutrition and domestic food assistance, agricultural credit, rural development, and agricultural research and education.

I am particularly pleased that the Harkin bill before us restores the safety net for dairy farmers in Maine and in 11 other States in the Northeast and Mid-Atlantic with a provision that will again give monthly payments to small dairy producers only when fluid milk prices fall below the Boston price of \$16.94 per hundredweight.

As my colleagues are aware, the successful Northeast Interstate Dairy Compact was allowed to expire on September 30. Throughout New England, this compact literally kept small dairy farms in production. When it was in effect, this compact paid for the program by adding a small incremental cost to the price of milk already set by the current Federal milk marketing order system, which determines the floor price for fluid milk in New England.

Along with 38 of my Senate colleagues and the legislatures and Governors of 25 States, I have made numerous attempts throughout this past year to have the compact reauthorized and a new Southern Compact authorized. Dairy compacting is really a States rights issue more than anything else, as the only action the Senate needed to take was to give its congressional consent under the Compact Clause of the United States Constitution, Article I, section 10, clause 3, to allow the 25 States who requested to compact to proceed with these two independent compacts.

Unfortunately, we could not get a majority of votes for the Senate's permission to allow dairy compacting to go forward even though half of the States in the country had requested this approval. So, since my number one agricultural priority has been to assure that Maine dairy farmers have a safety net when prices are low that would

allow them to stay on their small family farms, I have attempted to bridge the gap with opponents of compacts.

I am very pleased that we were able to forge a compromise that is included in the Harkin amendment in the nature of a substitute to the Agriculture Committee-passed farm bill that pledges \$2 billion to help dairy farmers throughout the Nation. Most important to me, the provision provides \$500 million to establish the very safety net for New England dairy farmers, and also for farmers in the States of New York, New Jersey, Pennsylvania, Delaware, Maryland, and West Virginia, that was provided by the Northeast Dairy Compact, that of monthly payments to producers when the price of Class I, or fluid, milk drops below the Boston, MA price of \$16.94. These States produce approximately 20 percent of the Nation's milk and under this provision will receive about 20 percent of the funding, so this is a very fair balance of payments.

Dairy farmers from other States will also benefit through a \$1.5 billion provision that will extend the current national dairy price support system for farmers in the other 36 contiguous States, requiring the Commodity Credit Corporation, CCC, to purchase surplus nonfat dry milk, cheese, and butter from dairy processors, thus protecting the industry from seasonal imbalances of supply and demand.

The authority for this price support system that pays \$9.90 per hundred-weight was due to expire this December, but was extended for 5 months, or until May 2002, in the fiscal year 2002 Agriculture appropriations bill. The farm bill before us extends both of these dairy programs for 5 years.

Do I believe this is the best way to fund dairy programs? In my estimation, the Northeast Dairy Compact was preferable because not one cent came out of Federal funds and it also had no appreciable effect on consumer prices.

So, the provisions in the farm bill we are considering, unfortunately, will cost the Government \$2 billion. This is not much considering the billions of dollars that go to for price supports for other farm commodities, but it is Federal money nonetheless. But, the reality is that compromises must be made to ensure that the majority of Senators feel that a consensus has been reached that they can live with, and I thank the Senators from the upper Midwest, who did not want a compact-like dairy program for their region but preferred direct yearly Federal payments, for working together with us on the dairy provisions.

My motive throughout this year has been a simple one: I do not want to see one more small family dairy farmer in Maine, or in any other rural area of the country, go out of business. And I do not want to see any more acreage of pastoral farmland in New England, most of which has been in families for three generations, turned over to sub-

urban sprawl. So I am pleased with the compromise and feel that my goal has been reached, not for myself, but for the dairy farmers to whom I have pledged not to give up the fight.

The farm bill before us also recognizes the diversity and regional differences in agriculture, and shifts \$1 billion to voluntary agriculture programs, especially in regions that have been traditionally underserved by past farm bills, such as my State of Maine, I want to thank the bipartisan group that worked with me through the "Eggplant Caucus", an ad hoc group of bipartisan Northeast Senators, to make these funds a reality and for bringing regional equity through an increase in Federal funding to our States.

This conservation funding, for which Maine stands to receive a minimum of \$12 million a year for the next 5 years, will help our farmers improve water quality, restore wildlife habitat and stave off suburban sprawl. In the past, more than half of our farmers have been turned away from conservation assistance because these popular programs have not had the funding to meet the applications.

More funding for the Environmental Quality Incentives Program, or EQIP, for instance, will allow many more farmers to enroll in contracts to manage natural resource concerns. The voluntary program offers cost share and incentive payments and technical assistance to design and install practices for locally-designated natural resource priorities.

Another aspect of regional equity in the bill are provisions that improve assistance to our Nation's fruit and vegetable growers, the specialty crop sector. This growing sector of the U.S. farm economy represents almost one-fifth of all farm cash receipts and a growing portion of our Nation's agriculture exports. I am very pleased to note provisions for a fruit and vegetable pilot promotion program and a USDA purchase program for specialty crops, providing funds so that the USDA can purchase those fruits and vegetables that are the most prevalent crops grown in the Northeast to be used in the Federal nutrition programs, such as potatoes, blueberries and cranberries from my State of Maine.

I would like to add that I have heard from farmers in my State of their support for the creation of tax-sheltered savings accounts, or "rainy day accounts", to which farmers could contribute during prosperous years, and from which they could draw during lean years. While not contained in the Harkin bill, I believe this idea should be further explored on its merits, and would hope that the Senate would consider hearings on this in the near future.

Taken in its totality, the Harkin bill gives our dairy producers a safety net through a mutually agreeable dairy program, regional equity in the dis-

bursement of federal funding for voluntary conservation programs, funding for a variety of forestry programs important to our private landowners, and promotion for specialty crops grown in Maine. Additionally, if Maine participated in all the options for the Food Stamp Program, the State would realize approximately as much as \$32 million over the next 10 years.

I believe the Harkin bill before us gives needed assistance to the agricultural community throughout the Nation. We should never forget that these hard working men and women are responsible for providing our Nation with the highest quality of a tremendous variety of quality food products easily accessible at our local markets and at the lowest cost of any nation in the world.

Mr. GRAHAM. Mr. President, I rise today in strong support of the farm bill before us.

While we have heard about many components of the bill today, I would like to focus my remarks on the title that is of particular importance to me, the nutrition title. It is easy to forget how many people go hungry in the United States. The Department of Agriculture classifies 31 million Americans as "food insecure," meaning that they do not know from month to month whether they will be able to get enough food for themselves and their families.

Families with children are disproportionately more likely to experience hunger. Last year, over 3 million children and 6 million adults in the United States were hungry to malnourished. Without the Federal Food Stamp Program, which provided nutrition assistance to over 17 million people, the majority of them children, elderly people and the disabled, the number would have been far higher.

I am also acutely aware of the role the Food Stamp Program plays in helping families leave welfare for work. The typical mother leaving welfare is earning about \$7 an hour and may not be able to get 40 hours of work a week. For a parent like that, food stamps can make a difference between being able to feed the family and having to return to public assistance. A single mother with two children and a typical postwelfare income can double her income if she gets food stamps and the EITC. If she gets both, she can almost reach the Federal poverty line. Without them, she often cannot make ends meet.

I supported the 1996 welfare reform law. Some of my original interest in the Food Stamp Program grew out of my desire to see welfare reform succeed.

Knowing how important it was for people leaving welfare to stay connected to programs like Food Stamps and Medicaid, I was disturbed to find out that food stamp participation had dropped by more than a third since we passed welfare reform, and the improved economy accounted for only about half of the drop.

Among single-parent families with earnings, the most common demographic of people leaving welfare, food stamp participation dropped 12 percentage points between 1995 to 1998. A recent study the General Accounting Office conducted identified a “growing gap” between the number of children in poverty and the number of children receiving food assistance. At the same time, emergency food providers reported that their clientele had changed since 1996.

On November 14, America’s Second Harvest, the organization representing our Nation’s food banks, released its annual “Hunger in America” report, its results were chilling. The study found that in 2001, 23.3 million Americans nationwide sought and received emergency hunger relief from our Nation’s food bank network. This is nearly 2 million more people than sought similar services in 1997. And this, on the heels of one of the longest periods of economic growth in recent history.

In addition to showing increased requests for aid, “Hunger in America” report punctures the myth that hunger is only a problem of the inner cities, homeless, or the chronically unemployed. The study found that nearly 40 percent of the households that received assistance from us in 2001 included an adult who was working. Fully 19.7 percent of all the clients served by our network are seniors. This is up from 16 percent in 1997.

The facts about children are even more disturbing. More than nine million children received emergency food assistance this year, which is roughly 2 million more people than the total population of New York City.

The bill before us today takes steps toward recognizing that America’s food banks, churches, synagogues and mosques can play a part in feeding America, they cannot bear the burden alone, the Federal Government must play its part.

The nutrition title in the Harkin farm bill allows the Senate to step up to the plate so that we can play a real role on the team fighting hunger in our Nation.

Last year, working with many of you, the Agriculture Appropriations Subcommittee, and the former administration we were able to designate \$5.5 million to be used for food stamp outreach and education, to get some of these eligible families and children back on the program, \$3.5 million has already been awarded to community organizations and emergency food providers across the country. These groups are taking imaginative steps to reach out to families in need, I encourage all of you to find out more about the grantees in your area.

Last month, USDA announced that it would award an additional \$2 million to State-community partnerships that wanted to test strategies for enrolling more senior citizens in the food stamp program. Currently, only 30 percent of eligible seniors participate. I am here

today because outreach, while critical, is only the first step. We need to restore some of the cuts to food stamps made in 1996, and we need to improve the program to make it work better for working families. The Harkin bill provides new funds to do just that.

Cuts in food stamp benefits were not part of achieving our basic welfare reform goal of moving people from welfare to work. In fact, many Republican and Democratic Members agree that one of the most disturbing outcomes of the 1996 law is the one-third drop in food stamp participation and what GAO described as the “growing gap” between the number of children in need and the number of children getting food assistance.

A provision of the 1996 law also cut off food stamps to legal immigrants. This was unnecessary to achieve the goals of the law, since over 90 percent of legal immigrants are working. We have succeeded in restoring eligibility for children and elderly people who were here before 1996, but much more needs to be done. One of the results of the cutoff of adult legal immigrants has been a 74 percent drop in the number of citizen children of immigrants who get food stamps.

As we debate this bill, I would urge my colleagues to remember the millions of children and families who depend on the Food Stamp Program to help them purchase the food our farmers grow. Without the Food Stamp Program, it seems likely that the 17 million people currently getting benefits would join the 9 million Americans who are hungry or malnourished.

I would also urge my distinguished colleagues to consider the many provisions in this bill that will improve the Food Stamp Program to better assist working families and finish the work of welfare reform by getting families out of poverty.

I would call particular attention to would accomplish the following: restoration benefits to legal immigrant children—most of whom are members of working families; making outreach and education a permanent part of the program; reforming the quality control system, making the program simpler and more accessible to working families; and providing 3 more months of transitional food stamps for families moving off welfare for work.

This important legislation would improve basic benefits for senior citizens, people with disabilities, and working citizen and legal immigrant families with children.

We have an obligation to our Nation to pass this title as it is, in tact. It is the least that we can do to do our part to accomplish our collective goal of abolishing hunger in America once and for all.

Mr. JOHNSON. Mr. President, I rise today to discuss the very real importance of completing action on the farm bill, the Agriculture, Conservation, and Rural Enhancement Act of 2001, which is now before the Senate. It is my de-

sire that we pass a comprehensive farm bill within the next few days to ensure that America’s family farmers, ranchers, consumers, and rural citizens have greater economic security. I wish to applaud my good friend and South Dakota colleague, Senator DASCHLE, for his superb and steady leadership on this issue, and for making certain this important farm bill legislation made it to the floor for consideration before we adjourn. It is critical for us to act promptly, to conference with our House colleagues in an expeditious manner, and for the President to sign a bill into law, as soon as possible. Much of the credit for our being able to discuss this bill on the floor today has to do with our chairman, Senator HARKIN, for his ability to craft what is perhaps the most complex piece of legislation one can imagine, and for his work to ensure the committee completed its job on the farm bill. Chairman Harkin included a number of items in this farm bill that will serve to benefit South Dakota’s family farmers, ranchers, and rural communities, and I thank him for a job well done.

Unfortunately, stall tactics are being employed by some in the U.S. Senate to prevent us from passing this comprehensive farm bill. While family farmers and ranchers are working hard to keep their operations competitive and running smoothly, some Senators are stalling, delaying, and placing road blocks in front of the ultimate passage of this bill. Just yesterday, on a vote to end excessive debate and delay on the farm bill, we did not garner the 60 votes necessary to remove the procedural slow-down hurdle known as a filibuster. This needless delay must stop and Congress must take action to pass a farm bill now.

I have repeatedly said it is crucial for Congress to complete action on the farm bill, conference with the House, and send a bill to the President for his signature this year, if not very early next year, in order to ensure two very important things.

First, that we capitalize upon the \$73.5 billion in additional spending authority provided by this year’s budget resolution, because given the shrinking budget surplus and unprecedented demands on the federal budget now, there are no assurances this money will be available in 2002, when a new budget resolution will be carved out of a very limited amount of resources. Second, that we mend the farm income safety net now because the experience of the 1996 farm bill has painfully taught us that it does not provide family farmers and ranchers a meaningful income safety net when crop prices collapse. Thus, the need for a new farm bill is clear.

In the course of the last 4 years, the economic setting for family farmers and ranchers in South Dakota and across the nation has reached a serious and depressed level. Most farmers I talk to in South Dakota believe the combination of poor returns for crops

and livestock combined with an inadequate safety net in the current farm bill may have inflicted irrevocable results, a loss of family farmers, an economic recession in small, rural communities, and growing market power by a few, mega-operators and agribusinesses. While the farm bill probably isn't intended to correct all of the problems in our rural economy, it should better sustain the lives of family producers and rural communities. Additionally, it should provide a more predictable safety net than the current farm bill.

The outlook for positive indicators in farming and ranching has been dimmed by a number of factors. For several years now, commodity prices have collapsed, production costs have skyrocketed, and harsh weather has destroyed agricultural production. Furthermore, meatpacker concentration and unfair trade agreements have crippled the ability for independent farmers and livestock producers to prosper. While some of us wanted to change the underlying farm bill in a way to alleviate these tough conditions, we were told the 1996 farm bill was a sacred cow that could not be touched, and efforts to amend it or to provide a better economic safety net were defeated. I am not suggesting the 1996 act was the source of all the problems farmers faced these last few years, but the lack of a real safety net and low loan rates in the bill did not provide fair support for America's agricultural producers.

Four years of ad hoc emergency assistance for farmers and ranchers totaling approximately \$23 billion, over and above farm program payments contained in the 1996 farm bill, has painfully taught us that depressed conditions in rural America matched with an inadequate safety net resulted in a very expensive price tag for U.S. taxpayers as well. Fortunately, today we have a chance to improve farm policy, providing family farmers and ranchers with a better farm bill containing a more meaningful safety net. Moreover, it is my hope this bill provides taxpayers with some assurance that the need for multi-billion dollar ad hoc emergency programs will be fore stalled.

While it is not perfect, I am pleased that a number of my farm bill priorities, and the priorities of South Dakota farmers and ranchers, are included in S. 1731, the Senate farm bill. First, the bill passed out of the Senate Agriculture Committee includes my legislation, S. 280, the Consumer Right to Know Act of 2001, requiring country of origin labeling. It requires country of origin labeling for beef, pork, lamb, and ground meat, fruits, vegetables, peanuts, and farm-raised fish. The House farm bill only includes country of origin labeling for fruits and vegetables. Also, my carcass grade stamp legislation was added to the Senate farm bill. It prohibits the use of USDA quality grades, such as USDA Prime or USDA Choice, on imported meat. This

provision is not in the House farm bill. The country of origin labeling language in the bill is supported by a clear majority of American producers and consumers, as is demonstrated by the fact the largest consumer and farm groups in the country have written me in support of this bill.

I would like to insert in the RECORD a series of four letters expressing strong support for my country of origin labeling language in the Senate farm bill. The letters are as follows: first, a letter signed by the overwhelming majority of cattle producing groups in the United States, signed by 55 cattle organizations, from Alabama to Idaho, from California to New Jersey, and everywhere in between. These 55 cattle groups say, "The U.S. cattle industry has invested considerable time, effort, and money to improve, promote, and advertise its finished product U.S. beef. The cattle industry now needs the ability to identify its beef from among the growing volume of beef supplied by foreign competitors. The ability to differentiate domestic beef from foreign beef is necessary to ensure that U.S. cattle ranchers have a competitive, open market that allows consumer demand signals to reach domestic cattle producers. It is now time to take the next logical step and require country-of-origin labeling so consumers can identify the beef U.S. cattlemen have worked so hard to promote."

Second, a letter from the two largest farm organizations in the United States, the American Farm Bureau Federation and the National Farmers Union. It is comforting to know we have the full support of these two groups. Third, I also received a letter signed by 87 farm, ranch, and consumer organizations, in support of my country of origin labeling legislation which was added to the farm bill in the Agriculture Committee. Some of the 87 groups signing this letter include most of the Florida and California fruit and vegetable associations, the major consumer groups in the United States, and national farm and ranch groups. Moreover, approximately half of all the Farmers Union and Farm Bureau state organizations signed this letter. These 87 groups say, "We seek your support for inclusion of a measure to provide mandatory country of origin labeling for fresh produce and meat products in the Senate farm bill. American consumers prefer to know where their food is grown."

Finally, I have a letter from three of the largest consumer groups in the United States, the Consumer Federation of America, the National Consumers League, and Public Citizen, expressing their strong support for country of origin in the farm bill. These groups say, "When the Senate takes up the farm bill, please support legislation to require country of origin labeling at retail for meat and fresh fruits and vegetables. We thank Senator JOHNSON for introducing this legislation, the Consumer Right to Know Act of 2001, S.

280. Please oppose efforts to water down country of origin labeling legislation by allowing domestic origin labels on beef that has been slaughtered and processed—but not born—in this country."

Some of the other groups supporting my country of origin labeling language include; all of the SD farm, ranch, and livestock groups, the National Association of State Departments of Agriculture, the National Association of Counties, the American Farm Bureau Federation, the National Farmers Union, Ranchers Cattlemen Legal Action Fund of the United States, RCALF-USA, the American Sheep Industry Institute, the Consumer Federation of America, the National Consumers League, the Western Organization of Resource Councils, the Organization for Competitive Markets, the American Corn Growers Association, and 55 of the State cattlemen and stock grower organizations. The National Cattlemen's Beef Association supports the carcass grading provision in the Senate farm bill, which ensures that imported meat carcasses do not display USDA quality grades at the retail level.

It has been brought to my attention that there are unique concerns about how perishable agricultural commodities are labeled under the country of origin labeling provision in the farm bill. Unlike meat products that are oftentimes either wrapped or displayed behind glass, shoppers physically handle produce to evaluate such characteristics as size or ripeness. Quite honestly, after being handled by a consumer, a fruit or vegetable item is not always returned to the original bin in which the product was displayed. For this reason, each individual produce item may need to be labeled when physically possible to ensure accuracy about the country of origin information. I am confident the method of notification language in the labeling provision in the farm bill will ensure responsibility in information-sharing on the part of processors, retailers, and others under this act. Our language requires any person that prepares, stores, handles, or distributes a covered commodity for retail sale to maintain records about the origin of such products and to provide information regarding the country of origin to retailers. Nonetheless, I understand retailers have some concerns about making sure they are provided with accurate information. Therefore, so that we can be confident this is workable for retailers and others, I would like to recommend to my lead cosponsor of this legislation, Senator GRAHAM of Florida, that we consult with the growers, packers and retailers to develop a means to provide such labels or labeling information to the grocery stores.

Finally, I have learned that identical language for country of origin labeling has been included in the proposed alternative amendment to be offered by Senator's Cochran and Roberts. After

reviewing that proposal and confirming that my provision is included word-for-word, I am driven further to see the farm bill conference report finalized with the same country-of-origin labeling language. I feel confident that the final version between my colleagues in the Senate and House will include the exact language for country-of-origin labeling that is included in both S. 1731 and the Cochran-Roberts proposal. I believe that my colleagues will recognize the importance of not only keeping the provision in the final farm bill, but to ensuring that the language is not watered down by outside interests. Anything less is unacceptable to America's consumers and livestock producers.

Country of origin labeling and quality grade certification were integral components in the proposed "Competition Title" which Chairman HARKIN included in his farm bill proposal. I led a bipartisan effort to include the Competition Title in the farm bill when one-fifth of the Senate, both Republicans and Democrats, signed a letter I authored to Chairman HARKIN seeking this new Competition Title. Regrettably, the Competition Title was defeated, resulting in a win for large agribusinesses to continue to muscle their way into the marketplace, only to hurt family farmers and ranchers. This is very frustrating, considering the record profits made by agribusiness recently; Cargill increased profits by 67 percent in the last quarter, Hormel increased profits by 57 percent, and Smithfield increased profits nearly 30 percent. Finally, Tyson, now the single largest meat processor in the world with its purchase of IBP, tripled profits in its most recent quarter.

Conversely, crop prices took a nose dive so severe in September that it marked the worst 1-month drop in crop prices since USDA has been keeping records, some 90 years now. We must inject some real competition, access, transparency, and fairness into the marketplace if we are to see these tragic circumstances change.

That is why I authored an amendment which was accepted by a 51-46 vote in the Senate yesterday to prohibit meatpackers from owning livestock prior to slaughter. This amendment was modeled after legislation I crafted last year, S. 142, the Rancher Act. I thank Senators GRASSLEY, WELLSTONE, HARKIN, THOMAS, DORGAN, and DASCHLE for cosponsoring this amendment. It prohibits meat packers from owning cattle, swine or sheep more than 14 days before slaughter. However, it exempts cooperatives as well as all producer owned plants with less than 2 percent of the national slaughter. Packer ownership and control of livestock has been disrupting markets and hampering competition at the farm gate level for a long time. This amendment is a major first step towards correcting the problem. If this passes, packers will now have less opportunity for self dealing and giving preference to their own supplies. Rath-

er, they will have to go out on the market and compete for livestock.

In addition to competition, another new farm bill strategy I promoted was to increase the capacity of renewable energy produced on American soils. Agricultural producers in South Dakota are poised to dramatically increase the production of ethanol and biodiesel for our Nation, and the farm bill's energy title will provide incentives to move those value-added opportunities along. Everyone should recognize that home-grown, renewable fuels need to become an integral part of our national security strategy, which is why I asked Chairman HARKIN to include a new "energy title" in the farm bill. The energy title in the Senate bill includes loan and grant programs to promote the increased production of ethanol, biodiesel, biomass, and wind energy. This is a landmark change to farm policy because neither the current farm bill nor the new proposal in the House contains this innovative energy title.

Farmers, ranchers, and their lenders also need some assurances that price supports in the new farm bill will be predictable and meaningful, especially in times of woefully low crop prices and rising input costs. Again, this farm bill is not perfect, but, I remain confident the changes made in the Senate proposal will better stabilize farm income, minimize the impact of catastrophic market losses, and reduce the financial risks associated with production agriculture. Specifically, I believe that the commodity support provided through loan rates, countercyclical payments, and direct payments in the Senate farm bill is a significant improvement over the current farm bill.

The Senate bill retains total planting flexibility which has proven extremely popular among the Nation's farmers, moreover, it allows producers the option to update their base acres and yields, using planted acreage and yield data from 1998-2001, for the purpose of receiving both direct (AMTA-like), payments and the new countercyclical payment, which is made when crop prices fall below a certain target level. While an outside observer may think it is only fair to base payments on a farm's current yields from crops that are actually planted on a farm, remarkably, this is not the case with the 1996 farm bill. Rather, the current farm bill bases payments on what farmers planted 20 years ago and calculates payments upon 20-year-old yields.

Therefore, this significant change to update yields and planted acres contained only in the Senate farm bill may prove one of the most important ways we can improve support to South Dakota's farmers. Crop yields in South Dakota have made enormous advances over the last twenty years, primarily because South Dakota farmers have become more productive, efficient and prolific in their use of innovative cropping methods and practices. I am very pleased that the Senate farm bill proposal offers a reward to South Dakota

farmers for these yield improvements. The direct and countercyclical payments will be made on 100 percent of a farmer's updated base acreage and yield.

I am troubled by the fact that the alternative expected to be offered by Senators COCHRAN and ROBERTS, as well as the House-passed farm bill, does not reward farmers with an allowance to update their yields for basing payments—yields used to make payments under the Cochran-Roberts and House bill will remain at 1985 levels. While updating base acres for calculating payments, the House farm bill and Cochran-Roberts alternative do not benefit South Dakota family farmers for yield increases or an update on yields to calculate support under the fixed payment and countercyclical programs. Moreover, the House farm bill and the Cochran-Roberts alternative simply make payments on 85 percent of a farmer's 20-year-old yields and updated acres. Unfortunately, these proposals perpetuate some of the most glaring failures of the 1996 farm bill.

Finally, the Senate bill continues the availability of 9-month marketing loans or loan deficiency payments for program crops: wheat, feed grains, soybeans, oilseeds, and new marketing loan authority for wool, honey, lentils, and chickpeas. The loan rates in the Senate bill are set higher than both the House bill, and the Cochran-Roberts alternative, because both proposals freeze loan rates at levels in the 1996 farm bill. It appears to me that the Cochran-Roberts and the House farm bill fail to recognize the desire that most producers have for a modest increase in loan rates, as marketing loans and are one form of countercyclical support.

As we take this legislation up in the Senate, I may work with my colleagues to provide for more targeted payment limitations. The current farm bill essentially contains meaningless payment limits, and the House and Senate proposals aren't a whole lot better. We must tighten the payment limits and redirect benefits to small and mid-sized family farmers. The single most effective thing Congress could do to strengthen the fabric of family farms across the Nation is to stop subsidizing mega farms that drive their neighbors out of business by bidding land away from them. From 1996 to 2000, the top 10 percent of individuals and farm corporations in the U.S. snagged two-thirds of all the Federal farm payments and disaster aid, averaging \$40,000 annually per individual. Conversely, the bottom 80 percent of farmers averaged a mere \$1,089 per year. The current program especially hurts beginning farmers because it increases the cost of getting a start in farming. Current farm legislation subsidizes and induces large farmers to engage in aggressive competition for market share by bidding up land values in hopes of becoming the high-volume, low-cost producers. By reducing the number of middle-size and

beginning farmers, the current payment structure has deprived rural communities and institutions of the population base they need to thrive. We have the opportunity to stop millions of dollars going into the pockets of large farms, in which the end result will be viability of family-sized farms and ranches.

Additionally, I may work to provide an amendment to the farm bill that permits farmers to elect a pre-harvest 'lock-in' price for loan deficiency payments, LDP, prior to the time in which they harvest a crop. Currently, when the local cash price for corn or wheat falls below a commodity's loan rate price, producers are able to receive a loan deficiency payment as one means of counter-cyclical support. However, experience under current legislation has uncovered some regional inequities in the marketing loan and LDP provisions. For instance, when wheat harvest begins in Texas and Oklahoma in the Spring, the winter wheat crop in South Dakota and other Northern Plains States is virtually still in its developing stage. During this time, wheat stocks are often low and local cash prices have been below the loan rate, therefore, wheat growers in southern States have enjoyed the opportunity to trigger large counter-cyclical support by receiving sizable LDP payments early in the harvest season.

Unfortunately, the farm bill prohibits wheat farmers across the rest of the country from receiving this same kind of support through an LDP at that same time. So, by the time July or August rolls around and wheat is ripe for harvest in South Dakota and other States in the Upper Midwest, oftentimes, a different set of market conditions limits farmers' choices to secure an LDP. This is due to the fact that harvest is nearly complete, a surplus of wheat may be hanging over the market, and the difference between the cash price and the loan rate is not as large as in the Spring. Therefore, I may offer an amendment to allow farmers to select an LDP prior to harvest.

The farm bill is about many national priorities, and I am pleased the rural development title of this bill addresses the small, rural communities that serve as the backbone of our economy. It is important that our farm bill provide opportunities for value-added agriculture, small businesses, and rural communities. The level of funding for rural development initiatives in S. 1731 is a huge win for rural citizens and communities in South Dakota. Namely, I am pleased with the \$75 million per year for value-added grants. South Dakota has been on the cutting edge of developing value-added projects in recent history. With the expansion of funding for these grants, we can expect to see profits from value-added agriculture increase in South Dakota. As in much of the Upper Midwest, unpredictable weather is a way of life for South Dakotans. With \$2 million in funding to acquire more weather radio

transmitters, people in rural communities can rest easy knowing they will have better access to accurate and up to the minute weather reports as a result of the farm bill.

Additionally, South Dakota is one of the States included in the reauthorized Northern Great Plains regional authority in the rural development title. This Authority has access to \$30 million per fiscal year to provide grants to states in the Northern Great Plains Authority for projects including transportation and telecommunication infrastructure projects, business development and entrepreneurship, and job training. I applaud the chairman for all of his hard work in maintaining a priority for America's rural communities.

A priority of mine, the Senate farm bill provides more emphasis on conservation than any farm bill passed by the House or Senate heretofore. Our bill contains a number of conservation programs, including a reauthorization of the very successful Conservation Reserve Program and an increase in the total acreage eligible for the program to 41.1 million acres. While this is not the 45 million acre cap that I have advocated with legislation in the past, it is a step in the right direction. As we move forward to expand CRP, it is my belief that Congress and USDA must look at the criteria chosen by USDA to award contracts to landowners. Too often, South Dakota producers and landowners have been penalized by the Environmental Benefits Index which now requires very costly mixtures of seed varieties to be planted on new CRP tracts. It is my hope we can apply some greater flexibility to the EBI so this program can be effective in South Dakota. I believe the farm bill must direct more attention towards programs such as CRP which protect soil and water, promote habitat and wildlife growth, and compensate family farmers and ranchers for taking measures to conserve our resources. Additionally, the bill includes a version of the Harkin-Johnson Conservation Security Program which is a new initiative placing emphasis on conservation practices that are compatible to working lands on farms and ranches. Furthermore, the conservation title includes a reauthorization of my Farmable Wetlands Pilot, which is reauthorized through the life of the new farm bill, 2002 to 2006. This Farmable Wetlands Program was crafted last year by South Dakotans to protect small and sensitive farmed wetlands and to compensate producers for taking these acres out of production. When USDA would not administratively implement this idea, Senator DASCHLE and I introduced legislation which was signed into law. The legislation called for a two-year pilot program to enroll small, farmed wetlands, up to 5 acres in size, into CRP. I am very proud that South Dakota common-sense left an imprint on the conservation title of this farm bill with the extension of this Farmable Wetlands program. Finally, the conserva-

tion title contains a new Grassland Reserve Program to protect prairie and grasslands across the country.

Finally, I am also pleased with the nutrition title within the Senate farm bill that would ease the transition from welfare to work, increase benefits for working families and children, simplify regulations within, and increase outreach for the Food Stamp Program. Given our Nation's current economic conditions, it is especially important now that we reach out and provide services to our South Dakota neighbors in need. I would like to make special note of a provision included in this bill that would prevent the School Lunch Program from losing at least \$100 million over the next 2 years by adjusting the way the program counts the value of commodities in the program. I introduced legislation earlier this year to prevent this problem, and I am pleased that this provision was included in the committee version of the bill.

In agriculture, I think the best economic stimulus is a long-term strategy that provides a meaningful income safety net for family farmers and ranchers. Therefore, the farm bill is the economic stimulus for rural America and family farmers and ranchers. The facts about the need to act are clear. In September, crop prices experienced the most dramatic one-month price drop in recorded history. We must enact a farm bill to provide greater economic security to our Nation's family farmers and ranchers.

I ask unanimous consent to print the letters in the RECORD.

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

DECEMBER 2, 2001.

Hon. TOM HARKIN,
Chairman, Senate Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

Hon. RICHARD G. LUGAR,
Ranking Member, Senate Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

Hon. LARRY COMBEST,
Chairman, House Agriculture Committee, House of Representatives.

Hon. CHARLES W. STENHOLM,
Ranking Member, House of Representatives, Washington, DC.

DEAR CHAIRMAN HARKIN AND COMBEST, SENATOR LUGAR, AND REPRESENTATIVE STENHOLM. The U.S. cattle industry invested considerable time, effort, and money to improve, promote, and advertise its finished product—U.S. beef. The U.S. cattle industry now needs the ability to identify its beef from among the growing volume of beef supplied by its foreign competitors. The ability to differentiate domestic beef from foreign beef is necessary to ensure that U.S. cattle producers have a competitive, open market that allows consumer demand signals to reach domestic cattle producers.

We strongly support the mandatory country-of-origin labeling language passed by the Senate Agriculture Committee. Specifically, we strongly support the following key elements: (1) Mandatory country of origin labeling for beef, lamb, pork, fish, fruits, vegetables, and peanuts. (2) Only meat from animals exclusively born, raised, and slaughtered in the United States shall be eligible for a USA label. (3) The USDA Quality Grade Stamp cannot be used on imported meat.

Several importing and processing industry groups are aggressively working to weaken the Senate Farm Bill's mandatory country-of-origin labeling language. They want to eliminate the exclusively born, raised, and slaughtered definition of origin. They also want to exempt ground beef from among the meat covered by the legislation. We strongly oppose any such changes as they would severely impair the competitiveness of U.S. cattle producers.

Since 1987, the U.S. cattle industry has invested millions toward a mandatory check-off program to research, promote, and advertise beef. It is now time to take the next logical step of requiring country-of-origin labeling so consumers can identify the very beef U.S. cattle producers have worked so hard to promote. Proper labeling of beef will benefit all check-off contributors. The identification of meat in the marketplace is also becoming increasingly important given the global threat of bio-terrorism. Without labeling, we cannot segregate or recall meat now flowing through our food distribution channels if a contamination or outbreak were announced by any one of our many trading partners. Finally, consumers deserve to have accurate country-of-origin labeling so they can make informed purchasing decisions.

We respectfully urge you to fully support the mandatory country-of-origin language passed by the Senate Agriculture Committee and now included in the Senate Farm Bill.

Sincerely,

Adams County Cattlemen's Association (Washington), Alabama Cattlemen's Association, American Indian Livestock Association, Baker County Livestock Association (Oregon), Beartooth Stockgrowers Association (Montana), Belgian Blue Beef Breeders, Bent-Prowers Cattle and Horsegrowers' Association (Colorado), Big Horn Cattlemen's Association (Wyoming), Bitterroot Stockgrowers Association (Montana), Black Hills Angus Association (South Dakota), Bonner-Boundary Cattle Association (Idaho), British White Cattle Association of America, LTD, Cattlemen's Weighing Association (North Dakota), Colstrip Community Stockyard Association, Crazy Mountain Stockgrowers (Montana), Eagle County Cattlemen's Association (Colorado), Fallon County Stockgrowers, and Landowners' Association (Montana), Grant County Cattlemen's Association (Washington), Holy Cross Cattlemen's Association (Colorado), Idaho-Lewis Cattle Association (Idaho), Independent Cattlemen's Association of Texas, Kansas Cattlemen's Association, Kansas Hereford Association, Kootenai Cattlemen's Association (Idaho), Lane County Livestock Association (Oregon), Livestock Marketing Association, Minnesota Cattlemen's Association, Mississippi Cattlemen's Association, Missouri Stockgrower's Association, Montana Stockgrowers Association, Nevada Cattlemen's Association, Nevada Live Stock Association, New Jersey Angus Association, New Mexico Cattlegrowers' Association, North Central Stockgrowers Association (Montana), North Dakota Stockmen's Association, North-East Kansas Hereford Association, North Idaho Cattlemen's Association (Idaho), Owyhee Cattlemen's Association (Idaho).

Pennsylvania Cattlemen's Association, Pueblo County Cattlemen Association (Colorado), Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA), Sheridan County Stockgrowers (Wyoming),

South Dakota Livestock Auction Markets Association, South Dakota Stockgrower's Association, Southeastern Montana Livestock Association, Southern Colorado Livestock Association, Spokane County Cattlemen's Association (Washington), Stevens County Cattlemen's Association (Washington), Utah Cattlemen's Association, Valier Stockmen's Association (Montana), Virginia Cattlemen's Association, Washington Cattlemen's Association, Western Montana Stockgrowers Association, Western Ranchers Beef Cooperative (California), Wyoming Stock Growers Association.

DECEMBER 4, 2001.

Member,

U.S. Senate, Washington, DC.

DEAR SENATOR: On behalf of the members of the American Farm Bureau Federation (AFBF) and the National Farmers Union (NFU), we write to urge your support for country of origin labeling when you vote for the farm bill. The Senate Agriculture Committee-passed farm bill requires mandatory country of origin labeling for fresh fruits and vegetables, peanuts, and meat products including beef, lamb, pork and farm-raised fish.

Producers and consumers both benefit. Country of origin labeling is a valuable marketing opportunity that may improve the ability of U.S. producers to compete in a highly regulated market and costly environment. Likewise, consumers have expressed strong support for country of origin labeling for agricultural products. According to a March 1999 Wirthlin Worldwide survey, 86 percent of consumers support country of origin labeling for meat products.

The U.S. General Accounting Office has reported that, according to surveys conducted by the fresh produce industry, between 74 and 83 percent of consumers favor country of origin labeling for fresh produce. The Farm Foundation's, "The 2002 Farm Bill: U.S. Producer Preference for Agricultural, Food and Public Policy" indicates that support for labeling the country of origin on food products is nearly unanimous, with 98 percent in agreement, among producers.

The Senate Agriculture committee-passed farm bill requires meat products, peanuts, and perishable agricultural commodities to be labeled as to the country of origin. In order to qualify as U.S.-produced, meat products must come from an animal born, raised and slaughtered in the U.S. and fresh produce and peanuts must be exclusively grown and processed in the U.S. Language is included stating that there will not be a system of mandatory identification imposed and that a system will be based on a current program used by USDA to verify that the animals are born, raised and slaughtered in the U.S.

A significant number of U.S. trading partners have country of origin labeling laws for produce and meat products. According to the USDA's 1998 Foreign Country of Origin Labeling Survey, the United States is among only six of the 37 reporting countries that do not require country of origin labeling on processed meat. Since the time of the 1998 survey, additional countries, such as Japan, have begun requiring country of origin labeling of meat. In addition, some 35 out of the 46 surveyed countries require country of origin labeling for fresh fruits and vegetables.

Farmers and ranchers believe consumers have a right to know where their food is produced. We hope that you will support country of origin labeling as it moves to the Senate floor.

Sincerely,

BOB STALLMAN,

President, American Farm Bureau Federation.

LELAND SWENSON, President, National Farmers Union.

OCTOBER 30, 2001.

Hon. TOM HARKIN, Chairman, Senate Committee on Agriculture, Nutrition and Forestry U.S. Senate.

Hon. RICHARD G. LUGAR, Ranking Member, Senate Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMAN HARKIN AND SENATOR LUGAR: We are writing to ask for your support for an initiative that will allow consumers to make more informed choices about their purchases of fruits, vegetables and meats. We seek your support for inclusion of a measure to provide mandatory country-of-origin labeling for fresh produce and meat in the Senate version of the farm bill.

American consumers prefer to know where their food is grown. In multiple national surveys, more than 70 percent of produce shoppers support country-of-origin labeling for fruits and vegetables. In Florida, where such labeling has been the law for more than 20 years, more than 95 percent favor produce origin labeling in stores. Consumer surveys also indicate that 86 percent of Americans prefer labeling country-of-origin for meat products.

The Consumer Right to Know Act of 2001 (S. 280) would mandate point-of-purchase labeling for fruits, vegetables and other fresh perishables, as well as meat products such as beef, lamb and pork. Food service establishments would be exempt. The bill grants USDA the authority to coordinate enforcement with each state.

Of course, manufactured goods sold in the U.S. have carried mandatory country-of-origin labels since the 1930s. Today, at a time when retailers sell fresh produce from dozens of countries, our nation's fruits and vegetables need to carry that same important information. Furthermore, consumers are misled into thinking the USDA inspected grade equates a country of origin label for meat products.

Recently, the House of Representatives overwhelmingly passed a similar country-of-origin labeling measure (mandating labeling for fresh produce only) as part of the farm bill package.

We urge you to consider the benefits of S. 280 and support inclusion of it in the Senate version of the farm bill.

Sincerely,

Alaska Farmers Union, American Corn Growers Association, Alabama Farm Bureau Federation, Arizona Farm Bureau Federation, Arkansas Farm Bureau Federation, Arkansas Farmers Union, Burleigh County Farm Bureau, California Asparagus Commission, California Citrus Mutual, California Grape & Tree Fruit League, California Farm Bureau, California Farmers Union, Center for Food Safety, Consumer Federation of America, Desert Grape Growers League of California, Florida Citrus Mutual, Florida Department of Agriculture & Consumer Services, Florida Farm Bureau Federation, Florida Farmers & Suppliers Coalition, Inc., Florida Fruit and Vegetable Association.

Florida Tomato Exchange, Georgia Farm Bureau Federation, Georgia Fruit and Vegetable Growers Association, Idaho Farm Bureau Federation, Idaho Farmers Union, Illinois Farmers Union, Independent Cattlemen's Association of Texas, Indiana Farmers Union, Indian River Citrus League, Inter-tribal Agriculture Council, Iowa Farmers

Union, Kansas Cattlemen's Association, Kansas Farmers Union, Livestock Marketing Association, Louisiana Farm Bureau Federation, Maryland Farm Bureau, Michigan Asparagus Advisory Committee.

Michigan Farmers Union, Minnesota Farm Bureau Federation, Minnesota Farmers Union, Missouri Farmers Union, Mississippi Farm Bureau Federation, Montana Farm Bureau Federation, Montana Farmers Union, National Catholic Rural Life Conference, National Consumers League, National Family Farm Coalition, National Farmers Organization, National Farmers Union, National Onion Council, National Potato Council, Nebraska Farmers Union, New York Farm Bureau, New York Beef Producers' Association, New York State Forage & Grassland Council, New Jersey Farm Bureau, Nevada Livestock Association.

North Dakota Farm Bureau, North Dakota Farmers Union, North Idaho Cattlemen's Association, Northwest Horticultural Council, Ohio Farm Bureau Federation, Ohio Farmers Union, Oklahoma Farmers Union, Oregon Farm Bureau Federation, Oregon Farmers Union, Organization for Competitive Markets, Public Citizen, Pennsylvania Farm Bureau, Pennsylvania Farmers Union, Ranchers-Cattlemen Action Legal Fund (R-CALF USA), Rhode Island Farm Bureau Federation, Rocky Mountain Farmers Union, South Carolina Farm Bureau.

South Dakota Farm Bureau Federation, South Dakota Farmers Union, Southern Colorado Livestock Association, Texas Farmers Union, United Fruits and Vegetable Association, Utah Farmers Union, Virginia Farm Bureau, Washington Farmers Union, Washington State Farm Bureau, Western Organization of Resource Councils (WORC), Wisconsin Farmers Union, Wyoming Farm Bureau Federation, Wyoming Stock Growers Association.

NOVEMBER 6, 2001.

DEAR SENATOR: When the Senate takes up the 2001 farm bill, please support legislation to require country-of-origin labeling at retail for meat products and fresh fruits and vegetables. Senator Tim Johnson (D-S.D.) has introduced this legislation as S. 280, the Consumer Right to Know Act of 2001. Please oppose efforts to water down country-of-origin labeling legislation by allowing domestic origin labels on beef that has been slaughtered and processed—but not born—in this country.

While not a food safety program, country-of-origin labeling will give consumers additional information about the source of their food. As a matter of choice, many consumers may wish to purchase produce grown and processed in the United States or meat from animals born, raised and processed here. Without country-of-origin labeling, these consumers are unable to make an informed choice between U.S. and imported products. In fact, under the Agriculture Department's grade stamp system, they could be misled into thinking some imported meat is produced in this country. Country-of-origin labeling may also assist small producers, many of whom are suffering from low prices, consolidation among processors, and weather-related problems.

Several food industry trade associations and two farm organizations have proposed a voluntary "Made in the USA" label for retailers who want to promote and market U.S. beef. Their effort falls short on two counts. First, industry already has voluntary labeling authorization and it has not resulted in country-of-origin labeling for beef. In addition, the industry proposal allows meat from cattle that have been in this country for a few as 100 days to be labeled "U.S. Beef." This could mislead consumers

into thinking a product is of U.S. origin when, in fact, it is not. Meat products identified as "U.S. Beef" or "Made in the U.S.A." should originate from animals born, raised, slaughtered and processed here.

When country-of-origin labeling is discussed, two additional issues invariably come up: cost and trade retaliation. On cost, the General Accounting Office concluded that country-of-origin labeling would increase costs for both industry and government but that "the magnitude of these costs is uncertain." Federal law, however, already requires country-of-origin markings on the packaging of all meat and produce imported into this country. In addition, slaughter plants already segregate beef carcasses by grade and grade levels already following products to the retail level. How costly would it be to expand these efforts to include country-of-origin labeling at retail? In Florida, which has had country-of-origin labeling for produce since 1979, it reportedly costs less than \$10 per month per store. In terms of compliance, Florida says its program is "not costly if conducted by the same inspection authority that is usually in food stores." Florida put statewide industry compliance costs for country-of-origin labeling through 1998 at less than \$300,000 per year. Costs of this magnitude would be a reasonable trade-off to assure accurate labeling of meat and fresh produce.

On trade, numerous foreign countries have their own country-of-origin labeling requirements for perishable agricultural commodities. Twenty-two of our own trading partners—including Canada, Mexico, Japan and many members of the European Union—have country-of-origin labeling for produce. If our trading partners have these requirements, why shouldn't we? In addition, many other consumer products, including automobiles, must meet country-of-origin labeling requirements in this country. Why should agricultural products be exempt?

Many polls, including a 1998 CBS News poll and two polls by the National Cattlemen's Beef Association, have found overwhelming consumer support for country-of-origin labeling. In Florida, more than 95 percent favor labeling produce by country of origin.

Earlier this fall, the House of Representatives included country-of-origin labeling for produce as part of its farm bill. The amendment adding this provision passed by a wide margin. Please support S. 280 or similar legislation when the Senate debates its farm bill.

ARTHUR JAEGER,
Consumer Federation of America.

PATTY LOVERA,
Public Citizen.

LINDA GOLODNER,
National Consumers League.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that I might be able to proceed for about 3 minutes as in morning business.

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

MILITARY TRIBUNALS

Mr. LEAHY. Mr. President, over the past few weeks, the Committee on the Judiciary has examined the administration's proposal to use military tribunals to try suspected terrorists. I think our work has been very helpful and productive. We used the constitutional oversight powers of the Senate to hold a series of hearings on a num-

ber of recent developments. Assistant Attorneys General asked to testify and we accommodated them. The Attorney General responded to a bipartisan request and we accommodated him with respect to the date and timing of his participation. We had a dialog on the question of military tribunals. We heard from other witnesses at our earlier hearings and through the course of the last few weeks informally from literally thousands of people.

We did this because it appeared to many of us that we had sort of a unilateral edict on the part of the administration regarding military tribunals. We were hearing, from the left to the right, concern that it was so unilateral that it might not stand constitutional muster. So in seeking as many voices on this as possible, we heard from some who endorsed wholeheartedly the use of military tribunals, others who said we should only use our court system—the tried and tested method of the court system, and still others who said—and I find myself in this category—sometimes military tribunals can be appropriate provided they are duly authorized and provided there are reasonable limits and proper safeguards for them.

I will put in the RECORD a copy of a letter from a large number of lawyers and law professors on this issue, and also a summary of some of the things we found in our committee hearings. I also include a proposal. I put this in the RECORD because I know Senators have been considering proposals for a military tribunal. Several Members of both parties have come forward with very constructive suggestions. I want to make sure if we are going to use military tribunals, we bring the procedure into compliance with international law, but with treaty obligations we have elsewhere. I want to make sure we set out very clearly the question of what our limits are, what the U.S. says about military tribunals.

We all know our various Presidents over the years have had to call other countries and say: You are holding an American. You can't put that American before a secret military tribunal. There have to be safeguards and we have to know what is going on. Certainly, you must carry out your own laws, but let's do it in the open and make sure they have a chance to speak, that they know what the evidence is against them, and that they have a chance for appeal.

A military tribunal is not a court-martial. Our courts-martial in the United States follow very specific procedures—in fact, some of the best in the world. If it is simply a question of these being, in effect, a court-martial, I don't think there would be any problem.

But what is a military tribunal? Senators have asked: Does it mean that a bare majority, or even less, could vote for the death penalty? What is the standard of proof? Is it mere suspicion, or is it preponderance of the evidence,