

Mr. LUGAR. Mr. President, I will not speak at length now because we are awaiting the presence of the distinguished chairman, Senator HARKIN, who will make an opening statement, followed by my own.

Mr. REID. I ask unanimous consent the time run equally between both Senator LUGAR and Senator HARKIN during this quorum call.

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

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 President, I ask unanimous consent that the order for the quorum call be rescinded.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

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT 107-4 AND TREATY DOCUMENT 107-5

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on May 6, 2002, by the President of the United States:

Extradition Treaty with Lithuania, Treaty Document 107-4; and Stockholm Convention on Organic Pollutants, Treaty Document 107-5.

I further ask unanimous consent that the treaties be considered as having been read the first time, that they be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of Lithuania, signed at Vilnius on October 23, 2001.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of modern extradition treaties recently concluded by the United States and will replace the Extradition Treaty of April 9, 1924, between the two countries and the Supplementary Extradition Treaty of May 17, 1934. In conjunction with the

new U.S.-Lithuania Mutual Legal Assistance Treaty that took effect in 1999, the Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of the two countries. It will thereby make a significant contribution to international law enforcement efforts against serious offenses, including terrorism, organized crime, and drug-trafficking offenses.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GEORGE W. BUSH.
THE WHITE HOUSE, May 6, 2002.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Stockholm Convention on Persistent Organic Pollutants, with Annexes, done at Stockholm, May 22-23, 2001. The report of the Secretary of State is also enclosed for the information of the Senate.

The Convention, which was negotiated under the auspices of the United Nations Environment Program with the leadership and active participation of the United States, commits Parties to take significant steps, similar to those already taken by the United States, to eliminate or restrict the production, use, and/or release of 12 specified persistent organic pollutants (POPs). When I announced that the United States would sign the Convention, I noted that POPs chemicals, even when released abroad, can harm human health and the environment in the United States. The Convention obligates Parties to take measures to eliminate or restrict the production, use, and trade of intentionally produced POPs, to develop action plans to address the release of unintentionally produced POPs, and to use best available techniques to reduce emissions from certain new sources of unintentionally produced POPs. It also includes obligations on the treatment of POPs stockpiles and wastes, as well as a science-based procedure to add new chemicals that meet defined criteria.

The United States, with the assistance and cooperation of nongovernmental organizations and industry, plays an important international leadership role in the safe management of hazardous chemicals and pesticides. This Convention, which will bring over time, an end to the production and use of certain of these toxic chemicals beyond our borders, will positively affect the U.S. environment and public health. All relevant Federal agencies support early ratification of the Convention for these reasons, and we understand that affected industries and interest groups share this view.

I recommend that the Senate give prompt and favorable consideration to the Convention and give its advice and consent to ratification, subject to the

understanding described in the accompanying report of the Secretary of State, at the earliest possible date.

GEORGE W. BUSH.
THE WHITE HOUSE, May 6, 2002.

CORRECTION IN ENROLLMENT OF H.R. 3525

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 106 submitted earlier today by Senator KENNEDY.

The ACTING PRESIDENT pro tempore. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 106) to correct the enrollment of H.R. 3525.

There being no objection, the Senate proceeded to the consideration of the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid on the table, and that any statements relating thereto be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 106) was agreed to, as follows:

S. CON. RES. 106

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

- (1) Strike section 205.
- (2) In the table of contents of the bill, strike the item relating to section 205.

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

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand that the conference report before the Senate is the Farm Security and Rural Investment Act of 2002. As I understand the unanimous consent agreement, there are 6 hours of debate evenly divided today and 6 hours of debate evenly divided on tomorrow.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. Mr. President, the bipartisan farm bill conference report now before us has been approved overwhelmingly in the House of Representatives by a vote of about 2 to 1, and President Bush has pledged to sign it, calling it a significant piece of legislation and, of course, touting the great efforts we made to reach agreement.

Now we have the crucial bill before us, and the Senate has the opportunity to join the House and the President with our approval of this legislation.

The President said he wants this bill on his desk promptly, and I hope we

can do that. I intend to do all I can to make sure that happens. I am sorry we could not have taken this up last week and passed it on Thursday. The President could have signed it this week. But, as I understand, the other side insisted on having a minimum of 12 hours of debate on this. If that is what they want, that is certainly their right. So we are going to have another 2 days of debate on this farm bill.

As the chairman of the Senate Agriculture Committee, I am proud to sponsor it. I am proud of all the hard work the conferees and our staff have done. I am proud of the work that the farm groups, conservation groups, anti-hunger, and others across the country have done in seeing this bill through to the end. I am proud of those who lent their ideas in support of this bill. I am especially proud of all the members of the Senate Agriculture Committee on both sides of the aisle who worked diligently last year through some very trying times—need I mention the period of time after September 11 when our attention was focused on the terrorist threat to our country? But the members of our committee, including the Presiding Officer, continued to work to make sure we met the business of our country's agriculture and to make sure we came up with a farm bill that addressed a broad variety of needs all over America.

I compliment and commend all of the members of the Senate Agriculture Committee, as I said, on both sides of the aisle who worked very hard to get this bill both through the committee and to the floor of the Senate.

I compliment all the conferees for making sure we have a good product—a product that was reached by compromise between the House and the Senate. The bill is truly a product of cooperation and collaboration across party lines—and across the Capitol between the two Houses.

I commend my colleague and ranking member, my good friend, Senator LUGAR from Indiana, for all of his courtesy and cooperation throughout the process of developing this bill.

To be sure, we have some very substantial disagreements on the conference report. But Senator LUGAR and his staff have been closely involved and have made major contributions throughout the provisions of this bill.

I also thank Chairman COMBEST and Congressman CHARLIE STENHOLM for all of their hard work and cooperation through the course of a challenging conference. I compliment publicly Congressman COMBEST for his fair and diligent leadership and for his chairmanship of the conference committee as we worked through this bill. This conference report reflects a tremendous amount of work and careful consideration by both the Senate and House of Representatives.

The House Agriculture Committee began hearings on the new farm bill in 2000. Our committee began hearings on the new farm bill, under the leadership

of Senator LUGAR, in January of 2001. When the leadership changed hands, under my chairmanship we continued to hold an aggressive schedule of hearings over the summer. We marked up the bill in November and reported it to the Senate on November 27.

Final Senate action was delayed because we were repeatedly unable to obtain cloture before the holiday recess. But we came back and passed the bill on February 13.

Since then—up until May 1—we have been in conference. We began the conference with a very large number of critical issues in disagreement between the Senate and the House on this comprehensive, complicated, and far-reaching bill. We worked long and hard and made our way through disagreements to produce this new, strong farm bill.

I will be the first to admit that this conference report is not any one person's idea of perfection. It is, however, a very good bill. It is a solid, balanced piece of legislation, a product of the crucible of rigorous debate, hard work, and tough negotiating.

The conference report also reflects the necessary give and take of the conference on a major piece of legislation and the imperative of reaching compromises and settling differences for the sake of the larger objective of getting the bill completed and passed. The bottom line is that there is far too much at stake in this bill for farm families, rural communities, and our Nation as a whole, for us to let this bill die over a stalemate or to send it back and deadlock in conference.

For anyone looking for faults to criticize, they are there. I could get points for several myself. Each of us could. But given the rigor of the negotiations and the strongly held views on each side, I can assure you that further negotiation—if this bill were to be sent back to conference—would not and cannot produce an outcome appreciably different from that which is now before the Senate. I can say that if this conference report is defeated and sent back to conference, there will not be a farm bill this year.

As I said, each of us can look and say: Well, I don't like the specifics, or, I don't like these two items which I voted for in the Senate, or which I voted for in committee, and it is not in there. Yes, we can all do that. We can pick it apart. But, again, if you look at the overall aspects of the farm bill for commodities, for nutrition, for conservation, and for rural development, when you look at it in its broad aspect, this is a bill worthy of support.

This trial by fire of going through the procedures means we have a comprehensive and forward-looking bill. This bill restores sound farm income protections. It offers predictability and stability to agricultural producers, suppliers, and others. It greatly strengthens our commitment to conservation, to investing in jobs, to economic growth, and to the overall quality of life in rural communities. And,

for the first time ever, we have an energy title in this farm bill to boost farm-based renewable energy.

Last week, President Bush said this bill has “the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products.”

That is a quote from President Bush. (Mr. WELLSTONE assumed the chair.)

Mr. HARKIN. Rural America is waiting for this bill. I urge my colleagues to send this critical legislation to the White House without further delay.

Again, I am proud that we have got this bill through. When we look back to 1996, that farm bill was signed into law about 6 months after the previous farm bill expired. I am proud to say we have this farm bill before us 5 months before the present farm bill expires.

I would like to go through, as briefly as I can, the various titles of the farm bill.

First, I will go through the commodity programs. Then we will take up the different areas of energy and conservation, and some other aspects dealing with trade and WTO just to set the record on where we are with this conference report before us.

The conference put together a balanced package that includes three elements of support: direct payments, countercyclical payments, and marketing assistance loans.

The first chart I have in the Chamber shows the protection levels for different commodities: corn, soybeans, wheat, sorghum, and barley. This is not all of the commodities; this is just representative of many of the commodities we cover.

The income protection levels are shown in green on the chart for the present 1996 farm bill, plus the emergency payments are in kind of a purple color. What it shows is that for all these major crops, the farm bill before us will provide much higher income protection levels than the existing farm bill.

For example, on soybeans, the income protection level under the farm bill before us is \$5.80 per bushel. Under the farm bill we are now operating under—the old farm bill; the 1996 farm bill—it is \$5.04 a bushel. And going on through all the rest: for wheat, the income protection is \$3.86 a bushel under this bill. It is only \$3.24 under the previous farm bill.

The next chart shows the commodity program spending by crop-year. There has been some talk that we are somehow cheating farmers out of money, that we are spending less. But that is not true. This chart shows the spending by crop-year from 1996 on through 2002. The total includes AMTA payments, the marketing loss assistance and countercyclical payments, LDPs, marketing loan gains, and certificate

gains. We have bundled everything together to show the total income.

After enactment of the 1996 farm bill—and we had all these emergency procedures—the high water mark was \$19.73 billion in 2000. Last year—2001—that dropped to \$16.17 billion. And in 2002, we bring it back to \$17.91 billion in spending for the total amount of crops. So you may hear arguments that the total spending this year is less than before, and that simply is not true.

I have heard some talk that a typical farmer would get less this year than they got under the farm bill before, the 1996 farm bill, plus the double AMTA payments they got last year. So we took an Iowa farmer—I did not do any other State—with 1,000 acres, growing corn and soybeans. And it was assumed that the loan rate would be frozen at the current levels for the 1996 farm bill, which basically the Secretary did.

For that typical Iowa farmer, under the farm bill now before us, the payments would total about \$83,884. Under the old farm bill, it would total about \$73,987—a difference of about \$10,000. So a typical Iowa corn farmer this year is going to be a heck of a lot better off under this bill than if we were to continue with the old bill, even plus all of the double AMTA payments and the emergency payments.

This chart shows an even more drastic difference. Again, the \$83,884 is the payment to that typical Iowa farmer this year. The \$57,947 would represent the 1996 farm bill and a loan rate that was at the lowest rate. In other words, if the Secretary lowered the loan rate, that would be the payment to an Iowa farmer.

I must say, there has been a lot of talk that the Secretary has talked about lowering their loan rates. That would be \$1.67 a bushel for corn, for example, and \$4.92 for soybeans. What we did in this farm bill, Mr. President, as you well know, is we not only raised the loan rates but we removed the ability of the Secretary to lower those loan rates. That provision has been in the law, and this is how low we would go if the Secretary exercised it. In this farm bill, the Secretary does not have that discretion.

I am going to talk about the WTO aspects in a moment, but let me comment a little bit further about the present farm bill.

We continue the planting flexibility in the current farm bill. The 1996 farm bill allowed farmers to plant however they wanted to, on whatever acres they wanted. Farmers liked that, so we have continued the planting flexibility.

The producers will be eligible for direct and countercyclical payments as long as they comply with soil conservation and wetland protection, use the land for an agricultural or conserving use, and do not plant prohibited fruits and vegetables on base acres.

The countercyclical program is a major improvement over the 1996 farm bill. Owners of farmland will have a

one-time opportunity to update their crop acreage base and to partially update their payment yields for countercyclical payments. The countercyclical program is designed to supplement farm income during times when commodity prices are low.

As I said, we have rebalanced the commodity loan rates to minimize market distortions. Loan rates under the conference agreement are not as high as in the Senate-passed bill, but the loan rates in this bill will provide an adequate level of support for crop producers without stimulating surplus production. We have tried to assure that producers can choose to produce alternative crops, such as minor oilseeds, dried peas, lentils, and small chickpeas. Producers will be able to demonstrate minimal price supports for these alternative crops, which can make all the difference to their lenders.

The conference report includes allotments to limit U.S. sugar production to keep production in line with demand and ensure that the sugar program can operate without cost to the Federal Government.

The conference report also includes a major reform of the peanut program to help U.S. peanut producers and processors survive in a changing world market and trade environment.

This bill complies with all of the WTO commitments. I would refer to this chart in the Chamber. There has been some talk—and we may hear some talk in the ensuing 12 hours of debate—about the possibility that we could violate WTO. We have looked at this very carefully. Under a worst case scenario, there is only minimal possibility that we violate our WTO agreements. Right now, as you well know, we have a provision under WTO that puts things in amber boxes, green boxes—and I don't need to belabor what that is all about. Let's just say, under the green box, you can spend as much as you want. That does not violate any of our trade agreements. Under the amber box, for specific payments, we have a \$19.1 billion cap. In other words, if we go above \$19.1 billion in any year in spending, then our trade partners could, if they want, take us to a dispute settlement panel in terms of violating the WTO agreements.

So here, under the amber box, as you can see, is the \$19.1 billion, as shown on the chart, that we are allowed in a year. Right now we are spending about \$11 billion a year in that amber box. The likely effect of the bill before us—the conference report before us—is about \$12 billion a year under likely scenarios.

Under a situation with very low prices, such as we saw in 1999, when payments went up, we faced absolutely devastating circumstances and the rest of the world had strong production—under that, we get about \$16.7 billion under the amber box. So we are still nearly \$3 billion below the ceiling we are allowed under the amber box.

Under the green box, we are about \$13.3 billion. We have come up, with our conservation programs, to about \$16.3 billion under the green. That doesn't violate anything. It just means we are giving farmers more non-trade-distorting protection under the green box, which is not only allowed but encouraged under WTO. We are giving them more support under the amber but not to the extent it is very likely that we would violate our trade agreements. I will get to conservation. But before I do, I wanted to specifically talk about the fact that we will not in any way be violating our WTO agreements.

When the Senate considered this bill, it adopted stricter commodity program payment limitations. The House bill not only did not reduce payment limits, it expanded them. In conference we argued aggressively for the Senate's position of stronger payment limitations. The House conferees took an extraordinarily strong stance against lower payment limits. So it should be no surprise to anyone that the conference report contains a compromise.

Under existing law the limit is \$460,000. The House bill had a payment limit of \$550,000 for an individual or a married couple. The Senate bill contained a \$225,000 limit for an individual or \$275,000 for a couple. For the past several years, under the previous farm bill, the limit has been set at \$460,000.

So the conference agreement includes a limit of \$360,000 for an individual or a couple—well below the House bill level. Again, the present level is \$460,000. The House went to \$550,000. We reduced that down to \$360,000—much closer to the Senate-passed level of \$275,000.

I just saw a press report the other day that a Congressman, a Member of the other body, had specifically lambasted this bill because of the high payment limits. He pointed out that Ted Turner, Scottie Pippen and—I forget who else he mentioned—a couple of other wealthy people could still continue to get all these big payments. Nothing could be further from the truth, I am sorry to tell the Congressman. In the conference report, we changed one other provision, another reform in payment limits.

We include a new eligibility test that will prevent any individual or entity—that is very important, individual or entity—with an adjusted gross income of \$2.5 million or more from receiving any commodity or conservation payments—\$2.5 million. If that person is actively engaged in agriculture and their income all comes from agriculture, then that does not apply. But for someone like Scottie Pippen and Ted Turner—obviously their income comes from other places—they not only would not be eligible for the payment limits, they are not eligible for any payments, period, zero. So that was another reform we made.

In addition—this is most significant—under our compromise, the

USDA will be required to track payments through entities such as partnerships and corporations, cooperatives, so that we can determine exactly what amounts an individual is receiving. This transparency will provide much more accurate data for Congress in order to make better informed decisions about payment limit issues in the future. Again, for the first time ever we are going to have full transparency. The Secretary is required to come up with a methodology so that we can track payments through any kind of partnership, cooperative or corporation, so that we can find out exactly who is getting what. We have never had that before.

The conference report also establishes a commission to review who receives benefits and to recommend changes in the law regarding how payment limits operate. As I understand it, the Senate will get three, the House gets three, and the President appoints four. That is how the commission will be set up, if I am not mistaken.

Some will argue and will continue to argue that the Senate conferees brought back too little on payment limitations in this conference report. However, this is the reality: If we Senate conferees had issued an ultimatum on our position, we would not be here today with a conference report on the farm bill. That was clearly indicated to us by House conferees and, quite frankly, by some on our own side.

I am greatly disappointed this conference report does not contain stronger payment limitations. But failing to produce this farm bill would have been far worse for farm families, rural communities, and our country as a whole than getting the compromise we did on payment limitations. Simply put, it would have been irresponsible to walk away from this new farm bill over the failure to reach a compromise on payment limitations and thereby forfeit the desperately needed farm income protection our bill contains for farms of all sizes, including small and modest-sized farms.

As far as this Senator is concerned, this bill is far from the final word on payment limitations. We will continue to examine this issue. We will get our commission established. We will continue to look, through the transparency, at exactly who is getting these payments. At some point down the road, I am sure this committee will come up with further legislation to refine and reform payment limitations.

We made some important strides in this bill regarding specialty crops. Not only did we provide funding for farmers' market nutrition programs and for commodities for The Emergency Food Assistance Program and the School Lunch Program, a portion of which are specialty crops, we also directed USDA to increase their average spending on specialty crops by setting a floor of \$200 million annually for the amount of funds that must be devoted to the purchases of fruits and vegetables each year.

This is vitally important, both for our specialty crop producers, and for the health of our kids and low-income individuals. Before we didn't have a floor. Some years we went as low as \$100 million a year in the level of spending for fruits and vegetables. This bill sets a floor of \$200 million minimum. We can go higher than that, but we can't go lower than that. I believe that is going to be good for our fruit and vegetable farmers and also good for nutrition of all Americans.

Mr. President, on the dairy issue—this is one that always perplexes and bedevils us in this country, but I believe we have come out with a dairy provision that represents, as best as possible, all the interests across our country. I think it is a significant victory for our smaller dairy farmers. We maintain a permanent \$9.90 price support for milk. We established a new 3.5-year national dairy program to provide assistance to all U.S. producers. This national dairy program will provide a payment based on the difference between \$16.94 and certain prices in the Northeast, but I will try not get into the convoluted details of it.

Basically, we said that for up to 2.4 million pounds of production per dairy farm per year, we will support your prices up to about \$16.94. So really, this is targeted to helping our smaller dairy farmers. That 2.4 million pounds of production per dairy farm per year is about 137 cows—or 125 to 140 cows. That is really our smaller dairy farms.

The conservation section is one of which I think all of us can be proud. It is the one section that President Bush highlighted in his comments when talking about this bill. In addition to producing food and fiber, America's farmers and ranchers play a critical role as stewards of our natural resources for today and for future generations. The conservation title in the farm bill recognizes conservation as a cornerstone of sound farm policy, adding \$17.1 billion in new funding. It is an 80-percent increase above the baseline. This reflects a strong commitment to helping agricultural producers and landowners conserve and improve water, air, plants, and wildlife. The bill strikes an important balance between conservation programs that idle land, such as the Conservation Reserve Program and the Wetlands Reserve Program, and programs that focus on lands of production, such as the EQIP program—Environmental Quality Incentives Program—and the new Conservation Security Program. Together all the programs in the conservation title provide the full array of options to producers who voluntarily incorporate conservation practices on their lands.

The Conservation Reserve Program is expanded to 39.2 million acres from the current cap of 36.4 million acres. The WRP program—Wetlands Reserve Program—cap is more than doubled to 2.275 million acres. EQIP funding—so important to our livestock producers,

our dairy farmers—is increased 5.5 times, from a 10-year baseline of \$2 billion, to \$11 billion.

The Wildlife Habitat Incentives Program is so important to our sportsmen all over America for increasing and preserving wildlife habitats all over this country. Funding for the WHIP program is increased 14 times—fourteen-fold—to \$700 million, from a total of \$50 million over the life of the last farm bill.

Funding for the Farmland Protection Program, to provide protection for farmland around some of our urban areas and keep it in farmland rather than being developed—funding for the Farmland Protection Program jumps nearly thirty-fold—nearly 30 times—from the \$35 million in the last farm bill, to nearly \$1 billion in this bill.

The farm bill contains important, new programs as well as increasing funding for existing ones. To address the growing need for water conservation, the bill contains \$600 million for a national ground and surface water conservation program, including \$50 million for producers located in the Klamath Basin in California and Oregon.

The new Grassland Reserve Program will help conserve and restore 2 million acres of grassland across the country. This important new program is funded at \$254 million. The bill also contains \$275 million for the Small Watershed Dam Rehabilitation Program, to restore ailing dams across the country. Many of these dams out in Iowa, and in Missouri, Oklahoma, Texas, Arkansas, are rapidly deteriorating. This program will rebuild those dams to preserve, to protect the safety of those living near them and save our precious water.

Finally, an important, new component in our conservation bill is the new Conservation Security Program. Through the CSP, all agricultural producers who can receive payments for implementing conservation on working lands. By encouraging producers to address critical resources on their operation at a non-degradation level, CSP will lead to substantial, new environmental benefits and help maintain those gains already made.

The time has come to recognize farmers and ranchers as good stewards of the land, the basic stewards of our Nation's natural resources. The importance of maintaining the conservation achievements of the past cannot be overstated. Paying good stewards to maintain their good work is clearly the right thing to do. And now we can do that through the Conservation Security Program.

In order to ensure successful implementation of the conservation programs, we include funding for technical assistance, including for education, monitoring and assessment activities, directly from the conservation programs. Without strong technical assistance, conservation programs could not be fully implemented. This farm bill recognizes that and provides for funding for technical assistance.

Overall, the conservation title provides a balanced approach to conservation—the largest increase in a farm bill ever—and provides critically important resources for our agricultural producers.

I will point to this chart, which gives an official representation of what we have done in conservation. Under the 1996 farm bill, we have a total 10-year baseline of \$21.4 billion. That provides \$19.4 billion for land idling programs, like CRP and WRP, and only about \$2 billion for conservation programs directed toward working lands to help farmers become better stewards. The new farm bill tries to restore a balance that ensures strong land-idling and working lands programs. Of the nearly \$17.1 billion in new funds, we put \$14 billion in new funds in working land programs and \$3 billion in new funds in land idling programs. That gives us a more balanced approach.

In this farm bill, we have a total of \$38.5 billion for conservation. Of that total, there is about \$16.1 billion that will go to conservation on working lands and about \$22.4 billion that will go to land idling. Again, you get back a historical balance of what we had in the past and recognize that as farmers produce crops across our country they are stewards of the land. There are some people who seem to think that if you raise corn or soybeans or rice or cotton—whatever—if you are growing crops or raising livestock, then you are destroying the land, the soil, the water and other natural resources. Well, that could be true, depending on how you farm.

If you farm up and down the hills, in the gullies, and you don't put in grass strips or buffer strips, or you don't ridge till, perhaps, or no till, you are right; you can lose a lot of soil. If you do it in the right way, you can grow crops and you can preserve soil, water and wildlife habitat, our natural resources. That is why we directed much of the new funding toward working lands programs—to help farmers be those good conservationists, yet still produce the food and fiber we need for our country. This balance was struck while ensuring that programs like WRP and CRP remain strong.

Mr. President, as I said, we have strong spending for the existing programs: Conservation Reserve Program, Wetlands Reserve Program; Farmland Protection Program; Wildlife Habitat Incentives Program; and Environmental Quality Incentives Program. These are all the programs that are in existence in the present farm bill. We strengthened and expanded them, as you can see. The Farmland Protection Program is increased from \$35 million to nearly \$1 billion—\$985 million.

The wetlands reserve has been increased from 975,000 acres in the 1996 Farm Bill to 2.275 million acres. Even with the addition of 100,000 acres through an appropriation bill, that is still more than double the current level.

EQIP has been increased from \$2 billion to \$11 billion.

We heavily boost existing programs.

We added new programs. The Ground and Surface Water Conservation Program was not in the last farm bill. We have \$600 million in this bill for that program.

For the Conservation Security Program, there is a \$2 billion estimated cost.

For the Small Watershed Rehabilitation Program, there is \$275 million.

For the Agricultural Management Assistance Program for certain underserved States, there is \$50 million.

We have a provision that helps at-risk natural desert terminal lakes. We need to protect and preserve those lakes. There is \$200 million in the bill for that program.

I want to put up the last chart again. I heard and read some reports that because of the new conservation programs we put in this bill, especially the Conservation Security Program and others, we are taking money out of EQIP or we are hurting funding for existing conservation programs. In fact, there is a conservation group—I am sorry, I cannot remember the name now—that basically is saying that we are taking money out of these programs.

Again, the facts are just the opposite. We have increased many existing programs. As I said, the Wetlands Reserve Program has been increased from 975,000 acres to 2.275 million acres. EQIP has a 5.5-fold increase. The Wildlife Habitat Incentives Program has a fourteen-fold increase. The Farmland Protection Program has nearly a thirty-fold increase. We are not taking money away from any of these programs. We enlarged the pie. When people say we are hurting existing programs, that simply is not true. We are providing more options for producers and opening conservation programs to all those producers who are currently left out of conservation programs because they are already doing the right thing. Or, out of commodity programs because they do not grow a covered crop. The CSP reaches all of those producers—it expands the conservation programs and is money well spent.

Let me talk about trade. The trade title offers major gains to agricultural producers and agricultural export industries. The Market Access Program will be ramped up to a \$200-million-a-year program by 2006. This is the level that has been sought by supporters of the MAP program. It represents a 122-percent increase over the current funding level of \$90 million a year.

The trade title also provides additional funds for the Foreign Market Development Cooperators Program—otherwise known as the FMD Program—from \$27.5 million to \$34.5 million annually.

The trade title of the farm bill also expands use of U.S. commodities in food aid shipments both under the existing Food for Progress Program and

to continue the pilot International Food for Education Program, otherwise known as the International School Lunch Program.

The bill provides an increase in transportation spending for the Food for Progress Program from its current level of \$30 million to \$40 million and increases funds to cover administrative costs for these organizations running the projects within country from \$10 million to \$15 million.

The conference report provides \$100 million to be available next fiscal year to continue support for existing projects under the GFEI Program established in 2000.

Lastly, there are two other issues I want to mention. The nutrition title is a very strong part of this conference report. We can all be justly proud of that title. The House bill provided \$3.6 billion in new funding for nutrition. The Senate bill had \$8.4 billion, as we reported it out of the Senate. The compromise is \$6.4 billion for nutrition and food assistance. That is a level that is much closer to the Senate position and not quite as close to what the House had in their bill.

We restore food stamp benefits to legal immigrant adults who have lived in the United States for at least 5 years, and to legal immigrant children and the disabled without residency requirements. President Bush wanted the first part of the provision, and we complied with his wishes and put it in the bill. The second part of the provision restoring food stamp benefits to children and the disabled without a 5-year waiting period originated in the Senate.

We provide transitional benefits for people moving from welfare to work, and we increase the benefits for families with children.

We have simplified some food stamp program rules and have reduced the administrative burden for States.

We have increased funding for commodity purchases and distribution to these programs. The nutrition title is certainly a part of the bill we can all proudly support.

Again I thank all of the members of the committee. I especially commend Senator LUGAR for his contributions to this title, both in the committee and on the floor, and as we went through conference.

I want to remind everyone that the food and nutrition assistance programs affect our entire country. A lot of people say this is just the urban portion of the bill. Again, nothing could be further from the truth. Hungry people do not know city boundaries. They live in our small towns and communities. They live in the most rural areas in our country—in all parts of our country. In fact, ten percent of America's households face hunger. They include the working poor, single working mothers with children, seniors forced to choose between paying for food or paying for prescription drugs, families forced to choose between heating and eating.

The cornerstone of our safety net, the Food Stamp Program, is the most effective and efficient program ever for low-income families, the elderly, and the disabled. It is a critical work support program, one that boosts low-income families' wages and helps them make ends meet every month and put food on the table.

We have successfully addressed these issues head on and have produced a nutrition title that stands out in several respects: We have improved accessibility; we facilitate the transition from welfare to work; we reduce paperwork and redtape; and, as I said, we correct one of the harsh aspects of welfare reform, and that is, we restore food stamp benefits to legal immigrant children and the disabled right away and to legal immigrant adults who have been here at least 5 years.

The title includes other important provisions as well. It includes funding for The Emergency Food Assistance Program to help food banks and food pantries meet the needs they face, and it re-authorizes a number of other commodity distribution programs. It includes funding for both the WIC and the Senior Farmers Market Nutrition Programs. It provides additional money for commodities for schools with a focus on specialty crops.

Again, our bill also directs USDA to increase their average spending on specialty crops by setting a floor of \$200 million a year for the amount of funds that must be devoted to fruit and vegetable purposes.

We succeeded not only in maintaining but enhancing the nutrition safety net for families around the Nation. I say to my colleagues, yes, you may pick one or two parts of this bill you do not like, that you wish were different; but think about the families in this country who rely upon food stamps; think about those making the transition from welfare to work, the fact they need additional assistance as they provide more income for their families; think about the children and the disabled all over this country; think about the people who go to food banks and food pantries who need this just to keep food on their table every month. That is in this bill.

Do we want to vote this bill down and send it to a conference and never have it come back? Because that is what will happen. Mr. President, I say to my colleagues, when they vote on this bill, think about the tremendous work we have done and the increases in nutrition we have provided.

The credit title reauthorizes farm money programs. We provide greater access for beginning farmers and ranchers by doing a number of things, such as increasing the percentage that USDA may lend for downpayment loans for beginning farmers and extending the term of those loans. We also take the opportunity to improve a number of the administrative provisions in farm lending programs.

There is a very strong rural development title in this farm bill. Rural com-

munities really are part of the backbone of our whole agricultural structure, but they have not fully shared in our Nation's prosperity. For too long they have lagged behind. Rural America needs facilities and services that meet the standards of the 21st century from basic services such as sewer and water, to full broadband Internet access. Without them, the quality of life in rural communities will be impaired and businesses will not thrive.

One of the largest obstacles facing rural businesses and job growth is the lack of adequate equity capital. To help generate the investment needed in rural America, this bill funds a new rural business investment equity program. While many rural businesses are not directly associated with agricultural ventures to increase the value of agriculture, commodities in rural areas hold great potential as an engine for growth. When these value-added enterprises are owned by agricultural producers, there is a double benefit of economic growth and increased farm income. This bill provides \$240 million for value-added agricultural product market development grants to help develop solid new enterprises owned by producers for adding value to agricultural commodities.

This program can also be used to support farm-based renewable energy projects, an important new provision to help stimulate a wider variety of value-added enterprises owned by farmers.

The bill includes \$360 million to reduce significantly the backlog in the applications we already have on hand for drinking water and wastewater projects, crucial basic needs for rural Americans.

We also have critical provisions in this bill which will help ensure that rural America is not left behind in the information age. Currently, the Rural Utilities Service has a small pilot program that provides loans to those that want to provide broadband services to areas that do not have it. The farm bill would authorize this initiative and provide \$100 million in mandatory spending over the next 6 years. This would translate into at least \$400 million a year in direct loans for private and nonprofit entities to provide high-speed Internet service in rural America. This is a critically needed service that will not come to rural Americans anytime soon if we wait for the market to take care of it.

A recent report found less than 5 percent of towns of 10,000 or less have access to broadband technology. In Iowa, more than 50 percent of rural communities do not have access to broadband services, according to the Iowa Utilities Board. This loan program provides the incentive needed to ensure all Americans have the opportunity to be full participants in our digital economy and the information age.

I might add that this provision on broadband access was in the Senate farm bill. We provided this money for

broadband in the Senate farm bill as it was marked up in committee. We kept it through floor debate. The House farm bill did not have this provision, but were able to keep the Senate provision on broadband in conference. I feel very strongly that this is one of the most important aspects of this bill in terms of rural economic development.

We also provide a program of \$10 million per year for firefighter and first responder training. That is very important for our rural communities.

In research, the bill continues the process we began in 1998 of trying to increase the amount of money directed toward agricultural research. Over the life of the bill, funding for the Initiative for Future Agriculture and Food Systems will increase from \$125 million per year to \$200 million per year.

We have included a new title in this farm bill that began in our committee, came through the floor, and survived in conference. It is a new energy title which has never been in the farm bill. It is the first time it has ever been done. Not only do we have an energy title, but it includes over \$400 million in mandatory spending, for renewable energy, biofuels, energy efficiency, the development of biowaste programs, as well as research on climate change. The energy title will help reduce the use of oil and gas by promoting alternative energy sources on farms and in rural communities. The energy title is a major victory for our farmers and rural communities, for national security, energy independence, and the environment.

Think again about this bill and what may happen. If this goes back to conference, if the conference report is defeated, there goes the energy package and all that we have to start producing renewable forms of energy.

In competition, the conference report includes a number of provisions that address the issues of fairness and transparency in the agricultural marketplace. The measure includes two important measures affecting livestock and poultry producers. The first provision amends the Packers and Stockyards Act to provide protections from unfair practices for swine contract producers. The second provides that all livestock and poultry producers have the right to discuss contracts with close advisers and family members.

In a major victory, the agreement includes a provision that will finally provide consumers with the information on the country of origin of meat, fish, fruits, vegetables, and peanuts. This has been championed by consumers and family farmers alike. A country of origin label will provide crucial information sought by advocates for years.

After months of fighting, we were not able to retain the provision that prohibits packers from owning livestock. The House was simply intransigent on this issue. Not one House conferee indicated support for the Senate ban on packers ownership. We had our votes in the Senate, but the House would not

budge. As I could detect, not one of the House conferees on this issue supported the measure. Although we lost the ban on packer ownership, we got country of origin label and we now put swine production contract growers under the Packers and Stockyards Act. And farmers have the right to discuss their contracts with their advisers, their families, their bankers.

However, I will say for the record, the ban on packer ownership is not a conclusion; it is just the beginning. As chairman of the Senate Agriculture Committee, for however long I am privileged to have the chairmanship, we will continue to fight intensely against unfair practices in agriculture markets and, perhaps looking down the road, we will have specific legislation targeted just at this one issue of ensuring that packers cannot own livestock prior to 14 days before slaughter.

In conclusion, this is a sound, comprehensive farm bill that will benefit all Americans—rural, urban, and suburban. It restores a sound system of countercyclical income protection for our farmers. It makes the greatest investment of any farm bill in history for the conservation of our natural resources. It promotes our exports. Our nutrition provisions go a long way to keep Americans from going to bed hungry at night. We include rural development policy that will promote economic growth, jobs and a higher quality of living in small towns and rural communities. We continue our strong support of agricultural research, and for the first time ever, we include an energy title that will promote the development and use of farm-based renewable energy and other products.

All in all, this is a strong new farm bill for this new century. As I said at the beginning, I know people will say they don't agree with this or that. I have indicated some issues I don't agree with in the bill, but it has to be looked at overall. It is a product of compromise and hard work over a long period of time. We are a large country. What is best for my farmers and farm families in Iowa may differ for farm families in Washington State or Mississippi or Alabama or Florida. We don't grow citrus in Iowa; that is in Florida. We have to balance all of the interests of this country to come up with a bill that meets the legitimate needs of our farmers and farm families and our people in our small towns and communities, that provides a safety net, provides a better ability for our farmers to have a better income and a better life, yet reaches out to make sure people who need food assistance get the food assistance they need.

This conference report is on the verge of becoming law. The only thing that is needed now is a Senate vote. The President has already said that he supports it and will sign it, and that he wants it on his desk promptly.

As I said, this conference report restores predictability and stability. It will replace this ad hoc system of

emergency payments that every year we have come out here on the floor and passed.

Those who propose to send this bill back to conference are proposing to take the new stability and predictability away from America's farmers and ranchers and rural communities and throw the entire situation into turmoil and chaos. Those who would defeat this and send it back to conference will introduce a whole new dimension of uncertainty into American agriculture at just the time that farmers, ranchers, and rural America are within a hair's breadth of a new 6-year farm bill.

The conference committee has been dissolved. If this bill were to go back, we would have to reconstitute the committee. Beyond that, there is no indication that a new conference would lead to any different result than what we have before us now. It is not in the interests of our farmers and ranchers to have no new farm bill. They do not want to watch as we struggle on through the summer on the farm bill, and into the fall, to try to patch something together. They want and they need this bill now. If we delay this bill any further, we stand a high likelihood that we will lose some of the money in the budget that we used to write this bill. We would lose an important part of the \$73.5 billion that should go to agriculture.

If we do not have this in place. We will have to have yet another emergency bill, which will leave even less money to write a new farm bill. Again, if we pass this up, we forego the opportunity for better conservation, for better rural development, and a better safety net for our farmers.

Mr. President, I ask unanimous consent to have printed in the RECORD a number of letters in support of the farm bill.

First, I ask unanimous consent that the statement of the President of the United States be printed in the RECORD.

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

THE WHITE HOUSE,
PRESIDENT GEORGE W. BUSH,
May 2, 2002.

PRESIDENT TO SIGN FARM BILL

I congratulate Chairman Combest and the other House and Senate conferees for a job well done in completing the Farm Security and Rural Development Act of 2002.

I am pleased that the compromise agreement on the farm bill resulted in better balanced commodity loan rates; spending that is no longer front-loaded; and the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products. While this compromise agreement did not satisfy all of my objectives, I am pleased that this farm bill provides a generous and reliable safety net for our Nation's farmers and ranchers and is consistent with the principles I outlined.

I thank the conferees for their hard work and urge Congress to send the farm bill to my desk promptly for signature to help ensure the immediate and long-term vitality of our farm economy.

Mr. HARKIN. I ask unanimous consent to enter a statement by the Secretary of Agriculture, the Honorable Ann Veneman, be printed in the RECORD.

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

STATEMENT OF SECRETARY OF AGRICULTURE
ANN M. VENEMAN, REGARDING CONFERENCE
COMMITTEE FARM BILL AGREEMENT, APRIL
26, 2002

We are encouraged by the efforts of the House and Senate Conferees in reaching an agreement on the framework of a new farm bill. As President Bush said on Wednesday, "the farm bill needs to be completed quickly." With this action, farmers should soon know the details of the long-awaited farm bill, which would bring certainty in the coming years.

We commend Chairman Combest for his leadership in achieving a compromise agreement. Many objectionable provisions have been eliminated that we believe would not have been in the best interests of America's farmers and ranchers.

While details still need to be completed, the agreement appears to include more market-oriented and rebalanced loan rates as well as increased emphasis on conservation programs for working lands. However, we look forward to examining more closely the specific provisions of the agreement, including final cost estimates from the Congressional Budget Office to ensure the agreement adheres to the intent and the spirit of the Congressional Budget Resolution.

This is a most critical time in regard to farm bill implementation for the 2002 crop year. Final action must be concluded now to enable farmers and ranchers to make the necessary business decisions. While USDA has been working hard to prepare for implementation, there is no doubt that this will be a formidable task in the coming months.

Again, we are pleased that an agreement has been reached and look forward to continuing our work with the Conferees for a timely resolution to completing this important legislation.

Mr. HARKIN. I have a letter signed by 30 organizations. I will not read all of them, but I will read a couple of paragraphs.

The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise. . . . It is imperative that the Senate also take immediate action and adopt the farm bill conference report.

As I said, this is from 30 organizations, from the Agricultural Retailers Association to the American Farm Bureau Federation, American Soybean Association, the American Sugar Alliance, the American Sugarbeet Growers Association, American Sugar Cane League, Co-Bank, National Association of Wheat Growers, National Barley Growers Association, the National Corn Growers Association, the National Cotton Council, the National Farmers Union, the National Grain Sorghum Producers, the National Milk Producers Federation, the National Pork Producers Council, the National

Sunflower Association, Ocean Spray, Inc., Rice Millers' Association, South East Dairy Farmers Association, the Southern Peanuts Farmers Federation, the U.S. Canola Association, U.S. Rice Producers Association, the United Egg Producers, and the Western United Dairymen—30 broad-based farm groups supporting this bill.

I ask unanimous consent that it be printed in the RECORD.

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

MAY 7, 2002.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debates as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,
Agricultural Retailers Association.
Alabama Farmers Federation.
American Cotton Shippers Association.
American Farm Bureau Federation.
American Society of Farm Managers & Rural Appraisers.
American Soybean Association.
American Sugar Alliance.
American Sugarbeet Growers Association.
American Sugar Cane League.
CoBank.
Fresh Solutions.
National Association of Wheat Growers.
National Barley Growers Association.
National Corn Growers Association.
National Cotton Council.
National Farmers Union.
National Grain Sorghum Producers.
National Milk Producers Federation.
National Pork Producers Council.
National Sunflower Association.
Ocean Spray, Inc.
Rice Millers' Association.
South East Dairy Farmers Association.
Southern Peanuts Farmers Federation.
U.S. Canola Association.
U.S. Rice Producers Association.
U.S. Rice Producers Group.
USA Dry Pea & Lentil Association.
United Egg Producers.
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent several statements from different U.S. commodity groups and broad-based groups be printed.

I have a letter from the National Farmers Union that I ask be printed at this point in the RECORD.

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

NATIONAL FARMERS UNION,
May 1, 2002.

U.S. SENATE,
Washington, DC.

DEAR SENATORS: On behalf of the 300,000 family farmer and rancher members of the National Farmers Union I write to encourage your support of the conference report on "The Farm Security and Rural Investment Act of 2002", the 2002 farm bill adopted by the House and Senate conferees.

Due to depressed commodity prices and failure of the 1996 Freedom-to-Farm legislation to provide an adequate safety net for producers, approval of this legislation is of critical importance to America's farmers, ranchers and rural communities. The legislation represents meaningful progress in providing a more stable and reliable farm income for producers and greater certainty for their lenders. In addition, it makes available significant additional investments in the conservation of our natural resources, research, development and commercialization of viable renewable and bio-based energy production, enhanced rural development programs, improved domestic and international nutrition assistance and expanded consumer information concerning the origin of their food supply.

In short, it is a comprehensive measure that represents a positive step forward on many issues important not only to commodity producers but also rural communities and the population as a whole.

While we fully recognize that the legislation is not perfect, and we will seek to correct those shortcomings in the future, we believe the economic certainty the farm bill provides farmers along with its renewal investment in rural America warrants a positive vote for its adoption by the Congress.

Thank you for your consideration and support on this issue.

Sincerely,

DAVID J. FREDERICKSON,
President.

MAY 7, 2002.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debate as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,

Agricultural Retailers Association.

Alabama Farmers Federation.
American Cotton Shippers Association.
American Farm Bureau Federation.
American Society of Farm Managers & Rural Appraisers.
American Soybean Association.
American Sugar Alliance.
American Sugarbeet Growers Association.
American Sugar Cane League.
CoBank.
Fresh Solutions.
National Association of Wheat Growers.
National Barley Growers Association.
National Corn Growers Association.
National Cotton Council.
National Farmers Union.
National Grain Sorghum Producers.
National Milk Producers Federation.
National Pork Producers Council.
National Sunflower Association.
Ocean Spray, Inc.
Rice Millers' Association.
South East Dairy Farmers Association.
Southern Peanuts Farmers Federation.
U.S. Canola Association.
U.S. Rice Producers Association.
U.S. Rice Producers Group.
USA Dry Pea & Lentil Association.
United Egg Producers.
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent a statement from the National Association of Conservation Districts, on behalf of the Nation's 3,000 conservation districts, urging us and our colleagues to pass the bill be printed in the RECORD. I also have letters from The Nature Conservancy, Pheasants Forever, Ducks Unlimited, the National Rifle Association, Congressional Sportsmen's Foundation, International Association of Fish and Wildlife Agencies, Quail Unlimited, The Wildlife Society and Wildlife Management Institute encouraging Senators to support final passage of this bill.

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

NATIONAL ASSOCIATION OF
CONSERVATION DISTRICTS,
Washington, DC, May 2, 2002.

Hon. TOM HARKIN,
Chair, Committee on Agriculture, U.S. Senate,
Washington, DC.

DEAR CHAIRMAN HARKIN: On behalf of the nation's 3,000 conservation districts, I applaud your efforts in crafting the Farm Security and Rural Investment Act of 2002. This new Farm Bill goes far beyond current law with an enormous investment in private lands conservation and forestry programs.

We strongly urge you and your colleagues to pass H.R. 2646 today and oppose any motion to recommit this bill.

Again, thank you for your continued support.

Sincerely,

J. READ SMITH,
President.

Mr. HARKIN. I ask unanimous consent a letter from the Coalition for Food Aid, Adventist Development & Relief Agency International, Africare, ACDI/VOCA, CARE, Catholic Relief Services, Counterpart, Food for the Hungry International, International Relief & Development, Mercy Corp., OIC International, Save the Children, TechnoServe, and World Vision—a letter supporting this bill, asking for its immediate passage, be printed in the RECORD. That is from the Coalition for Food Aid.

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

COALITION FOR FOOD AID,
Washington, DC, May 1, 2002.

Hon. LARRY COMBEST,

Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

Hon. TOM HARKIN,

Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMEN COMBEST AND HARKIN: The members of the Coalition for Food Aid would like to thank you and the Conferees on the Farm Security and Rural Investment Act of 2002, H.R. 2646, for strengthening and expanding US international food aid programs. Coalition members are US private voluntary organizations and cooperatives (jointly called "PVOs") that conduct food aid programs overseas directly engaging 30 million beneficiaries each year, with collateral assistance reaching 200 million more. By providing food aid through PVO programs, the assistance is leveraged greatly through our networks in developing countries and emerging democracies. We are grateful to work in partnership with the US Government, and thank the Conferees for incorporating provisions to strengthen the cooperation between USAID and USDA with PVOs.

The Trade Title of H.R. 2646 will increase the minimum tonnage used for the PL 480 Title II program by nearly 500,000 metric tons each year. It also requires 75 percent of that tonnage to be used in programs in persuasively poor communities to improve people's health, living conditions and incomes. To help populations that suffer from chronic hunger, merely creating welfare programs of large-scale food distribution is not the answer. Thus, we appreciate the Conferees reassertion of the importance of using food aid in programs that help people help themselves. We also appreciate the increased availability of cash assistance to support program management and logistics costs.

In food deficit, import-reliant countries, monetization provides a boost to the economy and allows needed commodities to be provided through the market. The generated proceeds supports the cost of program implementation and management, and allows effective grassroots development in poor communities. Where monetization is feasible, rather than just exporting cash to support program costs, US commodities can be exported providing an additional benefit to the US agricultural sector. We appreciate the Conferees support for uniform monetization procedures at USDA and USAID, including sales for the local market price and sales for either dollars or local currencies. This will allow the use of the appropriate commodity for monetization, even if it is a hi-value product.

We are most grateful that H.R. 2646 sets a of 400,000 metric tons minimum for CCC-funded Food for Progress programs. We are greatly concerned, however, that the Administration will no longer permit nongovernmental organizations, such as PVOs, to carry out Food for Progress programs. PVOs provide effectiveness and accountability to the Food for Progress program. These organizations are required under US law to have transparent management and accounting procedures. Further, eliminating PVO participation in Food for Progress would run counter to the intent of the program, which emphasize private sector development in countries that are making economic reforms in their agricultural economies.

We applaud the Conferees decision to include report language informing the Administration that PVOs and other nongovernmental organizations should continue to

have access to this program. We are still concerned that the Administration's Food Aid Review concluded that USDA programs should no longer involve PVOs. Before the Administration finalized plans for FY 2003 Food for Progress, we ask that you continue to urge the Administration to assure that PVOs will be allowed to participate in this program.

Moreover, we believe it would be very disruptive to remove Food for Progress from the Secretary of Agriculture's authority and shift it to USAID. USDA's Foreign Agricultural Service is well-suited to manage these programs which emphasize private sector and agricultural development in emerging markets. Further, it would take a very long lead time for USAID to establish procedures for administering a new food aid program.

One of the most beneficial aspects to the legislation is its emphasis on flexibility for choosing the appropriate commodities and interventions to meet local needs and to require streamlined program management. If the flexibility and streamlining provisions are implemented within the spirit of the legislation, then the result will be more effective programming and the elimination of redundancy and unnecessary paperwork. These changes are particularly important for the PL 480 Title II program, and we pleased that the Conferees required USAID to implement changes within one year and to keep the Congress informed of progress made.

The establishment of the International Food for Education and Nutrition program will allow the continuation of pilot programs initiated under the USDA FY 2001 Global Food for Education Initiative. PVOs have a great deal of experience with food for education and look forward to participating in this expanded pilot program. The legislation sets appropriate objectives and focus for the program on young school children and mothers and infants. Further, the objectives of improving educational opportunities and food security, rather than short-term feeding programs, would allow these funds to have an impact beyond the short period in which the commodities are made available.

Overall, the legislation makes many improvements in US food aid programs and requires higher tonnage levels for PL 480 Title II and Food for Progress. As organizations that conduct food aid programs overseas, we wish to express our gratitude and support for these changes.

Sincerely,

ELLEN S. LEVINSON,
Executive Director.

Mr. HARKIN. I ask unanimous consent that the American Public Human Services Association letter, on behalf of food stamp program directors around the country, asking we give immediate passage to this legislation, be printed in the RECORD. I also want to mention other letters we received in support of the nutrition title of the farm bill. These include letters from the Food Research and Action Center, America's Second Harvest, the Center on Budget and Policy Priorities, the National Conference of State Legislatures, and the American Dietetic Association.

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

AMERICAN PUBLIC
HUMAN SERVICES ASSOCIATION,
May 2, 2002.

Hon. THOMAS A. DASCHLE,
Majority Leader, U.S. Senate, Capitol Building, Washington, DC.

Hon. TRENT LOTT,
Minority Leader, U.S. Senate, Capitol Building, Washington, DC.

DEAR MAJORITY LEADER DASCHLE AND MINORITY LEADER LOTT: We write concerning the conference report filed yesterday for the Farm Security and Rural Investment Act of 2002, H.R. 2646. The American Public Human Services Association, which represents the nation's public human service administrators, is very pleased with the nutrition title of this bill and urges passage of this legislation.

The nutrition title contains significant reforms and improvements in the Food Stamp Program. These reforms are consistent with the principles contained in APHSA's 2001 policy document, *Crossroads—New Directions in Social Policy*. In *Crossroads*, we strongly advocated reforms that include simplified eligibility; streamlined application processing; restoration of benefits to legal immigrants; other benefit reforms and updates; a rational resource policy; transitional benefits and other strengthened supports for working families; administrative flexibility; and other changes that will make the program simpler and more accessible. The farm bill has achieved many of these goals and represents a milestone in the efforts to strengthen this vital safety net program.

Thank you for your consideration and for your efforts to secure passage of this critical legislation. If you have any questions, please contact me or Elaine Ryan, Director of Government Affairs, at (202) 682-0100.

Sincerely,

JERRY FRIEDMAN,
Executive Director.

Mr. HARKIN. This is a letter from the Farm Credit Council asking we get this bill passed immediately. I ask unanimous consent that it be printed in the RECORD.

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

THE FARM CREDIT COUNCIL,
Washington, DC, May 2, 2002.

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

DEAR MR. CHAIRMAN: We are writing in support of the conference report on The Farm Security and Rural Investment Act of 2002 and to urge its speedy passage in the Senate. The conference report would provide much needed assistance to our nation's farmers, ranchers and rural communities, many of which have been suffering through the longest round of low commodity prices in memory.

We appreciate that the conference report is a product of long negotiations and commend you and your colleagues for shaping legislation that will provide a long-lasting safety net for our nation's agricultural producers. With record low commodity prices and sluggish export demand for U.S. farm products, this legislation is critical to ensuring that U.S. farmers and ranchers can continue to supply the world with the safest and most cost efficient food and fiber.

As you know, Farm Credit's mission is to maintain and improve the quality of life in rural America and on the farm. This legislation will help Farm Credit continue our mission. We especially want to commend you for

your leadership in building a strong rural development component of the bill. Specifically, the Rural Business Investment Company program, we believe, will spur needed equity investment in rural businesses, particularly value-added agricultural businesses. For too long, our rural communities have suffered from a shortage of equity capital. The RBIC program will help alleviate some of this shortage.

We also commend you and your colleagues for a sound, constructive credit title. The changes made will help Farm Credit maintain its commitment to provide reliable and competitive credit to agricultural producers, rural businesses and rural communities.

Thank you for your leadership in advocating for rural America.

Sincerely,

KENNETH E. AUER,
President and CEO.

Mr. HARKIN. This letter is from the Environmental And Energy Study Institute pointing out the important energy title in this bill, asking this bill also be passed as soon as possible. I ask unanimous consent it be printed in the RECORD.

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

ENVIRONMENTAL AND
ENERGY STUDY INSTITUTE,
Washington, DC, May 2, 2002.

INNOVATIVE ENERGY TITLE INCLUDED IN 2002
FARM BILL

The Environmental and Energy Study Institute (EESI) today congratulates the Senate and House Farm Bill conferees for including an innovative new energy title in the conference report, especially Chairman Tom Harkin and Senator Richard Lugar for their leadership in crafting this important legislation. The title provides \$201 million over the life of the bill to assist farmers and ranchers in making energy efficiency improvements and developing their renewable energy resources.

"While this small, bipartisan, non-controversial new title has not gained much media attention, it is perhaps one of the most important provisions in the Farm Bill for the future of American agriculture. The only solution to the current farm crisis is the development of new markets, new uses for crops, and new revenue streams for farmers. Renewable energy can be the new cash crop for the 21st Century," said Carol Werner, Executive Director of the Environmental and Energy Study Institute. The energy title:

Establishes federal agency purchasing preference for biobased products;

Creates a program to educate the public about the benefits of biodiesel (a renewable fuel made from vegetable oils);

Provides financial and technical assistance to farmers, ranchers and rural small businesses for the purchase of renewable energy systems and to make on-farm energy efficiency improvements;

Extends and funds the Biomass Research and Development Act through 2006; and

Establishes new authorized programs to fund energy audits and renewable energy assessments and to establish biorefineries for the production of electricity, fuels, and biobased products.

The Farm Bill also opens up existing rural development and "value-add" grant and loan programs to renewable energy projects. In addition, it would allow wind energy and bio-energy projects on Conservation Reserve Program lands where compatible with the established conservation goals of the program.

"EESI salutes the members of Congress and the diverse coalition of groups we worked with to make the energy title a reality," said Werner. "Developing our nation's on-farm renewable resources is key to diversifying our energy market, enhancing national security, protecting our environment, and revitalizing rural America by spurring development of new businesses and jobs—truly a 'win-win-win' opportunity that is good for American farmers and good for the country."

Mr. HARKIN. Mr. President, we have a broad array of producer groups supporting this bill, a broad array of human services organizations that recognize what we have done in this bill for nutrition and for food support and organizations involved in trade and export supporting this bill. We also have support from conservation and wildlife groups who work with producers participating in the conservation programs. Those involved in rural economic development broadly support this bill for the work we have done to invest in our rural towns and communities. I am not saying every single person or organization supports this bill. What I am saying is, if you look at the broad array of the groups I mentioned, you will see there is broad and deep support for passing this bill and sending it to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, I yield myself as much time as I may require.

Madam President, let me commence by thanking our distinguished chairman, Senator HARKIN, for his leadership. It is not an easy task to be chairman of a committee during a farm bill consideration, given all of the requirements for equity and forethought throughout America. Equally, the chairman of the House committee and the ranking member, Mr. COMBEST and Mr. STENHOLM, have guided a very large committee for its consideration and an equally complex conference.

Those who have served on the staffs of both the majority and minority, in both Houses, have given extraordinary service in the past few weeks. Sometimes they alone, really, have understood how comprehensive and how complex this issue is, and they have been extraordinarily helpful to Members, members of the press, and other constituent groups.

This bill comes to the floor with an extraordinary amount of work and devotion by persons who have strong motives and strong ideals. Let me point out, as I have during the debate in committee as well as on the floor, very strong achievements have occurred. The chairman has outlined a number of these in the areas of conservation and rural development and research and nutrition and energy. In the Senate committee and in our bill on the floor, Members included those items with a great deal more strength and money than our House colleagues.

One of the predicaments from the beginning was that our bill, as it left the Senate floor, as it turned out, cost \$6 billion more than the limits. So immediately a scaling back of those items in which there was strong bipartisan support had to occur, and further scaling back occurred as we tried to reach a compromise with House colleagues, who were much more focused on the commodity sections of the legislation.

Let me outline the arguments I am going to make this morning and then return to fill in the details that I think would be helpful to Senators as they consider their vote on this conference report.

I start with the thought that the Senate, in a very real sense, is a board of directors that has governing responsibilities for our country. Our responsibilities are broader than a corporate board and deal with the economic and humanitarian concerns of private firms. We really have a trusteeship regarding the funds, the security, and continuity of our country. Each of us takes that seriously. And each of our votes on this farm bill conference report we know must withstand the scrutiny of history. This is not a temporary bill; it is one of many in a long saga of developing farm bills, but it will have ramifications for millions of Americans.

Second, most Senators—perhaps all of us—take very seriously the obligations we have as a part of that trusteeship to the Social Security trust fund and to the Medicare trust fund. From time to time, we have vowed merely to protect the importance of the so-called lockbox idea; namely, that these very important social funds and safety net funds for all Americans must be protected.

That enters into this consideration because, very clearly, as this debate has continued, the estimates of the Federal deficit for the fiscal year in which we are now have grown to \$100 billion. Pessimists believe the deficit for the fiscal year that ends September 30 may in fact be more than \$100 billion. That means we are having this debate after a time in which there were budgetary assumptions—well over a year ago—that our country would have a surplus this year, in terms of our current accounts, and throughout many years. In fact, in the euphoria of those days, \$3 trillion was often mentioned in discussions of a surplus, giving ample room to Social Security reform, Medicare reform, and such items as the farm bill. But those times are gone, and the cost of the farm bill still continues to rise with each subsequent estimate by the Congressional Budget Office or by others.

I mean specifically that even as we completed our work in the Senate and believed that on a 10-year basis we were adding \$73.5 billion of additional spending, in fact the Senate farm bill cost \$6 billion more than we had been allotted by the Senate Budget Committee.

Just yesterday—the Congressional Budget Office wrote to our chairman, Senator HARKIN, indicating that, sadly enough, the conference report that we thought comprised \$73.5 billion of spending in addition to the current baseline is, as a matter of fact, \$9.5 billion over what the Budget Committee allocated for additional spending. In short, this argument we have been having about holding spending below \$73.5 billion is now rendered moot by the fact that, based on the most recent CBO estimates, we are talking about \$82.8 billion.

The Congressional Budget Office does not leave us in doubt as to what has occurred. It says essentially that the increase stems primarily from our current assumptions that prices for many commodities will be lower in 2003 and beyond than they had assumed just last year.

But, in fact, I will argue in due course that it is very probable that prices will go lower still, that the effect of this farm bill is an inevitable vast oversupply of agricultural commodities and lower prices. Therefore, given the technical way in which the bill has been put together, we are almost bound to have increasing costs for the bill each year for the duration of the farm bill.

Some would say that should this spending lead to humanitarian aspects for all Americans—better nutrition—better conservation of our natural resources, breakthroughs in terms of our energy dilemmas, opportunities for young farmers to come into agriculture—that these are important expenditures. And, as trustees for our national wealth, we have to balance them with Social Security and Medicare.

Of course, overhanging all of this discussion, since September 11 and our nation being at war, there are vastly increased financial demands regarding our national security and homeland defense.

But the moneys that are involved in this farm bill do not primarily go to considerations of conservation, nutrition, energy, and development of rural communities. This conference report costs an additional \$82.891 billion on a 10 year basis. That is an increase of almost \$9.5 billion since we finished the conference report. Of that \$82.8 billion, \$56.7 billion goes to the commodity programs—title I. That is roughly 70 percent of all of the spending. A specific area of commodity programs has almost all the additional money added to it; namely, the so-called program crops. It came out of conference at \$41 billion, and it is now about \$49.5 billion. That is where the money is, and that is where the increases are occurring because of lower price estimates and policies that are almost guaranteed to lower the prices more.

If this large expenditure for commodity prices were going in some equitable way to farmers throughout America this might be somewhat tolerable. It is estimated that there are roughly 2

million persons in agriculture, using a definition that each entity which has \$1,000 of agricultural income is certified as a farmer. In our debates, we have noted that perhaps of these 2 million farmers, approximately 150,000 produce as much as 80 percent of the value of all agricultural commodities produced.

I am not here to debate about the structure or definition of agriculture. But a lot of the rhetoric that has accompanied this bill and previous farm bills revolves around trying to save the small family farmer, or even the medium-sized family farmer, or even the very large family farmer. In fact, two-thirds of the payments under this program crop section—\$49.5 billion on a 10-year basis—are going to go to 10 percent of farmers who are in the commodity row crop business. That is a minority of the farmers in America about whom we are talking. Only 40 percent of farmers, in fact, are going to be involved in producing program crops. Sixty percent of farmers are not in that ball game at all.

So when we talk about \$49.5 billion going to program crops, we are talking about 40 percent of farmers, and we are talking about the fact that two-thirds of the money goes to 10 percent of the farmers.

Any way you look at it, this is a highly concentrated system of payments. It is not new. We did not just discover this. The evidence was very clear, as conferees looked at the figures of the past, even as they projected these payments into the future.

Therefore—and here there are winners and losers—if you are now a landowner in America, it is highly probable that your land will increase in value. Why? Because with some predictability, as the chairman pointed out, with some degree of certainty, you can count upon receiving substantially more money. If you own the land, that will be of benefit to your banker if, in fact, you borrowed to put the crop in—the banker having some certainty that the collateral, namely, the land behind the loan, will be worth more year by year.

If you are one of 42 percent of farmers in this country who rent land as opposed to owning land, you face a very tough set of circumstances. Your rents are very likely to go up each year as the value of the land goes up. Worse still, if you are a young farmer who hopes someday to own land, then your prospects of getting the money to do that, and being able to pay the price, of course, diminishes year by year. And that has been occurring in America. As a result, there are young farmers who are in farm families who are hopeful that with the reduction or, hopefully, the repeal of Federal estate taxes, that they might inherit the land. Others who are not in such situations are likely to be out of luck. So as a result, it is predictable that the average age of farmers in this country will continue to increase, as it has been increasing in

recent decades. That contributes, in part, to the consolidation in farm ownership.

In spite of all of the rhetoric and all of the attempts to talk about perpetuating the small family farm, or the medium or even the large farms, the facts are, that consolidation is increasing, and this bill will increase it by leaps and bounds.

Some have pointed out—I heard this in the conference committee—we are not discussing a welfare bill, we are not talking about everybody's plight. We are talking about agricultural policy principally for those who have some power and authority in America now and who have expressed that through farm organizations and commodity groups. Their voices have been heard, and their views are reflected in this conference report.

Word of all of this has gone abroad. Our world trading partners are already outraged. Some members of the conference have already dismissed this and said, essentially, that is simply too bad, what we are talking about are American farmers, not European farmers or South American farmers or Australian or New Zealand farmers. We are talking about Americans who need this money and need it in a hurry. They have simply indicated that already we are discriminated against by countries abroad and blocked at almost every turn as we try to export more; and, therefore, if the rest of the world is outraged, so be it.

I understand that feeling and the frustration that each one of us has in seeing the lack of success that our trade negotiators have had in recent years in this administration and the last. That frustration is very great. But it does not hide the fact we have to be successful in exporting much more agricultural produce into this world, or the surpluses that we build in this farm bill will come up around our necks with much greater tragedy not only for farm families but, I believe, for the American people as the cost of this bill continues to rise and prices continue to fall.

Perhaps worse still, I believe a pattern has been perpetuated in the consideration of this farm bill that is very serious for this body and for the American people to consider. Essentially, this bill is largely an attempt to respond politically to deeply felt economic issues in specific States and districts. It is an attempt, in a very closely divided Congress, to try to think through individual situations of Senators and Members of the House, with the thought that party control of either body may be a much more important objective than careful economic analysis or maybe even careful stewardship of the funds for which we are responsible.

Therefore, my prediction would be that this farm bill does not bring stability, certainty, or finality. The criticism has been that the last farm bill was overtaken by events and, thus, we

came to the floor for the last 4 years with supplemental farm legislation, meaning more money, supplemental funds to augment whatever was in the bill. This was followed—usually in the appropriations cycle—by our colleagues in the agriculture subcommittee noting disasters around our lands: sometimes weather disasters, sometimes disasters of whatever may have come along the pike. So at least we have become accustomed to two additional rounds of farm spending annually. It may be that I have misread the situation. If so, the history of the next few years will indicate that. But I would predict, given the highly politically competitive, sensitive aspects of this bill, and the fact that the bill is likely, in my judgment, to lead to overwhelming surpluses, continually lower prices, and expressions of agony by farmers who say, “What are you going to do to raise prices?”—that despite the thought that there is certainty involved in this, the most certain fact is that we are likely to return with proposals to spend more money on farm programs, and principally programs in the commodity areas, which are deserving of 70 percent of the attention or more in this farm bill.

Meanwhile, the bottom line is that a large transfer payment of money in this country will occur if this farm bill reaches conclusion, is passed, and signed. The money that Americans hold, on which they are taxed, the money going through the taxation process, goes from a prohibitive majority in this country to very few persons in this country.

That is important to note because if, this transfer from the many to the few produced stronger farm prices and prospects for greater trade success, perhaps one could argue that this approach is justified. What I am arguing is precisely the opposite.

This large transfer of money from ordinary taxpayers to a very few taxpayers is going to result in lower prices, overwhelming surpluses, and aggravated trade circumstances that are not going to be healthy for American agriculture, that will attract fewer young people coming into farming, and mean higher rents for those who do not own land. The value of land based upon annual, sometimes biennial appropriations by the Congress that has poured more and more money into farming situations that have the greatest loans, that have the greatest output of production. At some point there may come a year in which the public understands the farm bill situation and says: Enough. And at that point, land values will come down, as they have again and again in the history of American agriculture.

My experience on the committee spans about 25½ years. I can recall the excitement in my home State of Indiana and throughout the country as land values rose in the 1970s, in some cases doubling and tripling. I can remember likewise the terrible jolt

brought by the very high interest rates in the latter part of the 1970s and early 1980s as well as other factors that led to a decline in those very same land values by 50 and 60 percent on average and worse in some cases. Now we have noted steady accumulation of values over the course of time.

I have had the good fortune, at least with regard to my own land, of farming throughout that period and watching the prices of land go up and go down and go up again and so forth, without being hurt in the process. Most other people in agriculture have not been so fortunate.

I would simply say that we are headed for economic disaster if—for the farm bill that we are about to pass in the commodity area—high land values are based upon the political competition—as has happened in this farm bill.

Let me review quickly some arguments that buttress this general outline. First of all, we got into the farm bill debate this year with a very unusual budgetary estimate. By that I mean, in a bipartisan way, Senators and members of the administration were deeply excited over the fact that our country was beginning to run surpluses; that is, we were spending less money than we were taking in. We seemed to have stronger economic growth, much higher productivity in the entire economy.

As a result, I remember the President's State of the Union Address in which he discussed the broad objectives that might be met; namely, a strong safety net under Social Security, allaying the anxieties of middle-age and young people; even more complex, that Medicare not only might be shored up but prescription drugs for the elderly might come to pass.

There were a whole raft of other reforms that are terribly important to a population of this country that grows older, that has more people in the 60s, 70s, 80s, 90s, and that is likely to be our situation because of medical miracles and better health care. These are very expensive situations involving hundreds of billions of dollars. But nevertheless, those were days in which it appeared that those objectives were on the horizon and might be met.

We are not debating those issues in this session of the Senate, important as they are to the American people. Again and again, we are reminded, whether it is by the pollsters or by advisers and so forth, that these are the issues the American people want to talk about. We can't talk about them because we are running a deficit. That deficit continues to grow.

That was apparent in the early fall when the House of Representatives passed the farm bill. One of the reasons suggested for such early passage of that farm bill, a full year before the current farm bill runs out, was that some Members said: “Listen up, in the event you do not pass a farm bill quickly, the \$73.5 billion allocated by the Budget Committee back in the

spring of 2001 is likely to be revised, downgraded to a much smaller number.” In essence, there will be much less money to spend on a farm bill. So, therefore, get on with it. Pass it, and pass it quickly to pin down that money.

We heard the same argument on the floor of the Senate during the latter part of the fall. Something had changed in the interval that was very fundamental for our country; namely, we were at war. We were having simultaneously debates, as the Chair will recall, on upgrading the defense budget, on a loan situation to shore up the airlines so we would not lose that service, the first outlines of a huge new category, homeland defense. All of that was occurring as economists pointed out month by month, we think we may be in a recession.

By the time we finished at least last year's session and had our last debate on the farm bill in December, economists said: We are in a recession. We are experiencing recession, in addition to war.

I noted at the time we debated the farm bill, whether it was in the House or in the Senate, an almost Alice-in-Wonderland world prevailed in Congress, as if somehow the war, the recession, the problems of Medicare and Social Security were for some other group to talk about but not this Congress. We were intent upon talking about additional subsidies for farmers. We already had, as people point out, the so-called baseline of about \$100 billion for agricultural spending over 10 years. We developed a habit of having additional debates and adding to that baseline—now at \$73.5 billion over 10 years.

That situation has continued. As a matter of fact, the recession and the Government's deficit have become reality. And the assumptions that were made in the farm bill debates of last fall have all led to much higher scoring, which means the Congressional Budget Office finds that things we thought would cost X number of dollars inevitably cost a whole lot more.

Prices deteriorated further during the debates, and that led to urgency on the part of some who have said: “Don't stand there, do something about it—shore up those prices, give greater certainty to farmers.”

Madam President, the deficit is not going to go away. As we now observe on the Senate floor, we have yet to discuss a budget for this year, and some suggest we may not. This means that the appropriations committees will move ahead without at least the mild restraint that a budget resolution might give to our work. In fact, we know that in the supplemental appropriations bill that is coming up for defense expenditures of an emergency nature, we are going to spend a lot more money. We know that because of the discussion all over the country in the 50 States about the requirements for homeland defense.

Now, at some point, some Senator will arise—certainly not in a farm bill debate, but in another debate, and point out: “Whatever happened to the Social Security lockbox? How secure is Medicare? What are we going to do about prescription drugs for the elderly?”

What indeed. We are about to spend those moneys—or simply run up a deficit that is huge. That is the message of this conference report to the American people. Whatever may be the desire for some certainty that a farmer can get almost \$2 a bushel for corn, the certainty for all other Americans is that we are going to have a larger deficit; that the prospects for solving Social Security and Medicare are set back; that we as trustees for the American people either do not understand that farm bills cannot be discussed in a vacuum, divorced from the rest of the world, or that we are so deliberate about our intent to spend this money, come hell or high water, that we plunge ahead.

I mentioned some specifics, and I will not get into the program details that the distinguished chairman pointed out. Let me tell from my own anecdotal experience as a farm owner—one who participates in the management of my farm through the farm plan, through the bookkeeping, the legal work, and the other things that need to be done for a family farm situation. I am aware that, at least in Indiana, if I produced corn in the last few years, I could get \$1.89 a bushel for every bushel under the so-called loan deficiency payment. That meant simply if the market price was \$1.75, at some point I was going to get the other 14 cents through the loan program. Now, most farmers would testify that \$1.89 is a pretty low price. In fact, some have come into the Agriculture Committee and said our average cost per bushel is closer to \$2.50 a bushel. But others have mentioned that, in fact, the marginal cost—that is, the next bushel if they were to add it to their farm operation—frequently costs less than \$1.89. That is true of many of the largest, most efficient farms in the country that have the equipment and the capital to do that kind of a job. I am suggesting that even at the current \$1.89 loan rate, inadvertently—because most of us felt that, at \$1.89, this would be a floor—we have set up an incentive. Farmers were beginning to produce more and more corn because, at \$1.89, they were guaranteed a price and they went for it. I can understand that and so can you.

In this current bill, however, we have said that this is not enough. First of all, we will set the loan rate up higher, at \$1.98 for the first two years, and \$1.95 for the remaining 4 years.

Madam President, for each farmer—myself included—attempting to calculate the best interest of whether to use past history with regard to acres planted, with regard to yields and the percentage of those who were allowed into this bill, to apply the target price,

this is not an easy task. Once you make the decision, you are stuck with it.

My judgment is that a great number of farmers are going to believe they made an error, and that they are going to want relief. Every FSA office, and other groups in the country that help farmers, are going to spend a great deal of money trying to figure out what the situation is for these individual farmers long before payments can be made.

I do not fault the authors of the bill. In order to keep scaling down the costs, they had to keep making it more and more complex—almost to the point that Senators sitting around the conference table found it very difficult to calculate and to understand precisely what we were doing—quite apart from members who must vote on this conference report, and apart from farmers throughout America who must somehow figure out what it all means.

But what most farmers will think it means is that out there somewhere is \$2 loan rate for a bushel of corn. That is quite an incentive. That is well beyond \$1.89. As a matter of fact, it was interesting; last Thursday, in commodity trading in America, the futures prices of almost all farm commodities went down, largely under the assumption—which I think is correct—that if this bill passes, the prices of everything are going to go down, and stay down. Nevertheless, there was some glimmer of hope. If you were a cotton farmer taking a look at this bill on the date the bill passed the House, for early contracts on cotton, it was about 33 cents a pound. Well, the target price for cotton in this bill is 72.4 cents a pound. That is double the current market price.

How could this be? How could we have something that is so divorced from reality in terms of supply and demand in this country and in this world? Well, we can have it because there were sufficient votes on the conference committee, and in the House, to put 72.4 there as a target price and, further, on top of that, to offer subsidies to some industries that are attached to cotton.

One can say that things have not been going well for cotton farmers and for the communities and the infrastructure that support them. I understand that. One can say the same for rice farmers, wheat farmers, corn farmers, and soybean farmers. In fact, such things have been said about all five of them. But that is where the money is, that is where the trail went from the beginning.

I can remember in the Agriculture Committee, the chairman was trying to patiently conduct the markup dealing with areas in which both he and I believed we were on the threshold of doing some very important things. Some of this, in fact, was accomplished, and still is preserved. The chairman wanted to discuss conservation. He has been discussing that for some time. I share his enthusiasm. He wanted to discuss energy and young

farmer loans and community development. Before long, there got to be a rumbling around the committee table and people said: When do we get to the money? Where is the money?

Well, they were not talking about money for conservation, although the chairman pointed out some might come to farmers who did the right thing on their land; and, likewise, there might be real help for most of rural America who will not be involved in farm payments. A majority of our members, were intent upon targeting the money on commodity payments and subsidies.

Then the question was, How much does that cost? And, therefore, as some suggested, we were spending too much money and time on conservation, on nutrition for the poor, on problems of young farmers.

The House of Representatives did not have those problems. They fairly rapidly put the money in commodity supports, and filled in as afterthoughts, in my judgment, funding for other issues such as conservation, etc. I congratulate specifically Congressman DOOLEY, a Democrat on the conference committee, who held firm to a research initiative that I think is vital and that the chairman of our committee, Senator HARKIN, agrees is important.

There were a few valiant spirits. On a bipartisan basis, however, clearly those thinking about the other aspects of the farm bill were in a distinct minority. This bill was guided by how do we fill in the commodities and not do so in a way in which we keep exceeding the \$73.5 billion which I kept pointing out simply was not there. The refutation to that was by the distinguished chairman of the Budget Committee, one of the conferees, Senator CONRAD, who said, “It was there; it was in the budget a year ago.” I said all the assumptions are gone, life has changed—war, recession, homeland defense. To which the stalwarts said: “It is still there, every penny of it.”

How they dismiss the new estimate, this \$9.5 billion overage, I do not know. I simply say they will have to keep explaining this as the cost of their bill increases year after year, as lower prices, inevitable given these new loan rates target prices, just arithmetically cause it to expand.

Therefore, I come back to the initial thought I had of the Senate as stewards of our security, of our moneys, of the rights and privileges of all Americans, not specific ones that we happen to be discussing on one day or another.

It is a coincidence that on this very day the distinguished chairman of the Permanent Subcommittee on Investigations, Senator LEVIN of Michigan, is conducting a hearing in which a number of the witnesses are directors of Enron. Enron came up during all of this and so did a whole spate of articles that continue on corporate governance. Business Week has a headline across the front of it: Is Wall Street corrupt?

The question is raised: Are our boards of directors of our major firms

to be trusted, quite apart from the chief executives, who supposedly the boards supervise or oversee, quite apart from all the practices of the firms, whether it be accounting practices, which are dubious, the information that goes out to ordinary investors in the country about which many now have severe doubts? We have been having a shakeup in this country of thoughtfulness, of about telling the truth, about what is involved in governance.

We have that responsibility here. Senators can take the position that because this new farm bill is so complex, there is no conceivable way I can understand it; therefore, I will rely upon the Agriculture Committee, or at least a few people in the Senate who generally seem to have good judgment on these issues, sort of wise men. Many Senators take that position with regard to other types of legislation from time to time.

That is not going to be good enough for those who are testifying before Senator LEVIN on Enron. The questioners will say: Why didn't you know about strange practices in which assets left the balance sheet, in which strange loans were made, options were issued, and extraordinary payments?

The front page of the papers today suggest Enron, in fact, may have manipulated the power situation in California, the allegation of persons for some time. Maybe so, maybe not.

This is serious business. I am simply charging that each one of us who is going to vote on this conference report needs to at least take responsibility. We go into this with eyes wide open. Many people have pointed out, and I have given a number of speeches at every stage along the way, that the money was not there. It was not there for a long time, even though a fiction exists that \$73.5 billion over 10 years was there at one time. Nor is it \$82.8 billion over 10 years, \$9.5 billion more. It simply was never there.

Second, even if we knew it was not there, we could still have said: This has the same urgency as the war, as homeland defense, as prescription drugs for the elderly. It is so urgent and the ability we have to transform 2 million farmers and farm families and the infrastructure that supports them in America, is that imperative, if we are going to do it anyway with eyes wide open?

In fact, it has been clear that the bulk of the money goes to a very few farmers—a very few. That has been clear throughout. This is not a great humanitarian effort. Granted, the Senate finally got \$6.4 billion in the nutrition section. We started out in the Senate, in fact, with well over \$10 billion.

This is a bill that is targeted for farms in America that are large. I hope we all understand that because it is not obscure. One of the things that occurred during this debate was that a group called the Environmental Working Group—and universally despised by

many people in the agricultural community—got through the Freedom of Information Act information about the subsidies paid to farmers all over the country during the years 1996 to 2000; they published this on a Web site—ewg.org. You can find out what your neighbor received. I found out in Marion County, IN, that our farm got the 22nd largest amount of payments. There are not many farms in Marion County because it is a farm inside the city. The fact is, we now know exactly who got what. This is not obscure.

The Senate responded by saying “no farmer ought to get more than \$275,000 in any 1 year—not in 10 years, but in 1 year.” We passed that, but it went the way of all good things in this conference report.

I pointed out during the debate on the floor, that in my State of Indiana, only six farmers could possibly have exceeded the \$275,000 out of 50,000 who are receiving payments. Yet the debate on payment limits reached such a volatile situation that people claimed the South would be abnormally hit, that a good number of apparently medium-size or even large farms would be decimated in the process, this even at the time that the target price for cotton was being raised 72 cents plus with a market price of 33.

I hope as Senators we go into this with eyes wide open. We clearly must understand our responsibility. Whether we understand all the complexities of the program, we know where the money went. We know in this bill where the money will go. We even know it is money we do not have, and if we thought we had it, it has to have a priority with regard to Medicare, Social Security, homeland defense, defense of our country, and some other areas that are very vital in a year in which we have a recession and declining tax revenues.

Therefore, Madam President, I respond to my distinguished colleague who says: What if this conference report fails? My own judgment is it should. I will vote against it. I would advocate every Senator who sees his or her responsibility, vote against it.

We have a farm bill on the books now—sometimes it is dismissed—based on a \$100 billion baseline. The distinguished Senators have pointed out we could have a debate, if Senators desire, for supplemental payments that we have had for a while at much less expense than what we are about to enact, with all the rigid formulas that deliberately stomp down prices and will stomp them down for the duration of the entire bill.

I hope we understand that. It is a basic principle of supply and demand. This farm bill provides huge incentives to produce more. Regarding exports, we can see the outrage of our exporting partners. Some Senators have given the impression that: “We could not care less about them.” This conference report is a recipe for a great deal of hurt and sadness in the wake of the

huge transfer payment from the majority of Americans to a very few producers.

Finally, in committee deliberations—whether Chairman HARKIN was presiding or whether I did in the previous 6½ years—we had some very important discussions about agricultural income and the future of agriculture in this country. That means a great deal to me, to the chairman, and to the members of our committee. Not a single member around the table is not committed to trying to think through how we make the process better. Agriculture is a tough business. I have stated on this floor, that in the last 45 years of my stewardship of Lugar farms, we have had about a 4-percent return on invested capital. Many farmers have said: That sounds too high. In almost any other business meeting, people ask: Why have you stayed at it for 45 years? You could have gotten 6 percent on government bonds or 30 year treasuries without the problems of weather, risk of exports, and so forth.

We stay at it because we believe in farming, we believe in the soil, we believe in the life, in the tradition of our families. But we are going to have to improve our ability to make money. That comes down to research, development of good practices, proper conservation, a number of fundamental issues that are tough properly address, but are essential.

Unhappily, in this farm bill our farm associations and commodity groups have chosen an easy way out. They have said: Let's not worry about the market—which is always spiraling down. Just pay an arbitrarily high price for cotton, rice, corn, wheat, or soybeans. The American people will fill in the gap.

As I have illustrated, the gap will not be filled in that easily without the loss during the course of this bill of tens of thousands of farms, of the folks who will never get into the game, of those who will pay more, and of a distortion upward of land values.

I ask for Senators to give thoughtful consideration to these arguments and to a vote to reject the conference report.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, I yield 20 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, I thank the chair of the committee.

I thank my colleague and very good friend, Senator HARKIN, for his work on this bill. I thank Senator LUGAR for his work, especially in the area dealing with nutrition, and for his thoughtful comments.

I will start out with just a practical Minnesota point of view and then review broader questions.

This coming year, Minnesota farmers will see \$1.16 billion in assistance from

this legislation—an increase of approximately \$395 million over the 1996 farm bill. Over the next 6 years, my State will see about \$5.7 billion from this farm bill. Or about a \$2 billion increase above the 1996 farm bill for the State of Minnesota.

Now, if I had my way—and I don't think my colleague would disagree with me—I would love to have higher loan rates and rely less on direct payments so that farmers would have more leverage to get a better price through the marketplace.

However, the 1996 farm bill or the "Freedom to Fail" bill was one of the worst things that ever happened to Rural America. I went home the day it was passed, and I said to my wife Sheila: This is the worst thing that has happened in the Senate. This year, without a new farm bill, the Freedom to Farm bill would give us a 20-percent drop in farm income. All that has kept farmers going is all the AMTA payments and the Government subsidy.

If Members are worried about payment limitation, which I am and which my colleague said we will come back to again, this fight is not over. A lot of these direct payments to the largest producers have been the epitome of subsidy in inverse relationship to need.

However I don't make apologies as a Senator from Minnesota for supporting this bill. I would have liked to have had the ban on packer ownership. I tried to pass that amendment in committee. We lost. Then I joined Senators JOHNSON, GRASSLEY, and HARKIN to offer a ban on packer ownership on the Senate floor. We won. Then it was knocked out in conference. Unfortunately the House conferees refused to support it. However, we will come back to it again.

In the Senate, we passed a bipartisan payment limitation amendment. The Senate bill established a reasonable limitation on payments to the very largest farming operation, that would have affected fewer than 100 farms in my State of Minnesota. My colleague from Indiana has spoken to that. It was the right thing to do, and I continue to strongly support those payment limitations. I regret what came out of conference, but again we were blocked by the House conferees. But as Senator HARKIN said, are we going to let a conference committee stop a whole farm bill and continue with "freedom to fail"? There is too much economic pain in the countryside.

I didn't like what happened with the Environmental Quality Incentives Program. I passed an amendment in the Senate that limited payments to \$30,000. The amendment, which Senators HARKIN and LUGAR supported, also said: Do not let the Smithfields of this world own six, seven, eight confined animal feeding operations and get a big subsidy for every one of them. I would preferred that EQIP, an important environmental program, be targeted to our family farmers. There are certainly some missed opportunities.

But, on the positive side, my colleague from Iowa already talked about the dairy front. This is hugely important for my State of Minnesota. This is the first really good, positive thing I have seen happen in dairy for over a decade.

In addition, while I will continue to fight for higher loan rates, in the House bill, the Secretary of Agriculture had the discretion to lower loan rates. This administration, the President in his budget proposal, went on record in support of lower loan rates. So at least the loan rates go up for the first time in a couple of decades and the effective safety net or target price is much higher. I am hoping and praying our producers can cash-flow so they will have a future. I think this legislation will give them that opportunity.

Again, for this coming year, to talk about \$394 million of addition assistance to Minnesota agriculture, I make no apologies for that as a Senator from Minnesota. Over the next 6 years, an average of \$330 million more of it is targeted to Minnesota family farmers so they can continue to farm. You better believe I support that.

An increase of net farm income averaging \$4.5 billion a year for the Nation—you better believe I support that. It is a darned sight better than "freedom to fail."

When I hear some of my colleagues say actually supporting family farmers is in competition with the Social Security trust fund or making sure we support Medicare, I just have to smile and say: Wait a minute. Where were you when you voted for these Robin-Hood-in-reverse tax cuts which bleed the economy of trillions of dollars? Where were you?

Don't be pitting family farmers in Minnesota against Medicare or against Social Security. We are not going to let you get away with that, not in this debate and not ever.

On the plus side, above and beyond arguments made already, I would like to thank the chairman, Senator HARKIN, and I am proud to be part of this effort as well. I would also like to thank the other Senate conferees—Senators DASCHLE, CONRAD, and LEAHY.

Senator HARKIN's success on this bill is irrefutable. Senator HARKIN from Iowa, with the Conservation Security Program, he led the way. The Conservation Security Program will provide assistance to producers who adopt conservation practices on working lands. I love the Conservation Reserve Program, which we were able to increase with this bill. I love the Wetlands Reserve Program, which we were also able to increase. I love working with Ducks Unlimited, Pheasants Forever, and other great conservation groups. Now, with the Conservation Security Program we will be focusing on land in production with economic incentives for farmers to utilize wise conservation practices. This is win-win-win.

I have loved seeing Senator HARKIN, the environmental community, and the

agricultural community working together. This is really a sea change for the better. It is a huge change for the better and the Senator from Iowa deserves all the credit in the world for this.

Above and beyond that we have Country of Origin Labeling, that was an amendment I did in committee. I am proud to pass that amendment. I thank the conferees for keeping it in.

I know these big conglomerates don't like it because it gives our independent producers a leg up, because these big conglomerates are shipping out and shipping in and not relying on our independent producers here in this country. In addition consumers have a right to know what they are eating and where it is from. It is hugely important. Frankly—I can say it now because the conference report is over—I am amazed it is in the conference report, but I thank the Chairman for his help.

Then for the first time ever we have an energy title. People are excited in Greater Minnesota, in rural America, about this energy section, because rural America has part of the answer. We talked about ethanol and biodiesel, but there is another part of this—it's wind, solar, and biomass. In Minnesota it is a no-brainer. We are a cold weather State at the other end of the pipeline. We import barrels of oil. We export \$11 billion a year, but we are rich in wind and biomass to electricity; we are rich in saved energy, we are rich in clean technology, small business. This is a marriage ready to be made in heaven. This bill moves us down that path—a clean energy path.

It is respectful of the environment, keeps capital in the community, it is small business intensive, jobs intensive, keeps capital in our States—this is great.

The economic development piece is hugely important. I heard my colleague, the Senator from Iowa, talking about telecommunications, that we don't want to be left out. I am so pleased my Rural Telework Initiative has been included. Again, it is my work and I am bragging about it, but setting up a telework institute is a major victory for rural communities. Information technology companies, have said: Listen, we know the work ethic of people in rural America. We want to make sure, if the Federal Government is willing to provide the grants and willing to get this going—then we have a real opportunity for people to be able, out of their homes, out of a satellite office, to work for companies halfway across the world much less halfway across our own country.

People do not have to leave our rural communities. Our young people do not have to leave. I meet so many young people in Greater Minnesota, in our rural communities. Basically they are following the advice to get ahead, get a good education, which means get out of here. That is the death knell for our communities.

One thing they are asking about is whether or not they could stay in the community. Are they going to be able to? If they farm, are they going to get a decent price, job opportunities, a small business going? Will there be good education and health care and environment?

And on the job opportunities—I love this—the Rural Telework Initiative means people in our rural communities can work for companies halfway across the world. Let's make sure this happens. We don't want rural America left behind with this information technology economy. We can be a part of it. I think there is huge bipartisan support for this.

Of course I am bragging, but I want my State of Minnesota to be the leader. I think we can.

My final point: We are going to be back on this fight on packer ownership. We are going to be back on this fight on payment limitations. I talked to the chairman and he said we are going to do additional investigative work, we are going to do additional public hearings. In addition, one of the things I can't wait to do, and albeit it is easier said than done, I want to write an anti-trust bill looking at the food industry.

In summary, this conference report perfect, but I do not want to keep going on with this "freedom to fail" bill. I want to see a change. This bill represents that change.

I agree with some of the critiquing from some of my colleagues, but all in all, this is a step forward for agriculture in Minnesota. It is a big step forward for the farm structure in Minnesota. It is a big step forward for the environment. It is a big step forward for a better energy policy. It is a big step forward for economic development. It is a big step forward for people who live in Greater Minnesota and live in our rural communities.

I am willing to come out here and debate and fight for this bill and support this bill. An finally would like to ask for a commitment from Senator HARKIN that we are not done with this battle on the reform battle on payment limitations, and on the ban on packer ownership. Let's go after some of these conglomerates. It's the right thing to do.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). Who yields time?

Mr. HARKIN. I yield myself the time I consume.

First, I thank my colleague and friend from Minnesota for all of his work on this farm bill and for being such a valuable member of our committee. It was the Senator from Minnesota, Mr. WELLSTONE, who first offered the country of origin labeling in committee and won it in committee and we kept it on the floor. Consumers need to thank Senator WELLSTONE for making sure our they will have the right to know where their meat and fish, fruits and vegetables come from. And for the record, another great

champion of country of origin labeling, and he has been for years, is Senator JOHNSON. These two have fought tirelessly to bring this measure into law.

We were able to keep it in there. I think the Senator is right, this is going to be a very important provision for our producers in this country—and for our consumers. So I thank him for that.

I thank the Senator also for all his strong work on conservation and on rural development.

Again, I say without any fear of contradiction that the people in Minnesota—people in rural America, but I say Minnesota because that is the State the Senator represents—and the people who live in small towns and communities all over rural America have no better fighter for their interests and no better friend they can count on consistently than Senator WELLSTONE of Minnesota.

When it comes to the things we have in this bill that invest in rural economic development, rural equity funds, broadband access, taking care of the backlog on sewer and water grants, and providing for value-added grants for small towns and communities—all of these bear the imprint of the Senator from Minnesota, Mr. WELLSTONE.

I thank him so much for that on behalf of all who are interested in the environment and in conservation.

I say to the Senator before he leaves the Chamber that he has this Senator's ironclad commitment. As long as I am privileged to chair this committee, we are not going to give up on the fight to ban packer ownership of livestock prior to 14 days before slaughter. We are going to get to that.

We are also going to continue to fight on better payment limitations in the future.

Again, the farm bill is before us. It represents a very balanced compromise. Again, we need to get this to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, Senator GRASSLEY has been waiting for an hour and a half to speak but knew there wouldn't be time for his comments before the 12:30 recess. So I ask unanimous consent that following the recess he be allowed to be the first speaker.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ENZI. Thank you, Madam President.

I would like to yield myself such time as I might have for comments.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ENZI. President, I rise to speak in opposition to the farm bill conference report. The opportunity to write a farm bill comes along rarely in a Senator's career on Capitol Hill. It is an opportunity to survey the road and set the course for agriculture and rural America, in this case, for the next 6

years. And in the next 6 years, we will stick to that course and walk that road. In studying the conference report we have before us today, I fear that we have engineered agriculture's road through the swamp. Once in the mud, it is going to take more than a new farm bill in 6 years to unstuck our wheels, pull us out and reverse the damage to America's food and fiber policy.

We have a bill before us that ramps up the subsidies farmers are receiving to extraordinary amounts. Now, there is nothing wrong with helping our farmers and guaranteeing a safe and sufficient food supply. However, we should fairly and equitably assist all of agriculture. The House Agriculture Committee says that this bill will cost \$45.1 billion of additional spending in the next 6 years. Of that amount, \$31.2 billion is going to commodities. The largest portion is for our traditional crops: wheat, corn, cotton and rice. Now in Wyoming, agriculture means more than just farming. Producers are farmers, but they are also ranchers. And the ranchers in Wyoming don't see much benefit to this bill.

Seventy percent of the new spending is going to commodities. The rest of the money is being split between other things the farm bill funds like nutrition programs, research and conservation, all important things. I am pleased with the increase in Environmental Quality Incentives Program—EQIP—funds. However, even these are cost share funds and not the direct payments that so many farmers will receive.

Ranchers like their independence from government handouts and they usually wouldn't mind being overlooked in the farm bill, but they have a need this year. That need was ignored.

There was a proposition that would have given \$7,000 to a rancher to feed the best of his breeders from the herd throughout the drought. Talk about extreme cases, we put them at zero. Yes, my State is entering the third year of a drought. Yes, in response to the disaster in my State and other States, I, along with a majority of this body, added an amendment to the farm bill that would have provided \$500 million to livestock producers for feed shortages.

That amendment passed 69-30. Compared to the billions spent on commodities, this was a small package of assistance for an industry known for refusing Federal assistance. In this farm bill, commodities are the focus of 70 percent of the additional funding. The amount that I wanted to devote to livestock producers is a mere 1 percent of the additional spending. One percent! And the assistance was refused in this final conference report.

The conference refused ranchers assistance the same month they are being prevented from moving to their drought-stricken Federal grazing allotments. Since they can't feed their livestock, they must consider selling their

herds in a cattle market that is no longer rational and with tax benefits that have run out. The safety net and benefits of the farm bill are not being shared with the ranchers.

The producers in my State do have a reason to be thankful. Country of origin labeling is a part of the bill. This is a victory that I have been working toward since I entered this body. It is my fervent hope that the forces that rose unsuccessfully to defeat this program in the farm bill do not undermine the provision in the rulemaking process during the initial, 2-year voluntary period.

Also, the conference report does not contain the language that would have appropriated my State's water rights. We fought against this harmful provision that in my State would have allowed the Federal Government to usurp State water rights through implementation of the Endangered Species Act and done it at bargain basement prices.

For ranchers, this bill should be labeled, "Do no harm, do no good" because another provision vital to ranchers in my State was pulled from the final report. The ban on packer ownership of livestock more than 14 days before slaughter was removed. This tells my producers that the U.S. Senate is unconcerned about the impacts of market manipulation on their family ranches. Not only are we unwilling to provide them financial assistance when they need it in the third year of the worst drought, we won't give them the opportunity to extract their own livelihood from an open and fair market. They are trapped on every side. We had an opportunity to assist all of agriculture with this farm bill, but we did not take it.

I have been discussing the repercussions of this bill on my State. There also are repercussions to our national budget. I previously said that this bill is being quoted as costing \$45.1 billion in additional spending in the next 6 years. Based on the April 2001 budget resolution baseline, the Congressional Budget Office estimates that this bill would increase direct spending by \$73.5 billion in budget authority through 2011. This spending under the fanciest of accounting definitely affects the budget parameters.

However, this is 2002 and crop prices are lower this year. A CBO estimate using an April 2002 baseline would add several billion dollars over \$73.5 billion in the next 10 years, but the latest numbers are not being taken seriously. When my staff contacted the Senate Agriculture Committee to ask about the April 2002 CBO cost estimate, they were told that it did not matter. In fact, the committee staff said an estimate based on the April 2002 baseline was an "academic exercise." This is real money. This is not an academic exercise. We cannot use accounting to ignore the exorbitant cost of this legislation.

For example, I have been discussing the farm bill's additional spending. It

hasn't been heard often, but this additional spending is being added to a huge base of current spending on agriculture. When we add the \$73.5 billion of additional spending, this bill will cost us over \$180 billion throughout the next 10 years. Now that is a number that is flung around these halls flipantly, but \$180 billion in Wyoming is a big deal. I think it is probably a big deal all over the country. It is a big deal to our trading partners, too.

Madam President, \$45.1 billion, \$73.5 billion, \$180 billion, that is more than a rounding error, that is a gross misstatement of the facts. Everyone is entitled to their own opinion, but they are not entitled to their own facts.

There are repercussions to this bill that move beyond our borders to other countries and our trading partners. We have a WTO responsibility to our trading partners to keep our agricultural subsidies below \$19.1 billion. Did any of those numbers I used before sound anywhere near \$19.1 billion? I don't think so. In the past years, we have stayed far below that level, but this bill threatens to send us over the top. It will be very difficult to convince our trading partners to lower their own subsidy levels—and they are starting to talk about that—and increase our access into their markets if we so boldly ramp up our own subsidy levels. They are watching.

The Australian Agriculture Minister, Warren Truss, said our farm bill "sends an appalling signal to agricultural trade negotiators seeking a freer and fairer international trading regime."

Canada's Agriculture Minister, Lyle Vancilief, said: "The farm bill is a serious blow to the US's credibility in the current round of World Trade Organization negotiations."

Do not fool yourself, they are watching us this moment to see if we are really interested in fair trade. What signals are we going to send them?

I know what signal we will send if we accept this conference report. We are signaling that the United States really isn't interested in increasing our agricultural exports to other countries. Realizing this, I look down the road we have surveyed for agriculture. We are significantly expanding our commodity subsidies, the great incentive for overproduction. We already know we cannot possibly consume what is produced in this country. With this subsidy increase, we are systematically closing the doors on increased exports. With no outlet for their production, we are condemning our farmers to a downward spiral of prices. And countercyclical payments will not stop that spiral. In fact, they intensify the spiral.

So we have a conference report before us that will eventually harm the farmers it is trying to help and that ignores the plight of the other half of agriculture, the livestock producers. And it does it with phony and illusive numbers that will appall everyone else.

For these reasons, I am voting against this conference report. I urge

my fellow Senators to seriously consider whether this is the road they will condemn their farmers and ranchers to for the next 6 years. I urge my colleagues to vote against this bill.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. FEINSTEIN. Madam President, I ask unanimous consent that I be recognized to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

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

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

Mr. LEAHY. Mr. President, I ask unanimous consent to proceed beyond the hour of 12:30.

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

Mr. LEAHY. Mr. President, I compliment the distinguished chairman of the Senate Agriculture Committee for the farm bill before us.

As one of seven Senate conferees on the farm bill, I want to make a few initial remarks today about this major effort.

First, I urge my colleagues to vote for this conference report. This farm bill helps farmers by providing a safety net; it helps consumers by keeping our food costs low; it expands our nutritional safety net to those most in need; it will mean cleaner waterways, better soils, protected open space, and the preservation of family farms; it will make our drinking water safer, improve the environment, and will give rural America a strong economic boost.

I thank Chairman HARKIN who worked day and night on this effort.

As I know from being chairman of the committee during the 1990 farm bill, it is no easy task to balance the needs of various regions, various commodities and various other priorities within a fixed budget.

Make no mistake—this bill is great for all regions, it represents a well-balanced effort.

I enjoyed working with the chairman of the conference, LARRY COMBEST. He was fair and patient, and strove to listen to all sides of an issue and to offer helpful ideas as we sought to craft the final product.

His chief of staff, Bill O'Connor, has worked on many agriculture issues with me. He is one of the finest examples a truly professional hill staffer—smart and tough, and able to get the job done for his chairman. Also, Lance Kotschwar, the chief counsel for Chairman COMBEST, deserves a great deal of credit.

Ranking member CHARLIE STENHOLM, also an expert on farm bill details, was very helpful in trying to work through some of the complex issues. He is well served by his senior agriculture staff, including Vernie Hubert.

I will have more kind words to say about the other body, but I want to

make a couple points regarding the Senate. I will have more to say at another time about Ed Barron and his team from my office. Many parts of this bill would not be here without them.

The Democratic conferees in the Senate consisted of three chairmen of major committees, and the majority leader. That is quite a batting lineup. We had the majority leader and the chairmen of the Agriculture, Budget, and Judiciary Committees.

Leader DASCHLE, and his superb staff Bart Chilton, Jonathon Lehman and Bev Paul—did a tremendous job trying to balance everyone's interests.

Chairman CONRAD helped get us the budget to complete a farm bill—and provided the conferees with valuable insights, as did his able staff aide, Tim Galvin.

I will make more extensive remarks later in this debate but I want to focus on a few highlights today.

This farm bill provides—for the first time—strong provisions for all regions of America.

The farm bill provides regional equity—all of America will share in its benefits.

For example, for the first time, ever, we have a farm bill which provides national counter-cyclical support for dairy farmers. I have voted many times for programs which have helped cotton, rice, wheat or soybean farmers.

This farm bill continues to help them—but also creates a national safety net for all family-size dairy farmers—whether they live in Wisconsin, Minnesota, Mississippi, Louisiana, West Virginia, or Vermont.

I am pleased that we were able to forge bipartisan coalitions in the Senate and the House, from many states, and from all regions, in working out this national effort.

Dairy farm families work very hard they get up at 5 in the morning whether it is freezing cold, whether it is a Sunday or a Tuesday, whether they are feeling fine or lousy that day, whether it is a holiday or not.

They need a safety net or America may lose its fresh, local supplies of milk.

America can not afford to take the risks involved in concentrating dairy production in just a couple areas of the country.

Snowstorms, floods, earthquakes, or other emergencies could disrupt transportation or production facilities.

This farm bill is not just about farmers. It is about assisting rural towns and communities, and families in need.

The Food Research and Action Center notes that:

Given the scope of the hunger and food insecurity problem facing our nation's people, we believe that passage of the Farm Bill Conference Report with its investments in the nutrition safety net must be a very high priority for the . . . Senate.

They are right. This farm bill provides \$6.4 billion to help the neediest families. Most Americans do not real-

ize that the food stamp program is America's largest child nutrition program with the great bulk of assistance going to families with children.

In her letter of endorsement, Marian Wright Edelman points out that:

We also strongly support the improvements for working families in the Food Stamp program. Adjusting the standard deduction for cost-of-living increases and family size will help the value of food stamps keep pace with inflation. Many provisions in the nutrition title will make it easier for working families to apply for or renew benefits, and will streamline requirements on states so they will find it easier to serve working families.

Bob Greenstein, with the Center on Budget and Policy Priorities notes that: "Many of the title's provisions are targeted toward low-income families with children, particularly the working poor."

This farm bill includes President Bush's strong proposal to assist legal immigrants who—throughout history—have come to America in search of a better life, and have made America a stronger nation.

The bill also improves America's first line of defense against hunger—the Emergency Food Assistance Program.

Also, the farm bill saves two great farmers' market programs from the chopping block.

The WIC Farmers' Market Nutrition Program, and the much newer farmers' market program for seniors, has provided tremendous incentives for local communities to create local farmers' markets. Anyone shopping at these hundreds of new farmers' markets knows that these programs are great for local farmers, families on WIC, our seniors, and the local communities.

On an international theme—I am very pleased that the farm bill includes \$100 million in guaranteed funding for the McGovern-Dole Global Food for Education Initiative which I authored with Senator HARKIN and others in the Senate.

This initiative taps America's agricultural bounty to become a catalyst for lasting change in many struggling nations.

Former Senators McGovern and Dole supported this vision and pointed out that this initiative would "help our farmers while putting food in the stomachs of desperately hungry and malnourished children."

It has been pilot-tested, and enrollment by children, especially girls, has dramatically increased in the poorest areas of the world.

Clearly, the events of September 11, make this initiative even more important.

The final bill also contains an unprecedented \$1 billion in mandatory funds to assist rural areas in improving the rural infrastructure, attracting jobs, and improving high-speed internet access to businesses and homes.

Our farmers and small businesses will get a boost from \$240 million included for value-added market development grants.

Modeled after the successful pilot program currently run by USDA, this program will provide grants up to \$500,000 to help develop, promote, and market, value-added goods—to help build their wealth and expand their enterprise.

The bill reauthorizes important water programs that are critical to the infrastructure of rural America—over \$360 million will be available nationally to reduce the backlog of loan and grant applications for construction or expansion of water and wastewater systems.

Even our firefighters and emergency personnel will receive much needed assistance to help provide for critical training in rural areas. These men and women work tirelessly, often on a volunteer basis, to protect our families and our homes. I am pleased that \$50 million has been included to give these forces a boost.

Also within the package of conservation programs lies an historic increase in the Farmland Protection Program—which was first pilot-tested in Vermont under a provision which I wrote for the 1990 Farm Bill.

Previously funded at only \$35 million, and hugely oversubscribed by interested farmers, the Farmland Protection Program will now be funded at almost \$1 billion over the next 10 years.

Since 1996, the FPP program in Vermont has protected more than 80,000 acres of the State's most precious farmland. It can preserve farmland in many other states under this new farm bill.

I am very pleased that this bill sets forth several new initiatives for organic agriculture.

This coming October, the National Organic Standards Program will be fully implemented and will create tremendous possibilities for organic producers by enhancing national and international market opportunities for organic products.

This farm bill makes strides toward providing the information and resources needed to continue to grow this industry. For the first time, dedicated funding is provided for the organic research and extension initiative, which is also expanded in this bill.

In addition, in this farm bill we provided for new organic production and market data initiatives and we establish an organic certification cost-share program.

As more and more farms transition to organic production methods, there is a substantial environmental benefit. In many cases organic farming also provides sustainability to the profession of farming, and offers rewards to small farms in particular. In Vermont, the growth of the organic industry means that more farmers will be able to make a decent living doing what they love.

The New York, Washington State and Vermont delegations, among others, worked to add \$94 million to the bill for direct aid for apple growers who have suffered crop losses in recent years. National apple growers, including several

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

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

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

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

RECESS

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

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

The PRESIDING OFFICER. The Senator from Indiana.

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

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

The PRESIDING OFFICER. Is there objection?

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

Mr. CONRAD. Will the Senator yield?

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

Mr. LUGAR. Fine.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Yes.

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

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

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

Mr. REID. How long will Senator DOMENICI speak?

Mr. DOMENICI. Twenty minutes.

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

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

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

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

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

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

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

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

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

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

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

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

the largest farmers to receive unlimited payments. This bill will not even make the big corporate farmer blink.

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

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

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

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

The Iowa Cattlemen released a statement which read:

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

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

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

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

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