Every step of the way the administration has said: we don't think you should do this; we don't believe you need a new farm bill. The administration told the House of Representatives not to write one. And the House of Representatives said: it doesn't matter what you say, we will do it.

The administration told the Senate not to pass a farm bill in 2001. We had to go through three cloture votes and still could not get the 60 votes necessary to pass it in 2001.

This year, We have finally gotten a bill out of the Senate. It is in conference. We need to complete this quickly.

With respect to the issue of Canada, Canada is a good neighbor of ours, but it regrettably has undercut our Government and undercut our farmers in every way possible since the United States-Canada Free Trade Agreement. Canada dumped its wheat in our country and refused to open its books and records that would demonstrate there is unfair trade. We have sent people, including the GAO, to Canada to get those records. The Canadians have effectively thumbed their nose at all of our representatives and said: we are not going to give them to you.

I don't think we need advice from Canada about how to help our farmers. What we need from the Canadians is for them to stop hurting our farmers. They have a State-sponsored monopoly in Canada called the Canadian Wheat Board that would be illegal in this country. Every day in every way for years they have been trying to undercut our family farmers with unfair trade.

Senator CONRAD is right when he says we do not need advice from Canadians about how to do domestic agricultural policy in our country. It is not welcome in my view. What is welcome is for the Canadians to decide that good neighbors ought not undercut each other with unfair trade. If they take that step once, they help American farmers with respect to fair trade.

I thank Senator CONRAD for allowing me to respond to his comments.

Mr. CONRAD. I thank my colleague for his insight. It is a remarkable set of circumstances. I call on the Secretary. If this press report is inaccurate, I hope she will say so publicly and do it today. But this press report quotes the spokesman, a press aide of her counterpart in Canada, the Canadian Agriculture Minister, Lyle Vanclief; his press aide, a Mr. Donald Boulanger, is quoted. This is what the article reports:

> She told Lyle [Mr. Vanclief, Canadian Agriculture Minister] to put pressure on Congress.

That is in quotation marks. Following that, again quoting Mr. Boulanger, the press aide for the Canadian Agriculture Minister:

> She said their political system is different from ours because Congress has so much power. She said, Lyle, you have to help me lobby Congress.

I hope it is wrong. I hope the Secretary will today indicate she never made any such invitation, that she never made such a statement. If this is her statement, I think she has a lot of explaining to do. It probably should start with an explanation to the President of the United States, why a Secretary of Agriculture of the United States is imploring her Canadian counterpart to come to lobby the U.S. Congress against a farm bill that is pending before the Congress of this country.

TAX CUTS

Mr. CONRAD. Mr. President, on another subject, I noticed in today's Washington Times a story headlined: "White House to Show Triumph of Tax Cuts, Says Recession Stalled Jobs Added." This is a news story that comes as a result of a speech later today to the Council on Foreign Relations by Vice President CHENEY, and it indicates that he will present findings by the President's Council of Economic Advisers as an answer to Democratic critics of the tax cut. The findings the Vice President will discuss show the third quarter growth last year would have contracted at an annual rate of 2.5 percent instead of the reported 1.3 percent without the tax relief.

That should not be any great surprise to anybody. What is surprising is the Republicans attempting to claim credit for the tax cuts that occurred last year.

We should not rewrite the history of what occurred. Last year, it was the Democrats who were proposing much greater tax relief than the President's proposal because we believed we needed to give lift to the economy. Here are the facts. For 2002, the President's budget proposed almost no tax relief. The Democratic budget proposed $60 billion of tax relief last year.

Those are the facts. Absolutely, Democrats were for more tax relief last year than the President proposed because we thought we needed to give lift to the economy. In fact, we actually passed even greater tax relief than that. But this is what was in our budget. That is what was in the President's budget. I don't think the administration should be running out and claiming credit for what was our idea.

This is what actually passed last year: a total of $73 billion, $33 billion in the form of the rebate, and corporate tax changes of $40 billion. Some of the latter were just timing questions that had no impact on stimulus.

In terms of the fundamental question about differences in tax cuts, we were not in favor of as much of a tax cut over the 10 years. While we favored a much bigger tax cut last year in order to give lift to the economy than the President proposed, we proposed a much smaller tax cut over the 10 years because we were concerned about the impact on long-term interest rates.

Our tax relief proposal was $750 billion over 10 years; the President's proposal was $1.6 trillion. We said at the time that we feared his tax proposal was too large and would threaten the Social Security and Medicare trust funds.

Guess what? We were right on both counts. We were right to support a bigger tax cut last year, to give lift to the economy. We were right to support a smaller tax cut over the 10 years because the larger tax cut endangered the trust funds of Social Security and Medicare. The facts are now in, and it is just as clear as can be, we were right. The President's new budget shows he will be taking $2.2 trillion over the next 10 years out of the trust funds of Medicare and Social Security. In Social Security alone, the President will be taking over $1.6 trillion of Social Security trust fund money to pay for his tax cut and his other spending priorities. That is a fact.

So, yes, tax cuts are beneficial at a time of economic slowdown. Democrats proposed them. Again, the budget difference is very clear. The budget difference, in terms of what was proposed, is right here. This is the President's budget: $183 million. That is what he proposed for tax relief in his budget for last year. Our budget resolution had $60 billion of tax relief. That is the fact.

Let's not get confused about the 1-year and the 10-year. It is absolutely true that over 10 years we proposed smaller tax cuts so as not to raid the Social Security and Medicare trust funds. But for the Vice President to run out now and claim the tax cuts of last year were really their idea—you have to go back and look at the budget they submitted. It was not their idea. It was the idea of the Democrats who proposed much more significant tax relief last year to give lift to the economy. That is the fact.

We also said last year that the 10-year tax cut the President proposed would have an adverse effect on long-term interest rates. Again, I think the evidence is now quite clear. Here is what we see in terms of short-term rates versus long-term rates. We have had eleven interest rate reductions by the Federal Reserve? You can see that by the short-term rates: 11 reductions, and the short-term rates have come down smartly.

But look at long-term rates. Long-term rates have been largely stuck. They have not come down. That was one of the concerns we had about the President's long-term proposal, that the markets could see that his budget plan did not add up and that would put pressure on long-term rates and keep them high. That is exactly what has happened. These rates are higher than we believe they would otherwise have been.

It is true that short-term rates have come down dramatically. Long-term rates have not. So we believe our position has been confirmed on all counts. No. 1, we supported more tax cuts last year in our budget than the President did in his because we wanted to give lift to the economy at a time of economic weakness. Now the Republican White House is going out and saying they are the ones who had the idea. They are not. Anybody who cares to research it can go back and look at the President's budget—not just the first budget he submitted, but the second budget he submitted, the follow-on budget in the spring. It is the same thing. He had virtually no tax cut last year.

The February budget had virtually no tax cut, and his April budget had virtually no tax cut. The people who were pushing for a big tax cut last year for the year 2002 were those of us on this side of the aisle, Democrats. And we were right.

As it turns out, we were also right to oppose the size of his 10-year tax reduction because we said then—two things. No. 1, it would endanger the trust funds of Social Security and Medicare, and we now know that is true. No. 2, we said it would put upward pressure on interest rates; that, even at a time when the Federal Reserve was lowering short-term rates, it would hold long-term rates up. That is exactly what we see. The evidence is in. It is just as clear as it can be.

I hope as we move forward this year, we can move to rectify fiscal mistakes that were made last year. The raids on the Social Security and Medicare trust funds, the President's budget plans, are dramatic.

Here are the facts. The President is going to be taking every penny of the Medicare trust fund surpluses over the next 10 years to pay for his tax cuts and to pay for other spending priorities—every dime—over $500 billion, according to his own calculations.

The President is going to be taking, under his budget plan, over $1.6 trillion of Social Security surpluses over the next decade to pay for his tax cuts and other spending priorities. It is in his budget. That is his plan.

There is only $600 billion left, every dime of which is Social Security money. The Congressional Budget Office, we believe, when they rescore the President's proposal, will show that virtually all of that is gone because the President has dramatically underestimated the cost of Medicare over the next 10 years.

Yesterday, in a hearing with Health and Human Services Secretary Tommy Thompson, I showed that the Congressional Budget Office believes the President's budget has underestimated the cost of Medicare by $300 billion over the next decade. So there is no money left except Social Security money. That is the hard reality. And the President's budget has taken most of that.

I believe history will show very clearly that Democrats last year proposed a greater tax cut in 2002 to try to give lift to the economy, but we proposed a more modest tax cut over the 10 years because we did not want to endanger the trust funds of Social Security and Medicare, and we did not want to keep long-term rates from following short-term interest rates down because that also gives lift to the economy.

What is important to understand is that fiscal policy—that is, the spending and tax policy of the Federal Government—can adversely affect the monetary policy that is guided by the Federal Reserve Board. While we move to give lift to the economy through stimulus, that can all be countered by interest rates. If interest rates go up or stay high, that can prevent the economy from gaining strength and moving forward.

Facts are stubborn things, as a previous President said. I believe the facts of who stood where with respect to economic policy are just as clear as they can be—absolutely. Tax cuts last year helped reduce the impact of the recession. But it was Democrats who advocated substantial tax cuts last year. It was not the President, either in his February budget or in his April budget. He proposed virtually no tax relief last year. That is the fact.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

THE ADMINISTRATION'S COUNCIL OF ECONOMIC ADVISERS REPORT

Mr. DASCHLE. Mr. President, the administration's Council of Economic Advisers will issue today some self-serving economic revisionism—a little like a figure skating judge awarding the gold medal to his own team. We are going to hear that the recession was somehow shorter and shallower than it would have been without last year's mammoth, surplus-swallowing tax cut.

Let me just say, I might like to change economic history, too, if I had just blown a $5.6 trillion surplus in less than a year. But let's set the historical record straight.

The administration's proposed 10-year tax cut, when they offered it last year, was $1.7 trillion, plus about $300 billion in interest—about $2 trillion. Of that, there was zero stimulative tax cut. Not a dime was to go out to the American people in the year 2001, last year.

Let me restate that. There was no economic stimulus in the $2 trillion tax cut that the administration originally sent to Congress.

Democrats who were concerned about the recession were the ones who proposed to give working American families immediate tax relief to get the economy going again. Our Republican colleagues, as late as last week, were arguing that there is no stimulative impact at all to rebates for working Americans.

But now we have the White House Council of Economic Advisers suffering a case of convenient economic amnesia. They are not only forgetting that the administration did not propose a stimulus, they are also forgetting what happened to long-term interest rates as a direct consequence of their ill-advised, long-term fiscal policy.

The administration's plan, history will show, was exactly reversed: No stimulus but huge, long-term fiscal damage.

The budget just released affirms the return to deficits. It has been hugely damaging to our long-term fiscal condition, including diverting $1.5 trillion of the Social Security trust funds just as the baby boom generation is about to retire.

Just as important, though, is that long-term fiscal mismanagement has hurt us in the short term. Long-term interest rates have remained stubbornly high even as the Fed reduced short-term rates 11 times. Ten-year Treasurys were at 5.01 percent in January of 2001, and at the beginning of February 2002, they were at 5.05 percent.

That means that homes are harder to buy, student loans are more expensive, credit card interest rates remain unnecessarily high. All of that has harmed people, and it has harmed the economy.

So let's just remember where we were last year at this time: The administration had the wrong prescription for both the immediate and the long term. They proposed no tax cuts at all during the year 2001—zero for working families. It was Democrats who insisted on a rebate that ultimately passed without the support of the administration. But then they gave huge giveaways—tilted heavily toward those at the top income levels—that explode as we move forward. Those giveaways could expose us to fiscal disaster as the baby boomers approach retirement.

So we should be clear on what happened. Democrats were for immediate stimulus for working families and for prudent long-term tax cuts that would not have jeopardized our fiscal future or the retirement security of millions of Americans.

The report that we are going to get today from the administration is trying to substitute political sound bites for sound economic analysis. No fair judge would call the administration's economic plan a medal-winning performance.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

Mr. DASCHLE. Mr. President, under the authority granted to me on Thursday, February 14, I now call up Calendar No. 65, S. 517.

The PRESIDING OFFICER. The leader has the authority. The clerk will report the bill by title.

The bill clerk read as follows: