Again, I deeply regret that stimulus delayed has now become stimulus denied.

EXHIBIT 1

CBO PROJECTED ECONOMIC GROWTH

	2001	2002	2003	2004–07	2008–11
January 2002	1.0	0.8	4.1	3.3	3.1
January 2001	2.4	3.4	3.3	3.0	3.1

CBO January 2002, Budget & Economic Outlook.

TIMELINE

September 25, 2001: Finance Committee meets with former-Secretary Rubin and Chairman Greenspan to discuss basic principles of economic stimulus package.

October 17, 2001: Centrist Coalition lays out principles to leaders Daschle and Lott.

October 24, 2001: (1) Centrist Coalition meets with Secretary O'Neill; (2) House passes first version of stimulus plan.

October 31, 2001: Centrist Coalition meets to consider compromise package.

November 8, 2001: Stimulus markup in Finance Committee, Democrat package reported.

November 13–14, 2001: Senate Finance stimulus plan (Baucus) on Senate Floor. Plan was defeated on a Budget point of order. On the same day (11/14), Centrist group laid out its alternative plan.

November 15, 2001: Leaders of both parties and both houses agreed to try to come together and pre-negotiate . . . but couldn't agree on who would comprise the negotiators.

November 16, 2001: Talks stalemated.

November 19, 2001: Centrists, including Senators Snowe, Breaux and Grassley, had conference call with Secretary Paul O'Neill about their plan; O'Neill called it a ''basis for a deal''.

November 20, 2001: Secretary O'Neill, on Good Morning America, called Centrist approach a basis for a deal; Senators agreed to talk after Thanksgiving.

November 26, 2001: Senators returned from recess; recession declared by National Bureau of Economic Research. There was still no agreement over who would negotiate.

November 28, 2001: Wednesday Leadership Meeting with Bush—breakthrough on negotiators to jumpstart negotiations.

November 29, 2001: Divisions over exactly how negotiations could begin remained.

November 30, 2001: Continuing impasse over negotiations; House wanted more negotiators Senate, fewer.

December 3, 2001: Negotiations began.

December 11, 2001: Centrists meet with Senator Lott and President Bush at the White House on a plan.

December 15–16, 2001: Centrist plan emerged as likely basis for any final deal.

December 19, 2001: President Bush meets with Centrists, declares agreement on plan.

December 20, 2001: House passes Centrist plan.

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

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

The assistant legislative clerk proceeded to cal the roll.

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

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

Mr. REID. Mr. President, the hour of 1:30 having arrived, I call for the regular order.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Resumed

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

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

Pending:

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

Wellstone amendment No. 2602 (to amendment No. 2471), to insert in the environmental quality incentives program provisions relating to confined livestock feeding operations and to a payment limitation.

Harkin modified amendment No. 2604 (to amendment No. 2471), to apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals.

Burns amendment No. 2607 (to amendment No. 2471), to establish a per-farm limitation on land enrolled in the conservation reserve program.

Burns amendment No. 2608 (to amendment No. 2471), to direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program.

Mr. REID. Mr. President, what is the pending issue before the Senate on the farm bill?

The PRESIDING OFFICER. The Burns amendment No. 2608.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Mr. President, here we are. It is now February 6, 2002. That comes as no shock to anyone. We are back on the farm bill—where we were back on December 6, 2001.

Again, we are trying to get this bill finished before it gets too late in the planting season. I am hopeful that we can work out some arrangements to do that. The beginning of a new session always marks an opportunity for a renewed effort to solve the challenges before us. In a spirit of cooperation, I look forward to working with my colleagues to pass this new farm bill without further delay, in order to provide farm families in rural communities critically needed stability and insurance for this year and in the future.

There is widespread agreement that farm families and rural communities are in dire need. The Senate has dealt with the farm bill for 12 days already. Again, I want to underscore that rural America cannot survive under the current Freedom to Farm bill. It will suffer severely if the farm bill here is further delayed. I look forward to working with Senators on both sides of the aisle to get the bill finished deliberately but quickly, and we will work our way through amendments. I hope that maybe even this afternoon sometime we may reach an agreement on a finite list of amendments, with a reasonable amount of time to debate them. Then we can work through that list of amendments and, hopefully, within 2 or 3 days, go to third reading and passage.

I believe we can get the conference done in adequate time to have the bill enacted for this crop year. A tremendous amount is at stake in this farm bill, not only for farmers but for rural and agriculture-related businesses, rural communities, conservation, trade, nutrition programs, and renewable energy.

The Department of Agriculture recently predicted a 20-percent drop in net farm income for this year if we do not take action on this new legislation—20 percent. Farmers are struggling as it is. They most certainly cannot afford to take a fifth off their net income.

I understand that after the farm bill the Senate will take up an energy bill. During debate on the energy bill there will be a lot of discussion about CAFE standards, and about drilling for oil in the Arctic National Wildlife Refuge, which I am sure will be a hotly contested issue. Well, this farm bill has a new energy title in it. As it is written now, the energy title calls for an investment of half a billion dollars in mandatory money over 5 years to spur production of renewable energy.

Even if we do drill for oil in ANWR, we will remain dependent on foreign oil unless we begin making significant investments in the production of renewable energy. Moreover, a greater emphasis on renewable energy in our nation's energy policy will also create new markets for agricultural products. We need to develop these new markets, and I submit that one of the biggest opportunities we will have to do this in the future will be in the area of renewable energy. It has been said that anything that can be made from a barrel of oil can be made from a bushel of corn, soybeans, cottonseed oil, or any number of other crops that we grow in this country.

I visited a project in northern Iowa last week involving agriculture-based industrial lubricants. It is a project sponsored and supported by the University of Northern Iowa. I actually visited a farm where they have set up equipment. They bring in raw soybeans, crush them, take out the oil, and they mix it and put it through another machine I can't describe, and they get grease, like axle grease. It looks just like that—the same thing you use in your grease gun when you

are greasing a car, or an axle, or anything such as that. I understand the Norfolk Southern Railway has begun using this product to grease the railroad tracks. Trucking companies are using it for the fifth wheels on trucks, where they put a lot of grease.

The beauty of this is it is all biodegradable. I understand some railroads, because of the grease going down the railroad track lines, have to put down liners underneath the tracks. This agriculture-based industrial lubricant is a new product that can take the place of all the grease we use, it is made out of soybeans and it is biodegradable. All the hydraulic fluid required by machinery could one day be made out of soybean oil.

And then there is ethanol. We haven't even scratched the surface in terms of the use of ethanol. Fuel that is 80 percent ethanol—developed over the next 10, 15 years—can drastically reduce our dependence on foreign oil and help clean up our atmosphere. Again, that is biodegradable, and it is renewable every year, with every corn crop.

So I think if we really want to become more energy independent and less dependent on the Middle East for our oil, it is not drilling in ANWR that will accomplish that—at least not from the data I have seen—it is developing new markets for agricultural products in this country by supporting the development of renewable fuels made from agricultural commodities.

We now have over 30 buses running in Cedar Rapids, IA, on soy diesel. All the trucks on the nation's highways could one day be burning soy diesel. When one thinks about the potential market for agricultural-based lubricants, fluids, and fuels, that market is the same as the market for the oil we are getting from the Middle East now. Maybe we cannot take up all of that market with renewable lubricants, fluids and fuels, but we can take up enough of it so the producers of oil in the Middle East will not have us by the throat any longer. We can have enough of that market that the Middle East will be a minor supplier, not a major supplier, of the energy we use in this country. There is a lot in this farm bill to start moving us in that direction.

We have done our work in the Committee. We had an aggressive schedule of hearings on the farm bill. We had hearings here in Washington, DC, and in several States across the country. Then, of course, our timetable was set back by the terrorist attacks on September 11. Nonetheless, we moved ahead and started marking up the bill on October 31, voted to report the bill out of committee on November 15, and we were on the Senate floor November 29. We acted expeditiously to get this bill done. We went from markup on October 31 to the Senate floor on November 29, and yet we are still here today, February 6, 2002.

It is essential that the new farm bill be completed without further delay before the planting of this year's crop. Again, if we do not pass it in time, this year's crop will be covered by the existing Freedom to Farm legislation and, Mr. President, as you know, we will probably have to come up with another supplemental payment for this year's crops. That is why we need a new farm bill and not more uncertainty.

The longer the bill is delayed, the greater the risk the $73.5 billion in new farm bill funding will be forfeited. As I said, the planting season is here. The stimulus bill just went down, as I understand it, but this farm bill is also a stimulus bill a stimulus bill for rural America.

President Bush was recently in Moline, IL, which is part of the quad-cities area, across from Davenport and Bittendorf, IA. Of course, Moline is the home of John Deere. A lot of Iowans across the river work at that Moline plant. We also have John Deere plants in Iowa.

President Bush visited that plant a couple weeks ago. I was with him, as were other Senators and Congressmen. In a meeting with the CEO of John Deere, it was said by him or by some of the other people in the management of John Deere that they have laid off a lot of people. They have 300 people working at the plant who are working because of contractual arrangements with the union, but they are not building anything. I asked whether there is any hope that these people can start building again.

The response was: Yes, we know there are orders out there or pending orders for new combines, tractors, planters, and other equipment, but the farmers are going to the bankers to get the financing to buy the equipment, and the bankers are saying: What is your income going to be like this year? What are you counting on? And the farmer says: I don't know, they haven't passed the farm bill yet.

The message came through clear to me and others and, I hope, to the President that we have to get this bill done. It not only helps the farmers, but it helps rural America and it helps the workers in that John Deere plant, too. It helps them get back to work. That is why we need to get this bill through in as short order as possible.

I believe bipartisanship has been the hallmark in our work of crafting this farm bill. At the outset, Senator LUGAR, the committee's ranking member and former chairman, and I developed a set of objectives. We worked in consultation with other members of the committee on all titles of the bill that the committee reported out, with the exception of the commodity title, to be honest, where we recognized we probably would not find any agreement.

Other than the commodity title, all reported titles were approved by voice votes. Of the votes on amendments to those titles, not one was along party lines. We did have a recorded vote on adopting the commodity title, as I said, and even that was a bipartisan vote.

We have tried to come out with as bipartisan a bill as possible, and I believe that is what we have done. This is a balanced, comprehensive bill. It is a bill that does very well by commodities but also goes well beyond the commodity programs to address needs in the areas of conservation, trade, rural development, research, energy, which I mentioned earlier, credit, nutrition, and forestry.

On the commodity side, we have maintained full planting flexibility, and we have restored a stronger countercyclical income protection system. The bill continues fixed direct payments but phases them down, not totally out, as a new countercyclical payment system is phased in.

Also, farmers may elect to update their program bases and payment yields instead of using outdated ones, but they may keep the old bases and yields if that is more advantageous to them. We leave that choice up to farmers.

The bill continues marketing assistance loans with modestly higher loan rates for feed grains, wheat, and cotton. The soybean loan rate is reduced by 6 cents but that reduction is offset by new fixed and countercyclical oilseed payments which were not in the previous Freedom to Farm bill. Keep in mind, all of these loans are marketing assistance loans, so the higher loan rates will not build stocks and will, in fact, enhance our international competitiveness.

When I hear arguments that somehow the higher loan rates will price us out of the market, I do not understand that. These are marketing assistance loans so that cannot be true.

One key difference between the Senate bill and the House bill is the approach to farm income protection. The Senate bill puts a greater emphasis on countercyclical income protection. If commodity prices are not as high as predicted, which is usually the case, then the Senate bill offers the better income protection. There is a built-in price protection mechanism to increase payments if prices fall.

Again, one of the biggest outcries I heard about the Freedom to Farm bill is that in the good years—the initial years under Freedom to Farm when farmers were making good money from the market—they were still getting Government payments. That did not seem to make sense to anyone.

What we have done is phase those payments down, and we will have a countercyclical program so if prices go down, farmers will be held harmless.

The majority of people in this country do not know a lick about agriculture but would support it. They say there are certain times when for certain reasons—whether it is trade, the strength of the dollar, or other factors—prices for agricultural commodities just go all to heck.

I think most people recognize the cyclical nature of agriculture, that it is

different from a hardware store, that it is very reliant on so many outside factors over which a person has no control.

I believe most Americans would say: Yes, if these things happen and prices fall, you ought to support the farmers until we can get the prices back up. I find general acceptance of that. What I do not find is any support anywhere for the proposition that if farmers are doing well in the marketplace we ought to give them more money. I do not find any support for that anywhere. That is what we tried to do in this bill: to get off that old system and get onto a new system of countercyclical payments.

Regarding international trade, the Senate bill will comply with our WTO commitments and will put our Nation in a strong position to negotiate new trade agreements.

This bill gives the Secretary of Agriculture the authority to adjust support payments to make sure we do not violate WTO limits. However, there is only a very remote chance this authority will ever be needed. Under the expected market conditions for the next 10 years, the amber box limit ''amber box'' means that under WTO agreements we can only spend so much money on certain types of support—is $19.1 billion. Under all of the scenarios we have run on our bill, the most we can see is about $16 billion in amber box payments.

Now I have heard—I will admit I have not heard it lately, but last December I heard a lot of talk from the administration and the Department of Agriculture that somehow what we had in our bill would bump us up against the WTO limits, and that would take us to court and all kinds of dire things would happen. At that time, I challenged those who were making such statements to come forward and give us the proof, give us the data, show us what they mean, how we were going to bump up against the $19 billion limit. Well, I have been waiting since then. I still do not have it.

So I said at the time, if the administration keeps saying this, then I am simply going to have to call another hearing of the Agriculture Committee and we will have to have the Secretary of Agriculture down to tell us. If they have data, I would like to see it. I think the fact is that it is not so. Even if we do get up around $16 billion or $17 billion, so what? That is well within our limit.

It seems to me there is some thought we ought to be down around $10 billion or less. I say, why? Do you think the Europeans would do that? Of course not. They are going to be right up to their limits under the WTO.

Well, we are not even that close. We are still quite a bit under the limit. All I can say is, if we ever got to the point where our payments would bump up against that $19.1 billion, we would be in such bad shape that the WTO would be the least of our worries.

Mr. REID. Madam President, I ask the Senator from Iowa if he would yield for a unanimous consent request.

Mr. HARKIN. Yes, I am glad to yield to our assistant majority leader.

Mr. REID. While the two managers have been speaking, I did what they asked me to do, and we now have a unanimous consent agreement that will move us through a good part of the afternoon. I ask unanimous consent that there be a time limitation on the following pending amendments: 40 minutes equally divided on both of the pending amendments by Senator BURNS, Nos. 2608 and 2607; 40 minutes equally divided on Senator WELLSTONE's amendment No. 2602; and 30 minutes equally divided on Senator HARKIN's amendment No. 2604.

I further ask unanimous consent that Senator HARKIN do his amendment first—there has been a request that he do his amendment first and the others can come up later—that all times be divided in the usual form; that no other amendments be in order prior to disposition of the above listed amendments; that at the conclusion or yielding back of time on all of these amendments, the Senate proceed to a vote on or in relation to each amendment, with 2 minutes for debate equally divided between the votes following the first vote; that the vote sequence be as follows: Senator HARKIN be first; Senator BURNS; Senator BURNS; and then Senator WELLSTONE; that if any amendment is not disposed of after the first vote, they remain debatable and amendable.

The PRESIDING OFFICER (Ms. STABENOW). Is there objection?

Mr. LUGAR. Madam President, reserving the right to object, I think the agreement is an excellent one. I simply want to raise the question with the distinguished Senator. After Chairman HARKIN has completed his opening statement, I would like to make an opening statement before we proceed to the amendments.

Mr. REID. I think that would be entirely appropriate. Does the Senator request up to half an hour?

Mr. LUGAR. That would be adequate, yes.

Mr. REID. I further ask unanimous consent—the only change that has been brought to my attention by the staff on both sides—that the language be that ''no other amendments be in order prior to the votes in relation to the above listed amendment'' rather than ''the disposition of the above listed amendments.''

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. A point of clarification: Is that 40 minutes on each of the Burns amendments?

Mr. REID. Forty minutes total.

Mr. LUGAR. I have a question for the distinguished manager. Then we would have four stacked votes? Members could anticipate, once we begin voting, there will be four votes?

Mr. REID. Probably around 4 p.m.

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

Mr. HARKIN. That is good news. I thank the assistant majority leader for working this out, and I thank Senator LUGAR for working this out on all sides. That is progress. So we are going to be able to dispose of four amendments that have been hanging since December, and hopefully that indicates some progress on this farm bill. So I will wrap up my comments very shortly.

I was talking about the WTO, and I will wrap it up in terms of income protection for farmers. I describe our bill as having four legs, which makes it very sturdy. We have fixed payments, countercyclical payments, marketing loans, and conservation payments, all of which will help support farming.

Lastly, I want to talk a little bit about the conservation title. We have been able to accomplish a great deal on the conservation title. It is important in and of itself. Farmers and landowners desire to conserve soil, water, and other natural resources. Sound conservation is one of the best ways for agriculture to continue to build good will with the rest of America. Plus, it is also a way in which we can help promote better farm income. So we have funded programs like the Wetlands Reserve Program, the Farmland Protection Program, the Wildlife Habitat Incentives Program. Those three programs, I might add, are all out of money right now. So every day we do not pass this farm bill and get it through, none of those programs will be funded.

We made a large increase for the EQIP, the Environmental Quality Incentives Program, and I think improved that substantially for livestock, dairy, and poultry producers.

Our main emphasis in conservation in this bill has been on land in agricultural production. I believe that is where our focus should be, and the Senate bill reflects that. It contains the new Conservation Security Program, which will provide incentive payments for maintaining existing and adopting new conservation practices on lands that remain in production. Thus, it does both, promotes conservation and supports farm income.

The other good thing about it is that it is fully within the WTO green box. So whatever we spend to help support farm income does not bump up against our WTO limits.

One other thing I will mention before I yield the floor is what I said before, in December—I think I may have said it in committee, too: If this farm bill devolves into being a commodity bill, then I think we will do a great disservice to our farmers and to all of America because we will have narrowed the farm bill to a very small scope of people who produce storable commodities. I think the farm bill is much broader than that. It speaks not only to those who produce the food and fiber and to those who produce our livestock, but also to those who produce

fruits and vegetables, specialty crops, orchards, many of the items we buy in our grocery stores that do not come from row crops.

And it is even more than that. It is rural economic development. It is small towns and communities. It is making sure we have jobs and economic opportunity in our small towns. This bill has a very strong rural economic development portion to it. There are even things in the bill to get broadband access to our small towns and communities.

I happened to meet a farmer this morning from northwest Iowa. I asked him what he was doing here. He said his wife was here on a business trip and he was accompanying her and sort of relaxing a little bit, going down to the Smithsonian and coming to watching the Senate—things like that.

I asked him what kind of business his wife is in. Well, it is over my head, but it has something to do with computers and software. So I got to thinking about that and thinking, here is someone who lives in a small town in northwest Iowa doing a job that normally might be done in a large city. Now, again, the problem is getting broadband access so that they have all of the access to the Internet in a high-speed setting. We can develop those types of job opportunities for people who live on our farms in rural America. That is in this bill, too.

Commodities, yes, but it is broader than that. Rural economic development, as I mentioned, is so important. That is why in this bill we have a treasury equity fund, a rural business investment program to support equity groups. We have a national rural cooperative and business equity fund to try to get equity capital to rural areas so we can promote the kind of business development we need. We have a fourfold increase in the value-added agricultural product market development grants. These grants help develop solid value-added enterprises owned by agricultural producers. The business and industry loan guarantee program is improved. We provide $100 million a year for broadband Internet access to our small town communities.

This is a broadly based bill. I not even touched on the enhanced nutrition, forestry, or trade programs. We put more funds and guidance and direction into the foreign market development program and the foreign market access program. We enhance our trading abilities. For forestry, we have new language and new programs to provide more support for the private forests and renewable forestry incentives.

There is a lot more than just commodities in this bill. That is as it should be. Agriculture touches everyone in America. It is more than just that one person on a farm. It is people all up and down the food chain: our processors, shippers, wholesalers, grocery stores, and consumers. We have put a lot in here to protect consumers, to make sure we have the safest and most affordable and steady food supply of any country in the world.

That is why this bill is so important and why we have to move this bill. I think it does no one any good to continue a filibuster or delay. I am hopeful with the breakthrough we had this afternoon with these four amendments, we look forward tomorrow to continuing to debate some amendments. I hope some time, perhaps even later today, we can reach an agreement on a finite list of amendments, and how much time. Then we will know exactly when we will finish the farm bill and get to conference and get it to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, I appreciate the excellent statement by the distinguished chairman of our committee. I join him in attempting to work constructively for completion of a good piece of legislation.

There is broad agreement among Members of the Senate Committee on Agriculture, Nutrition, and Forestry, on the titles, aside from the commodity title. We have had amendments that have pertained to the other title and some may still be heard from Members who were not a part of our committee deliberations.

Clearly, the bill before the Senate does excellent things in the area of conservation, possibly a credit for young farmers, rural development, nutrition, agricultural development, to try to get jobs in rural America for people not engaged in farming.

This is why I regret that the commodity section, as it now stands, seems to me to be a considerable step backward. I am not going to engage in extravagant language about the situation. Honest Senators can differ as to the implications of this. One good reason the Senate chose not to pass legislation before Christmas was that this disagreement pertains to a lot of farmers and other Senators who are not farmers wanted to take a second and third look at this legislation.

I want to talk during these informal remarks at the beginning of our session today about the prospect of some who are well informed who have looked at our work so we might improve it through the amendment process we are about to undertake. I mention, first of all, a report by the Food and Agricultural Policy Research Institute, well-known to Members of our Agriculture Committee, and, I think, to the general public as an extraordinarily reputable agricultural institution at the University of Missouri and Iowa State University. I cite specifically their report of November 2001, at the time we were last deliberating on the farm bill, on the trade issues.

The distinguished chairman has mentioned the attempt by the committee to stay clear of ceilings that might lead the United States to severe difficulties with the World Trade Organization and our other trading partners. Some Senators might say that is the tough luck of anybody else who happens to stand in our way; this is the United States of America, and if we want to spend money on our farmers, by golly, we ought to do that—leaving aside whether we run into conflict that is likely to lead to lawsuits, less exports, and blockages that are already considerable with foreign trading partners.

Clearly, in most of our debates on agriculture, we are in agreement that if farm income is going to go up substantially in the United States, it will have to be through exports because we have a market in the United States which is often termed mature. There is only so much food that we can consume in the United States of America. Even though we must do a better job with our food pantries, with feeding programs—and this farm bill does address those issues and they are important for low-income Americans and for those who are unfortunate—the fact is, given the productive capability of American agriculture, we have to move the product.

In order to move the product, we have tried to work with other nations under an agreement called the World Trade Organization. That gives us some certainty of legal status in other countries. If they complain and were to take action to stop our exports, we have an action to get moving, to move this through arbitration or decisions of the World Trade Organization. Most people in the agricultural business understand that.

What is in dispute is whether the Harkin-Daschle bill now before the Senate bumps up against the ceilings or, in fact, goes through them. The distinguished chairman has said in his best calculation, in fact, we are well below the ceiling, in a safety margin. However, if the FAPRI is not so assertive, and I read from page 7 of the November 2000 report:

> Under the Uruguay Round Agreement on Agriculture, the United States agreed to limit spending on domestic support programs that are considered trade distorting to $19.1 billion per year.

We made that agreement.

> Given the structure of the proposed policy changes, we calculate a 30.3 percent chance that the United States will exceed this limit in the 2002 marketing year.

This is the marketing year that will begin later this calendar year after the 2002 crops are harvested this fall.

> Over the projection period, price increases result in smaller marketing loan expenditures, which will tend to decrease this probability. But the counter-cyclical program begins payments in the 2004 marketing year, essentially replacing green box expenditures. . .with amber box expenditures.

Those are ones that become more dangerous in the calculations.

> This substitute increases the probability that the U.S. exceeds its WTO limits.

I mention that because clearly this can still be remedied. We are in the course of having a debate in which

other Senators or other institutes may make calculations. But I am suggesting that we have a serious point of jeopardy here that may not be well understood by Senators. That is why in this opening statement I move, not to the rhetoric of my colleagues, but rather to an independent organization that is in a position to make informed comment on this.

We have a further problem that is posed simply by the way this bill is structured in the payments. I cite an article by Philip Brasher of the Associated Press, dated today, in which he points out:

A Democratic-backed farm bill pending in the Senate would use an estimated $45 billion by the end of 2006

This is of the $73.5 billion in new spending over a 10-year period of time that has been often mentioned—leaving but $28.5 billion for the remaining 5 years. The problem comes up that the Department of Agriculture has spoken, through the Secretary, Ann Veneman, who said, again yesterday, that the money should be distributed evenly over the 10-year period of time.

Secretary Veneman says:

We feel strongly that we shouldn't front-load a farm bill.

Let me mention that this is a fairly large sum of money. Just a quick division of the $73.5 billion, if one agrees that much more on top of the baseline ought to be spent, would mean if we were to have fairly level payments, our work should come out at something less than $37 billion.

The Daschle-Harkin bill amounts to $45 billion now. Some others have cited figures between $42 billion and $43 billion. It would appear to be $5 billion or $6 billion too rich in the first 5 years. It got that way through a number of compromises.

I sympathize with the distinguished chairman of the committee who must entertain all sorts of suggestions from people who come in and have enthusiasm for doing it now, but I would point out one reason for not moving ahead in November or December, with the farm bill, is that, obviously, we have a disagreement.

One may say the Secretary of Agriculture is entitled to her opinion and we may be entitled to ours. If we want to stack the $73.5 billion, $50 billion in the first 5 years, that is up to us. But on the other hand, at this point the administration has indicated the $73.5 billion is available, that the budget assumptions that have been made are the ones that have been followed through, and, indeed, the President's budget submission includes this.

But she is saying maybe enough is enough. We don't want to spend any more of that money in the first half because that is going to make for a very difficult period following that, in which the suggestions of Senators will be: Let's at least do what we have been doing before. At that point we have a much richer product over the 10-year period of time than the administration or the Budget Committees have agreed to. In any event, we will address that, I am certain, in several amendments that will reduce that sum of money in the first 5 years.

A more comprehensive critique of what we have been doing appeared in the Washington Post this morning. It appeared earlier in Newsweek magazine under the byline of the noted economist Robert J. Samuelson. I wish to quote directly from some of the paragraphs of economist Samuelson's analysis.

He starts with the proposition:

Government programs are, for all practical purposes, immortal.

Perhaps so and perhaps not. But then he offers as evidence of this.

Anyone who doubts this last proposition should examine the farm subsidy programs, which are the classic example of how unnecessary spending survives. Here is a parable for our larger budget predicament. Every year the government sends out checks to about 700,000 to 900,000 farmers. Since 1978, federal outlays to support farmers' incomes have exceeded $300 billion. How large is that? Well, the publicly held federal debt (the result of past budget deficits) is about $3.3 trillion. The past 23 years of farm subsidies equal almost 10 percent of the debt.

But wait: Congress is about to expand the subsidies. The Congressional Budget Office estimates that new farm legislation would increase costs by $65 billion over a 10-year period, on top of the $128.5 billion of existing programs. (And these figures exclude costs for agricultural research, trade and nutritional programs.) The Republican-controlled House has passed one version; the Democratic-controlled Senate is about to debate a slightly different version. And the Bush administration has supported what it calls the bill's ''generous'' funding levels. ''Extravagant'' would be more like it.

Government spending should reflect some ''public interest.'' For farm subsidies, this is hard to find.

Let's examine the possibilities. Do we need subsidies to ensure food production? No. The subsidies go mainly for wheat, corn, rice, cotton, soybean and airy production, representing about a third of U.S. farm output. The rest (beef, pork, chicken, vegetables, fruits) receive no direct subsidies. Has anyone noticed shortages of chicken, lettuce, carrots or bacon? The idea that, without subsidies, America wouldn't produce ample wheat for bread, milk for ice cream or corn for animal feed is absurd. Before the 1930s no federal subsides existed, yet annual wheat production rose 77 percent to 887 million bushels from 1880 to 1930.

Do subsidies ''save the small family farm''? In the 1930s, or even 1950s, this argument might have been plausible. No more. Mechanization and better seed varieties have promoted farm consolidation. In 1935 there were 6.8 million farms. In 1997 there were 1.9 million and, of these, about 350,000 accounted for almost 90 percent of farm production. These farms had at least $100,000 in sales. About 42 percent of food production came from farms with $1 million or more in sales. Countless newspaper stories complain that subsidies go overwhelmingly to large, wealthy farmers. But given the distribution of food production, they must go to large farmers—unless government decides to subsidize farmers who essentially don't farm.

Do subsidies stabilize farm incomes, offsetting period of low prices? Not much. There are two problems. First: When crop prices drop, the subsidies promote overproduction, which prolongs and deepens the price decline. Second: The value of the subsidies increases the prices of agricultural land by about 20 percent, according to the Agriculture Department. This raises the purchase prices for new farmers or lease payments for farmers who rent their fields.

We found in the USDA report this year, 42 percent of farmers are, in fact, renters.

About 45 percent of crop land is leased [according to Samuelson] as opposed to the 42 percent USDA suggested. And of course, there's this question: Why should government stabilize farmers' incomes? It doesn't stabilize incomes of plumbers, print shops or most businesses.

Despite farm programs' nonexistent public benefits, Congress routinely extends the programs for political reasons. On the public-relations front, farmers are thought to be hard-working and, therefore, deserving. Somehow, it seems unfair to withdraw a government benefit they're accustomed to receiving. And if farm programs didn't exist, the congressional agriculture committees would be less powerful. So would various farm lobbies and interest groups. They all have an interest in perpetuating the subsidies. Finally, there's control of Congress.

At this point, Mr. Samuelson quotes me. So this quote was my own.

''The main factor is a concern among lawmakers of both parties that power in Congress could hinge on a few races in heavily subsidized agricultural regions,'' Sen. RICHARD LUGAR, Republican of Indiana, bravely wrote in The New York Times. ''If either party stands in the way of this largesse, they risk being labeled the 'anti-farm party' and targeted with sentimental imagery associated with farm failures.''

Back to Samuelson:

Farm subsidies are huge political bribes. Though they're perfectly legal, the ethics are questionable. The trouble is that hardly anyone raises the questions. The silence defines Washington's self-serving and hypocritical ''morality.'' Everyone in Congress is justifiably outraged these days by Enron's collapse and the losses for workers and investors. But the same legislators will vote for massive giveaways of billions of dollars to farmers without any sense of shame or outrage. There is no inkling that they might be plundering the public purse and doing wrong. (The press is guilty of similar hypocrisy. Farm subsidies excite casual, intermittent curiosity.

I am hopeful that these remarks will excite both Senators and the press because I think we are on the threshold of a very large mistake in the commodity section.

I have made these points before, but let me tick through them quickly.

One problem with the farm bill that now lies before us is that it does increase subsidies very substantially.

From the beginning of the debate, the suggestion has been that the Budget Committee set aside $73.5 billion for additional farm subsidies over the next 10 years. The dilemma here is that the subsidies will create incentives for more production. They are production based. The more bushels, the more dollars for the farmer who produces the bushels. As a result, unless El Nino, or some extraordinary weather phenomenon such as a comet crash, or something of that variety occurs, it is

very predictable that production of the five basic row crops—cotton, rice, soybeans, corn, and wheat—will increase very substantially over the next 5 years. Perhaps export demand will escalate rapidly. Perhaps we will do the things we need to do and evade the blockages of the World Trade Organization and our trading partners that for the moment are outraged by this bill.

Letters I have received from ambassadors from friendly trading countries—the Australian Ambassador, for example, or Commissioner Fisher of the EU, and others—point out very troubled waters ahead. But perhaps we will overcome that. I hope we will because there is no way out of the box unless we export a whole lot more to meet the production gains we are going to have.

The genius of American agriculture is that the yields continue year by year. That is the potential salvation for feeding people all over the world. But between now and then, the question is, How do we get the product out of the country? Failure to do that will lead to oversupply in the country and lower prices. That will trigger higher subsidies. This is what countercyclical is all about. It never counters, it goes one way —down.

If that were all of it, that would be bad enough. But the problem is that only 40 percent or fewer of American farmers are going to receive any of these subsidies. That is the nature of the row crop situation.

Sixty percent—three-fifths—a majority of farmers, really have no interest in these subsidies at all. At least they are not going to receive them. That is not widely understood among farmers, quite apart from the public as a whole. The public as a whole, when they hear of that, say: How can this be? This is the way the program started in the 1930s, and it has been perpetuated.

That is not the half of it. Take this 40 percent. The statistics show in State after State over two-thirds of the money—just in this 40 percent—goes to this 10 percent of the 40. The 4 percent is the total. Stated another way, we are now down to 60 percent at zero, and 10 percent of the 40, or 4 percent, are getting about two-thirds of all the money. The public say, that is preposterous; how in the world can people in a democratic legislative body skew the payments in such a distorted manner that 4 percent of the farms get two-thirds of all the results? We are doing it. We have done it, and we are about to compound it.

It is no wonder that small farmers go out of business. These bills guarantee it. The same Senators on the floor today who will say, What about the small family farmer, and what about the medium-sized family farmer—I am here to tell you that farmer is not going to do well under this bill. Land prices will continue to go up. I do not predict a bubble. Nevertheless, in my own farm situation, I have witnessed management—I have owned farms since 1956—and at least two situations of crash and burn. I can recall—I think most Senators who are following this in our committee will recall—the boom of the 1970s in which those of us who had land throughout that greater time saw an increase of two or three times the value only to see 50 or 60 percent of that stripped away in the early years of the 1980s.

Why is it that we are failing by going through this history again and again? We do it because our programs almost mandate it. USDA's 120-page booklet goes through chapter and verse about how it happens. It is no mystery.

The problem is, for young farmers looking into this, it is a tragedy in terms of entry. For 42 percent of our farmers who rent, it is a tragedy because their rents go up. That is a big percentage.

Whether Members understand who the farmers are in their States or not, the farmers understand their predicament, and the 60 percent who are getting nothing understand that zero. By now, given the Environmental Working Group site, the rest of the farmers understand who the 10 percent are who are getting two-thirds of what happens in their States. They have them listed by name. That is new. And a good number of farmers are suggesting is not fair because it is an intrusion of Government payments. It is an intrusion because in some cases farmers have been receiving hundreds of thousands of dollars a year.

I don't go into the extraordinary cases of movie stars, basketball players, universities, and so forth. After all, under the rules of the game, they own the land and they produce the stuff. Nevertheless, there are some anomalies here that have not been taken well.

The predicament is that we have a farm bill as it stands before us, before we start amending it, that, in my judgment, almost guarantees lower prices, guarantees larger payments, and the payments we know go to very few people. They are huge.

In November and December, I made the point—and I will make it even more forcefully now—that this debate occurs in almost an ''Alice in Wonderland'' situation in which somehow we can talk about farm policy as if it were totally divorced from the budget of the U.S. Government or from the needs of ordinary people.

The distinguished chairman of the Budget Committee, Senator CONRAD, and others on the committee have pointed out that the billions of dollars in deficit that we are now piling up are taken out of the Social Security funds. That is now clear. We are in deficit finance. We are not in surpluses. This is not free money. Social Security recipients surely understand that the $73.5 billion is coming out of the Social Security fund. It is money that could be spent perhaps for reform of Medicare, prescription drugs for the elderly, and other items that most of us in our campaign talked about and promised but clearly are not going to occur so long as our Government is running huge deficits.

We are doing the deficits because we have a war on. And that is proper because terrorists hit our country on September the 11th. But that is the country in which we live. Agriculture is not divorced from that which is our country. It is not another world in which we deal with a very few farmers, maybe 4 percent of the people who are doing business.

How farmers could get into such a predicament is easily predictable, given the types of policies we are about to formulate; albeit, telling the farmers: We are doing it for you and we want your support.

If farmers ever figure this out, we will not have their support. They will wonder how misguided we could have been.

We have been through these arguments several times. I appreciate the indulgence of my colleagues in listening to them again. But we do have a second chance. Thank goodness we did not adopt this legislation in unamended form in November or December because we will be coming into conference with a House bill that, in my judgment, is equally disastrous.

Madam President, with these thoughts in mind, I hope we can proceed through the amendments in an orderly way. I promise to work with the distinguished chairman to make that so.

We are now getting the ideas from all of our Senators on this side of the aisle. I understand that is occurring with the chairman. Hopefully, we will have a finite list of amendments and have an idea of a roadmap for a successful conclusion.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2604

Mr. HARKIN. Madam President, parliamentary inquiry: What is the business before the Senate at this time?

The PRESIDING OFFICER. The Senator's amendment No. 2604 with a 30-minute time limit.

Mr. HARKIN. With a 30-minute time limit?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Madam President, I yield myself such time as I may consume.

Madam President, this amendment is cosponsored by Senators GRASSLEY, FEINGOLD, WELLSTONE, and ENZI. This is the livestock production contract amendment that I offered in December. This amendment furthers one of the

most important goals of this farm bill, and that is to promote competition.

We had a competition title in the original farm bill I introduced in the committee. Two other amendments have already been adopted: Senator FEINGOLD's amendment prohibiting mandatory arbitration in livestock contracts, and Senator JOHNSON's amendment on packer ownership.

My amendment will address yet one more issue in the competition arena, and that is livestock production contracts and the right to discuss contracts with close advisers.

The amendment does two things: It closes a loophole in the Packers and Stockyards Act by including livestock production contracts under its jurisdiction; and, secondly, it provides livestock producers the ability to discuss terms of their contracts with certain people, such as their attorney, banker, landlord, and Government agencies charged with protecting a party to the contract.

Livestock production contracting is an arrangement between a packer or another owner of livestock and a farmer. The basic contract requires a farmer to provide the buildings, the equipment, and the labor to raise the livestock; and the livestock is owned by someone else, the contractor.

This type of arrangement differs from the traditional livestock industry structure where the farmer both owned and raised the livestock. In the poultry sector, production contracting is nearly universal and, I might add, has been covered by the Packers and Stockyards Act since 1935. It is becoming more prevalent in hogs, and is growing in the cattle industry.

What this amendment would do is protect livestock production growers from unfair and deceptive acts. The same type of fairness rules are common in other markets where people are threatened by inequitable bargaining positions. For instance, Federal law affords similar protections to produce and vegetable growers, automobile dealers, gasoline franchisees, individual securities investors, and livestock farmers who own the livestock.

Currently, the Packers and Stockyards Act provides protections for farmers who sell livestock to packers. That has been in the law since 1921. But the act does not protect those who raise livestock, under a production contract, for someone else. The amendment would close this loophole. Current law does not fit current practice. Production contracts, as I said, are becoming more common.

In 1990—just 11, 12 years ago—production contracting in the hog industry was almost unheard of. By the year 2000, 34 percent of hogs were raised under production contracts.

So again, farmers and ranchers need this amendment because the consolidation and vertical integration of the markets are providing them an unequitable bargaining position.

Livestock production contract growers are the ones most at risk of unfair conduct because, like a franchisee, they tend to make large investments to enter into a contract, and then they feel constrained to endure unfair treatment because of their large capital investments.

Basically, the amendment would allow a producer to share his or her contract with their attorney, business adviser, landlord, manager, family, and State and Federal agencies charged with protecting parties to the contract.

The amendment does not require anyone to share the contract if they do not want to. And it does not say the contract should be made public in any way. The provision even allows contracts between a contractor and farmer to prohibit farmers from sharing a contract with their neighbors or the contractor's competitors, for example.

So, again, the amendment enjoys broad support. The American Farm Bureau Federation and the National Farmers' Union—the two largest general farm organizations—as well as dozens of other farm and consumer groups, support the amendment.

It is bipartisan. As I mentioned, there is support on both sides of the aisle for this amendment. I am hopeful we can adopt the amendment.

AMENDMENT NO. 2607, AS MODIFIED; AMENDMENT NO. 2608, AS MODIFIED; AND AMENDMENT NO. 2602, AS MODIFIED

Mr. HARKIN. Madam President, I ask unanimous consent that amendment Nos. 2607 and 2608 be modified with the text at the desk, and that Wellstone amendment No. 2602 be modified with the text of amendment No. 2631.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The amendments (No. 2607, as modified; No. 2608, as modified; and No. 2602, as modified) are as follows:

AMENDMENT NO. 2607, AS MODIFIED

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

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

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

''(1) IN GENERAL.—Subject to paragraph (3), the Secretary'';

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

(3) by adding at the end the following:

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

''(3) EXPENDITURE OF FUNDS.—In carrying out this subsection, the Secretary shall ensure, to the maximum extent practicable, that the total amount of payments made under the program under this subchapter does not exceed the amount made available to carry out the program for the fiscal year in which the payments are made.''.

AMENDMENT NO. 2608, AS MODIFIED

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

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

''(j) PER-ACRE PAYMENT LEVELS.—

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

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

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

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

''(3) EXPENDITURE OF FUNDS.—In determining the per-acre values for land under paragraph (2), the Secretary shall ensure, to the maximum extent practicable, that the per-acre values are such that the total amount of payments under the program under this subchapter made in accordance with those values will not exceed the amount made available to carry out the program for the fiscal year in which the payments are made.''.

AMENDMENT NO. 2602, AS MODIFIED

Beginning on page 226, strike line 1 and all that follows through page 235, line 6 and insert the following:

''(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

(i) IN GENERAL.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

(I) WAIVER.—The Secretary may on a case by case basis grant states a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(ii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

(B) NEW OR EXPANDED OPERATIONS.—Subject to (4)(A)(i)(I) of this section, a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or treatment device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operations that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) MODIFICATION OF OPERATION.—A modification of a large confined livestock operation shall not be considered an expansion under subparagraph (B)(ii) of this section, if as determined by the Secretary, the modification involves—

(i) adoption of a new technology;

(ii) improved efficiency in the functioning of the operation or,

(iii) reorganization of the status of the entity; and

(iv) the capacity of the operation to confine livestock is not increased.

(D) MULTIPLE OPERATIONS.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

(E) FLOOD PLAIN SITTING.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure process wastewater, or other animal waste generated by a confined livestock operation if

(i) the structural practices are located in a 100-year flood plain; and

(ii) the confined livestock operation is a confined livestock operation that is established after the date of enactment of this paragraph.

(e) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

(f) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

(2) AMOUNT.—The allocated amount may vary according to—

(A) the type of expertise required;

(B) the quantity of time involved; and

(C) other factors as determined appropriate by the Secretary.

(3)LIMITATION.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

(4) OTHER AUTHORITIES.—The receipt of technical assistance under the program shall not affect the elgibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive a nutrient management plan from a certified provider.

(C) PAYMENT.—The incentive payment shall be—

(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land-management practices,

(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

(iii) in an amount determined appropriate by the Secretary, taking into account—

(I) the extent and complexity of the technical assistance provided;

(II) the costs that the Secretary would have manned in providing the technical assistance; and

(III) the costs incurred by the private provider in providing the technical assistance.

(D) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

(E) CERTIFICATION BY SECRETARY.—

(i) IN GENERAL.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

(ii) QUALITY ASSURANCE.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

(F) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

(G) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a produce on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

(a) IN GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

(1) maximize environmental benefits per dollar expended; and

(2)(A) address national conservation priorities, including—

(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to production systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems;

(ii) applications from livestock producers using managed grazing systems and other pasture and forage based systems;

(iii) comprehensive nutrient management;

(iv) water quality, particularly in impaired watersheds;

(v) soil erosion;

(vi) air quality; or

(vii) pesticide and herbicide management or reduction;

(B) are provided in conservation priority areas established under section 1230(c);

(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

(D) an innovative technology in connection with a structural practice or land management practice.

SEC. 1240D. DUTIES OF PRODUCERS.

(a) To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

(A) if the Secretary determines that the violation warrants termination of the contract—

(i) to forfeit all rights to receive payments under the contract; and

(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary, or

(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program, and

(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

(a) IN GENERAL.—To be eligible to receive technical assistance cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan, and in the case of confined livestock feeding operations, development and implementation of a comprehensive nutrient management plan.

(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

SEC. 1240F. DUTIES OF THE SECRETARY.

(a) To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

(1) providing technical assistance in developing and implementing the plan;

(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

(3) providing the producer with information, education, and training to aid in implementation of the plan; and

(4) encouraging the producer to obtain technical assistance, cost-share payments, or

grants from other Federal, State, local, or private sources.

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), the total amount of cost share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year,

(2) $90,000 for a contract with a term of 3 years,

(3) $120,000 for a contract with a term of 4 years, or

(4) $150,000 for a contract with a term of more than 4 years.

(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer, and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

(d) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. How much time does the Senator want on this amendment?

Mr. GRASSLEY. Could I have 10 minutes?

Mr. HARKIN. I yield the Senator 10 minutes.

Mr. GRASSLEY. I am sorry, I did not realize we were under time agreements.

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

Mr. GRASSLEY. Mr. President, I would like to go back to a very important subject that the Senator from Indiana brought up, and that is whether or not the bill is compliant in the future with some of our World Trade Organization obligations.

I think it is very obvious that the committee anticipated that it might not be compliant because on page 35 of the report there is a paragraph on the Secretary of Agriculture doing an adjustment to farm payments if that becomes a problem.

I cannot find fault with the writers of the legislation for putting this in here because in the other body, in the House bill—a Republican bill—they saw this as a problem, too.

On page 131 of that House bill it says: The Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed but in no case be less than such allowable levels.

To me, it is a very serious problem we have; albeit, you might say it is going to happen—if it happens at all—in a minority of the instances because, as the Senator referred to FAPRI of Iowa State and Missouri, you said you think they said it would happen 30 percent of the time.

But if you are in a situation where it happens that 37 percent of the time and we exceed and we are retaliated against, and that would be legal retaliation and it would be retaliation at a time, presumably, we get high payments, farmers are already in trouble or they wouldn't get the additional payments. So you could find yourself in a situation where at the very time prices are going down, and we also have the additional problems that we can't export because we are being retaliated against, that just at the time farmers need the safety net, then that safety net has one great big hole in it.

We need to find some way to protect the American farmer so that the safety net the farmer has doesn't have a big hole in it. And we ought to also do it because we are in the leadership of all the nations of the world on reducing barriers to trade, particularly through our work in the Cairns group of nations. We are trying to get impediments to agricultural trade down to zero, both from the standpoint of market opening and from the standpoint of tariffs. That is our goal in the next round of negotiations under WTO.

If we are a nation in trade that believes in the rule of law, we have to follow the rule of law. We anticipate we would be in trouble on that because of the farm bill. It seems to me at a time that we are talking about a safety net for farmers, we ought to do what we can to make sure that hole is mended before this bill leaves the Senate. If it goes to the House and the House is willing to ignore it, then where are we? We are in a situation where down the road 5 to 10 years, depending on how long a farm bill we have, we have a big potential problem for the American family farmer. When they need help, they aren't going to get it. We can't go to the WTO and complain because we ourselves have recognized the possibility we might be in jeopardy.

In this regard, since we are going into the negotiations in the WTO—they start next week—I think, in the special round on agriculture that is going to be discussed in Geneva, for example, even the larger negotiations of the Doha development round, we are hoping to accomplish a great deal in reducing or eliminating tariff barriers and tariffs on agricultural products. In fact, it is such an important item, I think eventually we are going to start referring to this as the agricultural round. We are going to set an example. We have always tried to set an example.

Where we are, if we pass a bill that potentially violates WTO, we are giving encouragement to the competitor that we most have trouble with—Europe. Europe has about 85 percent of all of the subsidies for exports in the entire world. Europe has about a $400 billion common agricultural program.

We want that common agricultural program reduced. I think Europe knows they have to reduce it. We are going to be in a situation where we pass this legislation and, as they are looking at their common agricultural program, which they are doing, they are going to put off the big decisions of reducing that until probably the year 2005.

In the process of our complaining to them about they aren't doing enough, they are obviously going to cite not only what they believe the impact of our legislation is, but they are also going to cite that our legislation actually recognizes that as based upon this paragraph on page 35 and based upon the House bill.

I don't know why we don't live in the real world and why we don't try to deal with this. I am not saying that in a denigrating way to the Senator from Indiana. I am just saying that in a commonsense approach because he recognizes it. I suppose for the people who write the bill, they don't find an easy way to get out of it other than putting this paragraph and this language in the respective bills of the House and the Senate. This isn't directed towards Democrats because Republicans have put us in this boat as well.

I know that the White House sees this as a problem. They want us to work our way out of it. I happened to be able to have breakfast this morning with the person who is going to succeed Mr. Mooree as executive for the World Trade Organization, Dr. Supachai Panitchpakdi of Thailand. He is a parliamentarian there. He is going to take over in September. He expressed this concern to me as well. And, by the way, his country is very much a participant in the Cairns group that wants to eliminate agricultural subsidies. He reminded me, even though he has a small country, his agricultural subsidies are $1.3 billion compared to Europe's $400 billion. But regardless, he says that it does not put the United States in a very good position going into the Doha round of negotiations to be able to say to the other 142 nations, in particular, as we address the 77 developing nations within the World Trade Organization that tend to be more protective about their agriculture, and wanting to do less in this area, it doesn't put us in a very good position if we are writing legislation that we recognize is a potential violation of the world trading organization because we are exceeding the $19.1 billion that is in the amber box limit.

I have put forth some suggested amendments, a couple different approaches that I would have to confess maybe don't totally meet our requirements under the WTO, but I think tend away from heavy reliance upon price and heavy reliance upon production, which are the two items that if we tie our payments to tend to make us violate amber box requirements.

I want to work with both managers of the bill and see what we can do about this. To repeat the two or three reasons why I want to work with them, because, No. 1, we brag about passing a safety net for farmers, that safety net

should be a pretty certain safety net for the next 5 to 10 years, the length of the legislation. At a time when it is most needed, it should be most predictable what would happen.

This language tells me that the bankers, to whom we are always listening, have to know what the farm program is going to be so they can make loans to farmers. They are going to look at this and say: We really don't know.

The PRESIDING OFFICER. All time has expired.

Mr. GRASSLEY. May I have 30 seconds?

Mr. LUGAR. I am happy to yield 30 seconds of the opposition time.

Mr. GRASSLEY. No. 2, then, so that we maintain our leadership in this effort to reduce trade barriers.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, may I ask a question of the Chair? Is there 15 minutes of opposition time, minus the concession to the distinguished Senator from Iowa?

The PRESIDING OFFICER. That is correct.

Mr. LUGAR. Mr. President, the legislation offered by the distinguished occupant of the chair contains provisions that respond, in my judgment, to a number of unintended consequences for the farm sector of our economy.

I believe it is a matter of fact that in order for Senators to have a pretty good idea, at least, of how this amendment shapes up, a letter has come to me from a number of groups that are affected. Let me cite those groups. It was signed by the American Cotton Shippers Association; American Soybean Association; National Cattlemen's Beef Association; National Chicken Council; National Corn Growers Association; National Cotton Council; National Pork Producers Council; National Sunflower Association; United Egg Producers; U.S. Canola Association, and the Wheat Export Trade Committee.

They have written the following letter, which responds to the Senator's amendment:

The Senate Agriculture Committee may soon be considering legislation as part of the Farm Bill to address the issue of agricultural competition and concentration. This extremely broad legislation would give the U.S. Department of Agriculture unprecedented authority to regulate corporate relationships, commercial practices and contracts for the production of agricultural commodities.

Tough laws already exist to ensure open and fair competition throughout the U.S. economy—including agribusiness. The current laws should be aggressively enforced. Creating new laws in an already complex regulatory environment is unnecessary and could result in serious unintended consequences. Legislation limiting the ability of agribusiness to attract the needed capital for future development could harm the constituents that this legislation is intended to serve.

Risk is an ever-present element of agriculture and effectively managing risk is a fundamental goal of agricultural producers. The key to effectively managing risk involves the use of creative risk management tools. Farmers and ranchers have worked with agribusiness firms to develop creative solutions for managing risk. Implementing these solutions requires capital investment, and to attract the necessary capital, firms must offer attractive rates of return. Statutory and regulatory burdens that focus on agriculture—ignoring the broader economy—inhibit the ability of agribusiness to attract the necessary capital to stay competitive and provide innovative risk management solutions.

Unique marketing opportunities and new products present premium opportunities for producers. Placing agriculture under an isolated legal umbrella could well inhibit progress and limit the ability of agricultural producers to adopt new and innovative systems that increase profitability and sustainability. Modifying existing laws and statutes could segregate agriculture from the rest of the economy, causing capital flight and hurting long-term growth, investment, competitiveness and success of agribusiness and consequently American agriculture.

Several state legislatures have taken steps such as the ones we are concerned about, and the results have been negative not only for agribusiness, but for producers as well. For instance, South Dakota and Missouri passed well-intentioned price discrimination legislation that resulted in severe cash/spot market disruptions, and Minnesota has passed legislation that has hindered the availability of some risk management and quality-based production contracts.

In this day and age, agriculture needs more capital and human investment in order to remain productive for the long term. The undersigned organizations will not support legislation that would create unfair regulatory burdens or cause scarce capital resources to be diverted away from agriculture toward other sectors of the economy.

Sincerely,

American Cotton Shippers Association
American Soybean Association
National Cattlemen's Beef Association
National Chicken Council
National Corn Growers Association
National Cotton Council
National Pork Producers Council
National Sunflower Association
National Turkey Federation
United Egg Producers
U.S. Canola Association
Wheat Export Trade Education Committee

I find merit in what has been suggested by these groups. I regret that the amendment would add, in my judgment, burdens and costs, restrictions, and more regulations for producers. It appears to me the tools that have been created are, in fact, both innovative and do help to manage risk. I hope they will be perpetuated.

Processors use contracting, which is a specific subject of the Senator's amendment, to secure stable and consistent supplies of the products that the market desires, as well as increasing operating efficiency.

A Purdue University study of agricultural contracting conveys the concern that legislation prohibiting or impeding contracting in agriculture could spur increased coordination in agribusiness. The study discusses the need for a contract in order for a process or to guarantee a quality and consistent product to consumers. I think that is the heart of the argument.

In essence, contracting is helpful in managing risk. It is helpful, at least to the buyer, to make certain of the quality and quantity and the supply of what is required for the benefit of consumers down the trail. Therefore, I am hopeful that the amendment will not be adopted. I appreciate the spirit in which it has been offered. I hope Senators will take seriously the arguments I have presented and, even more importantly, the arguments presented by the distinguished list of agricultural producers that authored the letter I cited.

I yield the floor.

(Mrs. CARNAHAN assumed the chair.)

Mr. HARKIN. Will the Senator yield for a mild colloquy?

Mr. LUGAR. Yes.

Mr. HARKIN. I ask the ranking member, is that the letter that came last fall or is it a new one? I am not familiar with that. If that is the one——

Mr. LUGAR. It came in November of last year.

Mr. HARKIN. I think that letter is just opposed to the whole competition title that we had in the chairman's mark of the farm bill last fall.

Mr. LUGAR. I am sure the Senator is correct. There are a number of aspects of the competition title to which it would refer.

Mr. HARKIN. Yes. That is why this amendment I have offered is much more limited in scope than the broad issue they were talking about.

Mr. LUGAR. They cited contracting in that part of it specifically, but it covers, obviously, a much more comprehensive set of circumstances.

Mr. HARKIN. I wanted to make sure this wasn't a different letter. I thank the ranking member.

Madam President, when I took the chair, I had yielded some time to Senator GRASSLEY from Iowa. I thought he was going to talk on this amendment. He wanted to talk on something else. I think my time has expired on this side.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Madam President, I ask unanimous consent for 2 more minutes to respond a little bit to the letter written.

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

Mr. HARKIN. I think, again, the letter that was read addressed the entire competition title and it was comprehensive. This amendment is much more narrow. It only affects production contracts in livestock. The letter does not point out, nor have I heard anybody point out, any specific negative consequences that could occur from this very limited type of amendment. This provides for fairness in production contracting. It closes a loophole in the Packers and Stockyards Act. That act already covers production contracting in poultry and has since 1935, if I am not mistaken. But at that time there

was no such thing as production contracting in other areas, such as livestock, cattle, and hogs, it was not addressed. Since then, production contracting has become much more prevalent in livestock.

As I pointed out, in 1990, there wasn't such a thing. Now, 30 to 35 percent of all our hogs are raised under production contracts. If we will provide fairness rules for gasoline station owners, for Dairy Queen owners, or securities dealers, or others that are franchisees, to give them a little bit of fairness in their contracts, that is all we are trying to do with our cattle and hog producers.

Again, this is to close the loophole in the Packers and Stockyards Act. I cannot imagine why our cattle producers or any organization that represents them would be opposed to that. Who are they representing? What organization is going to tell my farmers they can't have protections under the Packers and Stockyards Act like our poultry producers do?

The packers, of course, want unlimited power. All we are trying to do is put in some fairness, and this amendment does that.

I thank the Chair for yielding this additional time.

Mr. ENZI. Madam President, today I rise in support of the amendment offered by Senator HARKIN. This amendment puts ranchers with production contracts under the same umbrella of protections the Packers and Stockyards Act provides to other livestock producers. Producers with production contracts, excluding those that raise poultry, are not included in the Packers and Stockyards Act. They are not protected from unfair and deceptive practices as other livestock producers are.

In a production contract, a producer provides the labor and materials to raise livestock owned by another individual, the contractor. Until recently, the contractor could be a packer or another person. On December 13, 2001, this body passed an amendment to the farm bill that prevents packers from owning, feeding, or controlling livestock more than 14 days before slaughter. This means that packers can no longer directly enter into production contracts because they would own the livestock more than 14 days before slaughter. However, the amendment we passed in December does not prevent other individuals from production contracting with producers. These producers with production contracts need the same protections other producers receive against unfair and deceptive practices.

We should not be fooled into thinking that this ban of packer ownership we passed in December will completely shrink packer influence over the market. This bill must still go to conference and the ban will face incredible scrutiny. The ban will probably go the way many similar amendments have gone in the past. Amendments that reduce the choke hold of the packers have routinely disappeared in conference. It took years of work to get mandatory price reporting into law. However, we all know the packers are still withholding a fair amount of pricing information from producers.

Many of you may be wondering why these producers need protection from their contractors. A production contract entails a large capital investment to feed, shelter, and care for the livestock that the producer does not own. Many producers have suffered through unfair treatment because their contract was too large to risk contending with the unfair practices. This great pressure from the contractor was also the reason the second part of the amendment was included.

The second portion of the amendment guarantees that the producers have the right to discuss the contract with their business advisors, landlord, managers, family, and State and Federal agencies charged with protecting parties to the contract. In States where producers already have this right, the pressure and intimidation from contractors is so extreme producers forego sharing the contents of their contracts. They fear retribution. Other producers are given contracts with secrecy clauses that prevent them from discussing the contract terms with individuals that could help protect their interests.

This amendment offers an overlooked group of livestock producers the same protections others in their industry already have. They would be protected from unfair and deceptive acts and given the right to discuss their contracts with certain individuals. I urge my colleagues to throw your support behind this amendment.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, I appreciate the arguments made by the distinguished Senator. It would appear to this Senator, however, that the objectives of the Harkin amendment are already met on the statute books. The reason I have suggested that the amendment creates confusion is that it might subject the current law to reinterpretation. To that extent, it seems to me that this amendment is not productive, except of potential confusion and difficulty. Very clearly, current statutes are against fraud, unjust practices, and abusive activity in contracting.

I say to the Presiding Officer, the groups I cited, that at least a good number of members who are subject to the competition section, as the distinguished Senator from Iowa has pointed out, and this part of it in particular, object for good reason and cite this is going to be disruptive at least in terms of their operations and capital flow in what they are doing.

For those reasons, I do not perceive the necessity for the amendment and ask Members to vote in opposition.

Madam President, unless there is further need of debate by my distinguished colleague, I yield back my time on this issue.

The PRESIDING OFFICER. All time is yielded back.

Mr. HARKIN. Madam President, parliamentary inquiry: Under the unanimous consent agreement entered into some time ago, what is the next order of business?

The PRESIDING OFFICER. The next order of business is 40 minutes of debate on the two amendments by the Senator from Montana.

Mr. HARKIN. I understand the Senator from Montana will be in the Chamber very shortly. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2607, AS MODIFIED, AND AMENDMENT NO. 2608, AS MODIFIED

Mr. BURNS. Madam President, I thank my ranking member. I assume my two amendments are in order.

Mr. LUGAR. The Senator is correct. I yield to the Senator 20 minutes of the 40 minutes allocated for debate on the amendments for his control.

Mr. BURNS. I thank my good friend from Indiana. I do not think I will take that much time because these amendments were pretty well discussed prior to the holiday break.

There was some question about a budgetary point of order. I have since modified these amendments, and they are in concert with the budget and ready for consideration because it is a change in policy on how we handle CRP, the Conservation Reserve Program.

One of the amendments limits the number of acres—these will be the new acres coming into the system or any acres that are renewed—a farmer can enroll in the CRP.

What we are seeing in rural America is that instead of selling the farm or the ranch to a younger farmer or putting the acres into production, those acres are enrolled in the CRP and they do not produce anything. In other words, the farmer who enrolls them takes the check and it is like going to Arizona—he is still getting the paycheck and still paying for the farm.

I think this is wrong. Those acres are enrolled for a good purpose. The original intent of CRP was to put marginal acres in the CRP and leave the good acres to production. What happened? The trend has reversed, and farmers are putting in some good land. It forced some of the fellows who needed to raise their production into breaking up some land that was marginal for grain production.

This one amendment calls for a limitation on the number of acres a farmer can put in the CRP. It is not the total

acres of a county or a State but for each farmer.

The other amendment deals with the form of payment. As I said, we had one payment for everything. It was designed to take those marginal acres, highly erodable acres, out of production for a conservation reason—wildlife habitat. It worked. Land was set aside. The population of upland birds, sporting birds, and wildlife returned to those areas.

Then, because payment for the acres increased, good land was being put into the CRP. That was not the intent of the Conservation Reserve Program.

What my second amendment says is we will pay higher prices for those acres that are highly erodable and should not be farmed and should be set aside for conservation purposes—in other words, it is just good conservation—and a lower price for the highly productive land because that is the land that should be in production.

I do not know how many people have gone through our rural areas, but CRP has not been a great thing for our smaller towns. One does not see dealerships. Machinery dealerships have gone away, and feed and wheat houses have gone away because good land was put into the CRP and taken out of production, and nothing happens on that land. That is not what the original intent of CRP was about.

As I stated to the ranking member of the Agriculture Committee, these issues have been pretty well aired. The purpose, as far as I can see, is good conservation. It also is good business practice.

If there are questions, I will certainly entertain some conversation on these amendments. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative proceeded to call the roll.

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

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

Mr. HARKIN. Madam President, in conversations with my friend from Montana and with the staff, I understand there is a budget score on these amendments that may be a problem. In discussions with the Senator from Montana, he has obviously raised some good points. Part of the bill addresses some of the problems already. I refer to page 213 of the bill, section 212. We provide for a study on economic effects regarding the Conservation Reserve Program.

Our staffs are going to work together to develop further language, as I understand, that could be added to this section to for additional studies in the area that the Senator from Montana is concerned about, but that would not have a budget scoring implication. We will work together with the staff of the Senator to try to develop that language.

Mr. BURNS. Madam President, I thank my friend from Iowa. I don't think we have any other route until we complete this study. Maybe we can enlighten our friends down at the CBO. They came up with unbelievable numbers. We changed our language, on their recommendation. There was a point of order raised when we first offered the amendments; they were wrong then. Then they suggested the language. Now they say the language is not good enough. So here we go again.

I take issue with their numbers. However, I will not take issue with the recommendation made from the chairman of the Committee on Agriculture. We need to complete some sort of a comprehensive study of rural areas and the impact that CRP, specifically this program, has had on rural communities, when you take good land out of production or you pay the same for highly erodable land and highly productive land. I think we can work on some language.

We would like to see what happened. Maybe they will put some little fellow somewhere to work, give him a job for the next 2 or 3 months and maybe we can come back and change some of this.

It defies common sense. They say that is about all the sense I have—pretty common—but it defies common sense that this would have an impact on the budget or outlays of money when we talk about the enrollment of acres into a conservation program, designed for a good reason, but that has gone astray. We are trying to fix that. That is all we are trying to do. If it requires a study and we have to go back and visit with those people, that is what we will have to do.

I thank my friend and his staff for that recommendation. I think it is a good recommendation.

AMENDMENT NO. 2607, AS MODIFIED, AND AMENDMENT NO. 2608, AS MODIFIED, WITHDRAWN

Mr. BURNS. Madam President, I will withdraw these amendments.

If the manager of the bill will permit me a hold somewhere in there, say, if we get the language worked out, then we can reoffer these amendments, referring to the section that he recommended in his opening statement.

I appreciate the help of my good friend from Iowa.

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

The amendments (Nos. 2607 and 2608, as modified) were withdrawn.

Mr. HARKIN. I say to my friend from Montana, we will work together to try to get this language modified. I guarantee the Senator he will have the opportunity to offer that at some point before we finish this bill.

Mr. BURNS. I thank the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2602

Mr. WELLSTONE. Madam President, I call up my amendment No. 2602.

The PRESIDING OFFICER. The amendment is now pending.

Mr. WELLSTONE. Madam President and colleagues, this is a simple reform amendment. We have done a lot of good in the farm bill—I thank the chairman, Senator HARKIN—which I really think represents a reform measure. The energy section of the bill is very important, economic development, and the Conservation Security Act, and the list goes on.

I think the amendment Senator JOHNSON offered—I was proud to offer it with him—on captive supply is extremely important. The country-of-origin label is really important. Later in this debate, we will consider a payment limitation amendment that I am in favor of which would stop subsidizing the megafarms that have driven independent producers out of business.

Part of the problem right now in the food industry is a few conglomerates have muscled their way to the dinner table exercising their raw economic and political power over independent producers, over taxpayers, and over consumers.

This debate has made me a true conservative. I am interested in putting more free enterprise into the free enterprise system. I want more competition in the food industry and more competition in agriculture.

If you support a payment limitation, you should certainly be in support of this amendment. This amendment is about stopping the flow of benefits to these large livestock conglomerates that over the years have been squeezing out the independent producers and that have also all too often represented an assault on the environment.

The amendment is simple. It says we in the Congress should and will work to help alleviate the environmental and public health threat posed by existing large-scale animal factories. However, Congress should not be subsidizing the expansion of these large animal confinement operations.

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

Problem: Current law limits payments under the Environmental Quality Incentives Program—we call it EQIP—to small- and medium-sized operations. Any operation with over 1,000 animal units is not now eligible for EQIP farms. Again, any operation with over 1,000 animal units is not now eligible for EQIP funds.

For colleagues who are not from agricultural States, what does 1,000 animal

units mean? It means 1,143 cattle, 714 dairy cows, 5,400 hogs, 454,545 boilers, and 66,667 turkeys.

Unfortunately, the farm bill of the House of Representatives removes the 1,000 animal unit cap, opening millions of dollars to factory farms for managing their livestock waste. The House bill also raises the current payment limitation to $50,000 a year. The Senate Agriculture Committee's farm bill also eliminates the 1,000 animal unit cap and raises current payment limits to $50,000 per year.

Over the last decade, there is little doubt and little debate that we have seen these large-scale animal factories proliferate across the Nation. These big operations have grown with little regard for environmental damage and public health threats rising from the huge amounts of animal waste generated by these operations. Many rural communities have seen drinking water supplies and recreational waters degraded. In some cases, neighboring property owners, including those who have lived in their communities for generations, have been driven from their homes as a result of the animal waste. Farmers and ranchers have joined with others in bringing legal action against these factories for the unbearable stench from millions of gallons of liquid animal feces and urine or tons of poultry waste for the degradation of surface and ground water.

This is an environmental amendment, but it is more than that. Additionally, the expansion of these factory farms has, in large part, led to the disruption of family farms. Across America you see this concentration of livestock production into fewer and larger industrial operations taking over, driving out the small businesses.

I am saying that these large operations can right now get technical assistance. They can receive EQIP money with no problem whatsoever.

But what I am saying is they want to expand. Later in the Chamber we are going to be talking about this again. If they want to expand, they will be receiving more Government money. The Government ought not be in the business of promoting this expansion by giving money to these large conglomerates which quite often are destructive of the environment and destructive of what is good for consumers and are driving independent producers out of business.

Again, Senators, I will repeat what I said earlier. There is going to be a payment limitation amendment on the floor. Anyone who is for that certainly ought to be supportive of this amendment.

It is very simple. My amendment is simple. It says new or expanding large-scale animal factories shall not be eligible to receive cost-share funds under the EQIP program for animal waste structures. Existing large animal operations would continue to be eligible.

That is a very important point for EQIP assistance. Let me be crystal clear about that. Let me also say that there has been language added in consultation with both the majority and the minority committee staff to my amendment to clarify the point that adoption of new technologies does not, absent expansion of capacity, trigger new or expanding provisions. You can always add technology. It is not a problem. We are not talking about new technology. We are talking about the actual expansion of these operations.

Another point: What you have going on with these CAFOs is some of these big conglomerates don't own just one but there is multiple ownership.

What I am simply saying is to let us do something but let us do something for the family farmers. Let us not oversubsidize corporate operations that own multiple CAFOs around the country. Some of the biggest hog producers in the United States are these large corporations that own 10, 15, or 20 CAFOs.

My amendment says if you own more than one CAFO, you don't get any taxpayer subsidy. I am sick and tired of this taxpayer subsidy in inverse relationship to need in agriculture. By the way, so are consumers, so are taxpayers, and so are the citizens we represent.

Finally, this amendment also disqualifies funds for construction of new livestock waste facilities located in a 100-year floodplain. That is a no-brainer. I don't I think even need to explain it.

But I do want to point out that this revised amendment would allow livestock operations to expand up to 1,000 animal units, even if they are in a 100-year floodplain, but would retain the restriction on establishing new facilities in the floodplain.

Colleagues, I have already made it clear that the payment goes not from 10 to 50 but 10 to 30. So we increase the payment.

I have also made the case that for those who say we ought to be targeting the assistance, we ought not to have this largess going out to the largest conglomerates, we ought not be using taxpayer money for subsidizing environmental degradation, we ought to be getting this to the independent producers, this amendment is a dream for you.

If we do not pass this amendment, you are going to have editorials, and I am sure there will be a Web site somewhere that is going to track these CAFO payments and reveal just how these integrators and corporations are receiving them. Frankly, the reason for that is Congress just gave it away.

This is a reform amendment. I urge my colleagues not to go down this road again. I urge my colleagues to retain some degree of reasonableness on the payment limit issue.

For those who support reform on the crop side, we should support this measure. If we don't pass this amendment, we will see the same abuses in the EQIP program as we have seen under the commodity programs with all of the money going to the very biggest of the operators. Let us make sure that the small and midsize producers are the ones that get the help. Let's make sure they have access to environmental quality incentive payments. Let's not open the floodgates wide to take care of the full costs of any operation no matter how large it is and no matter its environmental degradation.

I simply say the limits in my amendment are triple the size in current law and nearly 10 times larger than the current average payments. It is reasonable. I urge your support.

This is a reform amendment for agriculture. It should be adopted.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, how much time does the Senator from Minnesota have?

The PRESIDING OFFICER. Nine minutes.

Mr. HARKIN. Madam President, I ask the Senator if he will yield me a couple minutes.

Mr. WELLSTONE. Madam President, absolutely. I am very proud to have the support of the chairman.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, during the 1996 farm bill debate, I successfully offered an amendment to limit cost-share funding under EQIP for large confined animal feeding operations, which is present law.

I offered that amendment because of the special environmental concerns associated with these large operations. Again, let's keep in mind, as the Senator from Minnesota said, these are large CAFOs, operations larger than 1,000 animal units. That is 4,000 head of veal, or 5,400 head of swine, with an average weight of 185 pounds. So, again, we are talking about pretty large operations.

I believe we need to help producers comply or avoid the need for regulations. I believe we should provide cost-share funds to these CAFOs to build structures that will contain waste to protect and improve water quality, and to protect the quality of the environment.

However, as the Senator from Minnesota has said, EQIP was never designed to subsidize expansion of livestock operations.

The underlying bill allows for the use of cost-share funds for existing and expanding CAFOs. This amendment, as I understand it, does not prevent the use of funds for existing CAFOs but prohibits cost-share funding for new or expanding CAFOs; that is, operations over 1,000 animal units, but with several exceptions like for operations that expand using innovative technologies.

So this amendment still allows cost-share funding for existing and smaller facilities but does not subsidize growth of the very largest livestock operations that are not yet in existence. Remember, it grandfathers the ones that are

already large. That is, the existing CAFOs are not limited or excluded.

I believe this amendment is consistent with the underlying bill. It still helps all livestock producers now in operation. But, as the Senator said, we should not be in the business of subsidizing for further expansion. I do support the amendment and hope that it is adopted.

I thank the Senator for yielding me time.

The PRESIDING OFFICER (Mr. CLELAND). Who yields time?

If no one yields time, the time will be charged equally to both sides.

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

The PRESIDING OFFICER. The Senator from Indiana is informed we are not in a quorum call.

Mr. LUGAR. I thank the Chair.

Mr. President, I yield myself 5 minutes of the opposition's time.

Mr. President, I will not, in fact, oppose the Wellstone amendment because it appears to me to be consistent with the legislation that is before us with some modification with regard to expansion. But I want to take this time to try to indicate the logic for my views on this in view of an amendment I will be offering tomorrow that is obviously a great deal more restrictive than the Wellstone amendment today or, in fact, payment limitation amendments that will be offered by distinguished colleagues.

Essentially, tomorrow, I am going to offer an amendment that would displace the entire commodities section of the bill and substitute for that a system of payments to farmers in this country that has basic, fairly simple elements, unlike the present system in which 60 percent of farmers do not receive subsidies, which includes, in most cases, farmers who are purely in the livestock business, as well as those who are involved in vegetables and fruits and various other agricultural products that do not have row crop situations.

In the current situation, 40 percent of farmers receive money, and in that group about two-thirds of the money goes to 10 percent of the farmers. As I have mentioned earlier today, using arithmetic, this reduces to 4 percent the number of farmers—principally, those in the five row crops: cotton, rice, soybeans, corn, and wheat—receiving two-thirds of the money.

I want to end all of that and, as a matter of fact, now consider every farm in America that has $20,000 of revenue. I select that figure because that at least denotes, in much agricultural literature, a farm that is a serious farming effort as opposed to a hobby farm or someone who is involved in incidental planting.

In America, there are about 800,000 farms that have $20,000 of income—farm entities that would meet that criteria. In some of these cases, these farms have an owner and those who are doing the farming and they share the risk. So both of those would count for a farm entity provided the amount of revenue coming into the farm meets my criteria.

Essentially, under my plan, each of these 800,000-plus farm entities in the country would receive $7,000 a year for the 4 years starting with fiscal year 2003. That means 100 percent of farms—not 40 percent—would receive money. That would be the safety net, the cashflow, the money that we have often talked about as saving the small family farmer and keeping everybody alive.

But it also means farmers who are now receiving hundreds of thousands of dollars a year would, in fact, receive $7,000. We would finally come back to market economics in terms of what we plant. We would come back to a situation which is clearly competitive in the world trade situation without danger of running into retaliation for trade practices which I believe the legislation in front of us now brings us to.

We would end the bubble effect of agricultural land being priced beyond that which the young farmer has any hope of meeting.

We would meet the situation of 42 percent of farmers who rent as opposed to own and do not benefit from our farm program that escalates land values artificially.

In short, we turn around a bill which I believe has very unfortunate implications for the future in agriculture to one of equity. And we do so for tens of billions of dollars less than the moneys that are now talked about in this farm bill.

That, I believe, is important for each one of us who wants to reduce deficits, who wants to take less money from the Social Security account, who wants to at least make possible some type of forum in which we might talk about medical reform and other issues that are important to the American people.

For that reason, because I am going to present that kind of an idea, I do not plan to oppose the Wellstone amendment which in fact does have some modest limitations in the livestock area. My amendment and others that deal with payment limitation really pertain principally to the CCC payment, commodity payments. It would be inconsistent to support that kind of limitation and to find that it occurred, only to find that in another part of agriculture people were able to proceed without restraint and sometimes in ways which the Senator from Minnesota has pointed out are environmentally destructive.

For these reasons, my own view is that the legislation that we now have before us in this area is in fact reform and is important. And the distinctions made by the Senator from Minnesota are there, but they are not large. Therefore, I do not plan to oppose the legislation, but I did want to explain why I took that point of view and at least the logic of my own position in view of an amendment which will be before Senators tomorrow.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes.

Mr. WELLSTONE. Mr. President, if the other side wants to yield back time, I will.

I thank the Senator from Indiana for his intellectual integrity. The argument he made, if I understood—and I do not want to at all misconstrue his point—was that he will not oppose this amendment because that would be inconsistent with his very strong focus on payment limitation. I am thrilled because I very much want to pass this amendment. I think it is the right thing to do.

If the other side wants to yield back its time, I will as well. We can move forward.

Mr. LUGAR. Mr. President, I know of no other Senator who wishes to speak in opposition. And having called for such and not finding the same, I am prepared to yield back. Let me ask, however, for just a moment to make sure, as we check our cloakroom, that there is not someone who wants to speak and who will be precluded from doing so. For that reason, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LUGAR. Mr. President, I yield 3½ minutes of the opposition time to the distinguished Senator from Iowa and 3½ minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I rise in opposition to the amendment offered by my colleague, the Senator from Minnesota. I certainly commend the Senator's role of reversing the trend towards larger farms and greater concentration in agriculture. I have been pleased to work with Senator WELLSTONE to address a number of concerns related to concentration and consolidation in the agricultural industry. Most recently we worked together to secure passage of the bipartisan amendment to address vertical integration by limiting packer control over livestock.

While the Senator from Minnesota and I share the goal of reversing that, I am concerned that this amendment would fall short of that goal. In short, Senator WELLSTONE's amendment would have the detrimental effect on many midsize family farmers who are struggling to comply with stringent new environmental regulations by slashing the amount of funding available to make responsible environmental improvements in rural areas.

The reason I take some caution in addressing opposition to his amendment is that I complimented the Senator from Minnesota, as we were debating this bill in December, that he was going to offer this amendment. But when I held meetings in my State of Iowa during the month of January—I held several town meetings just on the farm bill— I had this concern from people who are strictly family farmers who came to my meetings. They were very concerned about the CAFO regulations that they have to meet and the fact that if they have to meet those, they may not be able to stay in livestock. They did find EQIP provisions in the original farm bill to be helpful to meet those requirements so they could stay in agriculture.

So I changed my mind, I need to tell the Senator from Minnesota. I say it apologetically, in the sense that I had encouraged him in the first instance. I think these stringent, new regulations proposed by EPA are meant to get help from the provisions of this farm bill in addressing water pollution from livestock operations. According to EPA's own estimate, the new regulations could cost producers from $280,000 to $2.4 million over 10 years.

While the goals of the new regulations are certainly commendable, we obviously have to take the financial costs of the regulations into consideration. I drew the conclusion, after my meetings in January, that it was too much for many family farmers to absorb.

Recognizing the dire situation of these farmers, last year the Senate supported the amendment I offered to the budget resolution to increase EQIP funding by $350 million in each of the next 10 years. This important funding will provide cost-sharing assistance to family farmers to help them comply with the new CAFO regulations.

The Wellstone amendment would significantly reduce the level of EQIP funding available to family farmers. According to EPA estimates, over 1,000 livestock operations in Iowa would be ineligible for EQIP funds.

Mr. President, again, I am in opposition to the amendment offered by my colleague, the Senator from Minnesota. Let me first say that I certainly commend the Senator's goal of reversing the trend toward larger farms and greater concentration in agriculture. I have been pleased to work with Senator WELLSTONE to address a number of concerns related to concentration and consolidation in the agriculture industry. Most recently, we worked together to secure passage of a bipartisan amendment to address vertical integration by limiting packer control over livestock.

While the Senator from Minnesota and I share the goal of reversing concentration, I am concerned that this amendment falls far short of that goal. In short, the Senator's amendment would have a detrimental effect on many of my state's mid-sized family farmers who are struggling to comply with stringent new environmental regulations by slashing the amount of funding available to make responsible environmental improvements in rural areas.

Mr. President, the future prosperity of Iowa's family farmers, and farmers across this nation, is currently threatened by stringent new regulations proposed by the EPA aimed at addressing water pollution from livestock operations. According to EPA's own estimates, the new regulations could cost producers from $280,000 to $2.4 million over the next ten years.

While the goals of the new regulations are certainly commendable, the financial costs of these regulations will simply be too much for many family farmers to absorb.

Recognizing the dire situation of these farmers, last year the Senate supported an amendment that I offered to the budget resolution to increase EQIP funding by $350 million in each of the next ten years. This important funding will provide cost-sharing assistance to family farmers to help them comply with these new regulations.

The Wellstone amendment, however, would significantly reduce the level of EQIP funding available to family farmers. According to EPA estimates, over 1,000 livestock operations in Iowa would be ineligible for EQIP funds. Another 500 to 1,000 could be ineligible if they expand in order to remain competitive or to comply with the new rules by building new structures with new technologies.

The bottom line is that if these family farmers are denied EQIP assistance, the result will be poorer management systems and practices, and the environment will suffer.

The farm bill reported by the Agriculture Committee makes reasonable changes to the rules of the EQIP program by limiting eligibility by a simple and reasonable payment limit—not by the size of the operation. A payment limit puts livestock and poultry operations on an even footing with the program limits for row-crops.

Without the technical and cost-sharing assistance provided by EQIP, many family farmers in my state will be forced out of business—leaving only the largest farms who can absorb the costs—and leading to even greater concentration in the industry. In this farm bill, we have made great strides toward reducing the level of concentration and vertical integration in agriculture. Unfortunately, this amendment would be a step backwards.

Over 80 percent of Iowa's farms are individually or family-owned. It's these producers I have always sought to help. These are the people who produce our food and keep main streets in rural America in business. These are the farmers who depend on the assistance from the EQIP program. It is for these farmers that I will oppose this amendment and support a strong EQIP.

The PRESIDING OFFICER. The Senator from Wyoming is——

Mr. WELLSTONE. Might I inquire, Mr. President, how much time remains?

The PRESIDING OFFICER. There are 5 minutes remaining.

The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I rise in opposition to this amendment. I think what we really have to do, as in the case of other kinds of issues, is look at what it is we are seeking to do. If the purpose of this EQIP program—which, by the way, is used thoroughly in my State with a lot of good success—is to limit the environmental impact, or if it is to help with the technical information necessary for operators to do something about the impact of the CAFO regulations or those kinds of things—if you want to try to find a way to limit the size of farms and redistribute income, those are two different things.

The purpose here is to find the most efficient way we can to deal with the most livestock out there putting the environment at risk, so we can do something about it, and to then provide it to those people who can have the most impact on doing something about the environment. That is what it is all about. It is not about trying to keep farmers smaller or having to do with size. There is a limitation under the law on how much money can go to any operator during the period of the life of the farm bill, over the 6-year period. So I think we may want to, obviously, do something about payments, total payments. That is a different question.

The question here is, how do you best utilize the resources in an effort to help farmers and ranchers deal with the question of environment and, more particularly, to deal with the regulations that have been put in place for nonpoint source pollution, and the idea of having lots and corrals and feedlots along water supply sources. I think it is very important that we look at it in a broader sense. If EQIP cost-sharing assistance is not made available to operations with a thousand animal units or more, EQIP would fail to meet the needs of the producers managing more than half the livestock in the country.

If you are trying to do something about the pollution problems and give help to people who are seeking to limit the livestock's involvement in pollution of water and nonpoint source waters, then I think this kind of a limitation is not in keeping with that purpose and indeed hinders that purpose. Like my friend from Iowa, I joined with the Senator from Minnesota on several amendments, and I certainly want to continue to do that. I just don't believe this amendment helps to accomplish the goals out there for the EQIP program. So I hope people will vote against this amendment so we can move on to accomplishing environmental solutions.

I yield the floor.

Mrs. BOXER. Mr. President, the farm bill before us recognizes the importance of environmental conservation in agriculture and provides funding for programs that support those measures. California livestock operations come in all sizes, but many of them are large operations requiring substantial environmental management activities. Access to programs that support environmental improvements is key to ensuring that the best environmental practices are undertaken on these farms.

Senator WELLSTONE's amendment, which would limit access to conservation funding based on factors like the size of the farm, falls disproportionately hard on California farmers and would ultimately slow down environmental improvements. Limitations on these payments will not eliminate those farms, it will only limit support for conservation efforts that are so critically important in these operations. For those reasons, I must vote against the Wellstone amendment and support conservation funding for California farmers.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, both my colleagues and good friends, the Senator from Iowa and the Senator from Wyoming, break my heart. First of all, actually with this amendment, under current law, if you are over a thousand animal units, you don't get any EQIP money whatsoever. Under my amendment, if you are over a thousand animal units, you can get the money. We go from $10,000 to $30,000 a year. If you are over a thousand units, you can get money. You can't right now.

We are saying that if you are under a thousand units and you want to expand to over a thousand, or you are over and you want to expand even further and you want to get bigger and bigger, at that point the Government ought not to be subsidizing this expansion.

This is a reform amendment. This is consistent with those who are in support of payment limitations. This is ranked by the environmental community as a key environmental amendment because it is crazy for the Federal Government to be subsidizing this environmental destruction.

I say to my colleague from Iowa, we are going to provide the money. Right now, under current law, if you are over a thousand animal units, you can't get EQIP money. Under this amendment, you can. If you want to expand it more and get bigger, at that point it is not appropriate for the Government to provide the payments. That is exactly what the Grassley amendment is going to say when it comes to payment limitations. It is exactly the same philosophy.

This is a reform amendment. It is an environmental amendment. It is an amendment that is for our independent producers. If you look in your State and at your producers, the vast majority of them are helped by this amendment, as opposed to current law. The only thing this amendment says is, if you want to get bigger and expand even more, at that point, you are not going to get any more Government money. This is a reform amendment. It deserves support.

I yield the floor, and if my colleagues want to yield back the remainder of their time, I will do so also.

Mr. LUGAR. How much time remains on our side?

The PRESIDING OFFICER. Fifteen seconds.

Mr. LUGAR. I thank the Chair. We are prepared to yield back that time.

Mr. WELLSTONE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. THOMPSON), the Senator from Arizona (Mr. MCCAIN), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

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

The result was announced—yeas 44, nays 52, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—44

Akaka	Durbin	Mikulski
Biden	Ensign	Reed
Byrd	Feingold	Reid
Carnahan	Gregg	Rockefeller
Carper	Harkin	Santorum
Chafee	Hollings	Sarbanes
Cleland	Inouye	Schumer
Clinton	Johnson	Smith (NH)
Collins	Kennedy	Snowe
Conrad	Kerry	Specter
Corzine	Kohl	Stabenow
Daschle	Leahy	Stevens
Dayton	Levin	Torricelli
Dodd	Lieberman	Wellstone
Dorgan	Lugar	

NAYS—52

Allard	Edwards	McConnell
Allen	Enzi	Miller
Baucus	Feinstein	Murkowski
Bayh	Fitzgerald	Murray
Bennett	Frist	Nelson (FL)
Bingaman	Graham	Nelson (NE)
Bond	Gramm	Nickles
Boxer	Grassley	Roberts
Breaux	Hagel	Sessions
Brownback	Hatch	Shelby
Bunning	Helms	Smith (OR)
Burns	Hutchinson	Thomas
Campbell	Hutchison	Thurmond
Cantwell	Inhofe	Voinovich
Cochran	Kyl	Warner
Craig	Landrieu	Wyden
Crapo	Lincoln	
DeWine	Lott	

NOT VOTING—4

Domenici	McCain
Jeffords	Thompson

The amendment was rejected.

AMENDMENT NO. 2604 TO AMENDMENT NO. 2471

The PRESIDING OFFICER. Under the previous order, there are now 2 minutes evenly divided prior to the vote on the Harkin amendment.

The Senator from Iowa.

Mr. HARKIN. Mr. President, this amendment closes a loophole in the Packers and Stockyards Act by including livestock production contracts under its jurisdiction. It also provides livestock producers the ability to discuss the terms of the contract with certain people, such as their attorney, banker, landlord, and government agency charged with protecting a party to the contract. It does not say they have to but they are so allowed.

Basically, since 1935, poultry producers have uncovered production contracts under the Packers and Stockyard Act but other livestock were not—for example, swine and cattle were not. But production contracts are becoming a bigger and bigger part of the establishment. Yet they are not covered under the Packers and Stockyards Act.

The two largest farm organizations, the American Farm Bureau Federation and the National Farmers Unions, as well as dozens of other farm groups, support this amendment. It does not create any regulatory burden.

As I said, we have had this provision under the Packers and Stockyards Act since 1935. If we can help Dairy Queen franchisees and gasoline franchisees, and if the poultry people have lived under this since 1935, I think it is time we give the cattle producers and the pork producers in this country the same kind of protections under the Packers and Stockyards Act.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I oppose the Harkin amendment on the basis that it is likely to confuse interpretation of the contract issue. It is a narrow issue we are discussing. The amendment offered by the distinguished chairman of the committee is a narrow issue. On balance, it appears to me to be unnecessary and redundant.

It is opposed by a host of livestock and poultry organizations for those reasons. I cited a letter from many of them with regard to a number of competitive issues that are in the bill, and this one in particular.

For these reasons, I suggest a ''no'' vote on this amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, for all Members, this will be the last vote of the day. We have an agreement tentatively worked out that is being cleared by both sides that there will be debate on an amendment offered by Senator DURBIN tonight. There will be a second-degree amendment offered by Senator GRAMM of Texas on that amendment tonight or in the morning. I think Members can expect a rollcall vote around 10 or 10:30 in the morning,

after which there will be two amendments that will take approximately 4 hours. There will be a vote after each one of those. So we have until 3 or so tomorrow afternoon already tentatively worked out on this bill.

We also are going to try to work out a finite list of amendments. The minority and majority staffs are now working to whittle that down. It is down now, even as we speak, to a fairly small number of amendments. So hopefully there is some end in sight for this legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment, No. 2604, as modified. The Senator from Iowa.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. THOMPSON), the Senator from Arizona (Mr. MCCAIN), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

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

The result was announced—yeas 82, nays 14, as follows:

[Rollcall Vote No. 16 Leg.]

YEAS—82

Akaka	Edwards	McConnell
Allard	Ensign	Mikulski
Baucus	Enzi	Miller
Bayh	Feingold	Murkowski
Bennett	Feinstein	Murray
Bingaman	Fitzgerald	Nelson (FL)
Bond	Frist	Nelson (NE)
Boxer	Graham	Nickles
Breaux	Gramm	Reed
Brownback	Grassley	Reid
Bunning	Gregg	Roberts
Burns	Hagel	Rockefeller
Byrd	Harkin	Santorum
Cantwell	Hatch	Sarbanes
Carnahan	Hollings	Schumer
Chafee	Hutchinson	Sessions
Cleland	Inhofe	Shelby
Clinton	Inouye	Snowe
Collins	Johnson	Specter
Conrad	Kennedy	Stabenow
Corzine	Kerry	Thomas
Crapo	Kohl	Torricelli
Daschle	Landrieu	Voinovich
Dayton	Leahy	Warner
DeWine	Levin	Wellstone
Dodd	Lieberman	Wyden
Dorgan	Lincoln	
Durbin	Lott	

NAYS—14

Allen	Craig	Smith (NH)
Biden	Helms	Smith (OR)
Campbell	Hutchison	Stevens
Carper	Kyl	Thurmond
Cochran	Lugar	

NOT VOTING—4

Domenici	McCain
Jeffords	Thompson

The amendment (No. 2604), as modified, was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry: For the benefit of all Senators, what is next on the agenda under the unanimous consent agreement?

The PRESIDING OFFICER. That particular unanimous consent agreement has run its course.

Mr. REID. I did not hear the Chair.

The PRESIDING OFFICER. That particular unanimous consent agreement has run its course. The pending question is now the Harkin substitute.

Mr. HARKIN. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask unanimous consent that Senator DURBIN be recognized now to offer a Durbin-Lugar amendment, as modified, regarding cropping history and nutrition, with 60 minutes for debate in relation to the amendment this evening, equally divided in the usual form, with no amendments in order prior to a vote in relation to the amendment; further, that when the Senate resumes consideration of the farm bill at 10 a.m., on Thursday, there be 5 minutes for closing debate in relation to the Durbin-Lugar amendment, followed by a vote in relation to the amendment; further, that following the vote, regardless of the outcome, Senator DORGAN, for himself and Senator GRASSLEY, be recognized to offer an amendment regarding payment limitation; that there be 105 minutes for debate in relation to this amendment, equally divided in the usual form; that upon the use or yielding back of time, the Senate proceed to vote in relation to the Dorgan-Grassley amendment, with no second-degree amendments in order prior to the vote; further, that following the vote, regardless of the outcome, Senator LUGAR be recognized to offer an amendment regarding payment mechanism, that there be 2 hours for debate, equally divided in the usual form, with no second-degree amendments in order prior to a vote on the Lugar amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Nevada.

Mr. REID. Mr. President, the RECORD should be clear that on the Lugar amendment, the unanimous consent agreement should read: ''On or in relation to the Lugar amendment,'' rather than ''on the Lugar amendment.'' I ask unanimous consent for that modification.

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

Mr. REID. I advise all Members, we are trying to work on a finite list of amendments. We are whittling ours down significantly. The staff is going to exchange those shortly. Maybe tonight we can enter into an agreement as to a finite list of amendments on both sides.

Mr. DURBIN. Will the Senator from Nevada yield?

Mr. REID. I am happy to yield.

Mr. DURBIN. I thank the Senator for his unanimous consent request he propounded. I do not believe I am going to use the 30 minutes allotted to me, but I would like to have the opportunity to yield, during the course of that time, to the Senator from Michigan, who has asked for a brief period of time to speak.

If there is no objection, I would like to have that included in the unanimous consent request.

Mr. REID. It is certainly appropriate. The Senator has been waiting all afternoon to make this statement. She can do so whenever it is appropriate.

Mr. President, before I yield the floor, it is my understanding that Senators DURBIN and LUGAR have worked out their modification on this amendment.

Is that right?

Mr. DURBIN. Responding to the Senator from Nevada, Senator GRAMM is working on language which is coming during the course of this debate. I have agreed to accept his second-degree amendment, and I will speak to it during the course of my remarks.

Mr. REID. If, for some reason, you cannot work this out, we would have to come back later and revisit this.

Mr. DURBIN. That is correct.

Mr. LUGAR. Mr. President, may I respond briefly to the leader's comment?

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. My understanding, as Senator DURBIN has represented it, is that Senator GRAMM has offered language that has been accepted. The language is being written even as we speak. The presumption is that it will be acceptable. In the event, for some reason, it should not be, then, at that point—I suppose tomorrow morning—we would have to deal with a second-degree amendment. But, obviously, we hope we have dealt with it this evening. And I believe we have.

On a second point, I understand staff will be working—even as we debate this amendment—on the overall list. There has not been agreement, as I understand it, but, nevertheless, constructive work has occurred in defining the issues that still remain.

Mr. REID. I am confident that Senator GRAMM of Texas and Senator DURBIN will work this out. They have already agreed. You always have to be careful when people start putting things in writing; there could be a problem.

I say to the distinguished manager of the bill, the senior Senator from Indiana, in his usual, deliberate manner, with the background of being a Rhodes scholar, he has explained it better than I did.

Mr. LUGAR. I thank the Senator.

Mr. DURBIN. Will the Senator from Indiana yield?

Since I have not seen the language from Senator GRAMM, and I want to have a chance to reflect on it this evening, could we leave open the possibility, if there is any disagreement—I want to make it clear on the floor, I will protect Senator GRAMM's right to offer and debate the second-degree amendment without any objection—then I would have a chance, after his second-degree amendment has been considered, to offer my amendment.

Mr. LUGAR. That is our understanding.

Mr. DURBIN. Any disagreement would have to be reflected on the contents.

AMENDMENT NO. 2821

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. LUGAR, Mr. BINGAMAN, Mr. DOMENICI, Mr. GRAHAM, Mr. WELLSTONE, Mr. KERRY, and Mr. SMITH of Oregon, proposes an amendment numbered 2821.

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

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

The amendment is as follows:

(Purpose: To restrict commodity and crop insurance payments to land that has a cropping history and to restore food stamp benefits to legal immigrants who have lived in the United States for 5 years or more)

On page 128, line 8, strike the period at the end and insert a period and the following:

SEC. 166. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FOR CERTAIN QUALIFIED ALIENS.

(a) RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a crop payment, crop loan, or other crop benefit under this title to an owner or producer, with respect to an agricultural commodity produced on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless the land that is covered by the insurance policy for an agricultural commodity—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.

''(e) LAND UNDER THE JURISDICTION OF AN INDIAN TRIBE.—For purposes of this section, land that is under the jurisdiction of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) shall be considered planted to an agricultural commodity if—

''(1) the land is planted to an agricultural commodity after the date of enactment of this subsection as part of an irrigation project that—

''(A) is authorized by the Bureau of Reclamation or the Bureau of Indian Affairs; and

''(B) is under construction prior to the date of enactment of this subsection; or

''(2) the land becomes available for planting because of a settlement or statutory authorization of a water rights claim by an Indian tribe after the date of enactment of this subsection.''.

(b) PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.—Section 403(c)(2)(L) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(L)) (as amended by section 452(a)(2)(A)) is amended by inserting ''provided to individuals under the age of 18'' after ''benefits''.

(c) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—

(1) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) (as amended by section 452(c)(2)) is amended by adding at the end the following:

''(M) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more beginning on the date on which the qualified alien entered the United States.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on April 1, 2003.

Mr. DURBIN. Mr. President, I thank my colleagues who are cosponsoring this amendment, Senators HARKIN and LUGAR, who come to this floor in their capacities as chair and ranking member of the Agriculture Committee, both of whom have joined me in cosponsorship of this amendment, together with several of my other colleagues.

What we are trying to do in this amendment is twofold. In the first instance, we are trying to avoid overproduction on farmland in America that would be encouraged by the farm bill—not by the market, not by any other consideration. We don't want to create a farm bill which pushes farmers into overproduction, bringing prices down. What we are trying to do is to increase production but only in a way that is at a price level, a cost level so that a farmer can make a fair living. And so we are trying with this amendment to protect from that possibility.

The second part of the amendment sounds so totally unrelated, people may wonder why it is in the farm bill. The second part relates to the Food Stamp Program. If my colleagues are aware of the Department of Agriculture, they know that it administers the Food Stamp Program. A decision was made some years ago—I will address it in my remarks—that those who are legal immigrants to the United States would not qualify for food stamps. On reflection, we have seen that the victims of that policy have primarily been poor children in America. I am heartened by the fact that President Bush, in his budget message, has decided to change this policy. He has said that we will allow legal immigrants to receive food stamps. That is the right and humane thing to do. It is the right thing to do to make certain children are healthy. If we are going to have a strong Nation, we need healthy kids. So the second part of my amendment addresses the restoration of eligibility for food stamps for legal immigrants.

Senator GRAMM of Texas has his own opinion as to what we should include in the food stamp portion of the amendment. He is preparing that now. We have discussed it briefly. I will repeat what I said earlier: If the second-degree amendment that he has proposed ends up being something I cannot personally accept, I promise that I will protect his right to offer and debate that amendment and bring it to a vote before there is a vote on my amendment. So there will be no disadvantage to Senator GRAMM, even if there is some disagreement in terms of the content of his amendment.

Let me speak briefly to what my overall amendment does. This amendment has one basic purpose, and that is to provide a safety net for farmers

without distorting the marketplace. Everybody in this debate on the farm bill wants to protect farmers. I hope we can agree that we don't want to do it at the expense of the supply and demand laws which govern our economy.

This amendment will help to meet both goals. It simply states: Crop support payments will not be made for crops that are grown on land that is not already being used for agricultural production. It only applies to land that has not been cropped even 1 year in the past 5 years or 3 years in the past 10. So if I am a farmer in downstate Illinois and I have acreage that has not been used for agricultural production, even 1 year out of the last 5 or 3 out of the last 10, I cannot bring that into the program and say: Now that you have a farm bill that may compensate me, I am going to produce on this land and I am going to get payments from the Federal Government.

That land was taken out of production for market reasons or other reasons. And we believe that no farm bill should drag it back into production.

If I am a farmer, though, and want to produce on the land, that is my right; I own the land. But I can't go to the Federal Government, having made that decision, if I haven't put a crop on that land for 1 out of 5 years, 3 out of 10 to support this effort.

I yield to the Senator from Michigan.

(The remarks of Mrs. STABENOW are located in today's RECORD under ''Morning Business.'')

Mr. DURBIN. My goal is to make certain that farmers make decisions based on the marketplace, not based on the farm bill, particularly when it comes to that land that has not been in production. That is what this amendment seeks to achieve.

It is in no way a restriction on a farmer's freedom. A farmer is still free to plant any new ground he wishes. What we are talking about is eligibility for Federal payments. The amendment uses an extremely broad definition of agricultural commodity. Farmers can switch crops on land and, despite that switching of crops, not lose eligibility under this amendment. That is only fair because in many good farming practices, that is done on a regular basis. It allows long-term crop rotation, permits an exception for that. There are some lands primarily used for hay but that may be cropped 1 or 2 years between hay plantings. This amendment would not deny support payments to the crops during that period. However, it is intended to be a narrow amendment, only for those who can demonstrate that they have both established and are maintaining such long-term rotation.

The amendment does not interfere with the CRP program in any way. The Conservation Reserve Program is an important program. It conserves America's natural resources. This amendment simply provides that when farmers decide to plant on new ground, they will do it because of the market, not because of Government subsidy.

Prior to the 1996 farm bill, the farm policy of our country recognized that our support programs could drive up supply. So for decades, farm policy attempted to limit subsidies in one form or another.

This was done through various definitions of base acres. I remember as a Member of Congress for many years in the House, and now in the Senate, dealing with farmers who were trying to establish their base acreage and qualifications eligibility for Government payment. In 1996, Congress did away with all these rules on the theory that it was going to phase out support payments.

We now know that, at least today, we can't phase out support payments without jeopardizing our farms. However, we need to be careful that we don't inadvertently encourage farming of new land when market conditions don't warrant it.

In essence, under prior farm policy, support payments had a foot on the pedal driving new production, but also with a foot on the brake. New policy, as currently envisioned, fails to add in the brake. That is what this amendment does.

This amendment will not reinstate it completely, but it will ease up on the pedal. The farmers can still drive themselves into new cropland, but the Government would no longer drive them there.

What is the environmental impact of this amendment? The facts show that this amendment is needed. According to the USDA, the United States lost 22 million acres of grassland between 1982 and 1997. The vast majority of that became new croplands.

This occurred even while the Federal Government was laying out roughly $30 billion over the same period to take more than 30 million acres of cropland from production through the Conservation Reserve Program, the twofold purpose of which was to increase conservation efforts and limit supplies so as to boost prices.

What this means is that while our Government was trying to limit supplies in order to boost prices on the one hand, it was effectively encouraging farmers to convert new land into cropland on the other. This has undoubtedly contributed to the current situation in which farmers have faced record low prices in recent years.

This loss of grassland as an environmental impact throughout the country contributed to the decline of many bird species that nest in grasslands. Grassland birds as a whole are the most threatened category of birds in our country. This amendment makes environmental sense as well as economic sense.

This amendment has the added benefit of saving money. The Congressional Budget Office estimates that the Durbin amendment would reduce crop overproduction which will result in $1.4 billion in savings over the next 10 years.

Let me tell you that the second half of the amendment takes the savings and uses it for the Food Stamp Program. The savings generated by this bill will further strengthen the nutrition title of this same farm bill. This is really a farm and nutrition bill. I think addressing the Food Stamp Program along with the farm program is appropriate because both are under the jurisdiction of the Department of Agriculture.

Food stamps are a part of our Nation's first line of defense in America to protect families in a recession. Now, as we reauthorize the Food Stamp Program, we should make sure to effectively put into place protections against economic downturns.

This farm bill passed by the Agriculture Committee makes some important changes in the Food Stamp program. I join in thanking the committee's ranking Republican for the hard work he has put into this section of the bill.

Here is what my amendment does. It restores eligibility for the Food Stamp Program to legal immigrants who have lived in the United States for 5 years or longer. I will repeat, it restores eligibility for legal immigrants living in the United States for 5 years or longer.

This amendment will be an addition to the immigrant restoration provisions already in the farm bill, including the immediate restoration of eligibility to all poor children. I salute Senators LUGAR and HARKIN for that provision. I will not go into a long story about how important immigrants have been to the United States. Suffice it to say that my mother was an immigrant to this country. I am proud of that fact, and I am happy to be a first-generation American and to have this chance to serve as a Senator from the State of Illinois. I keep in my office, very near my desk, the framed copy of my mother's naturalization certificate. I am very proud of it. I look at it every day as a reminder of my family and a reminder of from where I came. I think it is a reminder to all of America how many of us are close to new immigrants in this country.

At the turn of the century, many of our relatives arrived from all over the world. They were poor and didn't speak the language, and they came looking for a better life. At that time, survival meant sending all members of the family to work. Young children worked in factories and sweatshops instead of going to school.

Eventually, we realized that families should not have to send their 7-year-old to work just to be able to put food on the table. Jane Addams of Illinois, quite a well-known figure in Chicago with her settlement houses, was one of the great American social reformers. She inspired us to lobby for child labor laws because of her experiences with the working men, women, and children in the immigrant neighborhoods of the city of Chicago.

Those arriving in the United States today are no different than our great

grandparents. And we continue to rely on immigrants to fill jobs at all levels of the workforce.

Legal immigrants here not only work, they pay taxes. The National Academy of Sciences and the National Research Council conducted studies that show that, overall, immigrants pay more in taxes than they use in government benefits.

Allow me to digress and tell you that a little over 2 weeks ago I was at an air base near Kabul in Afghanistan. I ran into a soldier from Illinois. He told me of his high school in the suburbs of the city of Chicago, and he said: When I get through with my Army experience here, can I come to your office and will you help me to apply to become a citizen? He is a member of the U.S. Army, a soldier risking his life fighting terrorism in Afghanistan, but he is from Panama. He is legal here, and he volunteered to serve this Nation, but he is not a citizen. I said of course I would help him. He is a legal immigrant to America who would be denied, under many circumstances, food stamps. Yet he has volunteered and is serving our Nation in uniform. How do you make any sense out of that kind of policy? This amendment tries to do that. It says immigrant families with children, who tend to have lower income levels than native-born families with children, need a helping hand with food stamps.

Most low-income children of immigrants live in working families with two parents who are married. The vast majority of legal immigrants are not permitted to receive food stamp benefits.

In 1996, as a result of changes in the law, the Physicians for Human Rights interviewed 700 legal immigrant families and found that adults in one out of three households had skipped meals in the previous 6 months. One in ten recalled missing a meal, not being able to eat for at least a whole day. One in four reported cutting the size of a child's meals due to inadequate resources.

The Urban Institute reports that, nationwide, 37 percent of all children of immigrants live in families that worry about providing food for the table. In California, Illinois, and Texas, legal immigrants' food insecurity rates were seven times worse than the general population in our country.

These harsh eligibility rules today translate into future citizens not getting the benefits for which they are eligible. The vast majority of immigrant families are mixed-status families that include at least one U.S. citizen. That citizen is typically a child. When legal immigrant parents are not aware that their children are eligible for food stamps, the kids don't get enough to eat.

Participation in the Food Stamp Program among children with legal permanent resident parents dropped 40 percent from 1994 to 1999, without a corresponding decrease in need.

Can America be a better place if these children who are legally in the United States don't receive the proper nutrition? If they suffer disease and illness, if they are not prepared to learn, and if they come to a classroom and can't stay awake and are listless because of not having enough to eat, how can we be a better Nation?

Since 1996, many States have worked to pick up the slack. Seventeen States, including mine, provide State-funded food stamps to some or all legal immigrants who are ineligible for the Food Stamp Program—because of the changes in the law. In most of the States, eligibility is limited to very narrow categories of immigrants.

On Monday, President Bush released his fiscal year 2003 budget proposal. I am certain there will be many items I will disagree with in that proposal. But I congratulate him for including a restoration of benefits for legal immigrants identical to that in my amendment.

When this provision was first made public in January, a senior administration official was quoted as saying:

> We believe this will go a long way to meeting the needs of children and adults who need additional benefits. It will allow them to have access to nutritious food and will improve their well-being.

Applause to the President and to the White House. Congratulations for a good idea, a bipartisan idea.

The author of this idea of limiting food stamps to legal immigrants was the former Speaker of the House, Newt Gingrich, who was also the author of the Contract with America. He said this in the New York Times last month about that decision in 1996:

> In a law that reduced welfare by more than 50 percent, this is one of the provisions that went too far. In retrospect, it was wrong.

Even Speaker Gingrich can have this epiphany and realize that a mistake was made. I acknowledge and congratulate him for publicly saying this and saying why this amendment is so important.

What we have learned from the 1996 cuts is that making food stamp benefits available to legal immigrants doesn't open the floodgates at our borders. The average food stamp benefit is $74 a person monthly—not exactly a fortune. It is difficult to imagine families flocking to the United States because they could be eligible for food stamps if they just wait legally for 5 years.

Food stamps do not bring families to the United States who would not otherwise come here. It is a vital support for low-income families.

This amendment is a bipartisan opportunity to support farmers throughout America with a sensible limitation so there will not be overproduction, and to take the savings from that limitation to provide food for needy children of legal immigrant families.

This is a bipartisan amendment. It is one that does the right thing. I am pleased my colleagues, Senator LUGAR and Senator HARKIN, and President Bush have joined in supporting this concept. I hope all my colleagues on both sides of the aisle will vote in favor of this amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Who yields time?

Mr. WELLSTONE. I ask the Senator from Illinois if he has 5 minutes.

Mr. DURBIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Nine minutes 10 seconds.

Mr. DURBIN. I am happy to yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I am honored to be a cosponsor of the Durbin amendment which makes legal immigrants who have lived in this country 5 years eligible for food stamps.

My colleague from Indiana, Senator LUGAR, has been a strong advocate as well, and a number of Senators voted for Senator LUGAR's amendments which work to improve the nutrition programs.

First a disclaimer. On this whole question of illegal immigrants, we are all products of our personal experience. I remember during the debate on the welfare bill in 1996, one of the things I said was that to vote for the bill would be to me like cutting off my hand because I am a son of immigrants. I am first-generation American. My father fled persecution from Ukraine and Russia.

The Senator from Illinois mentioned the former Speaker saying we went too far, and I felt that way. I had a number of objections; I never understood what we were doing. I thought it was too harsh, too punitive.

Then in 1998, Congress restored some of the benefits to categories of immigrants. It was children, elderly, and disabled, but only if they were here prior to 1996.

The Food Stamp Program is a critical safety net program and, by the way, an astounding success. This is a program that has made a huge difference.

One of the problems is, even if the children are eligible and the parent or parents are not eligible, it does not work. Quite frankly, it does not work. One of the reasons we have seen this huge decline, which should concern us—since the bill passed, there has been maybe a 25- to 35-percent decline in food stamp participation—is because of these cuts. Even when the children are supposed to be helped, if the parents are not eligible, they do not know about it, they do not know where to go, and they are not able to help their kids.

This amendment is about helping a lot of people. Altogether, 360,000 legal immigrants would be helped—men, women, some elderly, some middle aged, some children. It is the right thing to do. It corrects a huge injustice.

I also give credit to the White House for taking a strong lead on this. I give credit to my colleagues, Senator DURBIN and Senator LUGAR, and I know Senator HARKIN supports this effort. There is bipartisan, strong support.

I wish to say one other thing which is a little bit different, and it is not inconsistent with what I just said but is interesting to me. This is a social justice amendment. I thank Senator DURBIN for it. It is the right thing to do. It is extremely important to get this assistance to families who need this assistance.

The other thing that has happened, as opposed to 1996—and I think of Minnesota—is in a way we have new politics in Minnesota and new politics in the country. The immigrant populations—my mother, father, and grandparents did this as well—are finding a voice. They are becoming active in their communities. They are becoming their own leaders. They are speaking for themselves. They are becoming a political force, and there is much more recognition of who they are, what their needs are, and how we can support them.

There are so many activities going on in the country right now that are so important and positive for these immigrant communities.

Unfortunately, in my opinion, these cuts were not the only harsh feature of the welfare bill, but this was one of them. This amendment improves on the Agriculture Committee's work. That work in the committee vastly improved on the mistakes we made in 1996. This is a hugely important amendment, and I am very proud to support it.

The PRESIDING OFFICER. Who yields time?

The Senator from Indiana.

Mr. LUGAR. Mr. President, although I will speak in favor of the Durbin amendment, I note there are no Senators present who are prepared to speak in opposition to it. Therefore, I ask unanimous consent that I be able to yield myself 30 minutes from the opposition.

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

Mr. LUGAR. I yield myself as much time as I may require.

Mr. President, I appreciate very much the advocacy of Senator DURBIN in bringing forward this amendment. I believe he has rescued a situation that has been well described by my colleague, Senator WELLSTONE, a valued member of the Agriculture Committee, and Senator HARKIN, our chairman.

We worked together to try to provide a much stronger safety net for nutrition in this country. As it turned out, in some of our deliberations—and the distinguished Presiding Officer was there for those—there were many Senators who during that period of time questioned when we were going to get to the commodity section and what money would be left at the end of the trail as we dealt with very vital issues of community development, research, loans for young farmers—many issues that have been resolved in a very strong bipartisan fashion.

As a result, the amendments I offered at that time were a bridge too far. I have been rescued by Senator DURBIN and by the President of the United States in a bipartisan way because as it now turns out, it may be possible through this amendment to find resources that, in fact, restore us to a situation we might have attained during our deliberations.

Let me follow through on many of the arguments the distinguished Senator from Illinois has made. Simply, the amendment generally prohibits taxpayer-provided crop insurance and farm program benefits on acreage which has not been cropped at least once in the last 5 years or 3 of the last 10 years from the time of the enactment of the farm bill.

Exceptions to this general prohibition are made for acreage idle in the Conservation Reserve Program. That has been a major objective of the committee and the Senate and for long-term crop rotations as determined by the Secretary of Agriculture.

The amendment does not change the structure of farm commodity programs as they have been designed in the underlying bill.

The bill would still have higher marketing loan rates, a new commodity-specific countercyclical payment program for major crops, and all the other commodity provisions we previously discussed.

As I mentioned earlier in the debate this afternoon, I will be offering an amendment tomorrow that will radically change the whole commodity payment system, but this amendment does not. It is benign with regard to everything that has preceded and should be debated on its own merits.

In this respect, the Durbin amendment offers much less commodity title reform than I would like, and I admitted as much as a preview of what may be coming. Nevertheless, it makes an attempt to lessen the overproduction problem that will surely only worsen if we approve the underlying farm bill without change.

The Congressional Budget Office has scored the Durbin amendment as saving $1.4 billion over 10 years in the commodity title of the underlying farm bill, and that is not an immodest saving. I appreciate and support my colleague's proposal to improve the Food Stamp Program with the savings, and his allocation of that, it seems to me, is highly merited.

With the amendment, the Senate farm bill will now incorporate proposals I made originally and President Bush's budget proposal. It does both. The President and I are grateful to have found this partnership with Senator DURBIN and with our distinguished chairman, Senator HARKIN, as Senator DURBIN mentioned. These new rules restore the extension of regular food stamp eligibility criteria to legal immigrants, and Senator DURBIN has stressed that, as I do.

A question has been raised in previous debates on food stamp eligibility, and let me be unambiguous. We are talking about legal immigrants who meet either a 5-year U.S. residency or 4-year work requirement. Those are fairly strong thresholds. Combining these with Senator HARKIN's proposal to extend eligibility to all immigrant children will improve the Food Stamp Program's capacity to serve the vulnerable, but we do not offer a free ride. The criteria I have illustrated again, as Senator DURBIN has, are substantial.

Currently, most legal aliens are ineligible for food stamp benefits even if they meet that program's strict asset and income criteria. An estimated 500,000 legal immigrants who meet the financial rules remain categorically ineligible under current law. In addition, these rules have had the unintended effect on citizen children living in immigrant families. Because of confusion, fear, or a combination of these factors, there has been a 70-percent decline in food stamp participation among this group of children. That is an awesome change as to children who clearly were eligible.

Although immigrant restrictions apply to participation in other Federal assistance programs, the Food Stamp Program has particularly strict rules. For example, in Medicaid and cash assistance, also known as TANF, legal immigrants in the United States before August 22, 1996, are eligible, at State option, under the same rules that apply to all others.

In contrast, most adult legal immigrants here before that date are categorically ineligible for food stamps until they meet the 10-year work requirement. Further, children who emigrated after 1996 remain ineligible until their parents meet the work requirements or become citizens.

Considering the fact many legal immigrants work in low-paying service jobs, they are among the first affected during economic downturns such as the one we are now enduring. The current immigrant work requirement thus penalizes those who have little or no control over their employment situation. The food stamp immigrant provisions that would result from the Durbin amendment do not open the door to those who come to the United States looking for a handout. Rather, they help children who are unable to support themselves, individuals who came to escape persecution in their native countries, and adults who have a documented work history or support from their U.S. sponsors.

There is genuine need among this population. Studies of both local and national scope indicate serious food insecurity and hunger occur. For example, the Physicians for Human Rights reported that among 700 immigrant families, adults in one-third of them skip meals; one-fourth cut meal size

due to inadequate resources; one-tenth reported not eating for an entire day at least once in the last 6 months.

States are vocal about the problems created by current eligibility restrictions for immigrants. Sixteen of them provide food stamp replacement benefits with their own funds. Many others, according to the National Conference of State Legislatures, have appropriated additional resources for food banks and a variety of charitable programs serving the immigrant population.

The Food Stamp Program is the foundation of our country's nutrition safety net for vulnerable people. Until 1996, eligibility was based only on a family's financial need. Many, including President Bush, now voice the opinion that the food stamp immigrant policies legislated at that time were too harsh. I congratulate the President for his advocacy and the publicity that has surrounded that. It was a high-profile advocacy.

I ask that each of us in the Senate endorse the Bush administration's food stamp policy by voting for Senator DURBIN's amendment, which the Senator has pointed out encompasses exactly the same goals. It is our opportunity, in a bipartisan way, hopefully in a unanimous way, to improve the capacity of the Food Stamp Program to operate as a genuine nutrition safety net for our country.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. CANTWELL). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent the Senate proceed to a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

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

JEAN MARIE NEAL

Ms. STABENOW. Madam President, I rise to invite Members and staff to join me and my staff as we celebrate and thank this evening, in the Mansfield Room, Jean Marie Neal, who has been my chief of staff for the last year, my first year in the Senate. While I understand the rules of the Senate do not allow me to acknowledge her presence in the gallery, I do want to indicate that I believe it is important to recognize the service of this wonderful woman who has spent 21 years in the service of the Congress, the majority of that in the Senate, working for Senator Dick Bryan.

It is important to note that when we have someone who is dedicated to the Senate, to helping us achieve our goals, to be able to put forward those matters that allow us to represent our constituents and make our States and our country better places, that when that person decides to retire from their position and move on to other challenges, it is important that we recognize them and say thank you. That is what I want to make sure we are doing officially this evening in the RECORD of the Senate.

We have enjoyed in the last year the wonderful leadership of Jean Marie Neal in my office. As you know, I came from the House of Representatives and, while bringing some outstanding people with me, we had to put together a team of staff. It was under Jean Marie's leadership that we were able to find outstanding people who had been in service both in the Senate as well as in other places and who have come now to be a part of my office and my team.

As we come into our second year, we are building on a foundation and a gift that she gave me of putting together a wonderful team that is committed and intelligent and loyal and hard working. We in our office are going to miss her greatly, and we are very grateful for all of her hard work.

I know her previous employers, Senator Bryan and Congressman JOHN SPRATT, and all of those who have come in contact and have benefited from Jean Marie's intelligence and hard work and loyalty and ability to see and create a vision in terms of the office, as well as issues and advocacy for our States, are really happy for her.

Again, I invite anyone who is within earshot to come by until 7 o'clock this evening and join us to have an opportunity to celebrate Jean Marie's service to the Senate and to thank her for that and to wish her well as she moves on to, I am sure, many more successes.

AMERICA'S UNINSURED

Mr. SMITH of Oregon. Madam President, I come to the floor once again to talk about the uninsured in America. I think it is important that, as we sink our teeth into this year's budget, we remember the men, women, and children who live, work, and go to school every day without health insurance, knowing that any illness could threaten their livelihood and even their lives.

I have spent a great deal of time in recent months learning about the uninsured—who they are, why they have no health coverage, the effects on individuals and their families, and what can be done to resolve this crisis.

This year, the president's budget contains $89 billion to help the uninsured. This is no small number, to be sure, and it demonstrates the president's commitment to providing health coverage for all Americans; however, this proposal is only projected to provide coverage for up to six million of the forty million uninsured—leaving thirty-four million men, women, and children without health insurance. Therefore, I see the president's proposal as a starting point from which to make insurance both more accessible and more affordable for all working families.

Yesterday I pressed Office of Management and Budget Director Daniels to explain how the uninsured would fare under the president's new budget proposal. I also met with Centers for Medicare and Medicaid Services Administrator Tom Scully to urge him to assist in improving upon President Bush's proposal to provide health coverage to more low-income Americans.

In my visits to community health centers across Oregon, it has become clear to me that the uninsured—working mothers, fathers, children, single adults, students—are not interested in budget battles that may prevent action on this important matter. What Americans need is access to high quality, affordable health insurance. There are a lot of good ideas out there to help the uninsured, but no single proposal is going to help or please everybody. We need to take the best these plans have to offer and come up with a comprehensive solution as soon as possible.

There has never been a better, or more important, time to act with respect to the uninsured. I understand the demands on our treasury are great as we fight the war on terrorism both at home and abroad; however, the demands on our health care system are also increasing. With a recession and rapidly rising health care costs, more and more Americans will find themselves without health insurance. This is no time to ignore them. I look forward to working with my colleagues and the Administration to find a way to make room for as many of them as we can in this year's budget, as we work toward a day when every American has access to high quality health care coverage.

MENTAL HEALTH

Mr. DURBIN. Madam President, I submit for the RECORD an article that ran in The Washington Post yesterday about the discrimination that individuals with a history of mental illness face in our current health insurance market. The story documents the dilemma of Michelle Witte who was denied health insurance coverage because she was successfully treated for depression during her adolescence. In fact, more than 50 million Americans each year suffer from mental illness. About 19 percent of the Nation's adults and 21 percent of the youths aged 9 to 17 have a mental disorder at some time during a one-year period.

Last Congress I introduced legislation to address the barriers faced by Michelle Witte and thousands like her who have been treated for a mental condition. I plan to reintroduce this legislation this spring, and I urge my colleagues to join me in this effort.

The Mental Health Patients' Rights Act limits the ability of health plans