

Floor Speech of Sen. Pete Domenici
Debate on the Conference Report on the Farm Bill
United States Senate
May 7, 2002

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we are now debating the farm bill conference report. I have some serious concerns about the policies embodied in this conference report. I will speak to those concerns shortly, but, first, I want to address another concern. My concern is, where is the budget? Where is the budget that we will use to judge not only whether we can afford this farm bill, but other legislation that might come before the Senate during the remainder of Congress?

Interestingly, the tortuous path that this farm bill has taken to get to a final vote tomorrow began exactly 1 year ago this week when we adopted the fiscal year 2002 budget resolution. That budget resolution was adopted prior to us knowing that we had an economic downturn and obviously, prior to the September 11 attacks on the United States of America.

At the time the budget resolution was adopted, the projections indicated there would be a general budget surplus of \$5.6 trillion over the next decade, and that after the tax cuts there would still be a very large surplus. We now know that the economic downturn, increased emergency defense, homeland security spending that followed the September 11 attacks, and the Job Creation and Worker Assistance Act enacted last winter to assist workers impacted by the economic slowdown, have all combined to lower the general surplus outlook to about \$1.7 trillion over a comparable 10-year period.

This farm bill agreement that is before us today seems to be blissfully ignorant of the events over the last year. It embodies commodity policies that return us to business as usual, high subsidies, distorting trade provisions, and increasing Government costs.

Those who do not follow the intricacies of the budget process might say: This makes no sense. Don't we have a budget by which to judge this legislation?

Yes, the one we adopted 1 year ago this week. It is not the budget resolution for the year 2003; it is the budget resolution for 2002, adopted when Republicans were still in control of the Senate by one vote. Yes, that budget provided for increases in agricultural spending and other spending, such as prescription drugs. Specifically, that budget that authorized the chairman of the Budget Committee to allocate \$73.5 billion to the Agriculture Committee, so long as it did not come out of the Social Security or Medicare trust fund.

Can anybody stand on the floor and honestly say that the expenditures in this farm bill will not come out of the Social Security trust fund or the Medicare trust fund? I have not been raising this issue, but it is interesting that the current chairman of the Budget Committee, who usually raises this issue while trying to ensure we do not spend the Medicare and Social Security trust fund is not raising it now.

And now we see the bigger, more serious problem. The problem will not be just with this farm bill; it will be with the other spending and tax legislation we consider in the remaining days of this Congress. These measures will be judged against an outdated budget plan, one adopted last year when the Republicans were in control of this body, not one for current allocations and current needs, which has not been adopted on the floor of the Senate as of this date.

The question is asked again, Where is the budget? Where is the budget against which we are going to judge this farm bill and other legislation that I have just iterated that are certainly going to come before the Senate?

Until we agree to a new updated budget that reflects the dramatic changes that have occurred over the last 12 to 18 months, the old budget, the one I was responsible for getting adopted by the Senate and conferenced--that budget remains in effect until replaced by an updated budget. And until that time, any Budget Act points of order, any allocations to authorizing committees, any reserve fund releases, such as prescription drug spending or health insurance for the uninsured, will be judged not by what is reality today but by what we thought it would be before the economic downturn and before the terrorist attacks on the United States just prior to mid-September.

Some may wonder, why have a budget resolution? I do not have to wonder. I only have to see what is happening on the floor of the Senate. Anyone can predict what is going to happen in the next few months--not years, the next few months--in fact, some of which has already happened prior to taking up this conference report on agriculture.

We cannot, and we should not, legislate, in my opinion, without a budget blueprint. Every year, since the Budget Act became law in 1974, the Senate has adopted a budget resolution, as required, and in some years more than one. In some years we missed the deadline, but we always adopted a budget resolution in the Senate.

Only once in the nearly 28-year history of the act has the House of Representatives and the Senate failed to conference their budget resolutions. In 1998, the year following the balanced budget agreement of 1997, Chairman John Kasich and I were unable to bridge the differences in the two resolutions. Rather amazing--we were both Republicans, and that was the one year we could not bridge the differences. All other years, regardless of the makeup of the two bodies, we did arrive at a conclusion.

Let me repeat, the Senate has passed a budget resolution every year. There was one time when we did not have a conferenced budget blueprint, and we agreed here in the Senate to follow the Senate-passed resolution as our blueprint for spending and taxing. But, we had what would amount to a budget by concurrence of the Senate.

I have been on that Budget Committee for 27 years. I was not a member in the first organizing meeting in 1974, when Senator Muskie was chairman, though there was a Senator Peter Dominick who was Senator Muskie's ranking member that year, and some historians get me confused with him. In those 27 years, my colleagues have honored me by allowing me to serve as committee chairman for 12 1/2 years and as its ranking member for 9.

In all those years, we adopted a Senate budget resolution. It was not easy. Sometimes I thought we would fail, but we stuck with it, and many times on a bipartisan basis we prevailed and the blueprint to guide fiscal policy was achieved. A budget resolution takes care of many things automatically and with precision. Right now there is no precision, there is no decision, and we are flying essentially by the seat of our pants on many issues.

Every year under the leadership of Chairman Muskie, Chairman Chiles, and Chairman Sasser, the Senate has adopted a budget resolution. Today the House of Representatives has passed a budget resolution for next year. Today the President of the United States has submitted a budget to Congress for next year. Today we do not have a budget in the Senate.

Beginning today, we legislate a major spending bill, a farm bill, that is based on a budget I admittedly helped craft last year, but also I freely admit is outdated and needs to be revised. It is time that be done. It is obvious that the Senate thinks it should be done. I truly doubt that we have been as omniscient as one may think. Had we been able to foresee the events of last year when we were crafting that budget, we would not have allocated the level of spending we did to the farm bill; of that I am almost certain. That is why we need a new budget, and that is why this decision we make tomorrow can send a signal to the country and our trading partners throughout the world that we know it is not business as usual. We need to craft a new budget for these new times.

For just a few moments, I will talk about a couple of New Mexico-specific concerns. In addition to my objections to this conference report on budget and trade grounds, I must note that this legislation is especially harmful to one of the most important parts of the agricultural economy of my State of New Mexico--dairy farmers. New Mexico's milk producers are hurt more by this bill's provisions in my State than any other State in the Union. Our producers will lose

between \$4 and \$5 million a year compared to current law. And that is a conservative estimate.

Just today, there is a FAPRI estimate that indicates the losses would be as high as \$51.2 million over the life of this program. Regardless, this means that at least \$30,000 per dairy

farm in New Mexico will be lost because of this bill. New Mexico, which has climbed to the seventh largest milk-producing State in the Union, will see minimum losses over the life of the program of at least \$125,000 per farm, and most will likely suffer larger losses.

My dairy farmers want a market-driven system. They can compete on quality and efficiency with any other dairy farming group in this Nation. If we just let them do their job under a free market. These producers will supply plenty of milk and it will be of the highest quality.

My dairy producers are opposed to direct payments. They also oppose the caps in this bill. And they are punished because this legislation contains both--direct payments and caps. And neither is predicated upon large dairy farms but, rather, is predicated upon the small milk farms. Most of our farms are 1,500 head or more and are becoming more efficient every year. They welcome competition from anywhere. They are efficient. They are innovative. They do great things. Yet, they are punished. We come along and say this is not the American way for the farm bill. We are going to punish you because you are efficient, because you produce, because you are highly innovative.

Instead of saying: You are going to get as good a deal as you deserve, as fine a return as you deserve in the American market, we are going to tell you what you get. In this instance, we are going to take away from you between \$4 and \$5 million a year, perhaps as much as \$125,000 per farm during the time this bill exists.

The dairy industry in my State--and we are a small State in terms of business--has revitalized large parts of the New Mexico economy. Nearly 4,000 New Mexicans earn a living directly from dairy, with payrolls in excess of \$90 million a year. New Mexico's dairies and producers spend nearly \$400 million annually for labor and feed. For our State, which lags near the bottom of per capita income statistics, this conference report is a direct attack. I cannot support such a conference report. I will not.

I know there are predictions of how bad it would be if this did not pass. I have studied it all. I think I know as much as anyone here about it. It would be a great signal if it did not pass. Then we could produce a budget and decide how much money should be put in for the agricultural community under a budget that is current.

This wrongheaded agricultural policy promoted by this conference report is especially tragic in light of the real progress that was made in this bill in the area of nutrition. Many do not know that this bill called agriculture is also the principal nutrition legislation for our country. The bill retains the Domenici-Durbin amendment to restore food stamp benefits to eligible legal immigrants who have been in our country for 5 years. This policy will help feed an estimated 360,000 people per month.

In addition, the bill simplifies and streamlines the application process for food stamps. It increases funding for the Emergency Food Assistance Program and makes it easier for nonprofit participation in the Commodity Supplemental Food Program to feed the elderly and small children. In total, the legislation provides for \$6.4 billion in food stamps and other nutrition programs.

This amount falls short of the \$8.9 billion provided in the Senate-passed version of the farm bill. At least we are making some progress toward eliminating involuntary hunger in America.

So this Senator finds himself in an unusual position of voting no on this farm bill. The good things in nutrition fail to outweigh the bad agricultural policy positions envisioned by this bill. I will remind my colleagues that we have spent an enormous amount of money in the last 2 years on agriculture with the ``emergency" funding for \$27.3 billion, as well as \$5.5 billion in new agriculture commodity support payments just last July.

I am fully aware of that. I understand the threats--veiled or otherwise--that if we don't get this bill now, we will have a repetition of what I have described in the last paragraph of my comments. I don't believe so. I believe we understand clearly where we are, and I do believe that now is the time to say no to legislation that clearly doesn't fit a budget--at least we don't know that it does--and has the kind of policies adopted that I think are as counterproductive

as they can be.

I yield the floor.