

will restore a modest and carefully constructed wool program for our sheep industry. The new wool payment is crafted to provide some assistance during difficult times but not so much that the wool market will become distorted. I think the wool payment program is a good model for providing farmers with a good safety net.

I wish I could say that the other crop support programs in H.R. 2646 were also well-crafted, but I cannot.

I was a strong supporter of the previous farm bill, or the Fair Act. The Fair Act attempted to free our farmers from the heavy hand of government and restore to our farmers the benefits of the free market.

While I supported the Fair Act, I also recognized that the safety net for our farmers still needed some strengthening. A farm safety net should help farmers succeed in the free market. The alternative is to protect our farmers from the free market, and we have learned from failed farm programs of the past that there is not a good way to do that.

It is unfortunate that our new farm bill appears to be heading back down those same paths. Its greatest weakness is that in an attempt to provide some protection for farmers it goes well beyond the mark. We needed a fresh approach to supporting our farmers, but this latest farm bill is an unpleasant trip down memory lane. It risks turning our farmers into welfare recipients, and it puts the bureaucrat back in the business of running our nation's farms.

In H.R. 2646, the programs for row crops are intended to kick in when there is an oversupply and prices are low. Basic economic principles would indicate, and history has proven, that these counter cyclical programs themselves can create an incentive for overproduction which, in turn, keeps prices low. Unless they are crafted very carefully, counter cyclical programs lead to a spiral of dependency. As long as the government money keeps flowing to the farmers, the overproduction does not bankrupt them. But it does put our farmers on the federal dole, and I don't believe that's where the farmers of Utah want to be.

One of the greatest benefits our government can provide to our farmers is a world system of free and fair trade. Our Nation's farm products are the best, and consumers around the world are clamoring for them. Through tremendous effort and lengthy negotiations, this and past administrations have been prying open foreign markets to U.S. agricultural products. I believe that too many of the programs in H.R. 2646 go beyond support for farmers and instead attempt to protect them from competition. The governments of our largest foreign markets for agriculture products are keenly aware of this, and with some justification they are alarmed by our recent shift toward protectionism. I fear the effects of this shift will hurt farmers. Doors to for-

eign markets that have been opened to our farmers may now close, the possibility for new markets may be quashed, and a greater number of future agricultural trade issues will be decided by the World Trade Organization, not by our trade negotiators.

Another important consideration for me in deciding to oppose H.R. 2646, was the alarming escalation of the cost of the bill. My understanding was that it would take about \$100 billion to keep the current programs running for our farmers. On top of that, we budgeted an additional \$73.5 billion to help meet the needs of our farmers. That is a big increase, but I think our farmers deserve the additional help. I would feel better about spending this extra money, though, if I believed that it would benefit our agricultural industry rather than work against it. I would also feel better about the extra spending if the original \$173.5 billion had not mysteriously risen to a budget busting \$190 billion.

I know the farmers of Utah. They are prudent businessmen who simply want a fair shake. They do not want to go on the government dole, they do not want to close foreign markets, and they do not want to add to our budget deficit. Unfortunately for the farmers of Utah, the farm bill that has recently been signed into law does all of the above. And yet, all this money and all these programs do strangely little for the small farmer of Utah. A full two-thirds of all these programs will go to only 10 percent of our nation's largest farms. This is a particularly grotesque and embarrassing aspect of H.R. 2646. If these largest farms are so efficient, why do they need this level of welfare? Where are the economies of scale that should make the largest farms the strongest?

I voted on the floor of the Senate, along with 65 of my colleagues, to address this issue by providing certain limitations on the size of payments the largest farms could receive under this farm bill. Although two-thirds of the Senate agreed on these payment limitations, the final conference report came back to us stripped of this important provision.

I wish we had a farm bill to which I could have given my blessing, but frankly, H.R. 2646 did not deserve my blessing. I am pleased that Utah's woolgrowers will receive some much needed relief, that our livestock producers in general will receive important funding for conservation measures, and that our crop growers will gain some certainty from the enactment of a farm bill, but I fear there may be a heavy price to pay in the long run for our agricultural industry—a price that could have been avoided with a little more prudence and restraint on the part of the legislators and the farm organizations who helped to develop this farm bill.

I hope that Utah's farmers can understand why I needed to vote against this farm bill. I cherish the farmers of

Utah. I consider them the finest citizens our nation has. There is no group that works harder, that is more patriotic, or that is more morally strong than the farmers of Utah. I have often stated that they are the backbone of our society, and I have always believed it to be true. I will continue to do all I can to support our farmers in the way that I believe they want to be supported, and I think my record reflects that this is what I have attempted to do over the years. I believe that the farmers I represent understand this.

TUNA IMPORTS FROM THE PHILIPPINES

Mr. SARBANES. Mr. President, I rise today to express my concerns about a provision in the Andean Trade Preferences Act, ATPA, that will have serious adverse, unintended consequences on United States initiatives in the Philippines and our relationship with the Philippine government.

Both the House and Senate versions of the ATPA would allow canned tuna from the Andean region to enter the United States duty-free, while maintaining the current tariff rates for all other countries. There are slight differences between the two versions: The House version allows all canned tuna imports from the Andean region to enter duty-free; the Senate version extends duty-free treatment to Andean tuna imports up to a cap equal to 20 percent of the preceding calendar year's domestic production excluding production in American Samoa. For the Philippines, however, the House and Senate versions have the same effect. Philippine tuna is sold generically; purchasers of this tuna are the most price-sensitive, and they would gravitate to the cheaper, duty-free product.

Loss of these sales would mean, effectively, the collapse of the tuna market. The major suppliers to the U.S. canned tuna market are just six countries: Thailand, 60 percent; the Philippines, 18 percent; Indonesia, 12 percent; Papua NG, 4 percent; Ecuador and Malaysia, 2 percent each. Of the six, Ecuador is the only one of the six that would benefit from the proposed trade preference, to the sharp detriment of the Philippines. The Philippine government estimates that the implementation of the ATPA preference would affect 24,000 workers directly, and another 150,000 indirectly.

Moreover, it is the economy of Mindanao, where the entire tuna-canning industry is located, that would be especially hard hit. It is on this southernmost island that the poverty level is acute and terrorist activity is concentrated; a number of civilians have been kidnapped or murdered there by Abu Sayef, an extremist Islamic group, and two Americans are currently being held there.

The ramifications of this legislation will almost certainly undercut the Philippine government's efforts in Mindanao. It will undercut U.S. efforts

as well, since the U.S. government through USAID has provided over \$20 million in fiscal year 2001 and fiscal year 2002 in ESF for economic development in Mindanao, and the fiscal year 2003 budget request includes a further \$20 million; ATPA would seriously compromise those investments.

It will of course be argued that the ATPA provision will strengthen the Andean economies and enable them better to resist terrorist encroachments. But our efforts to strengthen these economies should not come at the cost of making anti-terrorist efforts in the Philippines more difficult. Surely that is not the intent, but it could well be an unintentional but highly regrettable consequence of the legislation.

Given the likelihood of grave, harmful consequences for the Philippines, I urge my colleagues to work toward a constructive solution to the problem posed by the ATPA provision that would give duty-free entry to canned tuna from the Andean countries. I ask unanimous consent to have printed in the RECORD the discussion of this issue which appears in today's New York Times.

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

[From the New York Times via Dow Jones, May 21, 2002]

QUANDARY ON TRADE

(By Keith Bradsher)

GENERAL SANTOS CITY, THE PHILIPPINES, May 16, 2002—How should the United States set its tariffs and trade rules, globally or country-by-country?

It is no arid academic debate to the tuna fishermen of this knockabout port city on the south coast of Mindanao, nor to sugar cutters in the Caribbean or garment workers in Pakistan. Faraway changes in American fine print can have very real, sometimes unintended consequences.

A move in Congress to extend trade preferences to Andean nations, in part to help wean their economies off coca production, could lead to the layoff of thousands of Muslim workers in the tuna industry here, even as American troops help the Philippine army fight Abu Sayyaf Muslim insurgents in this region.

In Pakistan, officials have struggled to win a larger quota for textile shipments to the United States as a reward for Islamabad's help during the conflict in Afghanistan. And in the Caribbean, the emergence of any especially pro-American government brings a request for a larger quota to ship sugar to the high-priced, highly protected American market.

By returning to the pre-1922 practice of awarding preferential trade treatment to certain countries and regions, often for political rather than economic reasons, Washington now finds itself constantly badgered for trade concessions by whatever friendly nation is in the news at any given moment.

This is the problem that most 'favored nation' status was supposed to solve. When countries won that status—as nearly all of America's trading partners did in recent decades—they were assured that their exports would get the same tariff treatment as any other, and that generally, concessions awarded to one would be awarded to all.

After the ruinous bilateral trade competition in Europe in the 1930's, the United

States backed a global adoption of the same approach, leading in the decades after World War II to the international trade rules enshrined in the General Agreement on Tariffs and Trade and later to the creation of the World Trade Organization.

'The history of trade negotiations basically was that, because of the bilateral special deals that inevitably made other nations unhappy, we came around to most-favored-nation treatment and GATT negotiations,' said William Cline, a senior economist at the Institute for International Economics in Washington.

Up through the 1980's, most economists criticized regional trade agreements as just as bad as bilateral deals. Beyond making winners of some countries and losers of others, regional blocs can be bad for global efficiency, by prompting importers to favor a higher-cost producer within the bloc over a lower-cost producer outside whose goods are still subject to high tariffs and quotas.

Global trade agreements minimize such drawbacks, because these days very few countries remain outside them. But global treaties are becoming increasingly difficult to conclude. The last was wrapped up in Geneva in 1993; talks meant to produce the next one did not get under way until last November in Doha, Qatar, and are expected to take years.

But the regional free trade concept has become fashionable again, in great part because of the success of the European Union, which hugely increased trade among its 15 members by eliminating tariffs and trade barriers. It helped inspire the 1992 North American Free Trade Agreement—joining the United States, Canada and Mexico—as well as several other regional groupings.

One provision of the Nafta treaty helped set off the dispute now roiling American efforts to retain the support of the Philippines in the war on terrorism.

Among the tariffs to be eliminated within North America by the treaty is the American duty on canned tuna imported from Mexico. It will not disappear until 2008, and for the moment it means little because Mexico, well north of the equatorial waters where the best fishing grounds are found, has a tiny tuna industry. But tuna from other countries is subject to duty of up to 35 percent, creating a big incentive for Mexico to build up its tuna fleet, despite the high labor and fuel costs for the long journeys to where the tuna swim.

Several smaller Central American and Caribbean nations also have small tuna fleets; three years ago, Congress agreed to phase out tuna duties for them on the same timetable.

To the Andean nations of South America, these concessions posed a serious threat—that preferential access to the United States would soon make big new competitors out of Mexico and Central America. The United States had lowered tariffs on many products from Andean nations like Ecuador and Colombia in 1991, but canned tuna was not among them. When the 1991 concessions came up for renewal last year, the Andean nations, supported by Starkist, demanded that they be expanded to include canned tuna.

Ecuador has a huge tuna fishing fleet, and Colombia a smaller one; both countries are eager to create jobs that do not depend on narcotics trafficking. That persuaded the House of Representatives to approve a bill earlier this year that would immediately eliminate duty on Andean tuna.

A more limited bill that would phase out duty on about a third of current shipments is before the Senate as part of a broader trade bill. If it passes, differences between the provisions would be worked out in a conference of senators and representatives.

Now it is the Philippines' turn to feel threatened. Letting Ecuador and Colombia, but not the Philippines, ship tuna to the United States duty free would be both unfair and unwise, officials in Manila are warning, because of the hardship it would create in this poor, Muslim and sometimes rebellious part of the country, where terrorists are believed to be active. "We understand you want to do this because of narcotics," said Manuel A. Roxas II, the country's secretary of trade and industry, "but terrorism is just as important."

Washington has been on notice for some time that this kind of chain reaction of anger and demands for relief was likely to develop. An influential report by the United States Tariff Commission foresaw that special deals for some countries would "lead to claims from states outside the agreement which, if granted, defeat the purpose of the treaties, and which, if not granted, occasion the preferring of a charge of disloyalty to treaty obligations."

VOTE EXPLANATION

Mr. TORRICELLI. Mr. President, I inform the Senate that because of an unavoidable delay, I was unable to arrive in the Senate for a morning vote held on May 22, 2002. Had I been present, I would have voted as set forth below. My vote would not have affected the outcome.

On the motion to invoke cloture on the Baucus Substitute Amendment 3401 to H.R. 3009, the Andean Trade Act, I would have voted against cloture. The amendment on which the cloture vote occurred included Trade Promotion Authority, also known as Fast Track Authority, which I oppose because it fails to require strong, enforceable provisions regarding labor rights and environmental protection in future U.S. trade agreements.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred February 13, 1992 in Davenport, IA. Two gay men and two of their friends were beaten with baseball bats and metal pipes. The assailants, a group of six men and two women, yelled anti-gay slurs during the attack.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.