

that is the cable company where the family took \$3.5 billion out of the corporation, not million, \$3.5 billion out of that corporation, self-enrichment, but they got indicted today. Good, good, good.

Every one of these people I speak about ought to be indicted. Andersen corporation, they are the auditors. Where are their fiduciary duties? Unfortunately, because we have got a few crooked two-bit crooks, two-bit accountants in Andersen, they brought the whole corporation down.

I hope that the Justice Department or the Attorneys General of these various States or whatever local enforcement agency can do it brings charges against the individuals. There are a lot of good hardworking people for Andersen corporation, and a few of these auditors who got money in their pockets, who became the two-bit crooks, brought down the entire corporation.

How many jobs were lost with Andersen, 20, 30,000? How many of them were crooked, couple hundred? The rest of the people were hardworking people, but they have lost their careers thanks to the people at the very top of Andersen who did not maintain their fiduciary duties to the people of that corporation.

ImClone Systems Incorporated, oh, what an ironic situation there. That is the Martha Stewart case. How ironic that Martha Stewart sells her stock the day before the announcement is made, which everybody knows will result in the stock collapsing, and the president of the corporation, close friend of hers and close friend of her daughter, start taking a look at the interrelationships that exist. I am not talking about sexual relationships. I am talking about looking at the interrelated business transactions they have with the auditors, with the lawyers, with their buddies at these parties. Take a look at how many fiduciary duties were breached as a result of that.

Who suffered there? Every investor that did not know to sell their stock. Ironically, Martha Stewart had some kind of divine message to sell her stock right before the thing collapsed, the day before, hours before it collapsed. What about the poor suckers that bought that? What about the employees of that corporation? Does the president of that corporation and the chairman of the board of that corporation feel good tonight about what he has put those employees through?

We talked about Enron, Tyco. What a ripoff Tyco was. Take a look at the attorney for Tyco. The legal profession, why does the local bar in that State, the legal profession not have this guy up for disbarment? That attorney of Tyco ought to be in front of the State bar of New York trying to fight for his license to practice law, but he is not. I hope somebody from New York asks their State bar association why the attorney for Tyco is not in front of their bar fighting for his legal license. He ought to go to jail; and of course, I am

addressing the Members on the floor, but I would hope that he might hear my comments here.

Here is what ought to happen to him: Go to jail, just like that monopoly card. Now, some people say you are giving a charged speech tonight, you are speaking with a lot of emotion tonight, you are making a lot of charges.

I am not just making them on this. I can pull up another chart. Sunbeam Corporation, Global Crossing and I could talk for quite a bit of time on that, Conesco, Waste Management. The reason I feel so deeply committed to this issue, the reason I feel so strongly about this is our system has to work based on consumer confidence, based on credibility.

The system has to have self-correction in it. If one side gets out of kilter, the other side kicks in so you keep it generally in balance. We have got to make sure that the prudent standards are upheld.

What is happening is I am not so concerned about Scott Sullivan's \$20 million home in Florida or Gary Winnick's home out there in California, \$90 million. I am concerned about why the system did not catch them earlier, why is the system not in balance.

What about the employees of these corporations? What about all those people for Global Crossing or Enron or WorldCom, just about to lose it, why did not all those people, they are wiped out. That is why I am emotional this evening.

It was not the Democrats, although Sunbeam and Conesco and several of those occurred under the Clinton administration. It was not the Republican administration, although we have had this last couple of weeks. This is not a partisan issue. This is not politicians who have gone astray, who are corrupt or a massive bribery scandal. That is not what we are talking about here. This is a breakdown that must be addressed immediately by very aggressive and active and unforgiving prosecution of the people who have violated the trust of the employees and who have violated the trust of the shareholders and who have violated their fiduciary responsibilities to their professions and to the corporations and the people for whom they work.

That is not asking too much. I hope in the next few weeks we see action like we have seen from the Bush administration in the last 24 hours, and that is criminal indictment against those families with the Adelphia Cable Corporation that stole 2.3 or 3.3, I cannot remember, but I can tell you it was in the billions. We need indictments. We ought to have indictments every day.

We ought to have the IRS. About 6 weeks ago, the IRS announced they are going to start doing random audits. They will come down here and just randomly pick somebody seated behind me and say hey, they may make \$40,000 a year, we are going to audit them. IRS ought to give up their random audits

and focus audits strictly on these people, like that lawyer with Tyco, like WorldCom, like the Kmart people.

We need to come together on this, Republicans and Democrats. Again, it is not a Republican issue; it is not a Democrat issue. It is an issue that challenges the very business community, which we need in this country. This is a cleansing process. We have got to make sure that we cleanse correctly. We have got to make sure we get the cancer out, and it does require active prosecution and active pursuit of these two-bit crooks. They should not be treated any better than the way we treat somebody that steals a car. They ought to be treated exactly like that and that is go directly to jail and do not collect your \$200 as you pass go.

Enough of that subject, Mr. Speaker. Mr. Speaker, we have a fascinating half an hour. I would like to have my colleague, we have chatted about it, on agriculture, the gentleman from Nebraska (Mr. OSBORNE). All my colleagues know of his reputation. Obviously, he is one of the most reputable people here. His integrity is impeccable, and his knowledge on agriculture is second to none. I would like to at this point in time yield the balance of my time to the gentleman from Nebraska (Mr. OSBORNE) so we can have some discussions on the issue of agriculture and farming.

#### GENERAL PERCEPTION OF THE FARM BILL

Mr. OSBORNE. Mr. Speaker, I would like to thank the gentleman from Colorado for yielding this time, appreciate his insights on the business community and some of the difficulties we have been having; and Mr. Speaker, tonight I would like to discuss the general perception of the farm bill that was passed in May, the Farm Security and Rural Investment Act.

It has been very interesting as we have watched what has gone on around the country, particularly in the urban areas, particularly areas of both coasts here in Washington.

The farm bill has been labeled as obscene. It has been labeled as fat. It has been labeled as pork, et cetera. I would like to read just three quotes from leading newspapers that pretty much express the general sentiments that we have been hearing.

This was from the Las Vegas Review Journal. The headline was "Farm Welfare," and the body of the article said this: "The House voted to slide backwards some 70 years, choosing socialism and abandoning market-based reforms in the Nation's Stalinesque farm policy in voting for the new farm bill." Those are very strong words, that we decided to slide back 70 years, chose socialism and Stalinesque policy.

The Washington Post, under the headline: "Grins for Mr. Bush," editorialized, "Mr. Bush signed a farm bill that represents a low point in his presidency, a wasteful corporate welfare

measure that penalizes taxpayers and the world's poorest people in order to bribe a few voters." So the farm bill was labeled as a bribe and was a low point of the Bush presidency.

The Wall Street Journal, under the headline, "The Farm State Pigout," says this: "That great rooting snooting noise you hear in the distance, dear taxpayer, is the sound of election year farm State politics rolling out of the U.S. Congress. This alone amounts to one of the greatest urban to rural wealth transfers to wealth in history. A sort of farm bill great society."

The question is are these perceptions, are these quotes truly representative of the farm bill? Is this what we are all about? I would like to take a look at some of the actual data concerning this farm bill that was passed in May.

We will see that the spending on agriculture in 1999 was about \$19 billion. In 2000, under Freedom to Farm, spending was roughly \$33 billion; and in 2001, a year ago, it was roughly \$23 billion. So those were the last 3 years of Freedom to Farm, and the amounts above these marks here were emergency payments. In other words, farmers were losing their livelihood so Congress passed emergency payments.

Here we see a substantial increase of about \$12 billion emergency here, an increase of 6 or \$7 billion for emergency payments. The interesting thing is that if we look at this very carefully, we will find that the average here of these last 3 years of Freedom to Farm were \$24.5 billion per year.

We look at the new farm bill, 2002. We are projecting roughly \$19 billion. Then it goes up to 22. Then it starts to level off, and from that point on it is projected to go down. So what we are talking about in the first 4 years of the new farm bill, the projection, a little less than \$21 billion a year, which means that is \$3.5 billion less than what we averaged in the previous 3 years under the old farm bill.

□ 2215

Now, as far as I can tell, this does not represent a huge increase. Actually, it is a decrease. I do not believe that this is irresponsible policy.

And so the thing that people need to remember is that the reason that the new farm bill was passed was people decided that we could not continue to rely on emergency payments. These emergency payments were not made until October–November, so the banker did not know at the planting time what the farmer was going to receive and the farmer did not know what he was going to receive until well after harvest. So in this policy we have folded in what is emergency payments, and we believe this is a more reasonable approach and, actually, probably, will save money at this point.

Is this farm bill 15 percent of the Federal budget? We have heard of all the anguish, the weeping, wailing, and gnashing of teeth about how expensive it is. Is it 20 percent of the total tax

bill? Is it 25 percent of the Federal budget? The answer, Mr. Speaker, is that this farm bill costs roughly one-half of 1 percent of the total Federal budget. Roughly one-half of 1 percent. And, actually, less than one-half of 1 percent goes to farmers, because 30 percent of the farm bill goes to school lunch programs through nutrition programs.

So we feel the question probably should be asked then at this point, is that one-half of 1 percent being well spent? Certainly, even though it is not a huge amount of the Federal budget, do we want to waste that money? I guess if people think about it, they will realize that in that one-half of 1 percent, the United States has the safest food supply in the world. We have no foot-and-mouth disease in this country. We have no mad cow disease in this country. When we buy a piece of fruit at the grocery store, we know it has not been sprayed by DDT. So we have the safest food supply, we have the most diverse food supply, and we also have the cheapest food supply in the world.

We spend roughly 9 percent of our total income on food in this country, whereas most countries are spending 20, 25, 30, sometimes as much as 50 percent for food. So I think that this one-half of 1 percent is certainly well spent.

Another question that might arise is, are farmers getting rich? That is the perception, that this farm bill makes farmers wealthy and it is sort of a welfare system, as one of the newspaper articles said, for agriculture. Actually, I guess I can speak in terms of what my own home State has experienced. Last year, we lost 1,000 farmers in the State of Nebraska. These were farmers who no longer could keep going. Most of them left because of financial reasons.

The census figures in 1997 indicated that there were 5,500 farmers in the State of Nebraska that were under the age of 35 years of age. Ten years before that, in 1987, there were 12,600 farmers under 35 years of age. So we lost 60 percent of our farmers 35 years of age and younger. There simply are not young farmers in the business any more because it is not profitable.

So you may say, well, certainly the older farmers increased. And actually, again in Nebraska, the ages between 60 and 64 declined. Two thousand farmers left the profession at that point. So we have been losing all age brackets in the farm community.

In addition, I might mention, Mr. Speaker, that at the present time Nebraska has the three poorest counties in the country in terms of average per capita income. Now, that does not mean just three of the poorer. It is the three poorest, one, two and three. In one of these counties, the average per capita income is a little over \$4,000 a year per person. The other two counties are in the \$5,000 range. All of these counties do not have any urban area. They are totally rural. They are to-

tally dependent upon agriculture. So I can assure my colleagues that we do not find that agriculture is something where people are getting rich.

The environmental working group has published a Web site in which all of the farm payments over the preceding 4 years have been published and anyone can access that site and see the horror stories that Scotty Pippin, the NBA player, got some farm payments; and we see cases where multiple entities of 10 or 15 or 20 or 30 people have gone together and maybe they have received payments of \$1 million. So the assumption is that those payments represent net profit. And yet I guess anybody in agriculture understands that that is not the case.

Now, let me give an example. Over the past 3 or 4 years, the pricing of a bushel of corn, what it will bring at the elevator, has probably averaged about \$1.70 per bushel. The cost of production for a bushel of corn is roughly \$2.20 per bushel. So after paying for fertilizer, seed, equipment, the combine, the tractor, the pesticides, it costs about \$2.20 a bushel, on the average, to produce a bushel of corn, which means, obviously, that the farmer is losing 50 cents a bushel.

So if that farmer has a couple thousand acres of corn and they are losing 50 cents a bushel and their yield is roughly 200 bushels per acre, that means, essentially, that the farmer would need a \$200,000 payment just to break even. Now, that does not allow the farmer any profit. It does not allow for any surplus of any type and obviously, he goes out of business if all he does is break even. So most of these farm payments have been to cover rather severe deficits in the farm economy.

The question we might ask ourselves is, well, why do we need a farm bill? People often wonder, well, the person who runs the drugstore on Main Street, the person who has an implement dealership or a clothing store has no guaranties. If Wal-Mart moves in, they have trouble. Why in the world should we help farmers? Let me talk a little about that tonight, Mr. Speaker.

I believe there is some reasons why we want to think about the importance of agriculture and why agriculture deserves some special attention.

First of all, farming is a unique industry in this sense. Farming is almost totally weather-dependent. I cannot think of any other industry where you can work a whole year and do things right, and in 10 minutes of hailstorm lose your whole crop. You cannot make it rain nor can you have it rain too much. You cannot prevent a 60 or 70-mile-an-hour windstorm that knocks down all your corn or your wheat. So because of the fact that agriculture is totally weather-dependent, it is somewhat unique.

Second, in regard to agriculture, it is impossible to control inventory. When you start to plant your crop in the spring, you have no idea what your

yield is going to be, you have no idea what the yield around the United States is going to be, you have no idea what the yield in Australia or China or the European Union is going to be. And so there is no way, if there is too much of a crop, to cut back at that point.

Now, if you work for Ford, and there are too many SUVs on the road, you close down a production line or you begin to cut back on a whole plant. If there are too many suits of clothes on the market, then you begin to produce fewer suits of clothes. It is impossible for the agriculture industry to do this in adjusting their inventory.

Third, producers do not set the price. Now, I cannot think of any other industry where the person producing does not decide what it is going to cost, what the price is going to be. If you produce an automobile, you put a sticker on there that says \$20,000, \$25,000, \$30,000. A suit of clothes is \$300, \$400, or whatever. Yet the farmer, when he has harvested his crop, goes down to the elevator and finds out what the elevator operator will pay him for his crop. It may be \$2.50 for a bushel of corn, it may be \$1.50 for a bushel of corn. The same is true of the livestock producer. The cattleman has to go to the packer, the pork producers go to the packer to find out what he can receive. So in agriculture, the producer does not set the price.

Fourth, and this is a very important point, farming is critical to national security. And the reason I say this is if we think about our oil industry, our petroleum industry, about 15, 20 years ago we realized that we could buy petroleum from OPEC for roughly \$12 a barrel, \$10 a barrel. In this country, it was costing \$18, \$22 a barrel to produce. So what we did is we quit exploring, we shut down our wells, and we began to decrease the number of refineries and began to shift our petroleum industry overseas. We decided if we could get it for \$12 a barrel from OPEC, that was a good deal. So now, all of a sudden, we wake up and one day we find that we are roughly 60 percent dependent on OPEC for our oil.

As we begin to add up the price of the Gulf War, as we begin to consider what it cost to keep the fleet in the Gulf and all of the military maneuvers that we have had to protect our oil supply, we would probably have to admit that we are now paying \$60, \$70, \$80, maybe even \$100 a barrel for that oil. So we have let our petroleum industry slip overseas.

The point is, Mr. Speaker, that this can easily happen to our agriculture. If we begin to ignore agriculture, it can easily go to other countries and then, all of a sudden, we are dependent upon our food supply, which is even more critical than being dependent upon the petroleum industry from OPEC.

Fifth, there is no level playing field worldwide. So it is assumed right now by many who have criticized the farm

bill that the United States is the only country in the world that is helping our farmers, or farmers in general. And, actually, Mr. Speaker, the European Union subsidizes their farmers more than \$300 per acre, Japan subsidizes their farmers more than \$1,000 per acre, and in the United States our average subsidy is \$45 per acre. So it is a tremendous disparity here. It is much less than these other nations are subsidizing their agriculture.

So when we throw in the fact that our agricultural exports are being taxed or have tariffs of roughly 60 percent as they are sent overseas to other countries, and as goods come in from other countries to our Nation the tariff is roughly an average of 12 percent, and we look at that great disparity and then look at the difference in subsidization, we realize our agriculture producers right now are at somewhat of a disadvantage.

Sixth, I might mention this, that land, labor, and production costs vary widely worldwide. In Brazil, for instance, you can buy top quality land for \$100 to \$500 an acre. About an average of \$250 an acre. And that is top grade land. The topsoil is 50 feet deep, enough rainfall to sometimes produce two crops in one year on that cropland. And cropland like that in the United States would cost at least \$2,500 to \$3,000 an acre. So you can buy it in Brazil for one-tenth what you would spend here in the United States.

The labor cost in Brazil is 50 cents an hour. Here in the United States it would be at least 20 times that amount. And, of course, in Brazil and many South American, many Third World countries, there are absolutely no environmental regulations. Of course, here in the United States, we have those regulations.

So the point of all this argument is that if we do not do something to protect our farmers, if we do not have a farm bill of some kind, we will simply be run over by what is going on around the rest of the world, and we need to be competitive because we do not want to rely on someplace else and the rest of the world for our food supply.

Let me also mention another item here, Mr. Speaker, that I think is very important. It may have some relationship to our previous speaker, the gentleman from Colorado. And the reason I am going through all of this background work is that at the present time we are experiencing a tremendous drought throughout much of this country, particularly in the Western States.

□ 2230

At the present time, roughly 40 percent of the United States is in a severe drought situation. In an average year, we have 15 percent of the country in a drought. So we have reached a crisis situation. Looking at this chart, we can see the areas that are heavily affected. Most of the western States are

in severe drought. For instance, the home State of the gentleman from Colorado (Mr. McINNIS) had the driest spring ever in recorded history, the last 97 years. They are in this black area. Arizona is in a huge drought. Southern California is in the same situation. We see the same thing in North Dakota, South Dakota, Kansas, Nebraska and so on.

Our livestock producers, particularly our cattlemen, have no pasture. The roots are dead in the pasture. There is no moisture. Cattlemen are very independent people. These people have no safety net. They do not participate in hardly any of the farm bill. Right now we are concerned because these folks need some type of disaster assistance. Yet because of the perception of the farm bill, that it is so fat, there is so much money for agriculture, it is going to be very, very difficult to get any help for these people who are going to have to sell their herds because there is no pasture.

When everybody sells their herds at the same time, there is a huge glut and the price goes way down. We have been told that we have to have an offset from the present farm bill. In other words, we have to get some money from the farm bill that is already in the bill from somewhere else, and that is going to be very, very difficult to do. So the perception makes it difficult for agriculture at the present time.

If we think about New York State, if they had a huge flood, we would expect that they would get some disaster assistance, and we would hope that somebody would not say New York State has already received a great deal of disaster help for other causes and, therefore, they really should not get any more. This is the mentality that we are concerned about with regard to this drought and particularly with regard to our livestock producers at the present time.

Mr. Speaker, this really is pretty much the summary of what I wanted to say tonight. I appreciate the gentleman from Colorado (Mr. McINNIS) yielding me this time. I would imagine that the gentleman has a comment or two regarding the drought situation that he has endured in his State.

Mr. McINNIS. Mr. Speaker, reclaiming my time, I think the comments by the gentleman from Nebraska (Mr. OSBORNE) are particularly appropriate at this point.

Out in Colorado, we are suffering the most significant drought that we have seen in the last 97 years that the gentleman from Nebraska (Mr. OSBORNE) mentioned. The only reason I say that, that is as far back as the records are kept. It is impacting our cattle people significantly. We are looking for a pretty tough year out there. I appreciate the gentleman's comments, and I thank the gentleman for working with me this evening.