

me tell you a little bit of the rationale that holds up very well.

First of all, farming is almost totally weather dependent. Now, most industries, most businesses in our country do not dissolve if you have a 15-minute hailstorm or if it does not rain for 3 weeks or if a strong wind comes through and knocks the wheat down. It does not happen that way, but farming is totally weather dependent.

Number two, in farming it is almost impossible to control the inventory. You say, well, what does that mean? Well, if General Motors has too many automobiles out there and they feel there is a glut what they do is shut down an assembly line and they wait until things get in balance. But when you are growing wheat around the world, you really cannot say, well, Australia, you do not plant this year or, Canada, you cut down because you do not know what the worldwide production will be. You do not know where the droughts are going to be. You do not know what is going to happen so you cannot control the inventory. Now most businesses can control the inventory.

Thirdly, producers do not set the price. If you are going to make a suit of clothes you will say, this is worth \$500. This is what we will price it at. We will make a box of corn flakes. It will be \$2.50. If we are going to sell a car it will be \$30,000. So the manufacturer, the producer sets the price. But in farming the farmer does not set the price. The price is set for him. It is the local elevator, the Chicago Board of Trade that says corn is worth \$1.60 a bushel this week, so much a pound for beef. And he has no choice. He does not set the price.

Fourthly, farming is critical to national security. As long as you can go down to the grocery store and things are convenient and easy and there is plenty there, and you only spend an average of 9 percent of your income on food you do not really see a problem. There is no problem with national security. But those countries that experienced a shortage of food in World War II have a little bit different slant on things. And the other thing that we want to point out here in regard to national security, somebody mentioned in the previous hour, they were talking about petroleum, our dependence on OPEC for oil. Well, what happened was about 20 years ago we found that we could buy petroleum from OPEC for like \$15, \$20 a barrel. So we said that is a good deal. So we should shut down our own exploration. We shut down our own refineries. As a result we are now 60 percent dependent so foreign.

People say that is still okay because we only pay \$12 to \$15 a barrel. That is no problem. But some economists have put a pencil to it and said the Gulf War cost us a lot of money, and the Gulf War was about oil. And we are maintaining a fleet and a military presence in the Middle East and we are now maintaining an even bigger presence

which is due largely to oil. And what economists have said was that oil really does not cost us \$15 a barrel. What it cost was more like \$70 to \$100 a barrel when you add it all in.

Now, we can do the same thing to our agriculture. We can very quickly ship our agriculture to South America, to Australia, to Canada. And so the question is are we going to protect agriculture and are we going to keep it in the United States where we know what we have, and we have a secure food supply, and no matter what happens around the world we know we have got it here. Is that worth something to us? I think it is.

Fifthly, there is no level playing field worldwide. The European Union subsidizes agriculture by more than \$300 per acre. Now, again, you go back to toward World War II and most people in Europe understand the value of a food supply so they subsidize \$300 per acre. Japan subsidizes agriculture more than \$1,000 per acre. In the United States, get this, the United States, that fat farm state pig out farm bill subsidizes agriculture \$45 per acre, roughly one-sixth of what the European Union subsidizes their farmers.

The other thing to remember is that there is great competition from South America. In Brazil, for instance, a top grade of land will cost \$250 per acre, land that would probably cost \$2,500 an acre here in the United States. Labor costs an average of 50 cents an hour in Brazil. It would probably cost \$10 an hour in the United States. And there are practically no environmental regulations in Brazil where we have a great many.

So what we are saying is that the farm bill is necessary to enable our agriculture to be somewhat competitive and we think we are getting a pretty good bargain here at \$45 per acre. And so is that agriculture worth saving? Is that worth some type of investment in terms of disaster payment to keep that here, to keep it in the United States, to keep these people viable? I guess my slant, Mr. Speaker, is, yes, it is. And so that is pretty much my rationale this evening.

I guess one last comment, some people would say, well, we do not have any disaster aid because, number one, the drought is not a natural disaster; and of course I think I pretty well disputed that. Secondly, they have said the farm bill is too fat; and again I think we have offered some information to dispute that.

But the third argument is this, that, well, that those people who have row crops have crop insurance so they do not need any help. Well, I think people in the United States need to understand the crop insurance program is viable and it is very important. It works very well if you have three or four good years, good yields and good production, and then all of the sudden you have a drought for 1 year and maybe then you have 3 or 4 more good years because the crop insurance will

at least hold you in there. It will get the input costs back, because the most insurance you can buy for crop insurance is 85 percent. Now, profitability is in the last 10 percent. So on crop insurance you do not make money. You probably still lose a little bit. But the problem is that when you have multiple years of drought, which we have had. Most of these farmers have experienced at least 2, 3, 4, some of them 5 years of drought. Every year of drought that you have the amount of insurance you can buy goes down because you have to average in those years where you had no production.

So probably most of the farmers in those drought areas are insured at a 60, 65 percent level and they have been receiving that now for 2 and 3 years. So they have been digging into their equity every year and some of them are to the point where they no longer have any equity left. So insurance is good for a 1-year situation, but when you have multiple years of drought which we have had, you have a disaster. And so that is where I believe at this point we need to step in.

So we hope very much that this body, in the House, we hope in the Senate and we hope that the administration will begin to see what we are up against and the difficulty of the situation. We hope this will be treated like a natural disaster, like a hurricane, like a flood, like a fire. And typically the United States has stepped forward in those situations, and it is difficult to stand back and see a lack of responses in this case.

Mr. Speaker, I appreciate this opportunity.

RECESS

The SPEAKER pro tempore (Mr. OSE). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 7 o'clock and 10 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2110

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 9 o'clock and 10 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 23, TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 108-1) on the resolution (H. Res. 14) providing for consideration of the Senate bill (S. 23) to provide for a 5-month extension of the Temporary Extended Unemployment Compensation Act of 2002 and for a transition period for individuals receiving compensation when the program under