



**April 11, 2008**

**BILL MOYERS:** Welcome to THE JOURNAL.

Food is the big story this week. We're paying a lot more for it, a lot of people don't have enough of it, and Washington may be about to make a bad situation worse.

First, the price of food. Rice alone has shot up by more than half in just two weeks — double its price a year ago. But corn, wheat, and other grains are sky-high, too, creating a crisis for poor people around the world.

Here at home milk prices have soared over the past year by 26%, eggs by 24%, bread by 13%. Add rising grocery prices to the higher cost of gas and electricity, throw in disappearing jobs and home foreclosures, and you can understand why people are struggling to keep food on the table. Our government figures 28 million Americans will be using food stamps this year —the highest level since the program began in the 1960s.

So what do you do if you are working every day but don't earn enough to keep up with the rising cost of living? Or you're retired and living on social security? Or you've lost your job, your home, or you get sick, your bank account is as bare as your cupboard? You turn to food banks and food pantries. But the world-wide demand for food is squeezing them, too, as we learned when we visited some of the food assistance centers here in the New York area. I'll wager that what we heard can be heard where you live, too.

**ROSABELLE WALKER:** I was a very independent woman. You couldn't get me to come stand in line to get no food free from nobody. Because I was always used to working and taking care of myself.

The first job I had was 16, I was the section hand on the railroad during the second world war. I worked in the steel mills in Pennsylvania. When I came to New York, I did housework 'cause that's all women got in New York was domestic day work.

I worked in the laundry. Then I managed the Laundromat. I'd work right now, even though I'm over 80, I'd go take care of somebody that's 75 or 80. And stay with them in their home, and get paid for it. I don't like lazy. But then I got to the place where I was retired. No money.

**VOLUNTEER:** Hi, Rosabelle!

**ROSABELLE WALKER:** No income coming in.

**ROSABELLE WALKER:** Thank you.

**VOLUNTEER:** Here you go.

**ROSABELLE WALKER:** And finally in desperation, I said, "Well, if everybody else can go get it, I will, too."

**ROSABELLE WALKER:** Come on, Matilda.

**ROSABELLE WALKER:** And that's what started me to coming to the pantry.

**TOM MCGARRY:** Good morning, sir. How are you?

**VOLUNTEER:** Yup. Gotcha.

**TOM MCGARRY:** Client: I lost my job because of defense cutbacks.

**TOM MCGARRY:** Thank you very much.

**VOLUNTEER:** You have a good day.

**TOM MCGARRY:** You too. Thank you.

**TOM MCGARRY:** And I've been lookin' around here for jobs. I want to work. I want, I want to provide for myself. I always did.

**TOM MCGARRY:** Is she coming back?

**TOM MCGARRY:** I've been doing that since I was 18. And, I don't like this. Not at all.

**VOLUNTEER:** Here you go.

**KATIE BROCCONE:** Thanks.

**VOLUNTEER:** Have a good day.

**KATIE BROCCONE:** You too.

**KATIE BROCCONE:** I was once told by a man that if he ever got in my position that he hopes somebody would shoot him. And I said, "That's pretty extreme." Because it's not that I'm just laying back and I'm lazy. I worked my whole life. I supported my four children and then I had gotten sick. And these are the positions that people don't realize.

**REVEREND MELONY SAMUELS:** When you think of food pantries, you think of the homeless. You think of shelters. You think of substance abuse. You think of just outright people who are down and out. But now the faces have changed.

**REVEREND MELONY SAMUELS:** We're short on fresh vegetables. There is — we have onions.

**BILL MOYERS:** Reverend Melony Samuels directs the Bed-Stuy Campaign Against Hunger.

**REVEREND MELONY SAMUELS:** You want some canned vegetables?

**REVEREND MELONY SAMUELS:** Now, we are seeing more families, mothers with children, working families coming in. We're seeing people that have graduated from high school, people who are making a fairly good income, but they have told us over and over again that the cost of food is unbelievable. The cost of living, finding housing, that has pushed them into food pantries and they don't only come to this food pantry, but they go to several food pantries, trying to see if they accumulate enough food for a week.

**BILL MOYERS:** She can't provide as much food as she once did — food donations to her pantry have dropped by half, even as the number of people needing food has increased 70 percent in one year.

**REVEREND MELONY SAMUELS:** One cereal, bread.

**REVEREND MELONY SAMUELS:** The food bank is not delivering as they used to. We still get a weekly delivery and sometimes it is so sparingly. It's unbelievable, when you see

exactly what comes off the truck. You're disappointed. People are disappointed, because once the truck drives up, then the neighborhood knows, and they start coming. They are coming because they figure food is here.

A child told me a story recently, and she said, "Well, when my mother prepares food, we get such a small amount. But then there is some left and I would ask for more, and she would tell me. 'You cannot have anymore, because what is left is for tomorrow, and if you eat it today, you will go hungry tomorrow.'"

**BILL MOYERS:** Just a short drive away, another pantry is struggling to keep its shelves full.

**REVEREND MELONY SAMUELS:** We just simply do not have enough food to go around.

**BILL MOYERS:** Tamar Auber heads the Hanson Place Campaign Against Hunger in Brooklyn.

**REVEREND MELONY SAMUELS:** So, the amount that we're offering to each client has decreased. The quality of food has decreased. We're offering more carbohydrates, less protein. If you look at it right now you'll notice that everything is canned, which means that everything is high in sodium. We don't have a lot of fresh vegetables coming through. We have a complete absence of dairy products which means that we have cereal, but we don't have any milk to put on the cereal.

**BILL MOYERS:** The city's food pantries and soup kitchens rely on the food bank for New York City to supply much of the food they give out. But now this resource is drying up.

**TYRONE HARRYSINGH:** We used to have a lot of vegetables, a lot of protein, a lot of beans, pasta. Those items have basically disappeared.

**BILL MOYERS:** Tyrone Harrysingh is the food bank's chief operating officer.

**TYRONE HARRYSINGH:** I have never seen this in all the time that I've been here. This year is essentially the worst in terms of the food shortage that we have seen. There used to be aisles and aisles of food.

**BILL MOYERS:** Like many American jobs, food is also heading overseas. Much of what was once donated to food banks is now sold to consumers abroad.

**TYRONE HARRYSINGH:** It's, you know, it's a trend that we hope is not gonna continue. But, you know, we don't know where this is gonna take us.

**BILL MOYERS:** Up the Hudson River from Manhattan is Westchester County, one of the ten wealthiest counties in the U.S. But just a few blocks away from the opulence food is running short. The volunteers of New Rochelle's Hope Community Services have less every week to pack up for their clients.

**JIM MCGEE:** We offer the folks bread, beans, rice, cold cereal, tea, pasta, tuna fish, meal in a can, tomato sauce, fruit and vegetables but sometimes we run short of bread. Vegetables can get tight. Sometimes— we can only offer one of something instead of three of something. You know it's the volume that's significantly decreased.

**ANNE AVENIUS:** When I started here we were stuffing between 200 and 300 bags. Now we're making 450 bags. The need is just becoming so tremendous.

**KATIE BROCCONE:** We used to get— fruits and vegetables. We used to get eggs. We used to get butter. We used to get cheese. Not all the time, but we haven't gotten something like that in a very, very long time.

I'm on disability right now. I've been on it for a long time. And, the money is just not there

for the food. It's just not there.

I mean there might be a few days out of the month that I'm eating okay, and then the other days I just have to, you know, I do what I have to do.

**ROBERT TENNYSON:** I was working as a super and they sold the building and new owners — I lost that job. And, you can have a full-time job and still just come up short. Money comes and goes, you know. You could spend \$200 a week on groceries and depending on how many people you're feeding, it's sometimes just not enough.

Whatever I get, whether how big it is, you know, I'm blessed to get that, you know? And I just thank God for that. And then when you get home you just got to cut the portions smaller, when you get home, you know? Sometimes I don't even eat, you know. I'll just give the food to the kids.

**ROSABELLE WALKER:** I am on a fixed income. And I have to live on my social security check alone. I have no other income. When I have to go to my primary doctor, I have a co-pay. When I get my medicine every month, I have a co-pay. Plus my living expenses and with all of it combined, when I get my check on the third of the month, by the seventh, I have nothing.

**TOM MCGARRY:** I used to be able to buy anything I wanted. I had every credit card known to man. And I had a plenty of money every week. And I'd buy the best meats, the best vegetables, the best this and that. Now, they give me hotdogs or something. I cook them. I get peanut butter, crackers, and things. And sometimes I'll get a can of beef stew or something like that. And some or maybe a can of soup and I use those things. And I eat but the foods I'm eating are simple foods. A lot of them are poor man's food. I was used to that when I was a kid. And I've gotten back to that. But it's a struggle and some days I'll really go hungry.

**ANNE CAREY-COLORADO:** Tonight we're having hot dogs and scalloped potatoes and vegetables because that's what we had available today.

**BILL MOYERS:** Anne Carey-Colorado directs the Hope Community Services food pantry and soup kitchen.

**ANNE CAREY-COLORADO:** If a parent can't put food on the table to feed their children, and their children go to school hungry, the parent feels worthless. And that impacts on you— your ability to function on a daily basis. It impacts on your children's ability to perform at school. Or, if you can't feed yourself, and take care of yourself, it's very hard to feel good about yourself.

**ANNE CAREY-COLORADO:** And we're glad to see you back. You haven't been here in awhile.

**WOMAN:** A long time, yeah.

**ANNE CAREY-COLORADO:** A couple of months?

**ANNE CAREY-COLORADO:** A year ago in the kitchen, on a nightly basis, we'd have anywhere from 50 to 75 people. Now, we're averaging anywhere from 85 to 120 a night. Last Thanksgiving, in the kitchen, a year ago we had 150 people in for dinner. This year, we had 225. We now have more families using the kitchen than in previous years. Previously it was primarily singles, whether its seniors or adults. Now the number of families has increased.

**ROBERT TENNYSON:** I see more and more people coming in here. Even people with jobs, that I know from out on the street, with jobs, with 9 to 5s, that still come here to eat.

**TOM MCGARRY:** For a while, I was very cynical. And I looked down my nose at a lot of people. But now I'm one of those people that I looked down on. And so I don't look down

on anybody anymore.

**ROSABELLE WALKER:** I went to the supermarket and I left the supermarket and didn't buy anything because they had hamburger, there wasn't a package of hamburger in the whole meat thing that was less than four dollars. None of it! And every week you go to the market to buy food, they up the price, up the price, up the price, but nobody's upping nobody's salary. Right now at home in my house, my check is coming tomorrow to go marketing with. I got two halves of a green pepper in my freezer. Period. No food — I got some canned goods on the shelf — no food in the house. No money to go buy it. That's the condition. And if there was no pantries, you would find a lot of us wouldn't even have a green pepper in the freezer.

**BILL MOYERS:** As so many people face empty fridges and bare pantries, American farmers are going all-out to meet the world-wide demand for food — and earning record prices for their efforts, as they should. Farm income almost doubled last year, and is now reaching an all time high. With grain prices skyrocketing and the federal deficit out of sight, this would seem the moment to cut back on those tens of billions of dollars that taxpayers shower on milk producers, cotton and rice farmers, and growers of corn, soybeans, wheat, and sugar — subsidies that keep coming whether they're needed or not. Our farm policies frankly are a ramshackle, a costly mess — a monster jerrybuilt by politics. What was supposed to be a temporary financial safety net for imperiled family farmers has become a huge boondoggle for a fraction of wealthy farmers, including landowners who've never gotten close enough to a barn to slip on the manure. But you don't have to take my word for it. Listen to a team of journalists from the Washington Post —which by the way, won six Pulitzer prizes this week. They spent over a year producing a long series of painstaking reports on farm subsidies. This account of what the post reporters found was produced by my colleagues at Exposé.

**NARRATOR:** This is El Campo, Texas, once the heart of the historic Texas rice belt. But many of the rice mills have been abandoned.

**NARRATOR:** For Ed Gangl, a tenant farmer who has worked these fields for over four decades, there is less land to grow rice on every year.

**ED GANGL:** All this here was in rice, for the last, uh, since World War II.

**NARRATOR:** He used to farm this field. But it's not for rent anymore. The reason? It isn't drought or blight or any other natural disaster. It isn't even about Texas. It's about Washington.

**NARRATOR:** This is where they make the laws that govern farming...and where the Washington Post's Dan Morgan began covering farm policy in the 1970s.

**DAN MORGAN:** One of the troubles with the farm program is it's a hodgepodge, it's not one program.

**DAN MORGAN:** The loan deficiency payment, the livestock compensation program, the price support, subsidized crop insurance, disaster relief programs. It's one program kind of layered on another.

**NARRATOR:** Years ago, Morgan became convinced that the nation's farm bills — particularly, its farm subsidies — were the source of an enormous waste of taxpayer dollars. Potentially billions.

**NARRATOR:** His evidence? A particular kind of farm subsidy known as the Loan Deficiency Payment: the "LDP."

**DAN MORGAN:** The LDP is not something that is a household name in Washington, or New York, but out in farm country, it's the discussion that every football, Friday night football game, you know, everybody is talking about. "What's the LDP this week?"

**NARRATOR:** With the LDP, farmers can collect a subsidy when the market price of their

crop dips below a government-set floor price. This way, when prices are low for crops, the government steps in and makes up the difference.

**NARRATOR:** But, Morgan learned, there's a way to make a killing on the LDP.

**DAN MORGAN:** You can get the subsidy, pocket the subsidy, wait for the price to go up, and then sell later. There's big money in this.

**DAN MORGAN:** It made me scratch my head a little bit, because I said, "Isn't the LDP supposed to compensate farmers who are losing money?"

**NARRATOR:** Back in 2000, Morgan wrote a memo to the Post's national editors. He told them about 8 billion dollars worth of farm subsidies —taxpayer dollars — and how a lot of it was going to those who knew how to, quote, "game the system."

**NARRATOR:** He wanted to do the story. His editors did not.

**DAN MORGAN:** I think I mentioned the LDP. That was probably a big mistake, because once you start throwing those acronyms around, people's eyes glaze over and they — it's hard for them to understand, you know, what may be behind that.

**NARRATOR:** But Morgan wouldn't take "no" for an answer, and in 2005 he pitched the story again, this time to the paper's top investigative editor, Jeff Leen.

**JEFF LEEN:** Dan came to me with a memo that, I have to confess, sounded and looked like it was written in Greek. But I knew from Dan and I knew from my experience with, with working on really tough subjects, that something was there. My instinct, my spider sense just told me that something was there.

**JEFF LEEN:** So Dan set it up for us to go to the USDA, which is based here in Washington. We met with a senior official and he was very blunt. He said, "This is a broken system."

**NARRATOR:** Jeff Leen assigned two reporters to join Dan Morgan on the project: two-time Pulitzer prize winner Gil Gaul and former government economist turned reporter Sarah Cohen, an expert in data analysis.

**NARRATOR:** To crack the farm bill code, Cohen would have to make sense of a database of 217 million individual subsidy payments that the Department of Agriculture — the USDA — had shelled out over 15 years.

**SARAH COHEN:** This is the amount that the person got, in this case it's 163,700 dollars; this is the date they got the check and this big number over here is the identifier that tells you who got the check.

**NARRATOR:** The Post began its investigation by examining a kind of subsidy born in 1996.

**NARRATOR:** The Republican controlled Congress — critical of what it termed Big Government — wanted to wean farmers off subsidies and to encourage them to grow whatever the market demanded.

**NARRATOR:** But to get votes, the reformers had to make trade-offs with farm State congressional Democrats and Republicans bent on maintaining payments to their farmers. The result was a classic Washington compromise: one kind of subsidy was ended. But in exchange, a new subsidy was created: one that paid farmers not for the crops they grew — but for the land they owned.

**NARRATOR:** That compromise now costs taxpayers billions.

**DAN MORGAN:** The taxpayers spend more than 5 billion dollars a year paying farmers not on what they grow, but on what farms grew in 1996. They took a sort of a snapshot of

American farms and said, "How many acres — if you grow 100 acres of corn, those are your base acres, and we're no longer going to tell you what to plant on those acres: you can plant corn, you can plant nothing, but we're still gonna send you a check to support your income."

**NARRATOR:** Dan Morgan wanted to know more.

**DAN MORGAN:** I nosed around up on Capitol Hill and found a guy, a member of the staff, who said, "You ought go down and look at a rice production area near Houston. People are being paid down there, they're getting checks from the government covering 500,000 acres of rice. But guess what? There's only less than 200,000 acres being grown now and yet, and yet they're still receiving these payments."

**NARRATOR:** Morgan and his colleague Gil Gaul headed for rice country to investigate. In El Campo, Texas, they met Ed Gangl — the rice farmer who can no longer rent the land he used to farm.

**ED GANGL:** There's just another example of what's happened to the Texas rice industry.

**NARRATOR:** No one farms here now, yet the owner still receives a subsidy — what's called a "direct payment" — from the Feds.

**ED GANGL:** On this farm he is receiving somewhere around the lower ten thousand dollars for not having a farmer out here. He runs his own cattle on it. He can do that or lease it out, or actually do nothing at all with the land, and still be better off than having a farmer on the land.

**NARRATOR:** At a roadside restaurant, Ed Gangl arranged for the reporters to meet more struggling local farmers.

**GIL GAUL:** What happened was one guy down at the end of the table mentioned, "Well, you should go look at these, these mansions out on these old rice fields. They're collecting government payments because they were built on these old rice fields and they qualified." And you know, I just kind of looked at him like he was nuts, and thought to myself, "No way."

**DAN MORGAN:** And I remember Gil walking into one of the government offices down there, and he saw posted on the bulletin board some real estate brokers' cards. By talking to the real estate agent, Gil was able to pin this down, and, uh, was told that, "Yeah, you'd be able to live on the one acre, and collect government payments on the other nine acres. They call these 'Cowboy Starter Kits.'"

**NARRATOR:** The term "Cowboy Starter Kit" meant a tract non-farmers could buy with enough room to build a house and still keep a horse out back.

**NARRATOR:** And it was used as a marketing tool: in essence, buy this land and get a free, annual federal subsidy.

**NARRATOR:** But in order to know how much federal money was going into the Cowboy Starter Kits, Gil Gaul would first need to know who owned them.

**NARRATOR:** And he knew which local official would give him the information.

**GIL GAUL:** If you want to know anything about who owns what land in a community, you go to the Tax Appraiser first. And a lot of them are excited to actually see a reporter, because they've never seen a reporter before. They're sort of shocked that anybody would want to ask them a question.

**NARRATOR:** Armed with names and addresses, Sarah Cohen was able to cross-reference them with her database of 217 million payments from the USDA. She began to identify who was getting subsidies...and how much it was costing taxpayers.

**NARRATOR:** Among the USDA payments Cohen found was nearly half a million dollars that had gone to a Texas physician for his 10,000 acres of former riceland.

**GIL GAUL:** This is supposed to be a safety net, but it's not a safety net. You're not saving anybody: you're saving a surgeon in Houston.

**NARRATOR:** The Post would report that in Texas — as recently as 2005 — 37 million dollars was paid out to owners whose land was once planted with rice but is no longer.

**NARRATOR:** In fact, the state now had more former riceland....than current riceland.

**NARRATOR:** On July 2nd 2006, the Post published the first report in a series called "Harvesting Cash." The investigation into direct payments found that nationally more than 1.3 billion dollars over six years had been paid to people who were doing no farming at all.

**NARRATOR:** The first farm bill was passed in the 1930s, during the Depression, when one in four Americans lived on farms. The intention was to provide subsidies for key crops, like cotton and corn, to protect farmers from economic hardship and natural disasters.

**NARRATOR:** In some instances, that's still the case. But as the Post team continued reporting, they found troubling story after troubling story.

**JEFF LEEN:** What we found was that, the way that farm policy had grown up over the decades, it had created a number of what I would call absurdities. And these absurdities were done for political reasons, they were done with good intentions, they were compromises to get bills passed. But however they occurred, they were, in the end, Kafkaesque.

**NARRATOR:** The Post didn't just identify over a billion dollars for farmers who don't farm. They would soon uncover hundreds of millions in drought relief where there had been no drought.

**NARRATOR:** In 2002, the White House and the USDA came up with a \$750 million fund to aid ranchers and dairy farmers who suffered economic damage from drought.

**NARRATOR:** It was called the Livestock Compensation Program.

**ANN VENEMAN:** What we're here today to announce is an important step that this Administration is taking to assist livestock producers who have been...

**NARRATOR:** The Post would report it was no coincidence the program arrived in time to help a Republican candidate in an election year and the politicking was just beginning.

**DAN MORGAN:** Once the USDA had announced this program, right before the 2002 election, everybody wanted a piece of it.

**NARRATOR:** And everybody would get a piece of it — in 2003 when politicians in Congress expanded the program.

**GIL GAUL:** They removed the restriction that there actually had to be a drought, and said that any kind of declaration would make the counties eligible for funds in the second year.

**NARRATOR:** In other words, whether they had suffered losses or not, livestock owners could collect, as long as the Feds declared some kind of disaster.

**NARRATOR:** On February 1st 2003, the space shuttle Columbia broke up upon reentering Earth's atmosphere.

**NARRATOR:** For all of America it was a tragedy.



**NARRATOR:** But for cattle owners in East Texas, where some of the debris fell, it was also the beginning of a livestock compensation boondoggle.

**NARRATOR:** In order to recover debris and pay emergency costs, President Bush declared a disaster.

**NARRATOR:** And that disaster declaration, the reporters discovered, had triggered livestock compensation payments in East Texas...despite the fact that NASA itself would say the shuttle disaster had caused little damage on the ground.

**NARRATOR:** But who had received the payments? Had they gone to people who suffered no losses? And how much had the government paid out?

**NARRATOR:** Reporter Gil Gaul figured it was the public's money...it ought to be public information.

**NARRATOR:** It wasn't.

**GIL GAUL:** The USDA didn't know and wouldn't say, because it didn't really, it didn't really keep the information that way.

**NARRATOR:** To follow the money, Gil Gaul first needed to rule a few things out.

**NARRATOR:** He knew farmers and ranchers in East Texas might have qualified for livestock compensation payments if they had suffered legitimate losses from non-shuttle disasters, including drought.

**GIL GAUL:** Sarah and I put together a map where the shuttle explosion, you know, occurred in East Texas.

**GIL GAUL:** I also went and looked at drought records, and I looked at rainfall records for each of those counties, and so I knew that in, you know, in Chandler, Texas, they hadn't had a drought in three years, but yet they had awarded a million dollars to farmers and ranchers in these livestock compensation programs.

**NARRATOR:** What the reporters learned was startling. The area in white is where there had been little or no drought over a two year period. But each black dot represented a quarter of a million dollars in livestock compensation payments.

**GIL GAUL:** I then went into our database. I could identify farmers who got payments in that area, but I still, you know, wasn't exactly sure why they had qualified.

**GIL GAUL:** When I picked up the phone and called the farmers, I would get to a point of the interviewing process where I would say, "And why were you eligible for this?" and the farmers would hem and haw, but eventually they would say, "Well, you know, I don't really know, but I think it was because the shuttle exploded."

**NARRATOR:** But how had these farmers even known they were eligible for federal subsidies?

**GIL GAUL:** They would have been told by their local county office that they now qualified for the Livestock Compensation Program.

**NARRATOR:** The county executives were federal employees — representatives of the USDA — based in Texas.

**NARRATOR:** Now Gil Gaul had some questions for them.

**GIL GAUL:** I would call up, and would be told, "Well, I've been told I can't talk." "Oh, who told you that?" "The State office of the Farm Service Agency," which is USDA. "Oh, really?"

"Yeah, we got a memo." "Oh, can you send me a copy of that memo?" And a couple of the people sent me copies of the memos.

**NARRATOR:** Federal officials in the Texas USDA office sent out detailed instructions on how to handle inquiries from The Washington Post.

**NARRATOR:** They included: "Keep the interview positive...simple...brief...and accurate."

**NARRATOR:** "Do not be evasive, but don't volunteer information."

**NARRATOR:** And "Silence is OK."

**NARRATOR:** One man who got that message also got several calls from Gil Gaul.

**GIL GAUL:** Blake English was the county executive for the Farm Service Agency in Denton County, Texas. He felt like it was his duty as a public servant, that he owed it to the taxpayers, to explain, to the extent that he could, what had occurred.

**BLAKE ENGLISH:** I will not lie to protect my own rear end; I'll be darned if I will lie for someone else. And, and this was sort of the, the feel that I had was, huh, "Cover for us. This might be an embarrassment to us."

**NARRATOR:** Blake English is retired, now, and living in Oregon, where he spoke with Exposé. He was still on the job in Texas when he talked to Gil Gaul.

**GIL GAUL:** Blake didn't go out of his way to volunteer information about why they qualified, but he would give me a hint that, well, had I read the county minutes? And I said, "OK, you know, I'll send a Freedom of Information Act request." And looking at the minutes, there was this wonderful discussion in which Blake English said that, "We don't even know why we qualify for this money, but we've been told by the State office that we're eligible now, and that we should be looking for a disaster to, to qualify our farmers."

**BLAKE ENGLISH:** The State office was saying with this space shuttle declaration, "Maybe you should, huh, use that as a basis for our eligibility in the Livestock Compensation Program."

**BLAKE ENGLISH:** I thought that was ludicrous.

**NARRATOR:** But why would authorities want to send disaster payments to people who hadn't suffered? Blake English suspects an old-fashioned horse trade.

**BLAKE ENGLISH:** There is a mindset within the bureaucracy maybe that says that if you obtain these federal dollars for a particular area, then it's one that you can proudly say, "Look what I've done for you. Therefore, when November comes around, we want your vote" ... the unsaid, the unspoken part.

**NARRATOR:** Blake English knew he had little choice but to fill out the paperwork that led to the release of 433 thousand dollars to ranchers in Denton County. Henderson County netted over seven hundred thousand.

**NARRATOR:** One rancher there, who had suffered no damages, told the Post, quote, "Believe me, we would be better off if the government...limited the payments to those who really need them."

**NARRATOR:** He received \$40,000 in disaster compensation.

**NARRATOR:** The paper would report, "For hundreds of ranchers from East Texas to the Louisiana border, the shuttle explosion opened the door to about 5 million dollars."

**NARRATOR:** John Johnson, a top official at the USDA, acknowledges there are legitimate

questions about the Livestock Compensation Program.

**JOHN JOHNSON:** But nonetheless, at the end of the day, Congress writes the legislation, it's embodied in a much bigger piece of legislation, and the President decides to sign that piece of legislation for a variety of reasons that may be much broader than strictly agricultural policy. And once that becomes the law of the land I don't have any discretion of how I carry that program out. If Congress has said that I have to make all livestock eligible in every county where there's a disaster declaration of any type, I have no discretion about that.

**BLAKE ENGLISH:** No, I'm not trying to blow the whistle, but I do insist on some integrity in the programs. Without that integrity, we lose, we lose any future programs. If we cry wolf too many times, "We've got a disaster, here," and then we look at the disaster as a space shuttle disaster, then the connection between that and a farm disaster makes it hard to get another disaster program approved, even if we need it, need it desperately.

**NARRATOR:** The shuttle payments in East Texas were a tiny fraction of huge government payouts from a program originally designed to provide drought relief.

**NARRATOR:** The reporters knew, because once again they had followed the money.

**SARAH COHEN:** All of the areas in green, here, now, are places that got money from this program but never had a serious drought.

**NARRATOR:** In Washington State, ranchers in one county received \$1.6 million dollars for an earthquake that caused them no damage. In Wisconsin, a winter snowstorm triggered millions of dollars more.

**DAN MORGAN:** To me, the fascinating thing about the Livestock Compensation Program, when you think about it in the largest sense is, it's kind of indicative of, of, of what happens in Congress. The farm lobby is very important and powerful, and so, quite often, these programs are just ways to get money into rural areas and not, "Does this make good policy sense? Is this a good policy?"

**NARRATOR:** The Post found that, all told, 635 million dollars went to livestock owners across the nation who suffered little or no damage from drought.

**NARRATOR:** And that 635 million was just a drop in the bucket of farm bill misspending that the Post uncovered.

**NARRATOR:** The paper's findings included:

3.8 billion dollars corn farmers got in subsidies in 2005, by simply playing the LDP. That is, collecting a subsidy when corn dipped below its floor price, then selling when the price went up again. 9 billion dollars in disaster payouts to farmers, most of whom were already covered by subsidized federal crop insurance. And 400 million dollars worth of powdered milk, millions of pounds of it, the government gave away free to feed cattle during a drought. Instead, ranchers, feed dealers and brokers made millions by selling it in Mexico, the Netherlands, New Zealand and the Philippines.

**SARAH COHEN:** There's a real pattern in these stories, which is: in order to get money to somebody that it's intended to get to, you send a whole bunch of money to people it was never intended to get to.

**NARRATOR:** Tallied up, the Post had identified over 15 billion taxpayer dollars spent on what it called "wasteful, unnecessary or redundant expenditures."

**ED GANGL:** For 43 years I've been able to make a living farming. It's a profession that I like and love, and would love to continue to do. And when you see a program that rewards somebody for doing nothing, it seems very unfair to me.

**BILL MOYERS:** The present farm bill expires next Friday with all those subsidies in it. The White House, the Senate, and the House of Representatives are trying to resolve their differences over a new bill to replace it. Every one of you will be affected by what happens in the next few days. Let's talk now with someone who can help us understand what's going on. You met David Beckmann last week when our subject was world hunger. An economist and minister, he spent 15 years at the World Bank overseeing projects to end poverty. For the last 15 years he's been president of Bread for the World, a Washington based coalition that advocates changing farm policies for the purpose of eliminating hunger. Welcome, David, back to The Journal.

**DAVID BECKMANN:** Thank you.

**BILL MOYERS:** We've just seen in this broadcast two different reports. One on hungry people lining up for food stamps, going to the food pantries. Then we saw this report done with the Washington Post on abusive farm subsidies. How do you explain that contradiction?

**DAVID BECKMANN:** The main thing is that the people who are getting- who have their hands in the cookie jar are well organized. And according to the Wall Street Journal, they spent eighty million dollars last year lobbying Congress to defend those subsidies to affluent people.

**DAVID BECKMANN:** Commodity growers, the corn growers, the cotton growers.

**BILL MOYERS:** Rice growers. We saw rice growers in that film.

**DAVID BECKMANN:** Absolutely. So they're well organized. A group of church and environmental groups went to see Senator Reid, the majority leader of the Senate, about this issue. He came in and the first thing he said is, "Look, I've been here 35 years." He said, "I think the two best organized interests in the United States are the insurance companies and the commodity groups." He said they have very powerful friends on both sides of the aisle. It's going to be very difficult for us to do anything about this.

**BILL MOYERS:** It seemed for the last several months, before the last several months that you were going to get some reform of the subsidies.

**DAVID BECKMANN:** Well, we may still. The farm bill is being negotiated right now at the highest levels between the House and the Senate and the administration. So, I still think we have a good chance to get reform. And we've won the argument.

**DAVID BECKMANN:** All year long, over the last fifteen months, I've talked with a number of the legislators who are our main opponents. And only one of them has ever said- has ever tried to convince me that I was wrong.

Our opponents, what they'll say to me is, you know, David, I appreciate what you're doing. We just can't do that. So we, you know, there is no argument anymore. It's just raw power. Now, the, you know, the people who are getting these payments, I'm going to say that they're not bad people.

I come from Nebraska. My cousins, I've got cousins who are farming corn and soy beans. And you know, they've built their business on the system that we've got. But if you go into a small town in Nebraska and have coffee with farmers in the morning, it's the richest guy in town who's got a big spread and has money in the ethanol plant; he's getting the check, the big check.

And the people who are really struggling, you know, the couple- an elderly couple where they're still farming, they're still feeding some hogs. They're not getting a nickel out of the farm bill

**BILL MOYERS:** Grain prices are soaring. Farm income is at record levels. Our federal deficit is out of sight. And yet, Congress is thinking about passing a new farm bill that according to the Wall Street Journal will be the most lavish subsidies in American history.

**DAVID BECKMANN:** Yeah. It's just absolutely crazy. But these people are well organized. They push hard. So far, the House wasn't willing to cut a nickel from subsidies to land holders, big land owners.

**DAVID BECKMANN:** And in the Senate, they want to increase payments to wealthy affluent land holders. And the choice couldn't be clearer. Because the food stamp program and government assistance to food banks is in the farm bill.

You know, so we have 25 million of the poorest people in America on food stamps. And we now know because it's all computerized that ninety percent of the benefits are gone by the third week of the month

And the fastest most direct way to reduce hunger in America would be to make it possible for those people to eat for the whole month.

And so far, Congress has not been willing to cut a nickel from the payments to land holders in order to strengthen the food stamp program. Or do things for rural Americans who are really struggling.

It's not just the food stamp program. The rate of poverty and hunger is higher in rural America than in urban America. So there are ways in the farm bill that they can help rural people who are small farmers and other rural people who are struggling. But shifting money from the commodity payments to the land owners, into those programs that help the whole rural community. So far, Congress has not been willing to budge.

**BILL MOYERS:** This is a little bit of repetition. I want to be sure my audience understands it. At the moment, the gridlock is over the fact that the House, led by the Democrats, wants to keep the subsidies for rich farmers, even while raising the amount of money that goes to food stamps and minority people in rural areas, right?

**DAVID BECKMANN:** Right.

**BILL MOYERS:** The Senate wants to increase-

**DAVID BECKMANN:** You got it.

**BILL MOYERS:** The subsidies going to the rich folks.

**DAVID BECKMANN:** And they want to do more for food stamps.

**BILL MOYERS:** Do more. But the President wants to cut the subsidies to rich folks, but he doesn't want to provide more money to pay for the food stamps and other.

**DAVID BECKMANN:** Right. He's told them if you increase taxes I'll veto this thing.

So if we could get a compromise, I think we could have a farm bill in two weeks.

**BILL MOYERS:** So what would a good bill look like to you and your coalition?

**DAVID BECKMANN:** Let's just start to move in the right direction. Start to shave some of the payments to wealthy people.

For example, there was an amendment in the Senate to cut payments to a farmer to no more than \$250,000 per farmer. You know, cut payments, you can't get a payment if you make a million dollars a year.

Those are fairly reasonable proposals. And if we just start to turn that direction, it would free up substantial money to strengthen the food stamp program, strengthen our food banking system, strengthen assistance to rural America. And get out of the way of farmers in poor countries who are trying to make a living and don't have subsidies.

**BILL MOYERS:** How so?

**DAVID BECKMANN:** Because poor farmers in Africa and other parts of the developing world don't get these big subsidies.

They're competing against cotton that's farmed in Arkansas and Texas and Georgia on big spreads with big subsidies from the federal government. So our cotton with taxpayer dollars goes all over the world. And those poor guys in Africa are trying to compete against that. And it's crop after crop.

**BILL MOYERS:** But the people are saying now, well, this is a good bill because the boom could go bust down the road. So we'd better build these subsidies in because farmers are always subjected to the vagaries of weather and—

**DAVID BECKMANN:** You know farming is a risky business. So it is appropriate to have a federally funded revenue insurance program to help farmers especially farm- small farmers deal with the risks of agriculture.

**BILL MOYERS:** So we get the food we eat.

**DAVID BECKMANN:** Right. That is an appropriate form of assistance. But the farm bill is riddled with subsidies that make no economic sense. That are not providing help to the people who really need help.

You know, right now, food prices are up. The food banks don't have enough. The food stamp program is a good program. It's right there. The federal funding for the food banks is down.

So, you know, they could put a little bit more money there. That's the fastest most direct way to reduce hunger in America. In fact, if we would do enough to just- I think if we would make it possible for food stamps- families who are already on food stamps to eat for the whole month, just doing that would be enough to cut hunger in half within a year in this country.

**BILL MOYERS:** Why are so many people on food stamps?

**DAVID BECKMANN:** Well, in this decade, we've seen an increase in poverty. So, that has driven up the participation in the food stamp program. We need a stronger food stamp program so the kids get to eat. But we also need a broader array of policies that make it easier for people to earn a living. That's a bigger topic. But we need to reverse the gradual increase of poverty that's going on. That's what's really driving the food stamp participation.

**BILL MOYERS:** So help me to understand how the policy makers rationalize the morality of a program by which farmers can get subsidies, even if their annual gross income is as much as two and a half million dollars.

**DAVID BECKMANN:** I don't hear any argument. It's naked interests.

**DAVID BECKMANN:** You know, lots of times, in the Mississippi River Delta, you have lots of poor people, mostly African Americans.

And then, the check comes in to the big land holders who are mostly white and affluent. Some of them live in Houston. You know, they don't even live there anymore. And over the years, the agriculture committees have attracted members of Congress who are basically beholden to their interests.

**BILL MOYERS:** The agricultural committee is really stacked, right?

**DAVID BECKMANN:** Absolutely. So it's very difficult to break that. And this year, over the

last fifteen months, what we've seen is the religious community, the press, environmental groups, groups like Cato Institute, the taxpayer groups have come together to say, this is abusive.

It is- there is no rational moral argument. Now, there is really strong rational moral argument for assisting rural areas. There is real- there are problems in rural America. There are a lot of really poor people. There are farmers who are struggling.

So, there are things to be done in rural America. But the current system is not designed to help those people. It's designed to serve particular interests that are well organized. And it's got to be changed.

**BILL MOYERS:** There's a Danish proverb that one bag of money is worth two bags of truth. And the agri-business industry last year spent eighty million dollars on lobbying.

**BILL MOYERS:** And that's what Congress listens to, right?

**DAVID BECKMANN:** Well, both. A bag of truth is pretty powerful. And I think the abuses have been are now widely understood by American voters. So if I were a politician, either a Republican or a Democrat, I would start to distance myself from these groups. Because American voters get it. Their dollars are going to wasteful expenditures on people who don't need help. And those expenditures actually do damage.

**BILL MOYERS:** How many people are at risk in this country of hunger?

**DAVID BECKMANN:** 35 million people live in households that struggle to put food on the table. 35 million people.

And we know that for little kids, even the kind of moderate under nutrition that's characteristic of poverty in America, stunts the intellectual and personal development of those children. You know, a two year old ought to be a learning machine.

But kids who aren't getting quite enough to eat are dulled by that experience. So the damage that letting all those kids go, the damage that that hunger among children in America is doing to our future is just untold and inexcusable.

It's very fixable. You know, if very poor Chile has reduced hunger among children from something like 37 percent of their kids to 2 percent of their kids. Chile. So what about Ohio? In this country, we've sort of lost hope in making progress against hunger and poverty. But it's very doable.

I think we could cut hunger in half in America in a year. It wouldn't cost very much. And then, once we cut hunger in half, then let's deal with the other issues that can help people make a living, so they're not reliant on food assistance.

**BILL MOYERS:** Don't progressives in particular have to ask the question when we're talking about more money for this and more money for that. Where is that money going to come from?

**DAVID BECKMANN:** Right. But this is a case where we want our government to spend less money. They're spending money on-

**BILL MOYERS:** What do you mean?

**DAVID BECKMANN:** They're spending money on these commodity payments to wealthy people that is not only a waste of money, but it's doing damage. Because it's doing damage to the global trading system and the poor people around the world. So we're in fact- we're a progressive group that's working with the CATO institute to try to-

**BILL MOYERS:** Libertarian group. Right.

**DAVID BECKMANN:** Right. To try to get them to reduce those payments that are doing real damage. What we want to do, Bread for the World wants to use some of that money to do good in the food stamp program, in rural development, in help for small scale farmers.

So we want to see- we're not asking for more money. We're asking for the Congress and the President to use the money that they've got to redistribute it in a way that'll do more good in the world.

**BILL MOYERS:** You're wearing two hats. Economist and minister. What's your answer? Your own personal answer to why we haven't made any progress.

**DAVID BECKMANN:** The fundamental problem is political commitment. We need leadership from the federal government so that the states and the counties and the cities and charities across the country together, we don't need to have millions of hungry kids in the USA.

**BILL MOYERS:** You work- your coalition works with Muslims, Jews.

**DAVID BECKMANN:** Muslims, Christians, everybody.

**BILL MOYERS:** Humanists.

**DAVID BECKMANN:** Everybody cares about hungry people. Well, everybody- nobody wants to see kids go hungry.

**BILL MOYERS:** But you're saying our system is so fouled up, it can't do the right thing?

**DAVID BECKMANN:** Is that a surprise?

**BILL MOYERS:** No, it's not.

**DAVID BECKMANN:** But on the other hand, what we see is that even small numbers of concerned citizens who tackle an issue like this can make a big difference in political decision making.

We may get some new direction in the farm bill by the time they wrap it up. If Congress and the President, if the two parties compromise, we'll get a better farm bill than what we've got now. It depends on whether people weigh in this month.

**BILL MOYERS:** David Beckmann, thank you for being with us on the Journal. We'll be watching this debate as it continues through some resolution one way or the other.

**DAVID BECKMANN:** Thank you very much.

**BILL MOYERS:** As you just heard, the showdown over the new farm policy could come next week. At the moment our own sources in Washington say the proposed new bill isn't likely to touch payments to the biggest farmers; taxpayers could still be shoveling money to them for years to come regardless of market conditions. There's also a provision to protect American sugar growers from foreign competition —so much for free trade and lower prices. And the Republican leader in the Senate, Mitch McConnell, of Kentucky —I'm not making this up - has slipped into the bill a tax break for owners of race horses. The subsidized steeplechase —shades of Marie Antoinette.

That's it for THE JOURNAL. Go to our website at [pbs.org](http://pbs.org) for more on the [farm bill](#). And then join us next week, when we will report on nurses who think that what's good for Dick Cheney is good for you. I'm Bill Moyers.



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