PROVIDING FOR CONSIDERATION OF H.R. 2419, FARM, NUTRITION, AND BIOENERGY ACT OF 2007

Mr. CARDOZA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 574 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 574

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and the amendments considered as adopted by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule.

SEC. 2. (a) The amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill, modified by the amendments printed in part A of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment under the five-minute rule and shall be considered as read. All points of order against provisions in the bill, as amended, are waived.

(b) Notwithstanding clause 11 of rule XVIII, no further amendment to the bill, as amended, shall be in order except those printed in part B of the report of the Committee on Rules and amendments en bloc described in section 3 of this resolution.

(c) Each further amendment printed in the report of the Committee on Rules shall be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

(d) All points of order against further amendments printed in part B of the report of the Committee on Rules or amendments en bloc described in section 3 of this resolution are waived except those arising under clause 9 or 10 of rule XXI.

SEC. 3. It shall be in order at any time for the chairman of the Committee on Agriculture or his designee to offer amendments en bloc consisting of amendments printed in part B of the report of the Committee on Rules not earlier disposed of or germane modifications of any such amendments. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

SEC. 4. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 5. During consideration in the House of H.R. 2419 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore (Mr. TIERNEY). The gentleman from California is recognized for 1 hour.

Mr. CARDOZA. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Washington (Mr. HASTINGS). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume, and I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 574.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CARDOZA. Mr. Speaker, House Resolution 574 provides for consideration of H.R. 2419, the Farm, Nutrition, and Bioenergy Act of 2007 under a structured rule.

The rule provides for 1 hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

The rule waives all points of order against the bill and its consideration except for those arising under clause 9 or clause 10 of rule XXI.

The rule makes in order 31 amendments.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, as the subcommittee chairman on the House Agriculture Committee, and as a member of the Rules Committee, I am pleased to offer this progressive Federal farm policy act for consideration today.

Over the past year, the Agriculture Committee members have traveled across this country, from north to south, from east to west, hearing directly from farmers and ranchers about the state of agriculture in our country. Across rural America we have heard from farmers and ranchers from all walks of life talking about the promise of American agriculture, the immeasurable innovation and success and commitment to sustainable farming.

The 2007 farm bill builds on past successes of Federal farm policy by providing a reliable safety net for commodity crops, expanding access to conservation programs, increasing participation in domestic nutrition programs, and, perhaps most of all, most near to my heart, this bill dwarfs any previous Federal investment in specialty crops, which account for nearly 50 percent of American agricultural production.

Chairman PETERSON, Ranking Member GOODLATTE, and the entire Agriculture Committee were able to craft an equitable, fiscally sound farm bill that preserved the farm safety net while including critical funding for important new programs.

Furthermore, the 2007 farm bill contains unprecedented reforms to payment limitations and crop insurance programs that will reduce waste, fraud, and abuse so often identified with the farm program.

More importantly, this bill is completely paid for. During the past election, Democrats promised to live within our means like every household in America is forced to do and stop writing blank checks with reckless abandon. We pledged to exercise spending restraint to stop shouldering our Nation's needs on the backs of our children and grandchildren. Mr. Speaker, I am proud to say that we were able to do exactly that.

You will hear a lot of talk from the other side of the aisle about this bill raising taxes, but this is simply a scare tactic in an attempt to score political points. This is completely untrue.

Let me set the record straight before we even begin. This bill does not raise taxes. The 2007 farm bill closes tax loopholes that just 5 years ago the Bush administration and its own Treasury Department identified as tax abuse. In a policy paper issued by the Office of Tax Policy in May of 2002, the Bush administration identified how corporations headquartered in tax havens use this loophole, and a June 18, 2002, New York Times article stated that Republicans in Congress also thought that this tax loophole needed to be fixed. These are the facts.

Lastly, Mr. Speaker, I must take a moment to thank Chairman PETERSON, Speaker PELOSI, Leader HOYER, and the entire leadership team for their tenacity and sincerity in creating a farm bill that we can all be proud of and stand behind.

Not everyone got everything they wanted, and, frankly, they shouldn't. The farm bill should never be a place to line up at the trough and recklessly suck up needed resources. In the end, while people didn't get everything they wanted, everyone got what they needed. That speaks volumes about the quality of this bill and tells me we ended up in exactly the right place.

I have never been more proud of a piece of legislation, Mr. Speaker, and I look forward to telling my constituents in the 18th District of California that the United States Congress has

accomplished what was thought to be an impossible feat. I urge my colleagues to support this rule and the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1745

Mr. HASTINGS of Washington. Mr. Speaker, I want to thank the gentleman from California (Mr. CARDOZA) for yielding me the customary 30 minutes, and I yield myself as much time as I may consume.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, the largest overall industry in my State is agriculture and food processing. I represent the central part of Washington State where a wide variety of agriculture products are produced, including apples, cherries, pears, wheat, dairy hops, wine grapes and potatoes, just to name a few. In addition, our farmers and ranchers are stewards of the land, and many of them participate in conservation programs that fall under the farm bill. For these reasons, my constituents have a lot at stake when it comes to farm policy.

The Committee on Agriculture has historically worked in a bipartisan manner, especially on such important issues as the farm bill. Just over a year ago, I was pleased that the Agriculture Committee came to my district and held a farm bill hearing in Yakima, in my district. Mr. CARDOZA, now Chairman PETERSON and Ranking Member GOODLATTE were all there. I appreciate their having traveled to my corner of the country to hear directly from the farmers in central Washington.

They heard firsthand the importance of specialty crops, fruits and vegetables to the overall ag economy. I'm pleased that the underlying bill, the Farm, Nutrition and Bioenergy Act, as approved by the committee, recognizes the needs of specialty crop producers by increasing investments in the Market Access Program, the Specialty Crop Block Grant Program, the Fruit and Vegetable Snack Program, and establishes a much needed National Clean Plant Network. These are all important steps in the right direction.

Unfortunately, all of the good things in this bill and the spirit of bipartisan cooperation were completely overturned by a last-minute addition of a multi-billion dollar tax increase. This surprise offset is totally unacceptable because it will cost American jobs, and it has completely bypassed the public process of discussions and hearings in the respective committees of jurisdiction, and it has disrupted the tradition of bipartisan cooperation on farm policies.

I have many speakers, Mr. Speaker, on my side who will be discussing the impact of these surprise tax increases, again, that were not subject to hearings or markups by the appropriate committees. The full scope of these tax hikes and fees just appeared at the Rules Committee this morning at 8 a.m., with no one willing to testify about them or disclose the full impact of these measures on our economy. And we are talking about multi-billion dollar increases.

Mr. Speaker, I also want to take this opportunity to express my disappointment that a bipartisan amendment I submitted to the Rules Committee with the support of Mr. MCNERNEY from California, Mr. HOEKSTRA of Michigan, was not made in order to help American asparagus growers. Under the Andean Trade Preferences Act of 1991, the Congress gave Peru duty-free access to the U.S. market on a unilateral basis. This was done in the hope that it would encourage the Peruvians to develop alternatives to growing narcotic-producing crops.

Unfortunately, it led to a flood of Peruvian asparagus imports, which has devastated the asparagus growers and processors in my home State of Washington, Michigan and in California. The U.S. International Trade Commission has repeatedly cited U.S. asparagus as the one farm commodity substantially harmed by the Andean Trade Preferences Act.

My amendment would have simply given the Secretary of Agriculture the option of providing transition payments to these growers. After all, American asparagus growers were not harmed by their own actions, but rather by government's antidrug policies. They should not have to pay the full brunt of the price.

Unfortunately, the leadership of this House has decided that these growers don't deserve a place at the table. We are poised to give billions away under this bill, but the House leadership can't find time to help these small farmers who were harmed by their own government.

Mr. Speaker, the rule denies Members the opportunity to represent their constituents by coming to the floor and offering amendments to this bill. It prohibits a separate vote on whether or not to include billions of dollars in tax increases, and it denies open debate on those issues. Therefore, I urge my colleagues to vote against this restrictive rule.

Mr. Speaker, I reserve the balance of my time.

Mr. CARDOZA. Mr. Speaker, I yield 3½ minutes to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. I thank my colleague from California for yielding me the time and for his work on this legislation.

Mr. Speaker, I rise in support of this rule and in support of the underlying legislation.

My colleagues, tonight millions of people here in the United States and around the world, many of them children, will go to bed hungry. They may not be in this Chamber, but they must remain in our thoughts. This bill does not go as far as I would like in tackling hunger, but it represents real progress and real reform.

I want to commend Chairman PETERSON and his colleagues on the committee for their hard work, but I also want to thank Speaker PELOSI and Congresswoman ROSA DELAURO, both of whom have worked personally and passionately with us over the last few days to make improvements to the nutrition programs in this bill.

The bill before us begins to reverse some of the terrible damage done to nutrition programs over the past several years. For too long, hungry people were an afterthought in this Congress. For too long, people on food stamps fell further and further behind as the Republican Congress searched high and low for more ways to cut taxes for rich people. Those days have come to an end, Mr. Speaker.

It has not been easy to find funding for these vital programs, and here's why. Unlike the Republicans, we are actually paying for the bills we pass. It would have been easy to put the cost of this bill on the national credit card. Instead, the increases to the nutrition program in this bill are paid for in this bill. That is an enormous and welcome development.

Further, the bill includes increased guaranteed funding for the George McGovern-Robert Dole International Food for Education and Child Nutrition program. McGovern-Dole has a proven track record of fighting hunger and promoting education by providing meals to chronically hungry school-age children in the world's poorest countries. Where the McGovern-Dole program is offered, enrollment and attendance rates increased significantly, especially for girls. Providing food at school is a simple but effective method to get children into school, improve literacy, and help break the cycle of poverty.

These programs demonstrate America's generosity and goodwill, and they reflect our deepest moral values. They promote our national security, and they offer an alternative to children who otherwise might be recruited by groups that provide meals in return for becoming child soldiers or for attendance at extremist schools that serve as a breeding ground for hatred and violence.

By making the funding guaranteed, we can stop the practice of beginning a school feeding program only to cut it off when Congress doesn't appropriate enough money, because the only thing more cruel than not feeding a hungry child is feeding a hungry child for a while and then stopping.

As I said, Mr. Speaker, the bill before us does not do as much as I would like. And I will keep fighting, through the amendment process and beyond, to increase funding for hunger and nutrition programs here at home and around the world. This is not the beginning of the end. It's the end of the beginning. This is a start.

Mr. Speaker, hunger is a political condition. We have the resources to

end hunger. What we need is the political will. Let us rededicate ourselves to helping those who need help the most.

I urge my colleagues to join me in support of this bill.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the ranking member of the Rules Committee, Mr. DREIER of California.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong opposition to this rule and to the previous question.

Let me just say that as I listened to my friend from California talk about the fact that he looks forward, at the end of this debate when he is successful, to telling his constituents in California that the impossible has been achieved, I have to say that he may or may not be right at that point.

But I will tell you something that has been achieved with this, Mr. Speaker, and that is an end to bipartisanship when it has come to dealing with this issue of our farm policy. And to me, that's a very, very sad statement when you look at people who've been very committed to this bill, like Bob Goodlatte, the former chairman of the committee, now the ranking member who's going to be speaking in just a few minutes, and you look at so many others who because of the way this issue has been mishandled and because, in fact, there is in excess of a $10 billion tax increase.

Now, my friend in his opening remarks said, don't be fooled, don't let them claim that this is a tax increase. Well, I know that we are dealing with so-called tax loopholes. That's the way it's described. But the fact of the matter is, if you look at those, Mr. Speaker, who are impacted by this, great tax ''cheats'' out there like Toyota, Daimler Chrysler, Honda, the Bayer Corporation that makes the baby aspirin that's provided, these are people who are ensuring that our consumers have access to great products, and they obviously are complying with the law. And now we somehow are demonizing all of these people, calling it closing tax loopholes when, in fact, what we're doing is we're putting into place a dramatic tax increase, not just to deal with the farm issue, Mr. Speaker, but to deal with a wide range of programs that are not related to farmers whatsoever.

In fact, one person gave me a figure that only 11 cents of every dollar is actually being expended to help our farmers.

Vote ''no'' on the previous question and ''no'' on the rule.

Mr. CARDOZA. Mr. Speaker, a short response.

I'd just like to say that if these folks were complying with Federal and State law, why are they sending their receipts through Caribbean islands?

Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. MATSUI).

Ms. MATSUI. Mr. Speaker, I rise today in strong support of the rule we are considering today.

Mr. Speaker, the Farm, Nutrition, and Bioenergy Act of 2007 is an important bill that outlines the funding for our country's agriculture policy, its conservation approaches and its nutrition programs. These initiatives touch each of us in some way, whether we're from rural, suburban or urban districts. The farm bill impacts all of us.

I want to applaud Chairman PETERSON, Ranking Member GOODLATTE and Speaker PELOSI for bringing forward this fine bill.

My district is in one of the fastest growing areas in California. Sacramento is also at the bottom of one of the most farm-rich watersheds in the country. We are at the confluence of two great rivers, the American and, our namesake river, the Sacramento.

As our population grows and as our climate continues to change, our natural resources are impacted first. Farmland is often the first to feel the effects of changing weather and climate patterns, and in the Sacramento watershed the farmers are the stewards of the land. I'm ready to work with local landowners to develop voluntary comprehensive conservation plans that address present and future needs.

I want to thank Chairman PETERSON for working with me to designate the Sacramento River watershed as a region of national priority in the regional water enhancement program. This designation and the promise of future funding will go a long way toward developing the Sacramento River watershed over the next 40 years.

Building on this designation, I look forward to convening a coordinating committee which will address the preservation of working lands and water management within the watershed.

Our initial focus will be to build a strong consensus on conservation and its value for our region. We have a truly unique opportunity to shape the vision for the watershed from its inception. This will help ensure that we build upon solid local input as we develop this vision.

Above the city of Sacramento, there are 500,000 acres of rice and 500,000 acres of specialty crops. My district is proof that the distance between urban and rural communities gets smaller every single day.

Our communities have different needs, but we share a common goal: to protect, preserve and enhance our way of life. I believe that preserving working lands can do just that. This should be an important priority for our entire region.

Finally, I applaud the chairman's commitment in providing $1.6 billion to specialty crop producers. These funds are critical to the producers' daily operations. They will foster progress in research, conservation, pest and disease programs and nutrition.

I ask my colleagues to support this rule and final passage of the Farm, Nutrition, and Bioenergy Act of 2007.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the ranking member of the Budget Committee and a member of the Ways and Means Committee, Mr. RYAN of Wisconsin.

Mr. RYAN of Wisconsin. I rise in opposition to this rule, Mr. Speaker, for many reasons. Number one, this has become common practice for the new majority. But the farm bill reauthorization calls for massive new entitlement spending, no serious reform, and it makes a complete mockery of the PAYGO process. Number one, this is not a fair rule.

An amendment that I offered on a bipartisan basis with Mr. BLUMENAUER from Oregon to cap farm payments, which was made an order in 2002, which received 200 votes, was denied.

□ 1800

So based on the lack of fairness on this rule, I urge that it goes down.

But what about the substance of this bill? This bill extends farm commodity programs with no real reforms. At a time of record-high prices and prosperity for many farmers, this extends the commodity programs at 5 years with no reform. The payment limit is a sham. It has thin window-dressing payment limits on commodity programs while actually removing the payment limits on the marketing loan program. It has an anticompetitive tax increase in here which will raise taxes on American businesses that are owned by foreign companies: Nestle, Case New Holland, Chrysler. This will tax jobs out of America, and it increases entitlement spending.

And the only reason this bill ends up adding up on paper is because of a bogus $4.7 billion timing shift. CBO has already told us that this bill will spend $5 billion more than it pretends to spend simply out of the timing window within which it spends. What that means, Mr. Speaker, is on paper they are showing savings. In reality and in real life, they are spending over the limit, and they are breaking the budget by at least $5 billion.

And what is worse, Mr. Speaker, is this engages in the worst form of protectionism. This bill raises taxes on our taxpayers, raises prices on consumers, and it does so at the expense of people in the developing world. It hurts people in the developing world from lifting their own lives up out of poverty and despair.

So while we had a chance to have a good, bipartisan farm bill that had reform, that brought the market reform to bear, that could have helped the family farmer, we are saying no.

The farm bill ought to be about helping the family farmer in tough times, not giving million-dollar checks to big farmers, not giving checks out at good times. Unfortunately, that is what this bill does in addition to the phony PAYGO and shifting of $4.7 billion around like Enron accounting.

With that I urge a ''no'' vote on this rule.

Mr. CARDOZA. I would suggest that the other side knows a lot about Enron accounting, Mr. Speaker. But we also made three substantive commodity cut amendments in order: the Kind amendment, the Udall amendment, and the Davis amendment.

Mr. Speaker, I would like to at this time yield 3 minutes to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH of Vermont. Mr. Speaker, I thank the gentleman from California for his leadership on the Rules Committee and leadership on the Agriculture Committee in helping us work through this.

I want to also thank the extraordinary generosity, personal and political, with his time, Mr. PETERSON, who was extremely responsive to all the concerns of the Members, and Mr. GOODLATTE for his excellent work on this bill.

Mr. Speaker, I support this rule. First of all, two things: One, this bill is a departure from the past farm bills, and I will just give a few straight-out facts. One, commodity programs have been cut 43 percent compared to what they were in the 2002 farm bill. Two, conservation spending has been increased 32 percent. Three, nutrition has been increased 46 percent. So there is a clear change in emphasis.

Second, there is in this rule 33 amendments that have been allowed to be in order, including amendments that will allow this Congress to take further action, if it so chooses, on commodity reform. And that is done with the consent and the approval of the Chair of the Agriculture Committee.

So, Mr. Speaker, this bill clearly reflects the necessity for reform and balance in the farm bill. And, number two, the rule clearly allows this body to have this as a first step and to consider more dramatic reform.

Finally, I want to address the MILC program, or the milk program, that is of particular concern to dairy farmers in Vermont. Our farmers in Vermont are hanging on by their fingernails. A year ago when milk prices were at record lows, they also experienced horrible weather, high energy prices, high grain prices, and the folks who hung on did so against extraordinary odds. And how they did that I will never know. But I can tell you this, and I believe what is true for us in Vermont is true for every State across this Nation: Local agriculture not only is essential to our economy, but it is essential to our environment. It is essential to our definition of who we are. And what we must do in this bill that Mr. PETERSON in the committee and Mr. GOODLATTE in his work begin to do is put an emphasis on local agriculture. Is it a beginning? It is just the beginning because we have to do more in the commodity program, in all of the farm policies that recognize that it is our family farmers who should be the intended folks that we are trying to help.

We, in this farm bill, by preserving the MILC program, are at least providing to the hardest-working family farmers a lifeline when, through forces that are completely beyond their control, they need some assistance to stay in business. And, Mr. Speaker, that is an important component of this bill, and I thank the Chair for including it.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself 15 seconds.

I have a letter in front of me from a number of companies that are subsidiaries of companies that are based abroad, and they say in this letter to oppose the tax increase and vote against the rule on H.R. 2419. And one of the signatories of this letter is Ben and Jerry's Homemade from my friend's home State of Vermont.

Mr. Speaker, I yield 3 minutes to the ranking member on the Committee on Agriculture, Mr. GOODLATTE.

(Mr. GOODLATTE asked and was given permission to revise and extend his remarks.)

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is a sad day for this Congress. Farm bills are written in a bipartisan fashion. And I appreciate the comments of the gentleman from California and others, the gentleman from Vermont, about the hard work that the House Agriculture Committee put into creating a bipartisan farm bill. There is a lot to like in it; there are things to dislike in it.

But this rule turns that bipartisan process on its head. It has poisoned the well in terms of bringing this to fruition. It has made this farm bill, no matter its fate here today, unlikely to have any future beyond this House of Representatives because of the tax increase that has been placed in this legislation, because of the fact that Members who are accustomed to seeing an open rule when dealing with the farm bill.

Historically no one can recall a farm bill process as closed as this one, Members denied the opportunity to deal with provisions brought into this legislation like labor provisions and so on, not allowed to offer an amendment to take out Davis-Bacon provisions that have no business being in farm bill legislation. And it is, in my opinion, very disappointing.

Now, some have said that this is not a tax increase, this is closing tax loopholes. Businesses all across America are speaking up and pointing out that this is sweeping tax reform that has received no hearing. Here we are with an Agriculture Committee bill dealing with something that should have been dealt with in the Ways and Means Committee, but was simply handed out and said, here, take this. Take this tax increase as the pay-for for a substantial cut in agricultural programs that the Budget Committee did not address properly.

We have been trying for months to get fair treatment on the promise that we would be given an appropriate offset. We reported the bill out of the committee, and now we find what we are going to do is put American jobs up against American farmers. What kind of an outrage is that?

This rule should be voted down. It is totally unfair to American farmers and ranchers to see a good, bipartisan farm bill put at risk over a tax increase that will have a dramatic impact not only on the businesses that are subsidiaries of foreign-owned corporations providing millions of jobs here in the United States, but also on the trustworthiness of investment in the United States when we begin violating 58 different treaties that we have negotiated with other countries, and then, the ultimate, when those countries start retaliating against us, saying, if you violate a treaty, we certainly can, too, and affecting American investment abroad.

This is a very bad tax increase. It is a tax increase, not a ''closing the loophole.'' It is a very, very harmful one and should be the basis for Members to oppose this bill and bring the bill back appropriately.

Mr. Speaker, I rise to express my opposition to this rule. Apparently, the Speaker and the Chairwoman of the Rules Committee have decided to dispense with the annoying procedures of the committee process and serious floor debate. The rule before the House begins by limiting amendments to a select few, denying Members the right to offer amendments. In living memory, there has never been a rule this restrictive on a farm bill which is traditionally considered under an open rule.

As a result, the provision requiring Davis-Bacon wage rates on the new loan guarantee program for the next generation ethanol plants that would effectively eliminate the program in many rural States will go unchallenged. Also immune from floor action, is a provision that prohibits States from contracting private concerns to help deliver food stamps or upgrade their delivery systems to provide better service for recipients. The result is that State employee unions will be protected at the expense of State taxpayers and those who need the program. These are only examples of issue after issue that Members will be denied the right to address.

But then we come to the self-enacting portions of this rule. There is a 75-page amendment from the chairman of the Agriculture Committee that moves hundreds of millions of dollars around, cuts programs passed by the committee without consultation and adds new programs from other jurisdictions that spend huge sums of money. If you vote for this rule, that becomes a part of the bill without amendment.

Another self-enacting provision sweeps in billions of dollars in offsets by raising fees and royalties on off-shore oil production. Yet another spends nearly $1 billion for a mandatory international feeding program. Finally, a more than $7 billion tax increase is automatically made a part of the bill. This tax increase comes to the floor as if by magic. ''It was not considered in ways & means where it would have been noted that the provision violates up to 50 Senate-ratified international tax treaties that are the basis of international tax treatment for all trade.

In fact, this tax increase idea has been bumping around for over a decade without receiving any appreciable support. Now the

Democrats are trying to attach this bad idea to a popular bill in an unamendable form. Members should be very careful not to rush to accept this rule. The fate of thousands of companies in our districts and more than 5 million U.S. workers will be jeopardized if we thoughtlessly support this rule.

I have worked on the Agriculture Committee since I first came to Congress and I have enjoyed being part of a committee that always prided itself on a bipartisan legislative process. In all those years, I have never witnessed or experienced a situation that discarded the committee product to this extent or that precluded the members of the committee and the general Membership of the House from legislating on major portions of the bill.

Mr. Speaker, this rule puts in jeopardy every Member's right to legislate and every Member's ability to rely on the careful deliberations of the committee process to produce fully vetted legislation for floor consideration. When that process is violated, we end up with a rule like this one that was cobbled together in the dead of night and contains tax increases that put at risk millions of American jobs. There is only one response possible to a rule like this and that is to join me in voting this rule down.

Mr. CARDOZA. Mr. Speaker, I would like to set the record straight. The gentleman would like to say that this is the first time we have had a structured rule. That is absolutely not the case.

In 1996, the farm bill that year, when the Republicans were in charge, allowed 16 amendments. It was a structured rule. This rule allows 31 amendments.

Further, Mr. RYAN accused us of busting the budget because of timing shifts. Let me just point out that the 2002 farm bill had $2.6 billion in timing shifts, and the 2006 budget resolution had $1.5 billion in shifts, with a total of $4.1 billion in timing shifts on their watch.

Mr. Speaker, at this time I would like to yield 2½ minutes to the chairwoman of the Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, this year we fought to make sure Americans do not just get more of the same from this Congress for its agriculture policy and the farm bill. And we should be proud of the results: genuine reform-oriented legislation reflecting our new priorities. By closing a loophole that even this administration labeled tax abuse, we are stopping foreign-based tax dodgers and fulfilling some of this bill's most important obligations.

By sponsoring a marker farm bill for the Northeast and Mid-Atlantic States, I sought to highlight our regions and, I believe, serve the entire country. We secured a major increase in conservation support for programs like EQIP and the Farm and Ranch Land Protection Program, and we made sure that there was a place in this bill for specialty crops.

What are specialty crops? Fruits and vegetables that are farmed in my part of the country, in Middle Atlantic States, in California. This is related to healthy diets in this Nation, crops that are so crucial nationwide, from New England to California.

And with an agreement on the implementation of mandatory country of origin labeling, this bill represents a victory for consumers and a positive first step toward improving food safety in the United States.

Most importantly, we are addressing a top priority: nutrition. The Food Stamp Program is one of the most effective programs to help low-income Americans secure an adequate diet, to help children and families to reach their full potential. This bill represents a real strategy to stop the erosion of the food stamp benefits and actually take us in the right direction, a long overdue improvement for our most vulnerable populations.

Today food stamps are feeding 40 percent of all rural children, yet the current benefit of approximately $1 per person per meal is appallingly inadequate. This bill increases the minimum standard deduction to $145 for 2008. It then indexes it to inflation. It increases the maximum benefit. And we are taking steps to improve benefits for working families with child care costs, indexing to inflation the asset limit, which has effectively barred many poor households with modest savings from receiving any benefits a all.

For many long years, we have failed to meet our obligations, failed to act while too many Americans have gone without adequate healthful food. Today in the Congress we should take pride in acting, finally, to improve domestic nutrition.

Let's pass a responsible farm bill. I urge my colleagues to support the bill.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to a classmate of mine, a member of the Ways and Means Committee, Mr. WELLER from Illinois.

Mr. WELLER of Illinois. Mr. Speaker, I came to Washington this week with plans to vote for a bipartisan farm bill, a good bill that came out of committee. Lo and behold, I read that the Democrat leadership demanded that the Ways and Means Committee come up with a tax increase to pay for expansions beyond for food stamps and other programs.

Well, look what they brought to the floor: a tax increase on foreign-owned U.S. manufacturers, foreign-owned U.S. companies that are creating jobs in our districts. Mitsubishi's North America plant is in my district. BASF, Pinkerton. And you know what is interesting is there are 235,000 jobs in Illinois, my State, that are generated by foreign-owned companies. And you know what? The Ways and Means Committee abdicated its responsibilities on this provision. No hearings were held. No markup was held. No one knows the consequences of this tax increase. That is why this rule needs to be voted down.

It is one thing if you say there is a loophole that needs to be changed, but I am amazed that members of my own committee are coming to this floor defending a provision where they don't know the answers on whether or not it is going to cost jobs in our districts.

Vote this rule down.

□ 1815

Mr. CARDOZA. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank the gentleman for yielding.

I, frankly, find it astonishing that we're going to have people representing farmers today that are going to be voting against a bill so important to rural America, a bill that enjoys the support of the farm bureau, the farmers union, the commodity groups, so many vital to the food production of our country. And why? Because they're worried about these companies based in places like Bermuda that want to take their money earned in the United States, route it through places like Switzerland, and park it in the bank back in those islands, those beautiful Caribbean islands where they don't have taxes. They would rather protect the tax cheaters in Bermuda than help the farmers in this country. And man, I would hate to go home and try to sell that one, because if that's not priorities tipped on their head, I don't know what is.

It's time for this body to do what's right and pass a farm bill so vital to rural America and the family farmers in our country.

Vote ''yes'' on this rule.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas, a member of the Ways and Means Committee, Mr. BRADY.

Mr. BRADY of Texas. Mr. Speaker, this tax increase, however called, ripped from the headlines, ''Cayman Islands, tax cheats, tax dodgers, Caribbean.'' The only thing they didn't work in was Paris Hilton and Lindsay Lohan.

The fact of the matter is I had planned to vote for this farm bill until this ''dark night'' tax increase. And here's the key. You hear them talk about 2002. The Treasury Department said ''close the loophole.'' There is a reason they're not talking about 2007, because since then, in the 5 years, this Congress closed those loopholes. The Treasury Department closed those loopholes. And that same Treasury Department they cite today says this is a tax increase that jeopardizes U.S. jobs, cuts investment to this country, violates tax treaties, and keeps companies from creating jobs in the United States. And it also punishes U.S. energy companies for exploring in our deep waters and for honoring their Federal contracts.

This rule is a sham and deserves to be voted down.

Mr. CARDOZA. Mr. Speaker, may I inquire as to how much time we have remaining?

The SPEAKER pro tempore. The gentleman from California has 11½ minutes remaining. The gentleman from Washington has 15¼ minutes remaining.

Mr. CARDOZA. Would the gentleman like to take some of his time at this point?

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Georgia, a member of the Ways and Means Committee, Mr. LINDER.

Mr. LINDER. I thank the gentleman for yielding.

In 1928, two gentlemen in Congress by the names of Smoot and Hawley drafted a bill to reduce tariffs to broadly increase markets, particularly for farmers. And after 4 years, it became not a tariff reduction bill, but a tariff increase bill. And all our trading partners responded in kind, leaving us a dust bowl in the ''Grapes of Wrath.''

If you don't think they're going to respond in kind to this, you're nuts. Toyota is not located in Barbados. Honda is not located in the Caribbean islands. These companies pay huge American taxers and hire millions and millions of our neighbors. They sell product in this country, they sell product for dollars. And the only value that dollar has for them is to spend it in a dollar-denominated economy, and they spend in America and they buy companies.

If you don't believe that this 4 to $6 billion tax increase on foreign capital is going to cause a response, you're simply not paying attention to history.

Vote this tax increase down.

Mr. HASTINGS of Washington. Mr. Speaker, I inquire of my friend from California, we have a number of requests for time, and I'm not sure that I have enough time. I wonder if the gentleman would entertain a chance to expand our time on both sides.

If the gentleman would, I would like to ask unanimous consent that each side get an additional 10 minutes.

Mr. CARDOZA. I respect the gentleman from Washington, but we will have a significant amount of time in the discussion of the bill in chief.

Mr. HASTINGS of Washington. Mr. Speaker, I would just communicate with my friend to at least keep his options open, if he wouldn't mind, later on and maybe we can revisit this.

With that, Mr. Speaker, I'm pleased to yield 1 minute to the gentleman from Michigan, a member of the Ways and Means Committee, Mr. CAMP.

Mr. CAMP of Michigan. I thank the gentleman for yielding.

This rule will raise $7.5 billion in taxes on U.S. employers. Higher taxes are just one consequence of today's rule. It turns a blind eye to the 58 tax treaties that have been negotiated by this Nation since the 1950s.

By ignoring those treaty obligations, that invites the retaliation other speakers have talked about. These are our friends and neighbors who work for these employers, over 5 million of them in the United States. And these aren't necessarily obscure businesses you've never heard about. The effect of this provision may be on companies like DaimlerChrysler, Michelin Tires and Miller Brewing. And I say ''may'' because we don't really know. We've never had a hearing. We've never had testimony. It is part of the American fabric that people have a chance to speak about laws and provisions that may affect them. There has been no voice given to the people that may be affected by these rules, the 5 million employees.

So I think to unexpectedly change these rules for these employers with zero debate is a dangerous precedent, and I will vote down the rule.

Mr. CARDOZA. Mr. Speaker, at this time I yield 15 seconds to the gentleman from Texas.

Mr. DOGGETT. New York Times, June 18, 2002. ''There would be no effect on legitimate multinational corporations like DaimlerChrysler that have not used a haven to avoid American taxes.''

Yesterday, 2:41 p.m., letter from Unilever Global Affairs vice president. He says that his company, which owns Ben and Jerry's, would not be affected by this bill.

What we've heard is nonsense. It's not evidence. Claims, not evidence.

Mr. CARDOZA. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise to inform my colleagues of a Fair reform amendment that I and others will offer later in this debate.

For too long, our farm programs have given billions of taxpayer subsidies to a few, but very large and wealthy, entities. This has got to change. Our Fair reform amendment will reform these commodity programs so they act like a true safety net.

Simply put, let's help farmers when they need it. Let's not when they don't. The committee bill before us, however, will continue to give taxpayer subsidies to individuals with an adjusted gross income of $1 million. It will spend $26 million in subsidies to commodity producers who are receiving at or near record commodity prices.

Our reform, however, will establish a real revenue-based safety net in case prices collapse. But the savings we find in phasing out direct subsidy payments we reinvest in rural America: $3 billion more for voluntary conservation programs, $6 billion for nutrition programs to combat hunger in this country, $2.6 billion for specialty crops and healthy foods programs, $200 million for rural development programs, $1.1 billion for McGovern-Dole, all of which is paid for in this current farm bill.

The opportunity for reform has never been better, given the strong market prices that exist today. Our reform amendment is fair and completely justifiable.

I urge my colleagues to support real reform so we can help family farmers when they need it, and so we can go home and justify it to the American taxpayer.

Mr. HASTINGS of Washington. Mr. Speaker, at this time I would like to insert into the RECORD a letter that I referenced earlier in which the signature to this letter is Ben and Jerry's Homemade, Inc.

DEAR MEMBER OF CONGRESS: As U.S. subsidiaries of companies based abroad, we are writing to express our strong opposition to including Rep. Lloyd Doggett's bill, H.R. 3160 in the farm bill. This measure is a discriminatory tax targeted specifically at companies insourcing jobs into the U.S. We urge you to vote against the Rule on H.R. 2419 to demonstrate that you oppose targeting companies with significant employment in the United States.

Companies like ours play an important role in the growth and vitality of the U.S. economy, provide high-paying jobs for five million Americans and account for almost one-fifth of all U.S. exports. Discriminatory measures, like the Doggett legislation, send a hostile signal to our companies and other international investors. This bill will certainly dissuade companies like ours from choosing the United States as a location for job creating investment.

The provision under consideration would violate many of our bilateral tax treaties and could lead to retaliatory actions by other countries or withdrawal by our treaty partners from exiting treaties, harshly affecting U.S.-based businesses.

Congress has not held any hearings on this issue. There is no evidence that existing safeguards in current treaties are not effective. Further, if material tax abuses were evident; Treasury Secretary Paulson would not have strongly opposed this proposal.

We urge you to vote against the Rule on H.R. 2419 and to demonstrate your opposition to discriminatory tax increases on companies that support employment in the United States.

AEGON USA, Inc, Akzo Nobel, Alcatel-Lucent, Alcon Holdings, Inc, Allianz of America, BASF, Ben & Jerry's Homemade, Inc., Honda North America, Inc, ING Americas, Inc, Panasonic Corporation of North America, Suez Energy North America, Swiss Re, Thomson Corporation, Unilever.

Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, I want to thank the Rules Committee for allowing debate on the Manzullo amendment to help the EQIP program. However, I'm deeply concerned about the Democrats' attempt to pit people who work for manufacturers against agriculture by a midnight tax increase against manufacturing workers.

The offset to pay for part of the farm bill would strongly discourage future foreign investment in the United States.

Nissan USA, owned by Nissan based in Japan, borrows money from their finance unit based in the Netherlands. Under our current tax treaty with the Netherlands, no tax is applied. However, under the Doggett amendment, a new 10 percent tax would be applied to this transaction, and the Netherlands would then most likely view this as an abrogation of our tax treaty and seek renegotiation or outright annulment,

thus hurting our overall trade with the Netherlands.

In the northern Illinois district that I represent, the one which led the Nation in unemployment in 1980 at 25 percent, 14,000 manufacturing workers lost their jobs, 200 companies closed up. I just lost another one yesterday. Nissan Forklift in Marengo, Illinois, would be hit with a 10 percent increase. They're not based in Bermuda.

These are common American people, the ones who get up at the crack of dawn. They represent the manufacturing people of this country, and the Democrats are hurting them.

Don't hurt my workers. Don't raise taxes on a bill you have had no hearings on because you don't know. You have to examine what it does to the everyday worker. The Japanese, the English, the Italians, the Swedes, the Germans have all saved manufacturing jobs in my congressional district. I know what I'm talking about.

Vote against this rule. Vote against this bill. Vote for the American worker, who is glad to have his job because somebody came in and invested the money in American manufacturing.

Don't lay off American manufacturers because of a bill that you haven't even researched.

Mr. CARDOZA. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, if this House of Representatives wants to stand up for the people of America, they will stand up and vote for this rule and for this bill.

We spent many hours, way into the midnight hours, working and bringing every party together. This is not a tax increase; the other side knows it. Their leader said these words President Bush said in his 2008 budget: ''Some foreign companies are inappropriately avoiding taxes that other American businesses pay by using this loophole.'' This is what the Republican President said. This is not raising taxes; it is closing a loophole. Vote for the rule.

Mr. HASTINGS of Washington. Mr. Speaker, I want to once again inquire of my friend from California if we can have extended time on this. I would ask unanimous consent for 5 additional minutes on both sides.

Mr. CARDOZA. We object, Mr. Speaker.

Mr. HASTINGS of Washington. Mr. Speaker, I am disappointed that that happened, because we have seen the passion on this side of people talking about tax policy that has not had a hearing in the committees of jurisdiction in both cases, and we are restricted to only 1 hour to talk about that, without any extension at all.

With that, Mr. Speaker, I would like to yield 1 minute to my friend from Texas, a member of the Agriculture Committee, Mr. CONAWAY.

Mr. CONAWAY. Mr. Speaker, for 18 months I've worked, along with my Democrat colleagues, to try to craft a bipartisan bill that we could be very proud of. Last week, it went through committee with some very hard work on both sides, both sides gave a little, got a little, and we thought left the committee with a great bipartisan bill, a bill which would have Democrats and Republicans for it, and perhaps Democrats and Republicans against it, but a bipartisan bill. We were assured on every turn there would not be a tax increase.

I was a member of the bipartisan whip team on Tuesday and was told as late as noon that there would be no tax increases to pay for the $4 billion. I was misled, and that's unfortunate.

All of the good bipartisan work accomplished by this committee has been squandered by, I believe, the top leadership of the Democratic Party in an attempt to strip Republican support for this bill away. We were going to have a bipartisan bill that was going to pass this floor. We're not going to have that now.

I vote against this rule. It's unfortunate that the other side has seen fit to waste the good bipartisan work that we did. If we can't trust what we tell each other, you cannot work in a bipartisan manner.

Mr. CARDOZA. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy and his hard work.

I witnessed for several hours yesterday the great challenges the Rules Committee faced, but I must confess that this rule puts a lot of us in a very difficult position. I am disappointed, to say the least.

This is not just a farm bill; it's the most important rural economic development bill, the most important trade bill, the most important opportunity to broaden the benefits for family farmers and ranchers, and the most important environmental bill that we will vote on this year.

Sadly, I will say at least that leadership did allow the amendment that I'm pleased to work with my friend, Mr. KIND, Mr. FLAKE and Mr. RYAN, the Fair amendment, to at least be heard, but it's only going to be heard for 20 minutes a side. They refused to allow debate on specific areas of meaningful reform, like the legislation that I had proposed to cap at $250,000 an absolute limit. I think it's a serious miscalculation.

This bill deserves to be fully and fairly debated. Now, I almost said I fear that minority voices would be shut out. But it's not the minority of Americans who share the views and objectives that it's time for meaningful reform. Because of the complexity, the misinformation and the powerful special interests that are involved here, it means that this shot that we have, our one shot for the next 5 years, is critical.

Sadly, there is always an excuse to not do all that we can do. Coddling cotton multimillionaires while talking big and delivering modestly is a failure of political will.

I hope at least my colleagues will vote for the Fair amendment. And I hope that the debate, as it proceeds, will be administered as fairly and as openly as possible to allow as many voices to be heard as we can ask.

Mr. HASTINGS of Washington. Mr. Speaker, I certainly associate myself with my friend from Oregon's remarks.

□ 1830

We have different issues. But I think the issue is exactly the same.

With that, I yield 1 minute to my friend from Louisiana (Mr. BOUSTANY).

Mr. BOUSTANY. Mr. Speaker, first of all, I want to say, again, the Agriculture Committee worked in good faith and in a bipartisan way to come up with a good product, a good bill. We all patted ourselves on the back. We thought we had accomplished that.

Now we see a tax provision that has been put into this at the last moment, a tax provision that has never been vetted. It is a complex tax provision that abrogates treaties. Furthermore, it is a tax provision that is going to hurt the very companies that produce pesticides and fertilizers that are helping our farmers.

My farmers are trying to recover from Hurricanes Rita and Katrina. This provision is going to hurt them. This provision threatens this bill. Frankly, I am offended that we are here at this point in time.

Furthermore, I had an amendment that would have addressed a problem in the bill with the Food Stamp Program. The States need adequate flexibility to create efficiency so that we can take care of our neediest citizens. That amendment was not allowed to go forward in this debate. It certainly deserves a full and open debate, as the previous speaker said.

Our States need this flexibility. It is going to cost the State of Indiana over $100 million. Other States need this flexibility as well.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. WALBERG).

Mr. WALBERG. Mr. Speaker, I rise in strong opposition to this rule. For several months, the House Agriculture Committee worked in a bipartisan manner to pass a bill that would make historic investments in conservation, nutrition and renewable energy, while maintaining strong support for American farmers. The committee put aside partisan differences and worked together on a bill that meets the needs of American farmers, without raising taxes.

Today House leadership has brushed aside months of hard work by Republicans and Democrats on the House Agriculture Committee and decided to insert a 600 percent tax increase on manufacturers who employ 5.1 million Americans workers and pay $325 billion in wages. Additionally, the anti-competitive Davis-Bacon provision included in this bill would drive up the

cost of building ethanol plants and discourage alternative energy production.

Yet today, this rule does not allow Members a vote on striking these provisions. Right now, governments throughout the world are cutting taxes for job traders to attract investment. The Democratic proposal will drive investment and jobs out of America and greatly diminish America's competitiveness.

Mr. Speaker, for these reasons, I strongly oppose this rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1 minute to a former member of the Rules Committee, the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, just 2 days ago, the House was on track to pass this year's farm bill with a bipartisan vote. Then, in the eleventh hour, the Democratic leaders blindsided America with the news of how they were going to pay for this bill: by putting 5.1 million American jobs at risk.

This bill imposes massive tax increases on businesses, violates trade treaties, discourages investment in America and weakens U.S. competitiveness internationally. It costs good manufacturing jobs.

For instance, in my district in Ohio, Honda employs more than 16,000 Ohioans and has invested more than $6 billion into my State. Its suppliers employ an additional 40,000 Ohioans. Tax receipts from Honda provide revenue for 53 Ohio cities and 43 school districts. Honda is by no means alone in its contributions. U.S. subsidiaries in Ohio employ more than 200,000 Ohioans.

Mr. Speaker, the Democrats have shown their true colors again. We need not sacrifice American manufacturing jobs for a strong American agricultural economy. They can and should coexist.

Mr. CARDOZA. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KAGEN).

Mr. KAGEN. Mr. Speaker, this rule asks a very simple question of all of us: Whose side are you on? Do you stand with overseas corporations who exploit American tax loopholes, or do you stand with American farm families who pay their fair share every day? Whose side are you on?

Let me point out where I and my Democratic colleagues stand: We stand with American farm families who plant, who grow and who harvest everything we eat. We stand with those most in need. We also support a strong nutrition program. We stand with our Nation's children, and are providing them with access to fresh fruits and vegetables. We stand with local agricultural businesses connecting local farmers to their communities to bring their products to market. And we stand for responsible reforms to our Nation's agriculture policy.

The question is simple: Whose side are you on?

We do not sit in the boardrooms. We do not represent corporations who take advantage of loopholes in our tax codes that even the Bush administration and the Treasury Department have said need to be plugged.

Mr. Speaker, I urge my colleagues to support this rule.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1 minute to a member of the Agriculture Committee, the gentleman from Nebraska (Mr. SMITH).

Mr. SMITH of Nebraska. Mr. Speaker, I am on the side of those who would like an open process. I am extremely disappointed with this tax provision. It can be characterized however one might wish to characterize it. But I am on the side of a process that is open, where a tax provision has a hearing and gathers input from the general population so that we can move forward with good policy.

As a representative of a heavily agricultural district, I hope that we can pass a farm bill that is good, sustainable policy. We are well on our way.

As a member of the Agriculture Committee, I was proud of the process. It was very polite. Actually, the committee process was very open. Then all of a sudden we are blindsided, Mr. Speaker, with this tax provision.

It is extremely disappointing to me, Mr. Speaker, and I hope that we can defeat this rule so that we can open up the process perhaps and move forward with good policy and a good, open process.

Mr. CARDOZA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Ways and Means Committee.

Mr. DOGGETT. Mr. Speaker, farm and ranch families deserve a safety net, and fiscal responsibility demands that we pay for it. We pay for this farm bill, every penny of it, and some of it is done by stopping one group of multinational corporations from dodging their United States tax liability. For too long they have enjoyed a free ride from these Republicans, at the expense of other American taxpayers. It is wrong, and we are putting a stop to it.

Our target is very narrow: No company headquartered in the United States of America will have its taxes go up one penny, nor will it have any significant impact on any foreign corporation with whom we have a tax treaty, as we do with most developed countries. Indeed, 90 percent of the revenue, according to the nonpartisan staff of the Joint Tax Committee, comes from companies that have tax hideaways with these countries down in the Caribbean that have no tax treaty and no corporate taxes or little taxes. And the remaining 10 percent of revenue from their proposal, most of it is going to be simply a matter of shifting taxes between countries in tax credits.

I have listened to these Republicans identify one company after another that they cried big crocodile tears about, and I haven't heard them identify a single company that is likely to have an increase in its taxes as a result of this proposal.

There are others hiding in the shadows that know they have no justified case. And they have some of their friends out front, including one company that I read an e-mail from yesterday saying they don't like my bill, but it doesn't affect them a penny. That is the people that own Ben and Jerry's.

Well, today the Administration may be teaming up with those willing to kill this farm bill by defending these foreign tax evaders, but that is not the tune they were singing 5 years ago when in this Treasury report they said ''an appropriate, immediate response, an immediate response, should address the U.S. tax advantages that are available to foreign-based companies because of their ability to reduce the U.S. corporate tax on income from their American operations.''

Mr. BRADY says Treasury did something about it? They sat on their rear and didn't do anything about it. And if you need any proof of that, gentleman, turn to the President's budget 5 months ago. He turned to this same source of revenue and all this job-killing tax proposal you are talking about. How many jobs did his $2 billion proposal that he put out here 5 months ago in February kill? Well, you haven't suggested there are any, because even this President, President Bush, admits there is a problem here that needs to be fixed, and this committee gets about fixing it.

You talk about jeopardizing 5 million jobs. What a lot of nonsense. That is all the jobs of all the foreign subsidiaries in the United States, the vast majority of which are corporations that are not touched by this proposal.

Your problem isn't jobs. Your problem is you never met a tax loophole you didn't like. You never met a tax dodger you didn't want to help. You have done a good job of doing it, and it is time we fix that.

I don't know why it is that a farm and ranch family in High Hill, Texas, or a drugstore on the main street of Bastrop, Texas, ought to have to pay higher relative taxes on their earnings than some multinational with a fancy CPA and a law firm and a hideaway in Bermuda.

It is wrong, and each of us must stand to choose between the two.

POINT OF ORDER

Mr. PEARCE. Mr. Speaker, I have a point of order. Are we requested to address our comments to the Chair?

The SPEAKER pro tempore. The gentleman should seek recognition rather than interjecting from his seat.

But the gentleman is correct that Members should address the Chair when they are speaking, and not others in the second person.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Louisiana (Mr. MCCRERY), the ranking member of the Ways and Means Committee.

Mr. MCCRERY. Mr. Speaker, the previous speaker, the gentleman from Texas, talked about a memo from

Treasury 5 years ago. The fact is, since that memo was sent out, or since that study was done, Treasury has undertaken a very aggressive policy of amending tax treaties with countries to solve the problem that was mentioned in that study. Also, in the jobs bill that we passed just a couple of years ago, we legislatively attacked the problem that was mentioned in that study. So steps have been taken, both legislatively and regulatorily, to solve that problem.

The President's budget, the gentleman himself said it raises $2 billion, approximately. His provision raises twice that. So it is apples and oranges, and obviously his provision is much broader than what the President's budget contemplated.

But, you know, I was just sitting there listening to this debate, and Americans out in the country watching this must be shaking their heads. You have got Democrats who are saying one thing and Republicans who are saying just the opposite. Republicans: It is a tax increase. Democrats: It is not a tax increase, it is a loophole closure. It is like they have been brainwashed by somebody and we have been brainwashed by somebody.

Mr. Speaker, we could have avoided this, I believe, if the majority had followed regular order; if they had allowed the Ways and Means Committee, the committee of jurisdiction over the Tax Code, to hold a hearing on this provision, to flesh it out, to hear experts on both sides, or all sides, and then let us discuss it and ask questions, probe.

Mr. DOGGETT is one of the smartest Members of our committee, and he knows a lot about the Tax Code, and especially the treatment of international companies doing business here in the United States, and I give him that. But, dadgummit, we should have had a chance to honestly debate this, and not have the majority just throw it in overnight on a farm bill, without even sending it through the Ways and Means Committee. That is wrong. That is a lousy way to legislate. It is wrong.

That is why Members on both sides of the aisle should vote no on this rule, to give this House the opportunity to act responsibly and to give the Ways and Means Committee back some of its honor. It is getting gutted by actions like this week after week after week. I am tired of it, and I ask the House, not Republicans or Democrats, Members of this proud House, to go back to doing things properly, and then maybe we will figure out something in between that we can all support.

□ 1845

Mr. CARDOZA. Mr. Speaker, how much time remains?

The SPEAKER pro tempore. Both sides have 3¼ minutes remaining.

Mr. CARDOZA. Does the gentleman from Washington have any remaining speakers?

Mr. HASTINGS of Washington. I have more speakers than I have time, and I would like to inquire of my friend if he would like to entertain the proposition I offered a moment ago.

Mr. Speaker, I ask unanimous consent for 5 additional minutes for each side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. CARDOZA. Mr. Speaker, I object to the request to extend debate. As the gentleman from Washington knows, there will be another hour of debate on the bill and then 31 amendments. There is ample time to debate this bill, so I would have to object.

The SPEAKER pro tempore. Objection is heard.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New Mexico (Mr. PEARCE), a member of one of the committees that was denied any opportunity to talk about the tax provisions.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding, and it is always imperative that we discuss issues that are brought forward.

Members of Congress often point to other countries who abridge treaties, who abridge contracts of our companies working in those countries, and they claim foul. Recently Hugo Chavez nationalized the oil industry and the electricity and oil companies. Yet the people who work for oil companies that are U.S. oil companies trying to push back that takeover were told why shouldn't we do that, your own government is doing it; we have the right.

They are referring to the language that is in this bill that affects the offshore leases, the '98–'99 leases. The Washington Post described the actions that were taken back on H.R. 6, which are very similar to these actions, as ''heavy handed.'' The stability of contracts, this heavy-handed approach, an attack on the stability of contracts would be welcomed in Russia, Bolivia, and others have been criticized for tearing up revenue-sharing agreements with private energy companies.

Mr. Speaker, we are doing things that affect oil companies and energy prices to Americans. I oppose this rule because it violates the rule of law.

Mr. CARDOZA. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. GINGREY), a former member of the Rules Committee.

Mr. GINGREY. Mr. Speaker, while I see good reforms and programs in this farm bill, I also see onerous provisions such as a massive tax increase on foreign companies who are providing good jobs here in the United States, and Davis-Bacon restrictions on biofuel production plants that drive up costs far beyond any included incentive grants.

In 2003, a constituent of Georgia's 11th District named Greg Hopkins took a big risk and decided to construct and operate a biofuel production plant called U.S. Biofuels in Rome, Georgia. He found a market demand, and that is the reason for his plant. But in order to make a profit, Greg has to minimize costs wherever possible. If the United States is serious about moving our country to alternative fuels, we don't need restrictions like Davis-Bacon prevailing wages.

It is clear to me that the Democratic leadership of the 110th Congress is more interested in doing favors for deep-pocketed labor union supporters than protecting domestic biofuel producers, and I must oppose this rule and the underlying bill.

Mr. HASTINGS of Washington. Mr. Speaker, I yield the balance of my time to the gentleman from Kentucky, a classmate of mine, Mr. WHITFIELD.

Mr. WHITFIELD. I want to commend all those for the hard work they have done on this rule. I must say that the American people today, 14 percent of the American people only, approve of Congress as an institution. I think there are many reasons for that.

For example, with this farm bill we have an opportunity once every 5 years to address major issues in the farm bill. Yesterday, the chairman of the Natural Resources Committee, the Budget Committee, two other Democrats and two Republicans offered an amendment to the Rules Committee on an issue that has been on this House floor five separate times and every time it passed overwhelmingly, but we needed this amendment to finally bring this issue to a conclusion. And although four people on the Rules Committee that spoke applauded our efforts and were very complimentary of it, we were not given an opportunity to bring this amendment to the floor.

In addition to that, the tax issues relating to the farm bill have not been adequately explained, have not been adequately debated. In the committee that I am on, the Energy and Commerce Committee, there is an SCHIP program that provides $100 billion in cost over the next 5 years; and to pay for that, we have not had any opportunity to debate that.

The SPEAKER pro tempore. The gentleman's time has expired.

MOTION TO ADJOURN

Mr. WHITFIELD. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WHITFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 174, nays 248, not voting 10, as follows:

[Roll No. 745]

YEAS—174

Aderholt	Alexander	Baker
Akin	Bachus	Barrett (SC)