

Finally, Mr. Speaker, I want to again thank Mr. DELAHUNT for his work on this legislation and for getting us to the point where it is being considered tonight.

With that, I will yield back the balance of my time.

Mr. DELAHUNT. Mr. Speaker, before yielding my time back, I want to suggest that the eloquence of the ranking member of the Judiciary Committee will result in a more significant margin this year than that 410-0. Again, I sincerely appreciate his fine work.

Mr. CONYERS. Mr. Speaker, I support the bill cosponsored by Representative BILL DELAHUNT and Ranking Member LAMAR SMITH. H.R. 1777, the "Need-Based Educational Aid Act of 2007," removes the current sunset attached to an exemption in the anti-trust laws that permits schools to agree to award financial aid on a need-blind basis and to use common principles of needs analysis in making their determinations.

The exemption also allows for agreement on the use of a common aid application form and for the exchange of student financial information through a third party.

In 1992, Congress passed a similar temporary exemption, which was first extended in 1994, then again extended in 1997, and once again extended in 2001. The exemption passed in 2001 expires later this year. During the years of its operation, we have been able to witness and evaluate the exemption, and we have found that it seems to be working.

The need-based financial aid system makes financial aid available to the broadest number of students solely on the basis of demonstrated need. The schools have been concerned that without this exemption, they would be required to compete—through financial aid awards—for the very top students, which could result in a system in which the very top students receive an excess of the available aid while the rest of the applicant pool receives less or none at all. Ultimately, such a system could undermine the principles of need-based aid and need-blind admissions.

Because the exemption has thus far appeared warranted, I support H.R. 1777 and hope that it will continue to protect need-based aid and need-blind admissions, and preserve the opportunity for all students to attend one of the Nation's most prestigious schools.

Mr. DELAHUNT. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. DELAHUNT) that the House suspend the rules and pass the bill, H.R. 1777, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT CONFEREES ON H.R. 2419, FOOD AND ENERGY SECURITY ACT OF 2007

Mr. FLAKE. Mr. Speaker, I have a motion to instruct at the desk.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. Flake of Arizona moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 2419 (an Act to provide for the continuation of agricultural programs through fiscal year 2012) be instructed to agree to the provisions contained in section 1703(b)(2) of the Senate amendment (relating to a \$40,000 limitation on direct payments).

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The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona (Mr. FLAKE) and the gentleman from Minnesota (Mr. PETERSON) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona.

Mr. FLAKE. I thank the Chair.

This motion to instruct conferees is simple. It would simply urge farm bill conferees to accept the Senate provision on the payment limits for annual direct payments, which is the same as current law. Again, we are simply asking to accept current law, rather than increase payments limitations. Let me explain.

Under current law, farmers and eligible landowners can receive \$40,000 per person in direct payments per year, not including a loophole that currently exists that enables that amount to be doubled. The House-passed farm bill seeks to raise this limit to \$60,000 per person, while the Senate passed bill keeps the limit at the \$40,000 level as in current law. In essence, this motion to instruct conferees would simply say, retain current law. Don't increase the limit on how much a farmer or landowner can receive in direct payments.

Direct payments are one of the three primary subsidy programs available for commodity crops, along with countercyclical payments and marketing loan payments. Direct payments are paid to farmers and eligible landowners that have had so-called base acreage that was historically farmed for program crops like wheat or cotton or corn. Direct payments go to farmers and landowners whether the whether they farm or not on the property and are independent of crop prices. Simply put, these checks are in the mail to eligible recipients, no matter what the price of commodities.

While these payments were originally intended to transition farmers away from subsidies, it is unfortunate that they have come to take a permanent place in the entitlement spending landscape and that Congress is on the verge of upping the limits on how much recipients can receive.

These payments cost taxpayers more than \$5 billion a year, under the last farm bill, that is, and while the bill under consideration might cut them by

a minuscule amount, taxpayers will still foot a staggering bill.

These handouts are often distributed to landowners who don't farm. I have even heard anecdotes about rice farmers who later subdivide the land for mini-mansions even, and realtors will advertise that direct payments will come to the new landowners. Lucky them. Get a house on land that was previously a rice farm. You are going to be getting direct payments. How is that? How can we countenance a situation like that continuing?

According to a recent analysis by the Environmental Working Group, with the present loopholes that are available to recipients, "a total of 1,234 recipients collected direct payment subsidies worth \$120,000 or more, costing taxpayers \$226 million total. One hundred forty-nine recipients got more than \$250,000 in direct payments. The top 10 percent of direct payment subsidy recipients in 2007 collected about 60 percent of this government money." These are the payments on which the House-passed bill would increase the limit by 50 percent.

We have a strong agricultural economy at present. Unlike the countercyclical and marketing loan programs, which, if you have a good agricultural economy, don't get paid out, this program keeps paying out no matter what. These are independent of crop prices.

It is unfathomable that U.S. farmers that are enjoying historically low debt-to-asset ratios and consistently high cash receipts and robust farm export values, under this scenario the conferees would need to increase the limit on direct payments beyond the current \$40,000 limits. It is unfortunate. It looks like the 2007 farm bill will be a missed opportunity to reform the wasteful farm subsidy programs, like the one I have spoken about.

As approved by the House, the best that can be achieved in terms of reform is a reduction in the income cap for payment eligibility programs from \$2.5 million to \$1 million or \$2 million for married folks. Even though the administration has sought a \$200,000 income cap, both the House and the Senate it seems, and it seems the conferees, appear content to continue to allow millionaires to receive farm payments. While acting as if real reform had been made on the income cap, the House-passed farm bill actually relaxes the limits on how much a recipient can receive in farm payments.

We simply cannot go in this direction. We have been told again and again and again by both sides of the aisle that we won't have a farm bill that has the generous subsidy payments that we have had before, that there has to be reform. This is not reform.

Some people may try to sell it and say we are getting rid of a loophole there, so we will have to increase this, and then we will phase it out at some other time. That is probably what we will hear. When you hear that, hold on to your wallet.

You have to remember that this program that we are talking about, this direct payment program was instituted in the nineties as a way to transition farmers away from subsidies. Yet here it is still, a decade later, and we are talking about increasing it. So if anybody tells you we are increasing it so we can actually phase it out easier or somehow lessen payments that will go out, don't believe it. Don't believe it.

Let's vote for this motion to instruct.

I reserve the balance of my time.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

The conference committee is close to wrapping up work on the bill and we will have significant reform in the final package that comes out of the conference committee. I can assure people of that. Apparently the issue that is before us today is one small part of that whole package. Frankly, the discussion has not really focused that much on this part of the payment limit issue. It has been more on the AGI issue.

But just so folks understand what happened here, we in our bill that passed the House made the most significant reform in this area that has been made in a long time, and that is to get rid of the triple entity rule and to require direct attribution. If you had told people 2 years ago that you were going to accomplish that, they would have thought you were crazy. So we did that in our bill. We are going to do that in the conference report.

The reality of how this all works, with the limits, the internal limits that we have in the House-passed bill, \$60,000 on direct payments, \$65,000 on countercyclical, it keeps the direct payment level for folks that had a triple entity at the same amount that it is under the previous system. So I will agree that we did in certain cases keep the direct payment limits the same as what they were in the past before we eliminated triple entity. And there are other factors in here, like limitations on countercyclical payments and so forth. So there is a lot of disagreement about how this should be done and so forth.

There are a lot of statistics put out about who is getting what and what percentage they are of farmers. I would just like people to know that according to USDA, we have 2.1 million farmers in the country. But people would be surprised to find out what it takes to qualify as a farmer under USDA rules. It says that all you have to do is have \$1,000 of income from farming. Well, it doesn't even say that. It just says you have to be able to have had \$1,000 of income. So you don't even have to sell \$1,000. If you could have sold \$1,000, you would qualify as a farmer.

So all of these statistics are based off of 2.1 million farmers, when the reality is the true commercial farmers that produce 90 percent of the food in this country amount to 350,000. So you have

a lot of folks in this system that really aren't farmers. You have got a lot of people that are hobby farmers, that farm on the weekend, and they are all being counted and they are all being used in these statistics that people like Mr. FLAKE and others use.

That is fine. But what we have tried to do in the Agriculture Committee is focus on the real farmers, the people that farm every day, that are commercial farmers that produce 85 to 90 percent of the food in this country, and to provide them a safety net where they can get a loan from the bank in the spring and they can survive the bad years and keep farming. And that is not an easy thing. It is a very risky business, and it costs a lot of money to be in this business on a commercial scale.

So we have, unfortunately in my opinion, and others will disagree with this, we got this system put on us in 1996 under a thing called Freedom to Farm, which I opposed as a member of the Agriculture Committee. The idea was we were going to have direct payments that were not tied to any production and that were based on past history because prices were good and the WTO wanted us to do this, and this was ideology run amuck.

I said at the time that this is not going to work, this is a bad idea, that these prices are going to go down and we are going to have to rescue farmers, and that is exactly what happened.

We spent \$30 billion 2 years in a row to bail out farmers. That is more than the entire cost of these direct payments over 5 years. We spent that every year for 2 or 3 years to bail farmers out in 1998, 1999 and 2000. So we get to the 2002 bill and people figured out, well, we have to put the safety net back. And they kept the direct payments. So now we went back to the old system, but we kept the direct payments.

Well, if I had to do it, I would do it different. But that is the system we have, and that is the system that people want, especially in the South, because it is in their financial structure and it is how they organize everything. If I had my way, we would take those direct payments, we would raise the loan rates, we would raise the countercyclical target prices, we would have a stronger safety net. But the consensus is that we do some of each. So these direct payments serve as a base for farmers to go get a loan at the bank.

For those folks that are concerned about food prices going up, the folks that have been pushing payment limits, what the effect of that will be is to raise food prices. So if that is what you want to do, you know, that is probably not going to be real popular. But whenever you get the government mucking around and deciding how big a farm should be, which is what you are doing, you are going to make the farms more inefficient and you are going to drive up the cost of farming. That is what you are going to do. And it is going to

increase the cost of goods to consumers.

So we have considered this. The committee had looked at it. We are looking at the limitation on direct payments, and there will be some changes in that area. But we have had this debate on the floor of the House. They have had it in the Senate. We appreciate Mr. FLAKE's input, but we think that what we are doing here now in the conference committee will be a better outcome that will provide a better situation for our farmers.

Mr. Speaker, I yield 5 minutes to Mr. NEUGEBAUER from Texas, a member of my committee.

Mr. NEUGEBAUER. I thank the chairman.

My friend from Arizona and I agree many times on many issues, but this is one on which I must disagree.

There has been a lot of discussion about reform in the farm bill. I think before I go down and list some of the reform that is being considered in this current farm bill, I think we have to step back and look at what has transpired with the 2002 farm bill.

The 2002 farm bill actually cost \$25 billion less than what it was originally projected to cost. Let me repeat that. This is a Federal program that actually came in \$25 billion less than what it was budgeted. I would ask my friend from Arizona; name me another mandatory program in the last 5 years that has come in under what was originally projected.

Additionally, the Congressional Budget Office projection for what farm policy will cost has imposed for the baseline going forward a \$60 billion reduction over what was originally planned in 2002. The reason that that reduction is in place and the reason that this bill came in \$25 billion less than what it was projected is because it was working the way it was supposed to.

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And it was designed when commodity prices were low for there to be a safety net so that we could preserve that farm infrastructure. When the commodity prices are high, then the safety net was not available because there was no need for that safety bill. So when you look at the reform, \$60 billion sounds like a lot of reform to me. Now I don't know about out in Arizona, but \$60 billion in Texas is a lot of money.

Additionally, one of the things, and I think the chairman alluded to this, is that both in the House and the Senate bill, the three-entity rule has been eliminated bringing some transparency; in other words, being able to boil it down, who is actually farming, and making sure that the farm safety net is actually available to those people that are involved, actively engaged in farming.

The other thing that is going on here is that with the elimination of that three-entity rule, it is estimated that some 50 percent reduction will be affected, some of the operations that are

currently under this bill. So that is a fairly good reduction when you look at 50 percent for some of those operations.

Compared to the House and the Senate version, quite honestly, a \$10,000 reduction has been on the table over the original House version. As the chairman mentioned, these discussions are still under way and we don't know what that final number is going to be.

The other thing, and the chairman also alluded to this, because there has been a lot of discussion about are these payments going to millionaire farmers. And so one of the things that we have taken is steps to materially reduce the adjusted gross income figure, some 70 percent reduction.

Now I think the point that the chairman was trying to make, and it is a very important point, 30, 40, years ago farmers across America could farm a small piece of land and make a good living. Today, in a global economy where they are competing with producers all over the world, what they are faced with is, how do they get to a size that makes sense with today's cost of production and with today's cost of tractors and all the equipment necessary. And the days of a small farm being able to support a family are gone. So today, many farmers in my district, for example, are farming 3,000 and 4,000 and 5,000 acres, and this is still a family farm. This is not a company that has a lot of employees; this is a family farm. And so when you look at those numbers, it takes a lot of money, it takes a lot of capital and investment for them to produce this many acres.

Farmers are taking a big risk today. Yes, the commodity prices are up, and that is a good thing for farmers and producers. The bad news for them, though, is that their costs are up as well. Looking across fuel and fertilizer and all of those, in just the last few years production costs for commodities is up almost 25 percent.

One of the things that, as we look at this farm bill, I think we have to step back and look at it and I think sometimes I get kind of amused. As we talk about this farm bill, only about 12 percent, Mr. Speaker, 12 percent of this farm bill actually has anything to do with production of agriculture. A good portion of this farm bill has to do with food stamps and nutrition programs and conservation programs. While those may be worthy, I am not here to debate those, when we look at the production of the agriculture part, the part that actually allows American agriculture to produce food and fiber for Americans, we are talking about 12 percent of this bill having anything to do with that.

So when you step back, why is that important to America? Why should America be concerned about having a good, strong agricultural industry in this country? Well, I will tell you why, Mr. Speaker. Right now, we are watching with amazement as we look at people, Americans across America having

to pay \$3.50 a gallon for gasoline. We have seen tremendous increases. This country today is energy dependent. That means that we wake up every morning looking for some other country to furnish the energy that it takes to run our country's economy. It is, quite honestly, a security risk to our country as well as an economic security risk to our country. And so how did we get in that situation is because we let America's infrastructure for producing energy fall to the wayside. We did not make it a priority.

My greatest fear here today is that, as we move forward, if we begin to undermine American agriculture, who will then feed and clothe Americans in the future? Do the American people want to wake up every morning and wonder where we are going to get our next meal? What country is going to feed us?

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. PETERSON of Minnesota. I yield the gentleman an additional 2 minutes.

Mr. NEUGEBAUER. Because we let American agriculture infrastructure fall to the wayside. Our producers are competing on an unlevel playing field. I wish the playing field was level. If the playing field was level, we wouldn't need any of these programs, because American producers can compete with anybody in the world on a level playing field.

Unfortunately, the WTO discussions that we have been involved in have not yielded much fruit. Many countries that our producers are competing with all across the world are competing against other countries that provide subsidies at a much greater level than we are providing under this underlying bill.

So while I appreciate the gentleman from Arizona's concern about being fiscally responsible, I understand that he would like to see some reforms. I am here tonight to tell him that there are a lot of reforms in this bill. But at the same time, it is important to have a balanced bill to make sure that we have a strong agricultural economy in this country from this point forward so that when Americans wake up every morning, they are not going to worry about who is going to feed or clothe them.

Mr. FLAKE. Before yielding to the gentleman from Wisconsin, let me simply say that we are not talking about the food stamp program here. We are not talking about nutrition programs or conservation programs. We are talking about direct payments. This is a different program. This is simply an effort to say, let's not increase the amount of money going to direct payments at a time when commodity prices are so high and when the farm community is doing so well. It just not make sense to reform by increasing the subsidy.

I yield 5 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I thank the gentleman from Arizona for yielding me this time, and I commend him for this motion to instruct.

Mr. Speaker, let me be clear: We need a farm bill, and we need one as soon as possible. It is planting season back home in the upper Midwest and the district I represent in western Wisconsin, and our farmers need some predictability. They need to know what the rules are that they are going to be operating under and producing under in the coming fiscal year and in the coming 5 years.

But we also need a good farm bill, not a bad farm bill, one that is responsible to the American taxpayer and one that does well by the American farmer. And those of us who have been talking about much overdue and needed reforms under the commodity title, these subsidy payments to a handful of commodity producers in this country, have been saying, let's give farmers help when they need it but let's not when they don't.

And the market conditions today are something we have never seen before. They are talking about \$10 corn by this summer. Soybean, wheat, rice at an all-time high in the marketplace. Yet instead of trying to tighten up these subsidy programs and rein them in for some possible savings so we can address the other priorities in the farm bill, what is being proposed, to our understanding, and we haven't been privy to the conference negotiations that have been going on, is actually expanding direct payments from the current maximum level of \$40,000 up to \$60,000, and allowing dual entities operating on the same farm to qualify for the same amount of these direct payments.

And to be clear, the direct payments bear no relationship to commodity prices, no relationship to production. They are something that go out automatically regardless of the marketplace. And, quite frankly, it is the least justifiable aspect of this farm bill today in light of the record commodity prices that exist.

But we also need a farm bill that this President is comfortable in signing, and the administration has been clear from the beginning that they feel there is more room for reform under these commodity programs. We are not talking about the two other subsidy programs, the loan deficiency program or the countercyclical program, although there too they are ramping up the target price and the loan rates under those programs. We are only talking about the direct payments right now, that which goes out automatically to only five principal commodity crops at the expense of everything else that we are trying to accomplish in this farm bill, having a strong conservation title in light of the increased pressure that crop production is placing on sensitive and highly erodible land. And we are seeing that now with a lot of CRP acreage being taken out of CRP and put back into production.

And what does that mean to the average person? That is going to affect quality water supplies throughout the Nation, it's going to affect habitat, wildlife populations, all of which depend on good land stewardship of these lands and knowing what land is highly erodible and what isn't. And that was the whole basis behind CRP to begin with, and yet that now is in jeopardy because of increased commodity prices.

I don't begrudge, and I don't think anyone here begrudges family farmers getting a decent price finally in the marketplace. But where I am from in Wisconsin and talking to my producers, for years they kept saying: We don't like these subsidy programs, either. We wish we didn't have to rely on it. And if we could only get a decent price in the marketplace, we wouldn't have to. Well, guess what. That day has come. And now is an opportunity, never better in the history of the Congress, to start reforming these commodities subsidy programs right now so that at the end of the day we are not painting this big bull's eye on the back of our farmers with more subsidy payments that are going to be challenged through the WTO and possibly taken away through the WTO challenges, just as Brazil has done with the cotton challenge that they successfully prevailed on. And this is only the beginning.

Instead, we could redirect funding for what are called green box payments, conservation payments that also go to family farmers to help them be good land stewards but do not distort the marketplace and they do not distort trade policy, and it doesn't get us into trouble by these outside challenges that we may be facing in the future.

So that is why I think this gentleman's motion to instruct is important. We understand it is in the 11th hour. I appreciate the hard work that the chairman and everyone involved in the conference has been doing. Putting together a farm bill is probably one of the toughest things to do in this place given the parochial interests, given the different ideas and opinions that go into deliberations. But we have an opportunity right now of maintaining an important safety net for family farmers in case things do go south in the commodity market, but at the same time starting to reform these subsidy programs so we are more responsible to the taxpayer but also helping our farmers modernize so they can be more competitive both domestically and abroad. Otherwise, again, we are setting them up for future challenges by loading up these subsidy programs to the extent that they have been occurring.

I would be happy to yield to my friend from Arizona.

Mr. FLAKE. I will yield the gentleman an additional 5 minutes, if he would like, as long as he wants.

Mr. KIND. I probably won't need that much time. But, again, hard negotiations. We are getting into the final de-

tails of it. There is still an opportunity of producing a bill that the President feels comfortable with in signing, and that way the farmers know what they are operating under.

But, again, these direct payments are probably the least justifiable program going forward today in light of what the marketplace is producing. And the futures market right now is looking astounding when it comes to these commodity crops, and that is going to be good for farm income and debt-to-asset ratio. For family farms, it has never been better. And that again speaks to what we think is a reasonable and justifiable goal of trying to reform these commodity programs so we can deal with the other priorities and still maintain an important safety net to the family farmer.

Again, I thank my friend from Arizona for offering the motion.

Mr. PETERSON of Minnesota. Mr. Speaker, before I recognize the gentleman from Arkansas, I would just like folks to know that these prices that everybody talks about, if you are a real farmer out there and goes to your elevator, you cannot get a contract at these prices. And if you really want to do something here on this floor that will do some good, it would be to keep this Wall Street hedge fund money out of the commodity market, which has run these prices up and created a bubble.

People need to remember that these direct payments came about because of high prices, quote, back in 1996. We heard the same speeches. That is how we got these direct payments in the first place. And what happened? It collapsed. And I will tell you one thing that I know about farming, is that whenever you have good prices, farmers are very good at creating low prices, and they will do it again. And that is why we need a safety net.

I yield to the gentleman from Arkansas such time as he may consume.

Mr. BERRY. Mr. Speaker, I too want to recognize Chairman PETERSON and Speaker PELOSI for the hard work and the dedication that they have exhibited as they have pursued this farm bill and the great job that they have done and continue to do to get us a farm bill.

As I listened to these discussions, and I have heard them year after year, we go through this when we do the appropriations, we always have those that consider that they are more knowledgeable than the people that are actually in the business and have to make these businesses work and make them profitable. They know more about how to make this happen than the people that really do make it happen.

One thing that we know, the only reason for a farm bill and a farm bill is to guarantee adequate production and processing capacity so that our people have a reasonably priced food and fiber supply.

In a global marketplace, and we are certainly in a global marketplace in

agriculture today, every country that has food security has a stronger farm bill than we do.

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They have a better safety net than we do in this country.

We absolutely know, just like the chairman said, these prices come up and they go down. Right now the price that you can see on the Chicago Board of Trade is in some cases 25 percent higher than a farmer can actually receive. And even then the prices that are available to them aren't too bad.

But as the gentleman from Texas recognized, production costs, when some of these numbers were put in this bill or in the other bills that we have had, diesel fuel was 30 cents a gallon. It is \$4 a gallon today, or over \$4. You can say that about all of the production costs that a farmer has to face. The cost of machinery has gone up a great deal in the last couple of years. All of these things are necessary to have efficient production of food and fiber in this country. The same thing can be said about a farm bill. Without a farm bill as a safety net, this system cannot continue to function. And I offer as evidence that it has functioned successfully for a long time, that the American people feed themselves for a lot less of their disposable income than people in any other country in the world.

Now you can't pick up a newspaper today or hear a broadcast news story for very long that doesn't talk about the high price of food. If you really want to see some catastrophic prices, just keep doing what these guys have tried to do over and over, year after year and continue to chip away at this safety net.

Like the chairman said, I believe, or maybe it was the gentleman from Texas, they want the government to decide how big your farm can be. They don't even want you to be able to decide that I will farm part of it, my son will farm part of it. They want to use every tool that there is to try to mix that up and make it less efficient.

In the South, in rice and cotton country, 2,000 acres is no longer a viable economic unit. You cannot be prepared to put in a crop on 2,000 acres with a million dollars worth of machinery and another nearly million dollars worth of fuel and fertilizer and seed and chemicals. And there are those who don't think you ought to use fertilizer, and there are those who don't think you ought to use chemicals. But if you do those things, just be ready to produce whatever you are going to eat and your family is going to eat in your own backyard because we are not going to have the efficient production machine that we have in this country today that farm bills have made possible.

And these people may have huge dollars invested, but they don't make huge profits. This is a very dangerous thing. We all know the damage that

high fuel costs and high energy costs are bringing to our economy today. That is going to be an insignificant event when we lose the ability to be the most efficient producers of food and fiber that has ever existed in the history of the world.

The American farmer doesn't have to take a second place to anybody in their ability to feed our people. They do it. It is the hardest work in the world. All they ask is a fair chance. All they ask is enough safety net so that they can get a loan from the bank and continue to do what they love to do and what they are really, really good at.

We should be doing more to allow these wonderful entrepreneurs to do what they have to do to be successful and to produce food that is inexpensive enough for us to buy it. There is no shortage of food in the United States of America today. But what these proposals will do is create a shortage that you can't fix. It will create a situation that you cannot take care of in any kind of a short time frame. You just get one crop a year.

So I would ask this Congress, and I would ask the gentlemen, I know they have good intentions, unfortunately they have got bad ideas. This is something that we should not gamble with. We have got a system that we know works. I think it is inadequate, but at least give us this so that our producers can have the ability to continue to be successful.

I once again thank the chairman for all of his hard work.

Mr. FLAKE. Sometimes I think we are just talking completely in a vacuum here, that inside the Beltway here in Washington, that we see it somehow differently than the rest of the country. To hear the debate on the other side, you would think it was just one crazy guy from Arizona and another crazy guy from Wisconsin who think that we are out of bounds here. That is hardly the case, and I will read some of what the rest of the country is saying later.

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

Mr. KIND. I thank the gentleman for yielding.

I have great respect for the gentleman from Minnesota, chairman of the Agriculture Committee, and my friend from Arkansas and their depth of knowledge when it comes to farm policy in this country. They have invested their careers in trying to understand these programs and how they work.

But I have as much respect and admiration for my family farmers back home in Wisconsin, too. The gentleman from Arkansas is exactly right; these are hardworking individuals playing by the rules in a market that is set out for them. But when I have producers in my district in western Wisconsin coming up to me and saying, Ron, why are we still receiving these direct payments when the market prices are so good right now?

I say, You know, you're right. We should be looking at this anew.

The gentleman from Minnesota pointed out that the first time direct payments were introduced in a farm bill was back in 1996 as a transitional program to get away from these direct subsidy payments to the farmers.

Now we are into the third farm bill, and instead of at least holding them constant, as the gentleman's motion would have us do, we are talking about increasing the reliance on these direct payments over the next 5 to 10 years.

In my conversations with farm experts from Australia and New Zealand, they said they heard the same arguments down there when they weaned their producers off direct government subsidies for agricultural production, that this would spell disaster for the entire farming community in Australia and New Zealand. And now you would be hard-pressed to go down to either one of those countries and find one farmer who wants to go back to the government-subsidized system that they were operating under all these years. They say that with a change of those subsidy programs, it has made them more efficient and more competitive, especially in the global marketplace.

And whether we like it not, that day has arrived for our producers. The world is at our doorstep, and I don't think we are doing them any more favors by propping them up with these artificial subsidy programs with the strong market prices they are receiving, and at the same time telling them that you can go out and compete with everyone else around the globe.

There is a better way of doing this while still maintaining a safety net, and I think that is what the gentleman is trying to get at with this motion.

Mr. FLAKE. I appreciate the words of the gentleman from Wisconsin. I too have traveled to Australia and New Zealand, and I talked to the farmers there. They heard the same horror stories there. They worried about the same thing when they got rid of subsidies in New Zealand.

As the gentleman from Wisconsin mentioned, you would be hard-pressed to find anybody who wants to go back to that system because, just as the gentleman from Arkansas just mentioned, they don't like the government telling them what they can and can't farm.

A main element of this program we are talking about right now is that if you are to receive these direct payments, you can't farm specialty crops. You have to farm corn or wheat or rice. You can't do specialty crops. So for all of the talk about we don't want government telling us what we can and can't plant, that is a central element of this program that you accept those restrictions. There is something wrong with that argument when we say we don't want government to tell us; but yes, you can tell us as long as we can collect these direct payments.

The gentleman from Arkansas said that prices are up high now, but they will go down. Yes, they will; but these direct payments will remain the same. That is the problem here. These aren't a safety net, these are just a direct subsidy in many cases whether you farm or not. That's the problem with this.

And we aren't saying get rid of it. I would like to, frankly, if it were up to me. But we're not saying that. All we are saying is keep it the same. Don't increase it. Yet we are hearing the argument that somehow all of the family farms are going to go away unless we increase a direct payment that bears no relationship to crop prices at all. There is something wrong with that argument. So we are competing here in a vacuum.

Mr. KIND. Would the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Wisconsin.

Mr. KIND. One of the things that I have noticed back home in Wisconsin with the direct payments and the overall subsidy programs that exist for these commodity crops is that it is leading to greater consolidation. We know these subsidies have been primarily skewed to the larger entities, and they are using them to gobble up smaller family farms around them. And they are also driving up land values by artificially inflating these land values with the subsidy guarantees that attach to them, and it is making it virtually impossible for newer or beginning farmers to have the capital in order to invest in order to enter this very honorable work and profession.

So that is the unintended consequences that these subsidy programs have brought in, putting the squeeze on smaller family farmers throughout America.

I think it would be reasonable as well, although we can't address it in this motion, to have some reasonable means testing attaching to these direct subsidy programs. It is tough to justify to the American taxpayer that if someone is earning \$900,000 in adjusted gross income, that is profit, that is after you back out the expenses and all of the deductions of doing business, that you would still qualify for subsidy payments.

I understand in the course of negotiations there has been some movement, and hopefully that is a good thing; but nevertheless, that is a pretty hefty adjusted gross annual income for anyone. And then to say they still qualify for American-taxpayer subsidies at the end of the day, that is pretty tough to explain back home.

Mr. FLAKE. I thank the gentleman.

I mentioned that it is often said on the other side that it is just a couple of guys who don't know what they are talking about, and the rest of the country feels differently. Let me tell you what some people around the country are saying about this farm bill.

The Minneapolis Star-Tribune wrote: "The Senate passed a \$286 billion farm

bill that makes only minor changes to the bloated agricultural subsidy system that rewards rich farmers for being farmers."

The Burlington, Vermont, Free Press: "The farm bill making its way through Congress is a good example of what's wrong with the way major legislation gets passed in Washington."

The Boston Globe: "That kind of calculation is just the sort of special-interest politicking that is making voters nationwide question what was gained by giving the Democrats power."

The East Brunswick, New Jersey, Home News Tribune: "The farm bill is the sort of confounding public policy document that too often wins approval in Washington; it's stuffed full of pork and misdirected at the same time."

This is not a Republican issue or a Democrat issue. The Republicans passed, I thought, what was a far too generous, bloated farm bill back in 2002, and I believe the gentleman from Arkansas and I had a debate at that time.

□ 2000

So this isn't a partisan debate at all. This is a debate about what taxpayers should be required to pay.

The Orlando Florida Sentinel: "The system those lawmakers would perpetuate dumps billions of dollars a year in taxpayer subsidies on the farmers of a few crops, whether they need it or not. The largest commercial farms reap the bulk of the subsidies, while most growers get little or nothing."

The Charleston South Carolina Post Courier: "So far the impulse to reform has been overwhelmed by the efforts of those representing the beneficiaries of farm program largesse."

The Winston-Salem, North Carolina Journal: "The legislation that was designed to put American family farms back on their feet has now become the massive giveaway program to mega corporations that manage family farms. The farm bill is hopelessly bloated and outdated."

The Pittsburgh Pennsylvania Tribune-Review: "The U.S. Senate has once again failed to slow the nonstop pigout in multi-billion dollar family farm subsidies."

The Bismarck, North Dakota Tribune said: "The provision that would get wide agreement would require that government payments be attributed to an actual, named person, rather than to shadow entities that might even belong to people who do no farming themselves." We call that reform.

The Lewiston, Maine Sun Journal wrote: "The prospect of starving constituents is unpalatable. What's worse, though, is using them as chattel to negotiate subsidies for wealthy farmers."

As the gentleman from Wisconsin said, we're hardly talking about payments to those who are just getting by. In some cases, payments are going to those with adjusted gross incomes nearing \$1 million. Yet we're saying,

well, there are large expenses that farmers have. Yes. That's adjusted gross income after expenses are already backed out.

So we're not a couple of guys here who are seeing things differently. I think we're seeing it as the rest of the country does. I think that this place is in a bubble sometimes when we discuss continuing a program to subsidize people who, in many cases, aren't farming, and having subsidies tied not to crop prices at all, not a safety net, mind you, but payments that go and go and go, regardless of whether or not crop prices are high or low.

With that, I reserve the balance of my time.

Mr. PETERSON of Minnesota. I have no more speakers, so if they're ready to wrap up, I am, I guess.

Mr. FLAKE. May I inquire as to who has the final word.

The SPEAKER pro tempore (Mr. BRALEY of Iowa). The gentleman from Arizona has the right to close.

Mr. FLAKE. I will go ahead and reserve until the gentleman has closed.

Mr. PETERSON of Minnesota. I will just say very briefly that, as I said earlier, we get kind of off on tangents here on talking about small farmers and so forth. But the effect of a lot of these different proposals on reform, the effect of them are going to be to raise food prices for people in this country and around the world, and if that's what you want to do, you know, you can talk to your voters about that.

But 23 percent of the farms in this country have more than \$50,000 of sales. But they do 90 percent of the business. They produce 90 percent of the food and they get 81 percent of the payments. So we already have changed things.

But the point is \$50,000, I think my good friend from Arkansas will agree, in our part of the world is not a real farm. You can't make a living on \$50,000 of gross income on a farm. It's just not realistic.

So when you get up to a realistic commercial size farm, they produce just about all the food in this country. Now there's some small farms that are developing that are doing pretty well, and I've been supporting that and we're supporting that for the first time in this farm bill; and that is people producing organic, people producing local foods, getting out of the commercial system.

So there is a place for small farmers in these niche markets, and they're growing, and that's a good thing. But you go to those niche markets and you're finding you're paying a lot more money for that type of food. And a lot of people want that and that's great.

If we get involved in this and screw up this system, the gentleman from Arkansas is correct, we're going to endanger the national security of this country. If we ever get in a position in this country with this food that we're at with oil, we've got significant problems.

And this isn't a perfect system. When it was established, I voted against it. If

I had my way, as I said earlier, I would not do it this way. But this is the consensus of people in the business of agriculture, the system that we have, that works so they can get financing and they can stay in business.

And you hear about the WTO. One of the biggest objections to what I want to do, the direction I'd like to go with farm policy, is that we can't do that because the WTO would object. And we've got the World Bank out there getting these developing countries to adopt these free market ideas like some people have done in this country, and the effect of that has been to not help the people. It's made them more food insecure.

So we're never going to settle this debate. As my friend from Arkansas said, we've argued about this for how long.

We are going to produce a farm bill here pretty quick. It's going to have a lot of reform in it. It's going to have a lot of new initiatives that we haven't done before in organic, in energy. There's a lot of money in there for conservation. We're going to have \$10 billion of new spending above the baseline. After we took a \$58 billion hit in the commodity title, we added \$10 billion not in the commodity title. We added it into nutrition. So we're adding \$10 billion of spending, and 10.261 of that, more than we've added to the bill, is going to nutrition to help people to cope with these high food prices.

So we're doing, we think, the right things, putting in the right kind of initiatives in this farm bill. It's not going to satisfy everybody, but it's moving in what we think is the right direction for the country.

I would encourage my colleagues to oppose this motion to instruct and continue to support the work of the Agriculture Committee.

I yield back the balance of my time.

Mr. FLAKE. I've enjoyed this back-and-forth. Let me just say that it's implied again that we don't know what we're talking about somehow, that somehow we're divorced from the farming community and we don't know what they go through.

Let me just say, if you look at the end of my right index finger, it's gone. I left it in an alfalfa field at age 5.

I don't know all the ins and outs. I've been away from farming on a real basis for a while. But it's not a complete alien world to me, and certainly not to my family and relatives.

But let's get back to what we're talking about with this motion to instruct. We're talking about not a safety net at all. We're talking about direct payments, in many cases to farmers who don't farm at all, that is not tied to crop prices, whether they're high or low. This is a relic of reform attempts in the 1990s when we were trying to wean farmers away from subsidies that didn't happen. But these subsidies still remain, despite the fact that the other subsidy programs came back.

And all we're saying here is that, let's keep the limit at current law, at

\$40,000 per person, not increase it to \$60,000 per person. Yet we're being accused of trying to completely dismantle the family farm by not increasing the subsidies that are being paid out right now. We're simply saying they should remain where they are in current law.

So despite all the talk about stable food prices for citizens of the United States, or whatever else, remember, this motion to instruct has nothing to do with that. This simply has to do with a program that gives direct payments to people who, in many cases, do not farm at all, that has no tie to crop prices, whether they're high or whether they're low.

Let me simply say also that the administration said this week, this plan would result, talking about the current iteration of the farm bill, this plan would result in the continuation of farm subsidy payments to individuals with extremely high incomes.

The administration also said, this is not reform, and does not move Congress closer to a farm bill that the President would sign.

I certainly hope that the President sticks with that commitment. We need a farm bill that honors our commitment to have some fiscal responsibility here. Upping the limit of direct payments, increasing it by 50 percent, is not fiscally responsible.

So I would encourage my colleagues to join us in voting for this motion to instruct. Discount the debate that doesn't have anything to do with this debate on whether or not the conferees should accept the current subsidies or increase them.

With that, I thank the gentleman from Wisconsin for his words and for all those who have participated. I would encourage a vote in favor of the motion to instruct.

I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Arizona (Mr. FLAKE).

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The postponed vote on the motion to suspend the rules with regard to House Concurrent Resolution 308 will be taken tomorrow.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SYRIA AND NORTH KOREA CONSPIRE TO BUILD NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. POE) is recognized for 5 minutes.

Mr. POE. Mr. Speaker, North Korea and Syria were working together with Pakistan rogue scientist Abdul Khan to build a nuclear reactor in Syria, capable of producing plutonium for two nuclear weapons within a year of when it was destroyed by Israeli jets in September of 2007.

Israel, by the way, has not confirmed or denied the air strikes. But Israel acted in self-defense and self-interest because of the fact that Israel is so close to Syria.

Mr. Speaker, here is a map of the area. We have Syria and, of course, we have Israel and Iraq and then, of course, Iran on the other side. And here is the location in Eastern Syria where the nuclear facility was being built, with the aid of the North Koreans. From that location, in Alkibar facility, it is only 450 miles to Tel Aviv, where the majority of the Israelis live.

□ 2015

This whole area, of course, is in somewhat of a turmoil because of the fact you have Syria and the rogue dictator in Iran working together with the North Koreans to facilitate the development of nuclear weapons for all three countries.

The CIA has reported recently that North Korea is building Syria a reactor similar to the one that they have in North Korea. And North Korea then helped the Syrians cover up the results of the bombing after the reactor was destroyed.

Here are four photographs that the CIA has released and declassified just this week. Over on the top corner here is a photograph of North Korea's nuclear reactor that is capable of producing plutonium. You will see right next to it Syria's nuclear reactor as it was being built. It was built with the same floor plan, the same design as the North Korean facility that is in North Korea. This photograph was taken of Syria's reactor shortly before it was blown up.

Here is an aerial photograph of Syria's reactor, and you can see, Mr. Speaker, it's camouflaged to the extent that it looks just like a boxed building just in the eastern part of Syria with nothing anywhere close to it. And after Israeli jets came in and bombed the facility, this photograph on the bottom corner shows the results of the Syrian reactor after it was bombed by the Israeli jets.

And what is interesting, after the Israeli jets came in and bombed this facility, the North Koreans and the Syrians started working together very quickly to destroy what was left of this facility and bury it in the desert and then put in its place another facility, a building that looks just like this one but obviously, based on intelligence, is just a shell and not really used for any purpose whatsoever.

The purpose, of course, to build the second building was to let the world know that they didn't have anything in this area, but of course, we know that they buried all of their equipment and all of their nuclear devices or equipment, I should say, in the desert underneath the bombing that was done by the Israeli pilots.

So it's important for us to be aware of the contact and the working of North Korea with Syria. It is not a recent development. North Korea started working with Syria to build this facility in 2001, and they have continued to work with them until they started actually building this facility that would be capable of producing plutonium and at least to be able to build two nuclear weapons within a year.

North Korea is a nuclear threat and appears to help any nation with evil intentions, and the whole world needs to know about it. The countries of Iran, North Korea, and now Syria need to be known to all the world that they are nations with hearts that are fatally built on mischief and with malice aforethought. They build nuclear facilities with no redeemable, peaceful intentions. The normal, peaceful countries of our planet, especially those in the Middle East, cannot allow these three nations to have nuclear nonsense continue. They are on a path of destruction for at least somebody else, other than themselves, if their intentions are not stopped.

As for the nameless Israeli bomber pilots who flew these missions to destroy this nuclear facility capable of later being able to build nuclear weapons, they are thanked for their job well done, and the world needs to be aware that North Korea, Syria, and Iran seem to continue to work together to thwart world peace by building facilities that are capable of destruction for other countries, especially their neighbors.

And that's just the way it is.

BRING OUR TROOPS HOME AND HELP IRAQ HEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, today I joined Representatives MAXINE WATERS, BARBARA LEE, and ALCEE HASTINGS in hosting a remarkable photo exhibit reception focusing on the appalling refugee situation resulting from the occupation of Iraq.

Renowned photographer, Gabriela Bulisova, traveled to Syria to document the plight of the millions of