

(7 U.S.C. 1721 et seq.) to the Democratic People's Republic of Korea (North Korea).

The Acting CHAIR. The gentleman from California is recognized for 5 minutes.

Mr. ROYCE. Thank you, Mr. Chairman, very much.

A couple of quick points here. One, the administration is actively considering resuming food aid to North Korea. And I understand the humanitarian impulse here, but the unusual circumstances of North Korea make this a mistake—and make it a very bad mistake, frankly—which this amendment would correct.

I remember the words of one North Korean defector, Kim Duk-hong. I had a chance to talk with him. He said actually in testimony here before the committee, we must not give food aid to North Korea because it is, in his words, the same as providing funding for North Korea's nuclear program. Why is that so? Because what invariably happens is they redirect these resources into support for the regime.

This week we had reports that North Korea is making miniaturized versions of its nuclear weapons—ones that could fit atop ICBMs. That makes his statement all that more dire about the redirection of these resources into the regime's hands.

The situation in North Korea is heartbreaking. I've been up there. I've seen the deprivation. But this is a disaster made by the dictatorship itself. And let me say unequivocally, the food we send does not reach the hungry.

So, who benefits from our good will? Well, the inner circle does and their military industrial complex does. We've had hearings in which the French NGO Doctors Without Borders—we're all aware of their good work around the world. They testified before the International Relations Committee that the vast majority of refugees they interview say they had never received any food aid. None of the children they had ever met had ever seen food aid during the years they worked up on the border.

And this testimony is backed up by a survey of 500 North Korean defectors in which 78.2 percent of them never saw foreign food aid. And the reason for this is because it goes, again, into the black market. It is sold for the hard currency that the regime needs for its nuclear program and other programs.

□ 2100

Some could argue that what we need is more oversight and maybe better monitoring on this food.

Let me tell you about the testimony we've heard on that, because the North Koreans, I don't think they've got a word for "transparency." No matter how airtight any monitoring protocol may be, they cheat. We had a Tom Lantos Human Rights Commission hearing where a North Korean dissident told us how the regime would mark all the houses that had received bags of food and would return to col-

lect them after the monitors had left. So North Korea is always going to cheat.

Some assert that the North is holding food, holding food for the future, hoarding a million tons of rice. That's the charge we hear from South Korea, from members of their Parliament. But the fact is that it's an asset that is converted by the North.

So I urge my colleagues to support my amendment for the sake of the North Korean people. Providing this aid not only allows Kim Jong-Il's oppressive regime to divert scarce resources towards its military program, one that has grown increasingly threatening, but it also delays the day when real structural reform will come to North Korea.

There is a Korean saying that "pouring water into a cracked pot is worthless." Sending resources to Kim Jong-Il is even worse. It's enabling a regime with one of the world's worst human rights records but also with an atomic bomb.

North Korea has played us like a fiddle for years. Conditions for North Koreans have only worsened. It's time for a new North Korea policy. Let's start now.

I ask my colleagues to support the amendment.

I yield back the balance of my time. Mr. KINGSTON. Mr. Chairman, I rise in support of the amendment.

The Acting CHAIR. The gentleman from Georgia is recognized for 5 minutes.

Mr. KINGSTON. We have had a very difficult time with the Food for Peace program already, and if this helps secure another supporter of the bill, we certainly would work with you on this amendment and support it.

I yield back the balance of my time. The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. ROYCE).

The amendment was agreed to.

AMENDMENT NO. 25 OFFERED BY MR. KIND

Mr. KIND. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

At the end of the bill (before any short title), insert the following new section:

SEC. ____ None of the funds made available by this Act may be used to provide payments (or to pay the salaries and expenses of personnel to provide payments) to the Brazil Cotton Institute.

The Acting CHAIR. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. KIND. Mr. Chairman, my amendment is very straightforward, and in a second I'm going to explain it in more detail.

For many, many years now, I and a group of bipartisan Members of this Congress have formed a coalition in an attempt to move farm bill reform forward, to try to end these large taxpayer subsidies that are going to a few,

but very large, agribusinesses, subsidies that are not in fact helping family farmers, leading to greater consolidation in production of agriculture, driving up land values, making it more difficult for new beginning farmers to enter agriculture, and subsidies that are not fiscally responsible.

In light of the budget deficits that we're wrestling with, what better time to continue to move in the area of reform under the farm bill with this Agriculture appropriation bill, rather than waiting for the promise or hope that in a year or two in the reauthorization of another farm bill that this institution might finally come around and start making the long overdue changes.

Just to show you how perverted these farm programs have gotten, recently Brazil challenged our own domestic cotton subsidy program and prevailed in the WTO court. Now you would expect our rational response would be to reform our cotton subsidy program, to come into compliance with that WTO decision, to end these subsidies that you really can't justify here to our cotton producers, and we would solve this problem.

But that's not the approach that was taken. In fact, the administration recently set up a new subsidy program that is now going to subsidize Brazil cotton producers.

Let me repeat that. We are spending \$147 million a year in order to bribe the Brazilian Government so that they don't enforce the sanctions that they're entitled to now because of our unwillingness to reform our own cotton subsidy program. That is wrong, and that is what my amendment would address. It would prohibit the use of funds through this Agriculture appropriation bill going to this new subsidy program to subsidize the Brazil cotton industry.

It just shows you what a pretzel our farm programs have turned this Congress into because of yet again the unwillingness for us to reform our own domestic title I subsidy programs. The answer to this is not to funnel out another \$147 million a year until maybe we address this in the next farm bill, which could end up costing the American taxpayer over a half a billion dollars, when we can make that correction now, reform the domestic program, get out from under the WTO decision, start saving money by not sending \$147 million a year to Brazil, and also start saving some money by reforming our own cotton domestic subsidy program.

That's the solution to this. That's something that we can fix tonight, rather than continuing this facade of maintaining these programs that many of us warned in the last farm bill would be challenged, and sure enough they did, and they're prevailing, and now they can apply economic sanctions against us.

So the time to act is now, not waiting for a year or two or whenever we're going to get around to reauthorizing

another farm bill; and the time to start saving some real money is this night, by passing the amendment that we're offering. We can save \$147 million, we can reform the cotton subsidy program and save more taxpayer dollars, and we have that ability to be fiscally responsible and start making changes tonight.

I know what the argument on the other side will be: wait for the next farm bill; we'll take care of it then. Well, there is a lot that we are moving forward on this year on deficit reduction, and I for one think that the farm bill should also be open for scrutiny for potential savings to reduce our deficit.

But that's not what's being offered tonight in reforming the title I subsidy programs. Instead, most of the deep cuts are coming under the conservation title, the nutrition programs, certain key investments that we have to make to empower our farmers to be good stewards of the land, to reduce sediment and nutrient flows and the impact it has on the quality water supply that we need in this country, the protection of wildlife habitat. In fact, three out of every four farmers applying for conservation funding assistance today are turned away because of inadequacy of funds. That number will only explode because of the deep cuts coming in these other titles of the farm bill.

We have an opportunity to start making some changes under title I, the subsidy program, first by stopping the additional layer of subsidy that's been created where we're starting to subsidize other countries' farmers. Let's start making that change tonight.

I would encourage my colleagues to look closely at this amendment. This is the reasonable response that we should be taking. Let's not defer this decision any further. We can do that. And instead of encouraging any type of trade war or sanctions with Brazil, we should move forward in reforming the cotton subsidy program starting tonight.

With that, I yield back the balance of my time and ask my colleagues to support this amendment.

Mr. CONAWAY. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. CONAWAY. Thank you, Mr. Chairman.

My colleague is very passionate, but he is also very wrong. This money does not go to Brazilian farmers. That's illegal for us to do that. What it does do, it does go to an institute that promotes Brazilian agricultural production. It may be a fine line to distinguish there, but it's inflammatory to say it's going to Brazilian farmers, that we're doing that, and he knows it and it is wrong, but it is a payment. It's a payment negotiated by the Obama administration in reaction to a loss at the WTO in order to buy time so that a trade war with our 10th largest trading partner in the world doesn't erupt that has actually nothing to do with ag protection.

The trade war that is being prevented, over \$800 million worth of exports to Brazil, protects a broad variety of nonagricultural industries in this agreement. This buys us time until the 2012 farm bill could get done. We cannot tonight nor should we tonight delve into a very complicated farm safety net program that has worked well for the American people.

It is unquestioned that the American people enjoy the safest, most abundant and cheapest food and fiber source in the world, in the developed countries; and we do that because of the hard work, sweat equity, and risk-taking of the American ag producer. They rely in turn on a safety net that is relatively complicated and interwoven across a bunch of things that make it help.

The budget that we did pass says that the farm bill will be written in 2012. I understand my colleague's disdain for the process of the Agriculture Committee. He doesn't like the Agriculture Committee, he doesn't like the work product that we come out with, but that's the group that knows the most about the process of the safety net.

□ 2110

Doing this, what the gentleman would like to do tonight, would disrupt that trade agreement and undercut the U.S. Trade Representative and his ability to negotiate around the world because he's negotiated with a group who won't stick by their word.

The 2008 farm bill put in place a 5-year contract, 5-year agreement with the American ag producers, it goes to the 2012 farm bill—2012 crop year, and we ought to stand behind it and defeat this amendment.

So the money does not go to farmers. It does protect \$800 million a year in exports of nonagricultural exports that are imported to this country, including intellectual property rights that would be abrogated if we back out of this deal that we've made with Brazil. So with that I respectfully request my colleagues to oppose the Kind amendment as being wrong-headed tonight.

I yield back the balance of my time.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Oregon is recognized for 5 minutes.

Mr. BLUMENAUER. I listened to my good friend from Texas talk about deferring yet again to the Ag Committee, that somehow this payment goes to the Brazilian cotton industry and not to the cotton farmers, a distinction without a difference I would suggest.

I rise in support of my colleague from Wisconsin in this proposal. I've been in this Congress having watched three farm bill reauthorizations, and each time we find that there is expression on the floor of this Chamber for actual reform. We've asked for limitations. We are told well we just don't—the floor doesn't understand; it's too complicated. Well, it is complicated and twisted because this is an effort to try,

through the complexity, to layer efforts here that cheat the American consumer, that hurt the environment, and pose serious problems for international trade.

And my friend from Wisconsin is correct. We were talking about this in the last farm bill, and we got our comeuppance, but instead of responding responsibly in reducing or eliminating the illegal cotton subsidies, we're shoving upwards of a half-billion dollars to the Brazilian cotton industry, and I'll be prepared to argue, it benefits cotton farmers. So we're subsidizing two countries because we fail to reach our responsibilities now.

I sincerely think this is wrong. I think \$147 million could go a long way towards helping the part of American agriculture that grows food that we categorize as specialty crops who are dramatically shortchanged.

I would like to yield the remainder of my time, if I could, to my good friend from Wisconsin, the sponsor of this amendment.

Mr. KIND. Well, I thank my good friend from Oregon for his support of the amendment and for his support throughout the years in trying to lead the effort for meaningful farm bill reform.

Mr. Chairman, there is another solution to this that's going to be offered by our good friend and colleague from Arizona in just a little bit, Mr. FLAKE. He goes to the heart of the WTO decision to find out what changes we should be making in the cotton subsidy program to get out from under the thumb of Brazil, and I would support that amendment, and I hope my colleagues support his amendment as well because that is the ultimate solution to this: Instead of just cutting off the funding to Brazil right now, coming up with the cotton subsidy reform.

Now, let's remember the context in which we find ourselves this evening. Cotton payments are almost at a world record high price right now, yet these subsidies are still going out. There's just very little relationship right now with the subsidies under title I to the grain producers and cotton producers of our country and the price they receive in the marketplace. And in a time of tough budgets, when everyone else is being asked to take a haircut, whether you're a supporter of conservation programs or vital nutrition programs for our children and seniors, for us to not even look and consider the title I programs in the context of this agriculture appropriation, it's beyond the pale. There's just no justification to it.

These programs are outdated. They are impossible to justify with the American taxpayer, especially with the deficit reduction that all of us are interested in participating in this year. This is a small, but I think significant, step down the road of reform with the farm bill finding savings that can be applied to either other programs or for deficit reduction.

That's why I commend my colleague from Arizona for the amendment he's about to offer, but my friend from Oregon, too, will have some important amendments for us to consider, a payment limitation limiting the overall amount of subsidies that go to our producers. And folks, this is going to agribusiness, many of whom have mailing addresses in Manhattan, in Chicago, in San Francisco. These aren't even family farmers working the land, and they're some of the primary recipients of these agriculture subsidies.

Mr. BLUMENAUER's amendments address that, along with Mr. FLAKE's AGI cutoff at \$250,000 a year. That's 250 thousand dollars of profit, and if you're an entity making a profit of over a quarter-million dollars a year, should you really still be receiving taxpayer subsidies for the business that you're running? I think not, and we'll have another opportunity to consider that later tonight.

So I appreciate the gentleman yielding me this time and further explaining what this amendment is all about. And if we are serious about deficit reduction, if we are serious about reining in some of these programs that are tough to justify, then we should be serious about supporting this amendment tonight.

Mr. BLUMENAUER. And Mr. Chair, on that note I, too, commend what my friend from Wisconsin is doing. I look forward to the comments from my friend from Arizona. If we're serious about reform and saving money, it's time to move in this area.

I yield back the balance of my time.

Mr. FLAKE. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Arizona is recognized for 5 minutes.

Mr. FLAKE. Mr. Chairman, I rise in support of the Kind amendment. I commend the gentleman from Wisconsin for offering this.

You know, we've heard here that we need this program to make us trade compliant. Many of us warned when we did the last farm bill that if we did this level of subsidies that it would run afoul of our trade agreements. Yet we plowed ahead and did it anyway. And then April of last year is when our farm programs, which on their best day are out of step with reality, moved into the realm of the absurd when we hatched a program to actually fund an institute in Brazil to fund the cotton industry there to start subsidizing the Brazilians so that we could continue to subsidize our own farmers. Is that not absurd? Why are we continuing to do this?

It was raised before that we've got to do this to make us trade compliant now where tariffs might be imposed. That is true, but I offered an amendment in the committee earlier on that would have taken money from the direct payments that we currently pay to cotton farmers and paid off the Brazilians with that money rather than raid

the Treasury and raid the taxpayers once again. And guess what? That passed in committee but was stricken when it came to the floor.

So when you hear all this rhetoric about, hey, we want to be trade compliant, we could have done that. We could have simply allowed that amendment to stick in the bill, and then this would have been trade compliant. But the Brazilians would have been paid off not with new taxpayer money but with the money that is making us non-trade compliant in the first place.

So don't believe what you're hearing about, we just want to be trade compliant; that's what this is about. We offered an alternative to that, and it was rejected. And so here we are asking the taxpayers to once again this year, \$147 million to the Brazilians to make us trade compliant. We've got to stop this.

Nobody really believes that we're going to do a farm bill this year. Nobody really believes we're going to do one next year. And so we're going to be doing this year after year after year, so that means that we're going to continue to do this unless we stop it. I can tell you if we pass the Kind amendment tonight, we will be back and we'll reform our cotton subsidies in a way that will make us trade compliant. We'll go back and accept the Flake amendment that passed in the Appropriations Committee that perhaps took the money from the cotton program.

We don't need to continue to ask the taxpayers to pay off the Brazilians so that we can continue out-of-step subsidies to our own farmers. That's what this amendment is about. I commend the gentleman for offering it.

And I would yield to the gentleman from Wisconsin.

Mr. KIND. I appreciate the gentleman yielding, and I appreciate his support of this amendment and the leadership that he's shown not only in committee but throughout the years when it comes to sensible farm bill reform.

The easiest way for us to come into trade compliance isn't by bribing the Brazilian government to get them to not enforce the sanctions that it can under WTO; it's fixing this domestic program, and doing it now rather than waiting years from now, as my colleague just pointed out, for the next farm bill. I know this isn't easy, and I know the committees wrestle with a lot of different constituent problems. I used to serve on the committee.

I'm not asking anyone here tonight to do anything differently than what I'm asking my producers to do in my district of Wisconsin and in my State, and that's taking a haircut. The reforms that I've been proposing through the years would require my district to take a haircut on these agriculture subsidies. It's not always easy standing up to groups that are getting something from the government and saying we can't afford it, nor can we justify it, with the market and with the deficit.

But that is what it's going to take for this body to come together if we are going to be serious about deficit reduction and getting the spending under control.

□ 2120

I know that the Agriculture Committee has their hands full, and I know they would rather just defer this next decision until the next farm bill and put it off. But we don't know when that's going to be. But the thing we do know for certain is there is \$147 million going out the door every year right now that we can stop doing tonight with the passage of this amendment.

Mr. FLAKE. I just want to make a point that everybody needs to take a haircut here if we are going to get this debt and deficit under control. We shouldn't ask the taxpayers once again to pay off the Brazilians so we can continue out-of-step subsidies to our own farmers.

We have a cotton industry in Arizona. They may take a hit because of this, but everybody has to take a haircut. Everybody has to contribute here to getting this deficit and this debt under control. And if we can't start with a program like this, I don't know where we'll start.

After this amendment, I plan to offer an amendment that will go after the programs that actually make us nontrade compliant. I will be glad to give up on that amendment, not offer it at all, if this amendment is allowed to pass. But if it is called for the "noes," then I plan to offer the amendment after this.

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

Mr. PETERSON. Mr. Chairman, I move to strike the requisite number of words.

The Acting CHAIR. The gentleman from Minnesota is recognized for 5 minutes.

Mr. PETERSON. Mr. Chairman, you know, this is kind of a surreal debate because I don't think we're talking about the real issue here. You know, the cotton program isn't perfect. A lot of the programs that we have in the Agriculture Committee aren't perfect. Freedom to Farm, it was passed in '96. It got us into some of these problems. I opposed. It saved a little bit of money, and then we ended up spending 10 times as much money bailing people out when it collapsed. So you have got to be careful what you are doing.

But the problem here is, we're arguing about something that no longer exists. This program that they sued us under no longer exists. We have fixed it two or three times. We tried to address this. It was never good enough for the Brazilians. But we made some changes, and we made some more changes, and then we made some more changes in the 2008 farm bill. It's still not good enough for them.

Cotton went through some very difficult times. I don't have any cotton in my district. This is not a parochial

issue for me. But if they wouldn't have had that safety net, we would have been out of the cotton business. But what was going on at the same time? We had Brazil using government money to increase cotton production in Brazil. And this is something that isn't considered in the WTO because we are such geniuses that we agreed to this agreement that tied our hands and gave our competitors the ability to eat our lunch. And that's what's going on.

You know, JBS, which just took over a big part of the livestock industry in this country, is financed by the Brazilian Government. They own 30 percent of JBS. Nobody complains about that. The Brazilian Government created most of this competition that collapsed the cotton prices worldwide.

And then we agreed to let China into the WTO, and they promised that they weren't going to go into cotton production. We shipped our textile market to China and collapsed all of our textile industry. And what happened? They increased production like crazy. India increased production like crazy. Our cotton prices went down below the cost of production because of these trade agreements that we got involved in. But the way they're structured, there's nothing we can do about it. But they're going to sue us over a little step two program that we now got rid of, trying to keep our people in business.

Now, if you want to ship the whole cotton industry to Brazil and China and India, you are on a good start to doing that. And if you keep on this road, you're going to ship the rest of agriculture to these so-called developing nations that are not developing nations. If you've been to Brazil, in agriculture, they are anything but a developing nation; but they're protected under the rules that we agreed to in this WTO deal.

So is this a perfect solution? No. But we couldn't get the Brazilians to honestly sit down and work this out because they don't want to. They're trying to use this for other reasons, for other advantages in these trade negotiations and so forth. And I don't think we can ever do anything to satisfy them.

So there's more to this than people are talking about here. This is not about saving money. This is about making sure that we can have a safety net in this country so we can maintain production of agriculture in the United States and not ship it all to other countries and not get dependent on foreign countries for our food, like we've become dependent on foreign countries for our energy. That would be the worst thing that could happen to us.

So I just hope people understand all of the different ramifications. This isn't a perfect deal; but for the time being, it's probably the best solution that we can come up with.

I yield back the balance of my time.

Mr. LUCAS. Mr. Chairman, I move to strike the requisite number of words.

The Acting CHAIR. The gentleman from Oklahoma is recognized for 5 minutes.

Mr. LUCAS. Mr. Chairman, I rise in opposition to this amendment.

I want to return for a moment, I think, to the focus of the discussion. I want to be absolutely clear. If this amendment passes, it will—it could incite a trade war. Brazil could immediately impose \$800 million in retaliatory tariffs on a variety of U.S. goods.

I promise you, they won't retaliate against U.S. agricultural products. They'll go after ag chemicals and biotechnology products. And they'll go after veterinarian medicines and software and books and music and films. They'll go at everybody outside of production agriculture with their \$800 billion in retaliatory tariffs.

Now, we can debate how we got here; and my colleague, the ranking member, gave a very good history of what led us to this point. But this amendment right here, right now would expose the U.S. to job-killing sanctions on goods valued at \$800 million.

In 2010, the Obama administration finalized a framework agreement with Brazil that was a critical step in resolving this dispute about the U.S. Upland Cotton Program and export credits. And, yes, under the agreement, Brazil agreed to delay trade sanctions, trade retaliation until the 2012 farm bill was developed and put together. This amendment would circumvent the legislative process in what could only be described as a haphazard way that should be a relic of the past.

This amendment is an attempt to circumvent regular order, the democratic policy process, by changing policy on an appropriation bill. Now, I can assure you, I plan and we will have a full and open process when we start the farm bill debate. We'll debate the relevant issues dealt with in this amendment.

And on that note, I would serve a notice for record that next week, we plan to start the process of conducting an audit of all farm programs. This audit is just the beginning of the comprehensive and transparent process we'll use to draft the 2012 farm bill. Policy changes will be considered carefully with the input from industry stakeholders and constituents and within the larger context of improving the competitiveness and long productivity of American agriculture.

Let's not incite a trade war. Let's return to regular order. And if nothing else, my friends, remember, this bill is 13 percent lower than the previous spending bill. This Ag approps bill takes us almost back to 2006. We are giving our share in this appropriations process. And everyone in this room knows that whether it's the regular farm bill next summer or if we have some grandiose understanding on the national debt ceiling and spending, the deficit, we could well have a farm bill dramatically quicker than next summer, and we'll have a farm bill that reflects a dramatic reduction in resources compared to past farm bills.

Let the Ag Committee in regular order craft the policy, and then when we bring it to the floor—all of our friends, expert ag economists, we all may be together—you will have your shot, as you've had before. But please don't incite a trade war. Please don't ignore the regular order of appropriation authorization. Please be rational in what you do. We've got tough decisions ahead of us. Collin and I and the rest of the committee, we know that. We're going to do what we have to do. But let us do it in regular order, not in this fashion.

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

Mr. BISHOP of Georgia. I move to strike the requisite number of words.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. BISHOP of Georgia. Let me just say this: Georgia is the second-largest cotton-producing State. It accounts for approximately 10 percent of the U.S. cotton production. In 2011, Georgia farmers intend to plant almost 1.5 million acres of cotton.

□ 2130

The average farm-gate value is more than \$600 million. There are approximately 2,800 businesses directly involved in the production, processing, and distribution of cotton. Accounting for the broader economic effects, the Georgia cotton industry supports more than 46,000 jobs, and it generates economic activity of approximately \$11 billion.

Now, the proponents of these amendments target provisions in the cotton programs that are at the center of a WTO trade case which Brazil has against the United States. The U.S. and the Brazilian Governments have scheduled a series of consultations designed to identify the modifications in policy that will resolve the case. The intention is to reach agreement on carefully thought-out provisions that can be included in the 2012 farm bill.

These hastily drafted amendments are not guaranteed to resolve the dispute, 1, since the U.S.-Brazil consultations have not resulted in any specific agreement and, 2, since these approaches will certainly undermine the future discussions as the two countries attempt to reach a final resolution that's fair and that is reasonable.

The amendments target cotton farmers in an effort to reduce government spending. The 2008 farm bill, including the cotton provisions, was fully paid for, offset, and did not add one single dime to the deficit. They cite the years in which the government's support for cotton was historically high, but they ignore the years when the support actually is at historic lows. We need to maintain the safety net so that it's there when it's needed but not utilized, as it hasn't been recently, when it's not needed.

Farmers understand the current budget pressures. They understand that very well. But they expect to be a part

of a debate involving all of the agricultural stakeholders, and not be singled out for ad hoc budget reductions with hasty policy decisions.

These proposed amendments would nullify the basic component of cotton policy. If these amendments are enacted, they would take effect October 1, and, as a result, USDA would have to change the cotton program rules in the middle of the marketing year and change them back effective October 1, 2012. This would undermine the confidence in commodity programs, especially among agricultural lenders.

This would compromise our agriculture policy, a policy that has been vetted very carefully by our authorizing committees and relied upon by our growers and our lenders in making their business decisions going into 2012. The reauthorization of the farm bill in 2012 is the proper forum to debate the cotton agriculture policy, not here on this appropriations bill.

We have got to do what is right in regular order. This is not the time. It's not the place. And what we're doing tonight, if they go forward with this, is pulling the rug out from under our cotton farmers and our agriculture when they have made financial plans through 2012. It is unfair; it's not right, and we should not do it.

I urge my colleagues to reject these amendments. They are ill-advised.

I yield back the balance of my time.

Mr. FARENTHOLD. I move to strike the last word.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. FARENTHOLD. I would like to speak in opposition to this.

The ranking member gives a great history lesson on how this comes out. The previous farm bill—passed by primarily Congress controlled by your side of the aisle—created a situation with our cotton subsidies that has caused a problem with Brazil, and we are trying to work it out.

My colleagues on this side of the aisle and many of the colleagues on the other side of the aisle are also concerned that this government as a whole, through the regulatory process, picked the regulatory agencies, making it very difficult and unpredictable for businesses by changing the regulatory environment.

Our businesses are holding back, not investing, not creating jobs. But we're about to do the same thing ourselves right here with this amendment by yanking the rug out from under our cotton farmers, who have built their businesses, made their plans based on the promise of the last farm bill.

You know, I love to save money for this government. I'm none too happy to see this money going to Brazil. But we basically lost a lawsuit and we're having to pay the damages. And we're going to fix it in the regular order without yanking the rug out from under the farmers, who are the backbone of this country, by changing the rules in the middle of the game. Give

us until next year to get that farm bill out, and we will address it.

Even though it didn't rise to the point of order, this really does rise, in my opinion, to the level of legislating within an appropriations bill.

I don't like spending the money. I don't like sending it offshore. But we cannot change the rules in the middle of the game. We cannot move the goalposts for our farmers, many of whom are small, private farmers who have built their future, taken out loans, decided to buy more land, decided to buy more equipment, based all their business decisions on the promise that this government made to them in the last farm bill. And changing the rules at this point is absolutely wrong, and I encourage my friends and my colleagues to vote against this amendment.

I yield back the balance of my time.

Mr. DEFAZIO. I move to strike the last word.

The Acting CHAIR. The gentleman from Oregon is recognized for 5 minutes.

Mr. DEFAZIO. The gentleman that preceded me said we lost a lawsuit. We didn't lose a lawsuit. If he knows anything about the WTO dispute resolution process, no conflict of interest, no open litigation, no legal proceeding as we in the United States of America understand it. A closed group with no conflict-of-interest rules that makes rulings. And they have decided that we, under this failed trade policy, should pay tribute, tribute, more than we paid to the Barbary pirates—\$147,300,000 a year to the Government of Brazil so we can subsidize our cotton farmers.

Now, you go home and explain that to your constituents. We'll borrow \$147,300,000 from China and we'll send it to Brazil so we can subsidize our cotton farmers.

What is this all about? It is about a totally failed trade policy. And at some point, this Congress has to take a stand.

RON PAUL and I, a number of years ago, 3 years ago—we get to do it once every 5 years—offered an amendment to withdraw the United States of America from the WTO. That will come up soon. I hope you'll all support it. It is something that binds us and is destroying our industries, our farmers, and everything else that's great about this country. I voted against the WTO.

This isn't about so much as a failed farm policy or farm bill, as the gentleman outlaid. It's about totally failed trade policies.

Other countries want to protect their agricultural interests. They want to feed their own people. They don't want to import polluted food from China.

We've opened up our country to polluted foods and goods from China and Brazil and everywhere else in the world with the WTO and these trade agreements. They don't observe them. We go and we lose this dispute and say, oh, we've got no choice but to pay. We have a choice. Let's not pay. We're not

going to pay the tribute. We're not going to borrow the money from China. We're not going to send it to Brazil. Let's see what they do next. And maybe we can blow up this thing called the WTO and get back to something that protects our national interests.

I yield to the gentleman from Wisconsin.

Mr. KIND. I thank the gentleman for his comments in support of this amendment. And just one final point to my colleagues who have been supportive of trade agreements in the past.

Let's be honest with ourselves. If we're going to be a part of this WTO organization to establish rules of trade across borders, then let's not turn our back on an adverse decision that affects us. Let's, instead, comply and bring the cotton subsidy program into compliance. That is the answer to this. And let's end this nonsense of stacking subsidy program on top of subsidy program to just buy off and blackmail other governments who have a WTO decision in their hands.

And I cannot believe that this evening, when we're asking for huge, unprecedented cuts in conservation programs that will affect thousands of farmers throughout the country and unprecedented cuts with nutrition programs that will affect thousands of low-income families with their children, and seniors, saying, "Tough luck. We're operating under tough budget times. You're just going to have to do without," when it comes to a simple amendment like this to save \$147 million a year to bribe Brazil cotton producers and an unwillingness to go into the title I subsidy programs for cost savings, then what the heck are we doing around here?

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It is just beyond the pale that we're willing to take the deep cuts—and the chairman of the Agriculture Committee claimed a 12 percent cut in the farm bill, but he didn't say where those cuts were coming from. I'll tell you where it's not coming from. It's not coming from these subsidy programs. It's not coming from the cotton subsidy program that has gotten us into this problem. A handful of powerful cotton families are holding this institution hostage in order to maintain these subsidy programs that have benefited them for too long. Talk about benefiting the few at the expense of the many; this is the classic example of this Agriculture appropriation bill before us this evening. We can do a heck of a lot better.

Mr. DEFAZIO. I will reclaim my time to say we may have some differences over the underlying trade agreement and the mandates and the process which got us to this point, but I agree, subsidies—or bribes—on top of subsidies is insane in these tough budget times.

And I would just note that we're going to be confronted very soon with another limitation amendment on another bill where we're going to have a

choice: We're going to abandon the American trucking industry to Mexico—which is, again, exacting tribute from the U.S., \$4 billion a year worth of tariffs, to try and drive our companies south of the border to use Mexican drivers.

So time and time again these trade agreements are failing us. I think it's bigger than the problem of the subsidies in the farm bill, and this Congress needs to pay attention. One way or another, we're either going to get real about our deficits and what's really essential to the American people—feeding our people, clothing our people, and putting American people to work—or we're going to abandon ourselves to this failed notion of the WTO and other trade agreements.

Mr. Chairman, I yield back the balance of my time.

Mr. BRADY of Texas. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman is recognized for 5 minutes.

Mr. BRADY of Texas. Mr. Chairman, the world has changed. It's not enough to simply buy American anymore, we have to sell American. We have to sell our American agriculture products, our technology products and services all throughout the world. But oftentimes, when we compete, we find much of the world is tilted against us. Other countries cut agreements to make it tough for us to sell. That's why we are involved in the World Trade Organization, to insist that other countries play by the rules, but that means America has to play by the rules as well.

We lost this case in the WTO. So the question today isn't about cotton subsidies or even saving money; it's about the smart way to address this issue that protects American jobs.

Now I am very sympathetic to this amendment. Paying Brazil nearly \$12 million a month is not the right way to resolve this issue, and I agree with that. In fact, America should simply live up to its WTO obligation and insist that others do the same as well.

The settlement that's in place today is necessary to prevent Brazil from imposing almost \$1 billion of new tariffs, new taxes on American products when we try to sell them into Brazil. And it's not just agriculture products. As you heard Chairman FRANK LUCAS talk, he made the point that not only can Brazil penalize our ag products, they can tax and tariff a broad range of products, especially America's innovation economy. So in your State, if you have companies that produce pharmaceuticals, medical devices, business software, technology, anything in the innovation sector of America, your companies and your workers face the loss of jobs and the loss of product sales because of this issue.

So the smart way to handle this is to deal with this not only in the farm bill, but at the WTO today, insisting that as we end these cotton subsidies, other countries end their agricultural subsidies as well. That is the smart way to

resolve this issue that doesn't hurt America and jobs, in fact protects our American intellectual property rights in Brazil and other countries.

This is an issue of doing it the smart way. I oppose this amendment. I urge our colleagues to continue to work together to resolve this issue in a smart way for our economy and a smart way for our jobs.

I yield back the balance of my time. The Acting CHAIR. The question is on the amendment offered by the gentleman from Wisconsin (Mr. KIND).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. KIND. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin will be postponed.

Mrs. SCHMIDT. Mr. Chairman, I move to strike the last word.

The Acting CHAIR. The gentleman from Ohio is recognized for 5 minutes.

Mrs. SCHMIDT. Mr. Chairman, a few moments ago my friend from California had an amendment that she did withdraw that really wanted to codify into law the USDA's rules regarding the school lunch program. And while I won't go into the lengthy reasons why it's the wrong way to go for nutrition—not just the cost that it bears to the schools, but also the fact that USDA was recommending reducing the consumption of potatoes, corn, peas and lima beans to just one serving a week—which believe me I was shocked. But it wasn't just myself that had this reaction; it was also the California Fruit Growers Association, it was the National School Boards Association, it was the Council of the Great City Schools that wrote a letter. And that's why I and 40 other colleagues wrote to Mr. Vilsack of the U.S. Department of Agriculture in reaction to the promulgation of these rules.

I will enter into the RECORD the testimony I was going to give until she withdrew the amendment, as well as these four letters.

Mr. Chair, I rise in opposition to this amendment. Breakfasts and lunches served in schools are important components of the diets of school age children. Improving the nutritional profile of meals served to school children is very important.

When the USDA proposed a rule that eliminated potatoes from the School Breakfast program and limited the School Lunch program to one cup a week of potatoes, I was very concerned.

On the Agriculture Committee, I have made it frequently known how important healthy living and nutritious eating habits are to me as a person, a mother, a grandmother and as a legislator. It is especially near and dear to my heart when we discuss policies that affect children's nutritional needs.

When I heard that the USDA recommended reducing the consumption of potatoes, corn, peas, and lima beans—I was shocked.

When my daughter was growing up, I took great care to ensure that she ate healthy, bal-

anced meals. Of course, potatoes were a part of that equation. You all know that they are full of potassium, vitamins C and B6, potassium, fiber, and antioxidants. I cannot understand why the USDA would want to reduce school children's consumption of potatoes.

I think that it is short sighted for the USDA to ignore the health benefits that the potato provides. When looking at how to incentivize healthier eating habits, we in Congress need to find a way to encourage and educate program recipients to eat balanced meals.

I think it is very important to make sure that children receive balanced meals, and that certainly includes potatoes.

I, along with forty-one of my colleagues sent a letter to the USDA asking a number of questions about this proposed rule. Mr. Speaker, without objections, I would like to submit a copy of this letter to the RECORD.

Mr. Chair, potatoes, lima beans, peas, and corn are all healthy vegetables that should certainly be in the School Breakfast and Lunch Programs.

Potatoes are an excellent source of potassium and good source of fiber. According to the USDA's own magazine, Amber Waves, potatoes deliver these nutrients at a very low cost.

FNS has estimated that the proposed rule would increase the cost of school meals by \$6.8 billion over the next five years. Per meal, the cost will increase by 14 cents per lunch and fifty cents per breakfast.

Mr. Chair, school districts and states across the country are already cash-strapped and cannot afford this increased cost.

This additional burden will be passed onto students paying full price for their meals.

While I agree with the intent of the USDA to encourage the consumption of more fruits and vegetables, whole grains, and lean proteins—restricting the consumption of nutritious vegetables like potatoes, lima beans, peas, and corn is short-sighted and not the most effective approach to achieve that goal.

I encourage my colleagues to vote no on this amendment and instruct the USDA to issue a new proposed rule on implementing the new national nutrition standards for the School Breakfast and School Lunch Programs.

CALIFORNIA LEAGUE OF
FOOD PROCESSORS,
Sacramento, CA, June 15, 2011.

Hon. LYNN WOOLSEY,
Rayburn House Office Building, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE WOOLSEY: The California League of Food Processors (CLFP) respectfully opposes your amendment to the FY 2012 Agriculture Appropriations bill, H.R. 2112, prevent the Agriculture Department from reissuing more reasonable and cost effective proposed regulations on the school breakfast and lunch program.

CLFP has concerns about USDA recommending school breakfast programs eliminate "starchy vegetables" and proposing restrictions on the use of tomato paste and cheese. As I'm sure you remember CLFP members account for 95% of the fruits and vegetables canned, frozen and dehydrated/dried in California and this represents more than 35% of U.S. production. For a number of preserved food products, California produces 100% of U.S. output, for example tomato paste. These new USDA restrictions could potentially mean the loss of millions of dollars in sales of vegetables, fruit and cheese to the national school program. Its negative effects would ripple throughout the industry,