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Closing Statement of U.S. Senator Chuck Grassley of Iowa
Ranking Member of the Committee on Finance
Hearing on Oversight of Government Tax Policy in Farm Country
Tuesday, July 24, 2007

Thank you, Chairman Baucus for holding this hearing. When we debated the budget earlier this year, I raised the scarcity of revenue offsets relative to the demands of the tax writing committees and other committees. I won't go through those numbers again. Let's just say there's plenty to do on the tax side if we are to live in a strict pay-go world. We'll probably need all of our offsets for expiring tax relief provisions that need to be addressed this year.

So, in the context of that scarcity, I read today's BNA Daily Tax Reporter, and was a bit disturbed by the following report: "The House Agriculture Committee was expected to file .. the 2007 farm bill, to the House Rules Committee late July 23 after ironing out arrangements with two other committees that are tasked with supplying about \$6.5 billion. After the House Agriculture Committee fell about \$4 billion short of its nutrition funding goal, House Speaker Nancy Pelosi .. and committee Chairman Collin Peterson .. convinced Ways and Means Committee Chairman Charles Rangel .. to come up with the money ... It remained unclear where the committee will find the offsets for the funding." Mr. Chairman, I ask unanimous consent that a copy of today's BNA Tax Report article entitled "Farm Bill Moving to House Rules Panel After Other Committees Find \$6.5 Billion" be inserted in the record.

Mr. Chairman, the article indicates that the Ag Committee is looking to revenue raisers from the energy bill. Now, we need those raisers to make the energy bill revenue neutral. So, I don't know how you make pay-go work if offsets are being double-counted. I find it a bit ironic that today we've heard testimony about a problem in the farm program: payments to dead farmers. It seems to me that, instead of lifting revenue raisers from the tax writing committees, the Democratic Leadership ought to be looking for more savings in the farm program. Savings from curtailing subsidy payments to dead farmers ought to be looked at.

The voters sent a message last November. And this Republican heard it loud and clear. But I don't think the voters said keep spending foolishly and raise taxes. I don't think the American taxpayer would say raise my taxes and keep making unintended payments to dead farmers. So, I hope we're careful with the revenue raisers that this committee has largely developed and will continue to develop. They ought to be used for dealing with tax policy first

and we should not become the banker for all the other committees. Today, we've shown a clear abuse in the farm program. We can save the taxpayers some money by dealing with this problem and keep revenue raisers for tax relief bills. Mr. Chairman, it seems to me that everyone wins under that scenario.