

WASHINGTON - Congressman Lee Terry today announced he reluctantly voted against the Farm Bill today in part because of the last-minute inclusion of tax hikes in H.R. 2419, the "Farm Bill Extension Act of 2007." The House approved H.R. 2419 by a vote of 231 to 191.

"I appreciate the work of the House Agriculture Committee, and I appreciate the Chairman working with me on my amendment to create a sweet sorghum pilot research program. Up until 48 hours ago, I was in favor of passing the bill. However, I can no longer do so," Congressman Terry said.

"Like Secretary Johanns, I find it unacceptable to raise taxes in a Farm Bill that contains little reform," Terry said. **"Raising taxes to pay for new programs demonstrates the Majority is only in favor of taxes to support increased Federal spending, and is not interested in controlling spending."**

The bill raises taxes on payments by U.S. subsidiaries of foreign affiliates to their parent company by \$7.4 billion. Foreign-headquartered companies employ over five million Americans with annual payroll of more than \$230 billion. As U.S. Treasury Secretary Paulson warned in a letter to the senior Republican on the House of Representatives' tax writing committee, "In fact, the tax proposal may even cause other countries to retaliate by raising taxes on U.S. companies with multinational operations."

"It is odd economic policy to double tax the corporations who have a manufacturing plant in the United States at a time we need to make the U.S. more competitive in the global economy. This policy of isolationism through tax policy is of great concern to me," Terry said.

"I am also outraged over claims of budget savings that are only budget gimmicks in the House Farm Bill, such as shifting the timing of Farm Bill payments which saves no money and is just smoke and mirrors. The same amount of taxpayer money will be spent, but the timing changes mean they are not counted under the Federal budget."

