

House passes one - week farm law extension (Associated Press, DC)

The House passed a one-week extension of current farm law Wednesday, hoping to give Congress more time to finish a multibillion-dollar farm bill that is stalled by a dispute over tax breaks.

Negotiations on the roughly \$280 billion, five-year bill to expand agriculture and nutrition programs are in disarray with lawmakers from the House and Senate squabbling over how to pay for it. The White House says both the current House and Senate versions are too expensive and has threatened a veto if either one reaches the president's desk with the spending intact.

House members object to several tax breaks in the Senate bill, including provisions to help owners of race horses, landowners who find endangered species on their property and those involved in litigation over the Exxon Valdez oil spill.

House Agriculture Committee Chairman Collin Peterson, D-Minn., and House Ways and Means Committee Chairman Charles Rangel, D-N.Y., have said that many of those tax provisions are not acceptable. The tax package, which also includes a \$5 billion program for farmers who lose crops to bad weather, was drawn up by the Senate Finance Committee and helped win 79 votes for the farm bill in that chamber last year.

The horse provision, for example, is a priority for Senate Republican leader Mitch McConnell of Kentucky. Montana Sen. Max Baucus, chairman of the Senate Finance Committee, and North Dakota Sen. Kent Conrad, chairman of the Senate Budget Committee, have insisted on the disaster aid.

Baucus and Rangel have been charged by House and Senate leadership with finding an extra \$10 billion over 10 years to help pay for extras added to the bill and to work out the dispute over taxes. Rangel, who has few farmers in his New York City district, has expressed frustration that his committee is responsible for coming up with the money.

Rangel would prefer that any extra money raised by the tax-writing committees be used for the nutrition and food stamp programs that make up two-thirds of the bill's price tag. But he has shown willingness to negotiate with the farm-state senators.

A deal still had not been finalized Wednesday, with some senators appearing frustrated after a late afternoon meeting.

"There are strong, strong feelings on both sides on the tax provisions," Conrad said.

Congress also is arguing with the Bush administration over how the bill will be financed. Rangel and Baucus have suggested a number of different ways to come up with the money, including some ideas the White House has backed. But administration officials

have rejected most of their ideas, saying they would rather use the money for other priorities.

With so many issues to resolve, Peterson said Congress may need more time beyond the one additional week approved by the House. The Senate is expected to vote on the extension before the law expires on Friday.

President Bush said last month that lawmakers should stop relying on such short-term fixes and extend current law for at least a year if it expired without a new law in place. The 2002 law originally expired Sept. 15.

In addition to the funding issues, the Bush administration has objected to giving new money to farmers -- especially those who are already wealthy -- when crop prices are high and farm country is in good shape. The bills passed by both chambers would expand subsidies for several crops and create new grants for vegetable and fruit growers