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Obama Budget Irks Oklahoma Delegation

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By Chris Casteel

President Barack Obama's first budget would cut payments to some farmers and raise taxes on oil and gas companies.

The proposals — most of which would have to be approved by Congress — drew swift reaction from members of Oklahoma's congressional delegation and industry groups.

Rep. Frank Lucas, the top Republican on the House Agriculture Committee, fired off a letter to Agriculture Secretary Tom Vilsack protesting the proposed cuts in direct payments to farmers that have more than \$500,000 in annual revenue.

The direct payments are made to qualifying farmers whether or not they plant a crop in a given year and are based on past history in federal farm programs. It was not immediately clear how many farmers in Oklahoma would be affected by the proposal.

Lucas, of Cheyenne, said, "I have real concerns about this administration's position on eliminating direct payments to our producers, which would be detrimental to their livelihoods."

The budget says, "Large farmers are well-positioned to replace those payments with alternate sources of income."

The administration takes aim at oil and gas producers by eliminating tax breaks important to the industry and levying new taxes and fees on off-shore production.

Obama's budget is also proposing a new excise tax on Gulf of Mexico production that is currently not subject to federal royalties.