

15TH ANNIVERSARY OF
SEPTEMBER 11, 2001

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the gentleman from New Jersey (Mr. FRELINGHUYSEN) is recognized for 60 minutes as the designee of the majority leader.

Mr. FRELINGHUYSEN. Mr. Speaker, this Sunday, September 11, marks the 15th anniversary of the vicious attacks on America.

I very much appreciate the leadership's scheduling a commemoration on the steps of the Capitol tomorrow morning, but more needs to be said as, I fear, time and events have dulled our memories.

In addition, our Nation has grown by over 60 million since September 11, 2001—children born after the towers came down, including the 13,000 babies who came into this world on that incredible day. Unlike the rest of us, they have no direct memories of these horrendous events that changed our Nation forever as hate-filled extremists struck in the streets of Lower Manhattan, in the fields of Pennsylvania, and at the Pentagon. Over 700 citizens from my State of New Jersey died on that day.

Our mere words cannot possibly capture the sentiments that surround September 11. So in lieu of extended, formal remarks, I would like to read, as I have in past years, "The Names," a poem written by the then-poet laureate Billy Collins, which he read before a congressional joint session in New York City just after the attacks which Members of Congress heard firsthand.

"THE NAMES"

By Billy Collins

Yesterday, I lay awake in the palm of the night.

A soft rain stole in, unhelped by any breeze,
And when I saw the silver glaze on the windows,

I started with A, with Ackerman, as it happened,

Then Baxter and Calabro,
Davis and Eberling, names falling into place
As droplets fell through the dark.

Names printed on the ceiling of the night.
Names slipping around a watery bend.

Twenty-six willows on the banks of a stream.
In the morning, I walked out barefoot
Among thousands of flowers

Heavy with dew like the eyes of tears,
And each had a name—

Fiori inscribed on a yellow petal
Then Gonzalez and Han, Ishikawa and Jenkins.

Names written in the air
And stitched into the cloth of the day.

A name under a photograph taped to a mailbox.

Monogram on a torn shirt,
I see you spelled out on storefront windows
And on the bright, unfurled awnings of this city.

I say the syllables as I turn a corner—
Kelly and Lee,
Medina, Nardella, and O'Connor.

When I peer into the woods,
I see a thick tangle where letters are hidden
As in a puzzle concocted for children.

Parker and Quigley in the twigs of an ash,
Rizzo, Schubert, Torres, and Upton,
Secrets in the boughs of an ancient maple.

Names written in the pale sky.

Names rising in the updraft amid buildings.

Names silent in stone

Or cried out behind a door.

Names blown over the Earth and out to sea.

In the evening—weakening light, the last swallows.

A boy on a lake lifts his oars.

A woman by a window puts a match to a candle,

And the names are outlined on the rose clouds—

Vanacore and Wallace,

(let X stand, if it can, for the ones unfound)

Then Young and Ziminsky, the final jolt of Z.

Names etched on the head of a pin.

One name spanning a bridge, another under-
going a tunnel.

A blue name needled into the skin.

Names of citizens, workers, mothers and fathers,

The bright-eyed daughter, the quick son.

Alphabet of names in a green field.

Names in the small tracks of birds.

Names lifted from a hat

Or balanced on the tip of the tongue.

Names wheeled into the dim warehouse of memory.

So many names, there is barely room on the walls of the heart.

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

□ 1645

IGNITING AMERICA'S ECONOMY
WITH FAIRTAX

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the gentleman from Georgia (Mr. WOODALL) is recognized for the remainder of the hour as the designee of the majority leader.

Mr. WOODALL. Mr. Speaker, I am down here with some of my colleagues to talk about one thing, and one thing only in our time, and that is about igniting America's economy.

We can talk all we want to about putting people back to work; but nibbling around the edges of the American economy isn't going to solve the problem for the men and women in the Seventh District of Georgia, nor the men and women in the great State of Texas, nor the men and women in Alabama, or anywhere across this country.

What we need is a competitive advantage on the rest of the world. We have the most capable workforce on the planet. We have the hardest working workforce on the planet. We have the best infrastructure on the planet. We have the most freedom on the planet.

Why is it, Mr. Speaker, that we then would not have the most robust and growing economy on the planet? I tell you it is for one reason, and one reason only, and that is the burden of the American Tax Code on the American entrepreneur.

It is the burden of the American Tax Code on those men and women who want to make America great, who want to put people back to work, but who cannot do it because the Tax Code disadvantages them relative to the rest of the world.

Mr. Speaker, there is an idea in this Chamber—and you know it well—it is

called the FairTax, and it is H.R. 25. Anybody in America can look it up. It is at www.congress.gov.

In just over 100 pages, H.R. 25 describes how we could rip this United States Tax Code out by the roots and replace it—where we can rip this Code out by the roots and, rather than having the single worst Tax Code on the planet, have the single best Tax Code on the planet. It describes how we could rip it out by the roots and, rather than punishing people for how productive they are, begin to tax people based on how much they take out of the economy, a consumption tax. That is the way our Framers founded this country, and that is the way we could fund this country again.

Mr. Speaker, right now is the time. With the economic challenges, the headwinds blowing against America as they are today, right now is the time. I do not want to compete with the rest of the world based on low wages. I do not want to compete with the rest of the world based on unsafe workplaces. I do not want to compete with the rest of the world based on whose air is dirtier or whose water is unsafe.

I want high wages. I want safe workplaces. I want clean water, and I want clean air. But I do want to compete with the rest of the world based on whose Tax Code makes the most sense.

Mr. Speaker, I was elected in 2010, just 5½ short years ago. One of the Members in that freshman class with me was Mo BROOKS from northern Alabama. He's down here on the floor tonight. When I got ready to introduce the FairTax in that Congress, Mo was one of the first folks out of the box to say, ROB, we can make a difference, we can make a difference for the country, and we can make a difference for individual families; put me down as a sponsor of the FairTax.

I yield to the gentleman from Alabama (Mr. BROOKS).

Mr. BROOKS of Alabama. Mr. Speaker, I thank the gentleman from Georgia for the opportunity to stand with him tonight as we discuss the FairTax. Quite frankly, I wish my eloquence was that of yours. Certainly, my passion is for the FairTax, with all the economic benefits that it would yield to the American people, the job creation it would yield, and the simplification of the headaches that occur every March and April as American people, including job creators, have to try to figure out how much taxes they have to pay.

In that vein, I have some prepared remarks, but I am available for any colloquy that you may want to have afterwards.

Mr. Speaker, America's Tax Code is so complex as to border on impossible for any one person to understand. According to the National Taxpayers Union, in 2016, American taxpayers suffered an economic loss of \$234 billion from the 1.9 billion hours of time spent trying to figure out and pay their taxes.

Making matters worse, from 1986 when President Reagan signed the Tax

Reform Act into law to today, the Tax Code has grown from 30,000 to 70,000 pages, more than doubling in size. Further, the corporate tax rate has skyrocketed to 39.1 percent, easily claiming the highest rate in the industrialized world.

I cannot emphasize enough the detrimental impact America's complicated Tax Code has on our economy and the burden it creates for taxpayers and job creators alike.

As such, I strongly support Representative ROB WOODALL's FairTax Act to abolish the Federal income tax, employment tax, and estate and gift tax, and replace them with a national sales tax and prebate that eliminates the effect of sales taxes on low-income families.

Businesses and families know how to best spend their hard-earned money. We need a system that puts power back into the hands of the taxpayer, not government bureaucrats. The FairTax proposal makes this possible. In particular, it eliminates the income tax and stops the Federal Government's snooping into American citizens' incomes, savings, and bank accounts, while still producing the revenue needed to fund the Federal Government.

The FairTax is simpler, thereby saving taxpayers billions of hours and hundreds of billions of dollars in trying to determine tax liability.

In addition, the FairTax dramatically stimulates America's economy by eliminating costly income tax and compliance costs for America's employers, thus cutting the cost of producing American goods and services by roughly 15 to 20 percent, a huge competitive advantage in an increasingly tough international marketplace. This competitive advantage for American job creators means more jobs and higher incomes for American workers.

Mr. Speaker, I urge you to bring the FairTax legislation to the House floor for a vote to simplify the Tax Code, return American individual freedom, and grow the economy.

Similarly, Mr. Speaker, I encourage the Members of the House of Representatives to support this plain, commonsense way of collecting taxes, stimulating the economy, and getting the Federal Government more so out of our own personal lives.

Mr. Speaker, to the extent Congressman WOODALL has more that he wants to discuss, I am available.

Mr. WOODALL. Mr. Speaker, the gentleman had me at more jobs and higher wages for workers. You had me there.

One of the things we don't ever talk about is the snooping that you describe. Now, "snooping" is a powerful word. As you were talking about that, it dawned on me that the Federal Government knows more about my finances than any member of my family. Think about that. The Federal Government knows more about me and my finances than I am willing to tell any member of my family.

When I think about freedom in this country, when I think about what the government needs to do to keep us safe, to keep the economy growing, I don't think about that degree of invasiveness as being necessary today.

I yield to the gentleman from Alabama (Mr. BROOKS).

Mr. BROOKS of Alabama. Mr. Speaker, it is not just the snooping. It is also the coercion where the Federal Government uses, Washington uses the Tax Code to compel people to engage in conduct that they otherwise would not engage in, or to not engage in conduct that, under normal circumstances were they free to do so without potential retaliation by the IRS, they would engage in.

We have some issues, by way of example, where the Internal Revenue Service has been used to try to achieve political gains, where the Internal Revenue Service has been used to punish people because they have chosen to exercise their freedom of speech rights or their religious rights or because they chose to associate with some people rather than other people, all rights guaranteed in the United States Constitution and the Bill of Rights.

The power that we have given the Federal Government and the Internal Revenue Service through the Tax Code can all be taken away from the Federal Government by going to the FairTax.

The reasons to support the FairTax so far greatly outnumber any potential harms that detractors may describe. Again, I urge the Speaker of the House to allow this legislation to come up for a House floor vote so that we can support it, so that we can pass it through the House of Representatives. Should it fail, the American people will know who was on record in support of liberating the American people from the Internal Revenue Service and who wants to keep the Internal Revenue Service as our masters with our being in bondage to their whims. So there are lots of advantages and very few disadvantages.

Again, I want to thank the gentleman from Georgia and the people of the great State of Georgia who have sent him here so that he can advocate on their behalf and advocate for a FairTax that just makes sense.

Mr. WOODALL. Mr. Speaker, I have appreciated the gentleman's friendship and his leadership since he and I arrived here together just two terms ago.

While the gentleman from Alabama was speaking, I put up a poster that has a postmark that reads April 15. You were talking about what it means to make March and April less intimidating, less frightening. He talked about coercion and intimidation.

I would wager there is not a single American citizen age 16 or older—anyone who has ever held a job and had a paycheck—that when I put up a postmark of April 15 they don't know exactly what that means. That means that is the day the tax man is going to come calling.

I am going to do the very best I can to get it right. But if I don't because it is too complex and I just can't figure it all out, the Federal Government and criminal enforcement are going to come calling. It is a frightening day for folks to do a civic responsibility, and that's to help keep the government open.

If I had to choose a region of the country that led as aggressively as Alabama leads, as Georgia leads, it would have to be the great State of Texas. We are joined tonight by the chairman from the great State of Texas, Mr. CONAWAY.

I believe, if I went back and counted all the cosponsors of the FairTax, the FairTax is the single most widely cosponsored tax reform bill in the entire United States House of Representatives. I believe we have more cosponsors from the State of Texas than any other State in the Nation. Of course, Texas has abolished their income tax and is governed by a consumption tax.

Mr. CONAWAY. Mr. Speaker, I am not sure Texas ever had an income tax, and I am pretty sure we are not ever going to have one.

As part of my professional background, I am a CPA and my license is still current. Before I joined Congress, I spent 30-plus years helping clients cope, deal, understand, and pay their taxes.

Speaking of the IRS and the intimidation factor, as a CPA, if I get a letter from the IRS addressed to me, my heart rate goes up before I open it. Now, it shouldn't be that way. It shouldn't have that kind of impact on any of us because I work really hard, as you might expect, to make sure that I get my taxes done.

My colleagues have both hit many of the high points on the FairTax. The choices we have out there now: there is the current Code, and there are advocates for that; there is a flat tax, and there are advocates for that; then there is a national sales tax, and I have cosponsored it after six terms and am proud to do that.

There are several reasons I have settled on the sales tax. One, it eliminates the IRS. Every government needs taxes in order to run. That tax collection scheme should have no other purpose, other than collecting the minimum amount of money needed to fund that government.

The current Code from '86 forward—and back, actually, to 1916—has been used over and over and over to manipulate this behavior, to incentivize that, disincentivize this, reward this half, punish, all these kinds of things.

□ 1700

That is manipulative and it is inefficient, and it is just the wrong use of a Tax Code. We shouldn't be using it that way. So that is why I have settled on a national sales tax. The reason I do that versus a flat tax is because, quite frankly, the flat tax, as most people understand it, leaves in place the IRS,

leaves in place the opportunity for the mischief that goes on with the current Code.

We could go to a flat tax, as we did sort of in 1986. The 1986 act was more in that direction. It reduced rates, flattened the rates out, eliminated some, those kinds of things. Thirty years later, we are more complicated today than we were in 1986. The flat tax leaves all of that opportunity for mischief in place going forward.

So the ink wouldn't be dry on the flat tax until somebody would say, hey, you know, if you give us a little relief on that flat tax thing for this area, look how it would prosper, grow the economy, create jobs, all those kinds of good things, and every one of those provisions are in there, so the flat tax and the current Code share much of that same risk.

Sales tax, on the other hand, is collected by the States. You would eliminate the IRS, so it is collected at the point of sale. The compliance, the studies show that the compliance with that sales tax would be greater than the current compliance we have with the income tax that we currently have, and so compliance would be better. It would be left up to the States to collect it. They would get a little slice for doing that on our behalf. The rest of the money would come into the Federal Government.

You would eliminate the entire bureaucracy that is the IRS and the good and the bad that they have done in the past, more bad lately than good because of the punishing taxpayers, going after taxpayers because their political beliefs are different from the current boss of the IRS, who is Barack Obama. That goes away, and it is just better.

I would caution, though, there are those who would argue, well, let's just do both. Let's have a little bitty income tax and a little bitty sales tax. Don't do that. The jurisdictions who have both wind up raising both. Let's pick one and stick with it, as hard as it might be to transition and all this kind of good stuff. Let's do that because of the impact it has on the opportunity for manufacturing in the United States to compete, as you just said. In addition to the tax, there is that overregulation thing that hurts them as well, but the Tax Code creates a huge competitive disadvantage that we can do something about now.

Overregulation, you know, that is in the eye of the beholder, but the income tax, the impact the income tax has on the cost of goods sold outside of the country, that is clear, and there is definitely something we could do about that.

I appreciate my colleague bringing this up.

The one thing that people ask back home who are supportive of the FairTax is: What do we do? How do we get this done? Quite frankly, it is educating taxpayers, because the uninitiated would listen to that 30-second commercial that says, you know,

this politician is in favor of a percentage increase in taxes. They leave out the little nugget that we would do away with the IRS, do away with income tax, estate tax. That kind of gets left out of that 30-second commercial.

We have got to have an educated taxpayer base out there that looks at that commercial and says, no, wait a minute, as Paul Harvey said, that is not—there is more to it, there is “the rest of the story” associated with that tax increase that they would like to champion this to go against it—so, educating taxpayers.

I ask folks, when I bring this up at a townhall, to look at it themselves. What does it do to your business? What does it do to you personally? How does it impact you? Educate, because there is no interest like self-interest. So look what it does for you, and it is a better way to get at it.

It has got all these advantages. All this investment would stay here in the United States. I have cosponsored it for 6 years.

One quick anecdote and I will shut up. I have not had a CPA come to me and complain about sponsoring the FairTax, that you are going to put us out of business. I did have the mother of a CPA come to me, and she was a diminutive little lady who thumped me on the chest really hard and said: Don't you put my daughter out of business. I said: Ma'am, I have got that. I have got that.

Well, it just so happens I am real good friends with the CPA daughter. I ran into her a couple weeks later. She said: Hey, I understand you saw my mom. I said: Yeah, she was worried about me putting you out of business. She said: Don't worry about my mom. If the Code went away, all that tax compliance work went away, we would find really good stuff that we could do for our clients to promote their business, help them be more efficient, help them grow and do all those kinds of things that we would really rather do than comply with an ever-changing Tax Code.

I appreciate my colleague sponsoring this hour tonight and those who are about to speak and have spoken, because it is important to educate the American taxpayer so that that groundswell of support—you know, the folks who support a national sales tax, the folks who support a flat tax, basically, are telling Congress, we want something other than the current Code. The problem is we have got to have enough oomph, enough political muscle from the electorate—I am not sure how she is going to spell that—to back it so they would represent that two-thirds to overcome a policy that is this invasive, this expansive, and make that happen.

So it is about educating taxpayers, getting them on board to create that political will that then gets communicated to the 435 of us who actually have the voting cards that can make it happen.

So I appreciate my colleague for sponsoring this tonight and allowing me to prattle on for a whole lot longer than you probably wanted, but thank you for letting me be with you tonight.

Mr. WOODALL. Mr. Chairman, your leadership has been invaluable on this, not just because of the people you represent, but because of your background as a CPA. The American people know instinctively there is a better way to do it, and to have it from someone who spent a lifetime in that space, we really can move on. I laughed at your story about getting thumped in the chest.

We have been joined by JODY HICE from the great State of Georgia. In our district, folks thump you in the chest and say, you better put your name on the FairTax. In fact, Congressman HICE has constituents out in the hallway right now but cared enough about the FairTax to come down just for a moment. I appreciate him doing that. I am happy to yield to him.

Mr. JODY B. HICE of Georgia. It is just a great honor anytime to be able to speak on the FairTax, and I just want to say thank you for your incredible leadership in keeping this ball moving forward. But, yes, you are right. In fact, one of the first things I did when I took office here was to cosponsor the FairTax.

If there is any one issue in the 10th District of Georgia that I hear more than anything else, it is support for the FairTax. I think it is because the people know, really, two key things. Number one, taxes are far too high, excessive, and burdensome, and the Tax Code is absolutely too complicated. I hear this over and over and over. Every year it gets more and more complicated and bigger and bigger and bigger. And so, you know, we are at a point that the Tax Code itself literally cries out for reform, and I don't know of any better way of dealing with this than the FairTax.

We talk about having an economic boom, the likes of which we have never seen before. It is all wrapped up in reforming the Tax Code in a manner that can be done here with the FairTax. And, you know, this is something that absolutely we need to do. It is going to strengthen individual freedom.

Just think of this. Individual freedom is wrapped up in economic freedom, and the more we confiscate through our current tax system, the less individual freedom we have. It is going to promote jobs, the likes of which we haven't seen before. It is going to eliminate the IRS. Who among us doesn't want to see that happen?

The IRS, as we watch it these days even targeting individuals, it is just insane to think of any government agency targeting citizens of this country, but particularly an agency like the IRS that literally has the power to destroy lives. It is just an incredibly important issue for us to address, and so I am a strong supporter of the FairTax, and thank you for your leadership on this.

I think, as we come to the close of this 114th Congress, we need to do all

we can to keep this on the forefront—tax reform and, in particular, the FairTax. We need to move this needle forward. To you and your predecessor, John Linder, you have carried this weight on your shoulders a long time, and I am deeply appreciative of this and for your leadership in this Special Order. Thank you for letting me participate in it. I am deeply appreciative.

Mr. WOODALL. I thank the gentleman. He is a new, first-term Member here, and he is already leading on all of these issues, and I am grateful to him for that. He has got his ear to the pulse of what folks want back home, and what folks want is more freedom and more economic opportunity. I am so grateful to him.

If I can ask the chairman: Trained as a CPA as you are, what is the benefit of the Tax Code? Everybody in this Chamber, from the far left to the far right, every Republican, every Democrat, everybody wants a better job environment. They want growth in the economy. They want the American people to succeed and be prosperous. What is in it for America to keep what we have today?

Mr. CONAWAY. Well, a couple things. Obviously, there is an industry created to help comply with a really complex Code. There is a smaller but, nevertheless, powerful industry that is in place to promote new changes and additional issues to add to the Code to make it more complicated. Every one of those special programs in the Code—deductions or credits—has an advocacy group. Somebody somewhere is using that piece in their tax return.

Here is an example. I was talking back home about the advantages of eliminating—A Better Way has got another tax program. But I said, making a comment, we are going to eliminate all those deductions and credits for individuals. I said, now, that is going to take political will because every one of them has an advocate, a taxpayer, not a lobbyist or all those kinds of bad words, but a taxpayer; and in order to overcome it, we are all going to have to give up our little special niches to make that happen.

No sooner was that out of my mouth and I finished it than a guy came up to me and said, hey, I agree with doing away with all those tax credits and all those deductions, but leave in place section 1031. Well, 1031 is that like-kind exchange section where I can take income-producing property, sell it, defer the gain, invest it in another income-producing property, and just kind of daisy-chain that down the road. Well, he is a broker. He sells ranches and farms, so it was in his best interest personally to make that happen.

It is hard to make broad statements that it does good stuff, but every one of those provisions has somebody somewhere in America who is taking advantage of it.

Here is another thing that just happened, and this has really nothing much to do with this. I got two calls

today, one while I was sitting here waiting for this to start from a voice that said, “Hello,” very stern, this is so-and-so from the IRS, Internal Revenue Service, and you have an audit problem that you have not addressed. There is a big deal going on, and if you don’t call this number back right away, we will interpret that as you trying to run from us, and it will enhance the charges against you. A clear scam because the IRS doesn’t call you. But nevertheless, there is a scheme out there available that someone could use as a scam artist to frighten taxpayers because, to an uninitiated person, they would call that number back. I have no idea what it would do to your phone if you called it back.

There is something going on there that hasn’t happened, but here is what would never happen. You will never get a call that says you have not paid your sales taxes, and because you have not paid your sales taxes, we are coming to get you. No, sales taxes are collected at the point of sale, and there will be no collection agency. There will be no opportunity for a scam in that regard.

But back on who benefits. Obviously, there are a group of folks who do tax compliance, and much of that is offshored, quite frankly, and then the people who use those individual pieces. So part of this is to overcome that inertia to change.

Mr. WOODALL. Mr. Chairman, I am glad you mentioned that scam. I am going to find the camera that is focused down here and tell folks, if you get a call from the IRS, it is not legitimate. Do not deal with somebody at the end of a 1-800 number who says there is an arrest warrant out for you. If you don’t have any other option, call your Congressman, and we will intervene for you in that space. It is hundreds of millions of dollars that have been scammed from American citizens, Mr. Chairman, through this scheme.

The scheme works for one reason and one reason only, and that is that the IRS really is that scary to the average American citizen, and we created it. It is our creation, and we are complicit in this scam. Please, it is happening to your parents, your grandparents. I get those calls, too. I am in constituents’ homes. The calls are coming in then, and not everyone knows it is a scam. Folks are so frightened by the IRS, they are paying these folks hundreds of millions of dollars today.

I appreciate you mentioning that.

Mr. CONAWAY. I thank the gentleman. Again, I appreciate him sponsoring this hour. I know you have a couple other Members who want to speak. Thank you for your generosity tonight.

Mr. WOODALL. Thank you, Mr. Chairman.

We have got down here with us what I would say is a gentleman who is second to none in terms of FairTax support. He is STEVE KING, from the great State of Iowa. Even before I was elected to Congress, I could turn on C-

SPAN, and when folks wanted to talk about tax reform, I would see STEVE KING down here talking about a better way to do a Tax Code. I would hear him talking about, from his own personal experience, what it was like to be targeted by an agency like this and what it would mean, as a small-business owner himself, to be free of that burden and be able to go out and hire. I have always been grateful for his friendship since he has arrived, and I am pleased to yield to the gentleman from Iowa tonight.

Mr. KING of Iowa. I thank the gentleman from Georgia for yielding, but especially for his leadership here in the United States Congress, and especially on the FairTax. And that introduction, Mr. Speaker, it flashes back to me some of the things that I haven’t really spoken to recently and how far we haven’t come over the years that this became, obviously, the best thing that we could possibly do from a tax perspective in America—or anywhere in the world, for that matter.

I have often told the story, but I should say I used to tell this story often, and that is that I am running my little construction business that I started up in 1975, and we have completed 41 years in business. I was audited one too many years in a row by the IRS, and I had learned that—we didn’t have copy machines in those days, so if they could ask for data, I would have just said: Here, I will run all these copies. You can analyze them. I will go out and start a machine up and go to work, make a little money so I can pay my taxes.

What it really did was it shut me down. It shut me down because I had to sit there in my office and serve papers out to the auditor because I was the one who knew where the papers were, and they were in my filing cabinet. And I had learned in previous audits that I didn’t want to just say: Here is the filing cabinet. I am going to work. Let me know what the bill is when you are done.

It didn’t work out too well for me.

□ 1715

So, I sat there for 4 days, and I served papers to the IRS. I would say: I will give you a paper. You can look at it. You can take your notes. Do what you will. When you are done with that paper, hand it back to me and I will put it in the file, and then you ask for another record and I will give it to you.

We did that for 4 days. At the end of that period of time, we had an intense negotiation. It came down to a number. I remember it clearly. It doesn’t seem so big today as it did then, but it was big then, and it was wrong.

I paid the taxes that I owed and had done that with good intent as well. I complied with the law, and I had intent to comply with the law. But they seemed to have intent that they were going to justify the 4 days of being drug through—I thought I was drug through that, not them—but when it

was all done, I had to go to the bank to borrow the money to pay the IRS that I believe to this day I did not owe. If I had otherwise borrowed the money to hire a lawyer to defend myself against the IRS and the Federal Government, the odds of success were so infinitesimally small that I had to decide do I want to stand on principle or—if I stand on principle, I can sacrifice my company—or do I want to borrow the money and pay bondage to what was an unjust principle and try to keep my business alive? That is what I decided to do.

Those who know me for the time I have been here know how hard that is—for me, especially. I had to swallow as hard as I have ever had to swallow. But I went back out to work, and I fired up that old bulldozer and I climbed in the seat and the smoke went out the exhaust stack and out of my ears. This is the way that a person has to do business in this country.

My oldest son owns that business today. He told me a narrative—not telling me the message I would get out of it—that he was joining up with an engineering firm to start a new business venture in addition to our construction work. They had a 90-minute meeting.

At the end of that meeting, David King said to the engineer: Mike, did you realize that we have just talked business for 90 minutes?

Yes, I surely do.

Do you know what our topic was for 90 minutes on this business venture?

Taxes.

Ninety minutes of human resources were burned up on how to set up a tax structure to start a new business rather than figuring how to produce a good or a service that has a marketable value here or abroad. That is what is wrong. It is the waste of human resources that are consumed in compliance with the IRS, and it is the waste of human resources that could be far better used in producing that good or service that has a marketable value here or abroad.

I have come not full circle on the issue. I stand exactly where I did in that time back in 1980 when I was audited one too many years in a row. But we are in the second generation of King Construction today, and I have to go back and look.

Just yesterday, I had a 1-hour meeting with a Commissioner of the IRS, Commissioner Koskinen, who is facing a privileged motion as well as a filed motion to face impeachment for malfeasance within the IRS; and the violations, I believe, happened directly under the watch of Lois Lerner.

So, I never imagined, Mr. Speaker, that day that I climbed in the seat of that old bulldozer and the smoke came out of the exhaust stack and my ears, and I began to think, I want to be rid of the IRS. I went through the process of, if you abolish the IRS, then what to do you do to replace the revenue? I spent weeks thinking that through.

There was nobody to talk to in those days.

I would go to, I called it my OshKosh B'Gosh caucus, the guys in the overalls at 6 a.m. in the morning, and I would sit down and I would tell them we need to have a national sales tax; we need to replace the IRS; we need to abolish the IRS. Give people their freedom. Let them make their choices on their taxes when they purchase, not have somebody looking over your shoulder second-guessing all the decisions you have to make while you are in business.

For weeks, we went through that, and they got a little tired of hearing me talk about going to—I didn't call it a FairTax; I didn't have a name for it except national sales tax. Finally, they said, well, if that were such a good idea, we would already have done it by now. Anybody that served much time in Congress knows that is a laugh. We have lots of good ideas that we don't do by now because there are competing interests here.

I have taken this policy to Alan Greenspan, the former chairman, shortly after he retired. I went to his Spartan office in downtown D.C., and I asked him if he would be the national spokesman for the FairTax. It was my mission to be a good salesman—and I am a good salesman; I have a good-looking wife, and that is proof positive—for the FairTax.

We went through the FairTax, and he said: Congressman, this is not an economic question. You are asking me, as an economist, to be your spokesman. It is not an economic question. You will not find serious economists that disagree the FairTax does these things that you say.

He said: It's a political question. So economists should not be selling a political question. Politicians should sell a political question. That is you. You go sell it.

I said: Well, let me try this on you. I want to go through this list of things that I say the FairTax does that is good, and I want you to interrupt me and challenge me at any point along the way of any component that I have said that can't be sustained in an economic argument, an economic forum.

So, I went through the list. I will just hit some of them, not all of them. The FairTax abolishes the tax on productivity. We are punishing productivity in America. People on that side of the aisle believe that consumption drives the economy. Well, if you don't produce, it doesn't. It is the production that drives the economy, especially when you are importing or exporting it, and we need to get that back.

It eliminates the tax on production. It eliminates corporate income tax, personal income tax, estate tax, capital gains tax. It allows for the repatriation of the U.S. capital that is stranded overseas by the trillions of dollars that would be reinvested in the U.S.

I went through this vast list of things the FairTax does that are good, and I stopped and I said: You are not inter-

rupting me, Mr. Chairman. He said: I don't need to do that, but you left something out. You didn't mention that the FairTax provides an incentive for savings and investment, and this economy desperately needs an incentive for savings and investment.

It wasn't that I left it out on purpose. I just forgot to say it.

So he said: Add that to what you are saying, and keep saying everything else.

And so I turned it into this. Now I just tell people the FairTax does everything good that anybody's tax policy does that is good. It does them all, and it does them all better. And that is pretty close to the final word on the topic.

Now, America needs to come to her senses, and if we want to have a stimulated economy, if we want to reverse this imbalance we have in trade and bring it back to where we have an export surplus instead of an import surplus, if we want to stabilize our currency, if we want to stimulate manufacturing and production in America, if you want to have a stable currency, a stable economy, an America that is a robust economy in the world again, we go to the FairTax.

That little island of Ireland that has attracted over 700 former U.S. companies that were domiciled in the U.S., now domiciled in Ireland with their little flat tax over there—it was zero for 10 years, became 10, then 13 percent or so. The dynamics that they have seen on that little island of Ireland, with the FairTax in America, would be multiplied by a factor that I hesitate to guess at here on the floor of the United States Congress. But it would be an awesome, dynamic change to our economy, and we wouldn't need to be importing millions of people from foreign countries to do these jobs Americans would do, because the wages would go up, the benefits would go up, our competitiveness would go up, and America would be back in the preeminent place in the world again.

That is how good this FairTax is. That is why I am here on the floor to support Mr. WOODALL, and I thank the gentleman for his leadership on this issue and the opportunity to say a few words.

Mr. WOODALL. For folks who aren't following those numbers as closely as you are, yes, when this Tax Code was written in 1986, the average corporate income tax rate around the globe was almost 50 percent. Today, it is less than 25 percent. The rest of the world has been moving towards that tax competitiveness, while America has been standing still.

You asked about the good things that happen around here. Generally, the good things that happen are because folks come with individual experience, as you have come with; they come with passion, as you have come with.

What folks may not realize is here you are. The family runs King Construction, and you are not asking for a

tax cut. You are not asking for a tax carveout. You are not asking for a special favor or an exemption or a deduction. You are saying do away with all the special interests in the Tax Code, and let's just give everybody a fair shot at a flat and level code. It is that kind of selflessness that is going to drive the changes that have to happen here. Yes, there are special interests that are committed to selfish preservation of provisions in the Tax Code. I think selflessness is going to win out in that debate.

We are joined on the floor by a new Member from the great State of Georgia. His name is BUDDY CARTER. He represents the single fastest growing container port on the entire planet.

What I am saying to you is, when it comes to creating jobs in America, we have got to export to a billion new consumers in India and a billion new consumers in China, and we are not competitive with our Tax Code today.

The gentleman from Georgia sees this day in and day out, going out of the great Port of Savannah. In fact, I am told—the gentleman can correct me if I am wrong—out of your automobile exporting plant, we now export more Mercedes to the rest of the globe than any other vehicle out of that American port, because we are building Mercedes-Benz better and cheaper than the rest of the globe, and the rest of the world wants to buy them.

I yield to the gentleman from Georgia (Mr. CARTER).

Mr. CARTER of Georgia. I thank the gentleman for holding this important debate on tax reform and the FairTax Act.

Tax reform is one of the most pressing issues facing our Nation today. In fact, it is so important that my very first act in Congress was to cosponsor this bill. I had promised that to my constituents. When I got here, that is exactly what I did. Without question, one of the most pressing issues that our citizenry has right now is tax reform. That is at the top of the list. So I am very proud to be able to participate in this.

You mentioned the ports. I am very blessed and very humble to be able to represent the First Congressional District in Georgia, which includes two major seaports: the Port of Savannah, which is the number two container port on the Eastern seaboard and number four in the Nation; and the Port of Brunswick, which is the number three roll-on, roll-off port in the country, meaning that we have cars down there that are leaving that port every day and going to all corners of the world.

It is something that we are very, very proud of, and something that adds to our economy. And it is not just the economy of the First Congressional District, but of the entire Southeast United States. That is how important it is. Again, that is why the FairTax is so very important to our country and why I support it so much.

We need a tax system that treats everyone equally, that encourages Amer-

ican businesses and the economy to grow and prosper. First of all, people don't like paying taxes. We understand that. We all understand the need to pay taxes. But if they are going to pay a tax, they want to pay a consumption tax. They don't want to pay a property tax. They would rather pay a consumption tax.

I have learned that after years of being a mayor and after years serving in the State legislature, that has been something that has been just very clear to me. And people want a tax system that is easy to understand. They don't like our current tax system that is so complex.

When you look at the IRS manual and you see how thick it is, it just boggles the mind to think that we can't come up with something much easier than that. That is why I compliment you on the FairTax, because it is simple and it is straightforward and it is fair, and that is what people want.

But even worse, we have got an out-of-control bureaucracy at the IRS that has completely lost the trust of the American people. When I go home, when I meet with my constituents time and time again, that is what they tell me, that they don't trust the IRS, that it is too complex. They want it to where they can file their taxes on a postcard. And there is no reason why we shouldn't have that and no reason why we shouldn't continue to work toward that common goal.

The FairTax Act would fully repeal our current tax system and replace it with a national sales tax on the use and our consumption of property or services in the U.S. By eliminating the Federal income tax, everyone can keep their entire paycheck and pay taxes only on what they consume. Again, a consumption tax.

No more struggling to understand the volumes and volumes of tax codes and exemptions. It would do away with all that. Simplify, simplify, simplify. Everyone would contribute their fair share based on what they purchase.

We all have to purchase. That is what makes our economy run, and that is why this is such an ideal tax and such an ideal system for me and for us as Americans.

You know, as a former small-business owner, I am fully aware of how difficult it is to be successful and grow when the tax system is so complicated and burdensome. I fought those battles. The uncertainty alone makes it very hard to take on the challenges and risk of building capital and hiring employees. The economy cannot grow if business owners are held back from making the changes and additions that they need to expand. We have to have that.

I believe that a simple and straightforward system like the FairTax will provide the certainty that businesses need to grow with confidence. Our Nation is still in an economic recovery mode, and business owners and families need all the confidence that they can get.

Again, I want to thank my colleague from Georgia for introducing this legislation and compliment him on the excellent job that he is doing. I encourage all my colleagues to support the FairTax so that we can finally have the fair and simple tax system that Americans deserve.

Mr. WOODALL. I thank the gentleman for making the FairTax number one out of the gate. I know he leads a passionate constituency.

I listened to you talk about what the FairTax would do, and I am thinking that is almost unbelievable that there is that much out there on the table we could seize for the American economy and American families that we haven't done.

□ 1730

I am reminded that America is the only country in the OECD, the only economically developed First World country that does not have a consumption tax today. Folks around America are accustomed to all of the downsides of our current system that you went through. There is a better way and the rest of the world has found it and we are lagging behind.

I appreciate the gentleman's leadership to help get us there.

Mr. CARTER of Georgia. I thank the gentleman for his efforts.

Mr. WOODALL. We also have on the floor the chairman of the House Budget Committee. Now, I will tell you that if there is someone who is working harder for the American economy than Dr. TOM PRICE, chairman of the Budget Committee, I don't know who it is. And he is absolutely trying to cut every penny of waste, fraud, and abuse there is in the budget, but I don't know that we can cut our way into prosperity. I think we are going to have to grow our way into prosperity, and this burdensome Tax Code seems to be standing between us and that kind of success.

I yield to the gentleman from Georgia.

Mr. TOM PRICE of Georgia. I thank the gentleman, and let me add my voice to the echo and chorus of those who are commending him for his work on the FairTax. This is incredibly important.

And the gentleman is right. I have the privilege of chairing the Budget Committee, which is sometimes a blessing, sometimes a curse. But you put your finger on the thing that I want to talk about today because the FairTax, as you well know, our current tax system is punishing all the things that we say that we want.

So we want hard work, we want success, we want entrepreneurship, we want savings, we want investment, we want all those things that people talk about that.

They say: Why are we not getting those things that allow for that growth that has to happen?

And one of the reasons, I believe—and I know you do, too—is because our current tax system punishes each and

every one them. Every one of those things that we say we want, our tax system punishes.

So people make their equation and they say: Well, should I do this? Well, no. I am taxed more if I do that. I am taxed more if I work hard. I am taxed more if I succeed. I am taxed more if I hire more people, on and on and on.

So when you look at where we are, from a growth standpoint, which is incredibly important because we can't tax our way out of the challenge that we have got. We can't even cut spending to the degree that we need to to get out of the challenge that we have from a fiscal standpoint.

We need to grow the economy. And the growth rate that we have had over the last 40 to 50 years in this Nation, average growth rate has been about 3.2 percent. Your constituents and my constituents and people all across this great country know that over the past 6 months we have seen a growth rate of 1 percent, and over the past 8 years we have seen a growth rate in the neighborhood of 2 percent. So we have had a 33 to 65 percent reduction in the level of growth in this country.

What does that mean to folks back home?

It means the jobs aren't being created. It means that there is part-time work instead of full-time work. It means that you have a son or a daughter that graduates from college and they can't find a job in the endeavor that they have chosen. All these things that make it so that the economy is tamped down, harmed by our current system.

So the FairTax does all sorts of wonderful things, but one of the things that it does that would just reinvigorate and enlighten this economy is to incentivize the things that we say that we want: incentivizing savings, incentivize investment, incentivize hard work, incentivize entrepreneurship, incentivize risk-taking. Incentivize individuals who are out there trying to build a better mouse trap and we are going to reward them for trying to build that better mouse trap.

So I am enthusiastic about H.R. 25, enthusiastic about the support that you have continued to generate for this. I want to commend John Linder, who is a dear friend of yours and mine, and the work that he did to begin this project. I know that we will ultimately get to this point of a FairTax, of a consumption tax, because it is the right thing to do and it is the only thing that we can do that actually solves many of the challenges that we have got. So let me commend you for what you are doing. God bless you. It is a wonderful, wonderful work. And if you keep at it and we keep at it, I know that the American people will ensure that they invigorate men and women in this Chamber so that they support this commonsense, logical, exciting solution to the challenges that we face from a fiscal standpoint.

Mr. WOODALL. If I could say to my friend, a lot of folks believe that this town is just about talk, talk, talk, talk, talk. Yet you, in your budget that you have prepared, moved out of the Budget Committee, put down in writing, black and white, put your name behind it for all the world to see, every cycle, that there is a better way and we can do better.

Folks are afraid to take a stand on issues. You have been unafraid to take a stand. We cannot get from here to there without that kind of leadership, and I am grateful to you for that.

Mr. TOM PRICE of Georgia. Well, thank you, because this only happens when people get out there and say this is the solution. These are the kind of positive solutions that we can put forward, and if we were to adopt them, then it's "Katy, bar the door."

Thanks so much for your great work.

Mr. WOODALL. I thank my friend. And I would encourage folks, if you have any—if you want the black and white on this issue, go back to the Joint Tax Committee Tax Symposium. The Joint Tax Committee invited in everyone from the far-right economists to the far-left economists and said, Take a look at America's Tax Code and take a look at a consumption tax like the FairTax and tell me what it would do for the American economy, for families, for jobs.

Every single economist—not some, not most, every single economist—said a consumption tax, a move away from our current tax system will grow the American economy. Some said a little, some said a lot.

But we can do better. There is not a single Member of this Chamber who defends the current Tax Code as being the best we can do. It is not. The FairTax just may be the best we can do.

If you are not quite ready for the FairTax—and I hope you are; it is H.R. 25—let me refer to the Better Way agenda. The chairman mentioned it earlier. It is on the Speaker's Web site, betterway.speaker.gov. It is on better.gop as well.

The chairman of the Ways and Means Committee laid out a fundamental change in the way we do taxes. It is the most consumption tax-based plan a Ways and Means chairman has ever produced for this institution. It is not the FairTax, but dadgummit, it is moving us in the right direction.

If you want some encouragement about what is doable, about what we are able to bring ourselves together around, about what can really, Mr. Speaker, make a difference for jobs and the economy, look at what Chairman KEVIN BRADY from Texas has done. Again, it is a part of the House's Better Way agenda, but it is laid out there in black and white.

What my challenge is, not just for Members of this Chamber, Mr. Speaker, but for all voters across the country is the chairman has laid out a plan that gets rid of the exemptions, the deductions, the carve-outs, all of the lob-

byist special favors. All of that is gone, but it is up to us to keep it gone. Take a look at it, believe in it, and then let's work together to make it a reality.

The only people who are disadvantaged by a change to a competitive Tax Code are our foreign competitors overseas. This isn't about Republicans. This isn't about Democrats. This is about America. This is about growth, and there absolutely is a better way.

Mr. Speaker, I thank all of my colleagues for their leadership and for joining me here.

I yield back the balance of my time.

PORK SHIPS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the gentlewoman from California (Ms. SPEIER) is recognized for 60 minutes as the designee of the minority leader.

Ms. SPEIER. Mr. Speaker, tonight we are going to talk about pork ships. Now, you may be scratching your head. What is a pork ship?

Well, a pork ship was a name coined by POLITICO. Some may think, well, maybe that is a creative barbecue dish. Or military historians might say: Well, maybe it has something to do with the Bay of Pigs. Others might think it is an Oscar Mayer-sponsored cruise liner. But all those guesses would be wrong.

The term actually applies to a chronically unreliable ship, the littoral combat ship.

Well, how unreliable is this ship?

In just the last 9 months, four of the six ships that we have built as Littoral combat ships have been in trouble. They have broken down.

As a member of the Armed Services Committee, I have been working to rein in this program for years. Unfortunately, the ship's manufacturers and some Members of Congress seem intent on throwing good money after bad.

The LCS has cost us almost \$20 billion so far; \$20 billion for six ships. But we have many more that we are going to build that are going to be flawed and that will break down. So the total cost of the ships over the course of the program is a mind-blowing \$120 billion. That is right, \$120 billion.

Now, we are scraping right now to find enough money for the defense budget. We are scraping right now to come up with \$2 billion to protect Americans from the Zika virus. Meanwhile, we are spending truckloads of money on ships that don't float.

Now, maybe I am being a little hyperbolic here, but I am going to follow through by talking about the history of the ship. The ship is so poorly conceived that even the name, littoral combat ship, doesn't fit.

The term "littoral" means that the ship should be able to operate along the shoreline. Yet, Navy officials have admitted that they haven't studied carefully enough whether the LCS is the right ship for warfare in shallow waters.