

RECORDS

Rule 21—Preparation and maintenance of committee records

(a) A substantially verbatim account of remarks actually made during the proceedings shall be made of all hearings and business meetings subject only to technical, grammatical, and typographical corrections.

(b) The proceedings of the committee shall be recorded in a journal, which shall among other things, include a record of the votes on any question on which a record vote is demanded.

(c) Members of the committee shall correct and return transcripts of hearings as soon as practicable after receipt thereof, except that any changes shall be limited to technical, grammatical, and typographical corrections.

(d) Any witness may examine the transcript of his own testimony and make grammatical, technical, and typographical corrections.

(e) The Chairman may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time for correction, and that further delay would seriously impede the committee's responsibility for meeting its deadlines under the Congressional Budget Act of 1974.

(f) Transcripts of hearings and meetings may be printed if the Chairman decides it is appropriate, or if a majority of the members so request.

Rule 22—Access to committee records

(a) (1) The Chairman shall promulgate regulations to provide for public inspection of roll call votes and to provide access by members to committee records (in accordance with House Rule XI, clause 2(e)).

(2) Access to classified testimony and information shall be limited to Members of Congress and to House Budget Committee staff and staff of the Office of Official Reporters who have appropriate security clearance.

(3) Notice of the receipt of such information shall be sent to the committee members. Such information shall be kept in the committee safe, and shall be available to members in the committee office.

(b) The records of the committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule VII of the Rules of the House of Representatives. The Chairman shall notify the Ranking Minority Member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the committee for a determination on the written request of any member of the committee.

OVERSIGHT

Rule 23—General oversight

(a) The committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject of which is within its jurisdiction.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under clause (1)(d) of Rule X of the Rules of the House, and, subject to the adoption of expense resolutions as required by clause 6 of Rule X, to incur expenses (including travel expenses) in connection therewith.

(c) Not later than February 15 of the first session of a Congress, the committee shall meet in open session, with a quorum present, to adopt its oversight plans for that Congress for submission to the Committee on

House Administration and the Committee on Government Reform in accordance with the provisions of clause (2)(d) of House Rule X.

REPORTS

Rule 24—Availability before filing

(a) Any report accompanying any bill or resolution ordered reported to the House by the committee shall be available to all committee members at least 36 hours prior to filing with the House.

(b) No material change shall be made in any report made available to members pursuant to section (a) without the concurrence of the Ranking Minority Member or by a majority vote of the committee.

(c) Notwithstanding any other rule of the committee, either or both subsections (a) and (b) may be waived by the Chairman or with a majority vote by the committee.

Rule 25—Report on the budget resolution

The report of the committee to accompany a concurrent resolution on the budget shall include a comparison of the estimated or actual levels for the year preceding the budget year with the proposed spending and revenue levels for the budget year and each out year along with the appropriate percentage increase or decrease for each budget function and aggregate. The report shall include any roll call vote on any motion to amend or report any measure.

Rule 26—Parliamentarian's Status Report and Section 302 Status Report

(a) (1) In order to carry out its duty under sections 311 and 312 of the Congressional Budget Act to advise the House of Representatives as to the current level of spending and revenues as compared to the levels set forth in the latest agreed-upon concurrent resolution on the budget, the committee shall advise the Speaker on at least a monthly basis when the House is in session as to its estimate of the current level of spending and revenue. Such estimates shall be prepared by the staff of the committee, transmitted to the Speaker in the form of a Parliamentarian's Status Report, and printed in the CONGRESSIONAL RECORD.

(2) The committee authorizes the Chairman, in consultation with the Ranking Minority Member, to transmit to the Speaker the Parliamentarian's Status Report described above.

(1) In order to carry out its duty under sections 302 and 312 of the Congressional Budget Act to advise the House of Representatives as to the current level of spending within the jurisdiction of committees as compared to the appropriate allocations made pursuant to the Budget Act in conformity with the latest agreed-upon concurrent resolution on the budget, the committee shall, as necessary, advise the Speaker as to its estimate of the current level of spending within the jurisdiction of appropriate committees. Such estimates shall be prepared by the staff of the committee and transmitted to the Speaker in the form of a Section 302 Status Report.

(2) The committee authorizes the Chairman, in consultation with the Ranking Minority Member, to transmit to the Speaker the Section 302 Status Report described above.

Rule 27—Activity report

After an adjournment of the last regular session of a Congress sine die, the Chair of the committee may file any time with the Clerk the committee's activity report for that Congress pursuant to clause (1)(d)(1) of rule XI of the Rules of the House without the approval of the committee, if a copy of the report has been available to each member of the committee for at least seven calendar days and the report includes any supple-

mental, minority, or additional views submitted by a member of the committee.

MISCELLANEOUS

Rule 28—Broadcasting of meetings and hearings

(a) It shall be the policy of the committee to give all news media access to open hearings of the committee, subject to the requirements and limitations set forth in House Rule XI, clause 4.

(b) Whenever any committee business meeting is open to the public, that meeting may be covered, in whole or in part, by television broadcast, radio broadcast, still photography, or by any of such methods of coverage, in accordance with House Rule XI, clause 4.

Rule 29—Appointment of conferees

(a) Majority party members recommended to the Speaker as conferees shall be recommended by the Chairman subject to the approval of the majority party members of the committee.

(b) The Chairman shall recommend such minority party members as conferees as shall be determined by the minority party; the recommended party representation shall be in approximately the same proportion as that in the committee.

Rule 30—Waivers

When a reported bill or joint resolution, conference report, or anticipated floor amendment violates any provision of the Congressional Budget Act of 1974, the Chairman may, if practical, consult with the committee members on whether the Chairman should recommend, in writing, that the Committee on Rules report a special rule that enforces the Act by not waiving the applicable points of order during the consideration of such measure.

IRAQ AND THE MIDDLE EAST

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 60 minutes as the designee of the majority leader.

Mrs. BLACKBURN. Mr. Speaker, we are going to talk about economic competitiveness in the economy tonight, but before we start on that topic, I just want to draw attention to a couple of things that have appeared in the newspaper and talk about Iraq and the Middle East.

There is an article that I pulled from the wires today, 2,000 demonstrate at an Iraqi bombing site, and this is really quite an amazing story, Mr. Speaker. This is from Baghdad: More than 2,000 people demonstrated Tuesday at the site of a car bombing south of Baghdad that killed 125 people chanting no to terrorism.

Mr. Speaker, our hearts go out to those individuals and their families, those that have lost their lives, and certainly our hearts continue to go out to the families of each and every man and woman in our military service. I think we join with every one of them, all of our military families and with all of these Iraqis who love freedom and are loving having the opportunity to grasp on to freedom, and we join them in saying no to terrorism and standing strong for freedom.

Another article that I saw today from Newsday, Mr. Speaker, some

Arabs see beginning of a new era, and I think this is very important that we pay attention to this. One of my colleagues was talking about the headlines that we do not see on some of the national media, some of the leftist media, and I think this one is worthy of a mention.

It was a scene the Arab world's autocratic regimes have dreaded, and through the power of satellite TV, it could catch on as fast as the latest music video. Peaceful, enormous crowds carrying flags and flowers, bringing down a government. What happened in Lebanon this week, analysts say, is the beginning of a new era in the Middle East, one in which popular demand pushes the momentum for democracy and people's will can no longer be disregarded.

Mr. Speaker, our President has said that would happen. Repeatedly, he talks about how in the heart of every man and woman is the desire to be free and to seek that freedom and to have hope and to have opportunity. We have all heard our President say freedom is not our gift to the world; freedom is God's gift to all people.

It is so appropriate that we acknowledge that freedom, that we appreciate the sacrifice that is there for that freedom because it is through the expansion of that freedom that we enjoy the fruits and the benefits of a free society.

One of those is the opportunity to dream big dreams and have great adventure, have great successes and to see that lived out in our lives.

□ 2015

For many Americans, that is the opportunity to reach economic goals; to build businesses, to have a better life for their family. And tonight we are going to spend an hour discussing the Republican policies about encouraging entrepreneurship and economic growth in this great Nation.

We are going to highlight the Republican agenda for creating jobs in America. And it is clear that after battling the recession of 2001, weathering a terrorist attack cost us billions. There are even estimates that the cost to the American economy of September 11 and the travesty that took place there was \$2 trillion, a full quarter of our Nation's productivity for a year.

After fighting an expensive global war on terrorism, being in the middle of that fight, we have faced significant challenges and we have made some very wise decisions. Over the past couple of years, despite very heavy criticism from some of our colleagues and from the tax-and-spend liberals, we, as a Congress, have made tax cuts, have reduced the tax burden that the American people are paying.

Mr. Speaker, it is certainly something that I know, as millions of Americans tonight are sitting down at their kitchen tables with pencil and paper and beginning to look at those forms, filling out their Federal income tax filings, that they are noticing the dif-

ference that the tax cuts we have passed are making in their lives. Certainly in Tennessee, I know there are Tennesseans noticing for the first time in 20 years that they have the opportunity to deduct the sales tax they are paying from their Federal income tax filing.

It is amazing to me, and should be troubling to many Americans, that many across the aisle had the audacity to oppose this tax relief we have passed. They have opposed making some of these cuts and reductions. We are trying to be certain that the American public has more money in their pocketbook; that they have the opportunity to decide how to spend that money; and that they have the opportunity to grow those businesses.

We have known that small businesses and working families need tax relief, and we have fought hard to make that happen so that we see the opportunity right there for our economy, for the growth in our economy, for the opportunity for competitiveness not on just a local scale, not just on a local scale, but on a global scale.

Mr. Speaker, our support for tax relief has been vindicated, and we see that in the economic figures that are out there. This past week we found the economy grew faster than expected in the last few months of 2004. They revised the growth estimate up from 3.1 to 3.8. And for a lot of folks who are economic news junkies, they know that 3.8 is a pretty good rate. For those that are casual listeners, that is something we can be proud of, and we can talk about that. A 3.8 percent growth is very substantial.

In February, we had the twenty-first consecutive month, that is twenty-first consecutive months, of increased economic activity in the manufacturing sector. I want to be certain everybody hears and understands that: Twenty-first months of consecutive increases in economic activity in the manufacturing sector. That is nearly 2 years of growth. I think that is absolutely outstanding.

For some of the tool and die manufacturers that are in my district, from some of the manufacturers that we see of various component parts, of items that are being created, how exciting that they are seeing growth; that they are seeing growth in their jobs that they have right there in these local communities.

And that is not all of it. The overall economy grew for the fortieth, that is 4-0, the fortieth consecutive month in February. That is more than 3 years of solid economic expansion.

Mr. Speaker, these are figures that are hard to argue with. That 3.8 percent was our economic growth. That got revised up for the last quarter of 2004. We have had twenty-first consecutive months of increases in productivity in the manufacturing sector. We have had 40 consecutive months of overall economic growth. That means something is working right. Something

is working right. Tax relief was needed, and we see that that tax relief is beginning to pay off.

I have another article here. I had the opportunity to do a little reading over the break, Mr. Speaker. This one is from the Financial Times. Look at this headline: "U.S. Chiefs' Confidence Highest in 3 Years." Well, that is a pretty good thing. The people that are running the companies, the people that are deciding whether to expand, whether to make capital investments, whether to create new jobs, they have a great deal of confidence.

It says here: "Confidence in the economy at the U.S. biggest companies has soared to the highest level in 3 years as increasing numbers plan to spend more on capital investment." Well, who would have thunk? You never would have thought that was happening if you were listening to some of our friends across the aisle. Because they do not want to talk about the good news. They do not want to talk about 21 straight months of manufacturing gains, 4-0, 40 consecutive months of overall economic growth.

Here is one that describes the results as "extremely positive"; another one, talking about capital investments by business, "are the best indicators of growth at this stage of recovery," and that this bodes well for the economy. Now, mind you, these are not small businesses. These are big companies. So we are seeing it with our small businesses, and we are seeing it with some of our new companies.

Republicans believe that government must remove the obstacles to growth. And it does not matter if you are a big or small company, it does not matter if you are an entrepreneur, it does not matter if you are new or some of our wonderful companies that have been there for 100 years. We have to get rid of some of the obstacles. And though some of our folks do not like to talk about rolling back taxes, rolling back those taxes is removing an obstacle. Another obstacle is the high cost of compliance with those taxes. Another obstacle is onerous regulation that comes from some of our Federal agencies.

Well, what do you know. When you start rolling that back, making the system easier to comply with, American entrepreneurs expand and they create jobs. That is something, is it not? Get the government out of the way, and you are going to see free enterprise go do what they are geared up to do, do what they are best at doing, do what they dream about doing, what they spend their lives trying to figure out how to do: how to create jobs, how to build a better mousetrap, how to get out there and sell that better mousetrap to people that are ready to buy improved products.

It is a great system. The way this economy works is something to get excited about, and I am thrilled that we have had the opportunity to see this kind of economic growth.

Mr. Speaker, I am joined here on the floor tonight by one of my colleagues, a gentleman from the freshman class I served in in the 108th Congress, the gentleman from Iowa (Mr. KING). He knows a lot about how the economy works. He is a small businessman, a farmer, and he does a lot of thinking when he gets out there on that tractor, and he brings a lot of wisdom to this Chamber.

So, Mr. Speaker, I yield to him at this time.

Mr. KING of Iowa. Mr. Speaker, I thank the gentlewoman for yielding to me and leading us in this important subject matter. I appreciate the opportunity to say a few words.

Before getting to the economy, I want to add some remarks to those of the gentlewoman from Tennessee's discussion with regard to the Middle East. I would like to paint this image in the mind of the people in the country. And that is that as we see people demonstrating in the streets of Lebanon, when they have made the pledge that they are not leaving the public arena until they are a government governed by themselves and that they are a free people, that magnificent display that is going on in Lebanon today, as I watched that, I looked back through my mind's eye and I asked myself where I have experienced anything like that before; where I have seen anything like that in history.

It takes me back to the square in Prague, back in the early 1990s, after the Berlin Wall came down. That was about November 9 when the wall came down, and it echoed into about 1990, right before the Czechs went to the square and stood there with their keys and rattled their keys in the air. They stood for freedom, until today they are a free people.

That miracle of freedom that echoed across Eastern Europe in that time was not something anyone predicted. Yet our President stood just outside this Capitol building on January 20 and gave his second inaugural address, and even the liberal news media understood there was a Bush doctrine, and that was the doctrine of freedom. He said in that address: "If you stand for freedom, we stand with you."

Today, we stand with the Lebanese people, we stand with the Syrians, we stand with the Iranians, and we stand with the Saudis. We stand with all people on this planet that yearn for freedom.

Another thing that has happened there is that the fear factor has disappeared in Lebanon. When the fear factor disappeared, the people could freely stand in the streets. When that fear factor can disappear in Iran, in Syria, in Saudi Arabia, and around the Middle East, they can also come to the streets. Maybe before then.

When that day comes, we will no longer see the habitat that breeds terror, and we will be able to actually stand here today and define a victory in the war on terror, and that is the ab-

sence of the habitat that breeds terrorists. And that is freedom.

But to our economy, which is the discussion tonight. I characterize it a couple of ways and add to the gentlewoman's discussion, and that is that our jobs growth in this country has been going on at such a torrid pace that we will soon, within the next 3 months, reach the level of over the last 2 years having had job growth of 1.5 million jobs a year. That is 1½ million jobs a year.

That is an amazingly fast growth, 3.8 percent growth as the gentlewoman said, but that in the face of the trial lawyers skimming 3 percent off the top. And that study tells us that they take the first money. They are standing there taking the first money off our economy. If we want to grow at 3½ percent, just to sustain the growth we need in our infrastructure and to meet the needs of a growing population, then we have to make up for that 3 percent that goes off the top because of the litigation in this country that is rampant.

We took steps in this Congress to rein some of that in. We sent it over to the Senate, where this year they heard us and sent it to the President, and he signed the litigation reform legislation, which will make a difference and make it easier to sustain that kind of growth.

Homeownership is at an all-time high. I think it would compete with anywhere in the world, at 69.2 percent. That is 69.2 percent. Seven out of ten people you meet on the street live in a home they own or are making payments on. Not a rented home, but an owned home. What pride in ownership. And what that does for sending the roots down into our economy and society and keeping our children at home, all of those things are a plus that show up in the bottom line.

Inflation is in check. Personal income is up 8.6 percent. That is so much in the last year that it scares me a little bit, being a 28-year employer; thinking that if personal income is up 8.6 percent, then I would have to be giving my employees a raise of 8.6 percent every year, which is a pretty torrid pace as well to keep up with employment.

Earlier we heard on the floor some remarks that we have a lot of problems with the trade imbalance, and I will not deny we have a trade imbalance. In fact, a year ago it was minus \$503 billion a year. The last announcement came out, the annual report came out February 10, and that was a minus \$617.7 billion in imbalance in trade. So that is about a 20 percent increase in the negative balance of trade that we have.

Some of those things work out good for our consumers. You can afford to buy a winter coat for your little girl cheaper than you could before. But we cannot go on forever letting foreign interests own U.S. assets and holding them for collateral. So we need to work this thing back to correct the balance

of trade, but it is not something that will be done with a policy that says, well, we are concerned about sweat shop labor in El Salvador or those kinds of issues that are essentially out of control.

What is in our control in this Congress are our tax policy, regulatory policy, and that is what we need to focus on. That is why I, years ago, in fact 25 years ago, came to the position and the conclusion that we needed to do some real tax reform.

Now, we have done good things with the Jobs and Growth Act, and they were the right decisions to bring us back from the bursting of the dot-com bubble that happened about 7 or 8 months before the President was inaugurated the first time; and then, of course, the September 11 attacks. I will argue that those two blows to our economy, coupled together, were the greatest blows, the most severe blows ever to the economy of this country; yet we have recovered. The stock market is back and all these statistics are up. But we can do more, and we can do better.

□ 2030

Mr. Speaker, we can do better because there is another level, another destiny for the United States of America. We are reaching for that destiny to inspire all people in the world to reach for freedom and liberty and being able to make their own investments and control their own destiny economically, but we can also set a tax policy that ceases to punish the productivity in America.

Today, today every day when people go to work and punch the time clock or make the sales calls or throw that bale of hay, Uncle Sam stands there with his hand out with the first lien on everyone's labor, on the productivity of America, on your investment interest and on your labor.

Ronald Reagan once said what you tax you get less of. So us, in our wisdom, we tax productivity in America instead of consumption. I suggest we eliminate the IRS, the Tax Code that goes with it, and transfer all of this over to a national sales tax, a consumption tax, a fair tax, H.R. 5 and tax consumption, take all tax off of production and get Uncle Sam out of the way, standing there at the time clock getting his first and the worker getting his later, and change this whole attitude. Productivity will go up in America.

The IRS right now is a trillion dollar drag on an \$11 trillion economy when we add the cost of funding them, enforcing them, and the disincentives that are in place that people decide I am not going to make that sales call, I am not going to do that extra overtime, I am not going to make that investment in that farm or industrial factory because the tax burden is too high.

If we take the tax off all productivity, everybody gets the money they

earned in their paycheck. Take-home pay goes up 56 percent under a national sales tax, and items on the shelf, their price goes down by an average of 22 percent because there is an imputed cost in everything that is sold. Businesses that provide goods for sales have to impute the cost of the Federal tax in that item. That is an average of 22 percent.

So, for example, if there is a Japanese-made Mazda that is imported from Japan sitting on the dealer's lot at \$30,000, and pick your American brand sitting on the other side of the street with a \$30,000 sticker price, we remove the Federal tax that is imputed into the American made because it is imputed in the Japanese made overseas. We will see that \$30,000 American-made car go down to \$23,600, and the Japanese car is still at \$30,000. By the time we add the sales tax back in, the American car is at \$30,400 or so, but the Japanese car is around \$39,000. We have approximately a \$9,000 advantage on those two vehicles of equivalent value that were selling competitively at \$30,000 each. We change the tax policy, and competition drives the price out of the American made and now we have an advantage to market American goods.

Mr. Speaker, that is one of the ways that we can address this imbalance of trade because we will build more products here. If we sell more of our products here, that means the jobs that produce them are here. If we import less from foreign countries, that means the jobs that produce those imports are going to have to be producing exports to go to other countries.

We can repair this balance of trade with a national sales tax, a fair tax. We can change this \$617.7 billion of red ink to a plus number, and while we are doing that, we remove the penalty for savings and investment. So the capital investment the gentlewoman talked about that really is a great indicator of where our economy is going, capital investment will not be punished. Form the capital, and we will see capital go into technology, research and development, higher ed, all of the things that improve the productivity of the American worker.

By the way, we must improve the productivity of the American worker. We are seeing industrial equipment go overseas as well. And as we see that punch press or lathe going to a developing country and they train their workers how to use that equipment, we will never get those jobs back again. We do not want to compete for the wages that are being paid there either, but we can move our people to the top side with education, research and development and technology capital investment. They have got to produce more. We can do that with technology and a national sales tax, and fix this balance of trade.

We are on the right track, but we can do more. If we go to a national sales tax, we will take America to another destiny yet with our economy.

Mr. Speaker, I urge the President's commission and this Congress to take a good look at real tax reform, not tweak it around the edges. We have done that. We have positioned ourselves well to take America to its next level of destiny, and I am looking forward to the 109th Congress for being a part of that.

Mrs. BLACKBURN. Mr. Speaker, as we talk about the economy and talk about the need to have an economic Renaissance, to see this continue. As I said earlier, we have had 40 consecutive months of economic growth. A lot of times women do not look forward to that 40th birthday, but when we talk about the 40th month of economic growth, that is certainly a date that we want to celebrate.

The gentleman from Iowa (Mr. KING) mentioned tax reform and the cost of 22 cents of every dollar of manufactured good in this Nation being eaten up by compliance, and the importance of us having a wonderful debate about how we lower that cost so that every sector of our economy is going to see greater productivity and is going to see growth.

We know that working on our tax reform issues, working on tort reform issues to eliminate frivolous lawsuits, are going to be a way that we can begin to benefit, that we can see the products that are manufactured here be more competitive in a global marketplace.

As we look at the opportunities for trade in Tennessee, for example, where our exports have increased every year for the past 5 years, and we know that does equal jobs. Over the past 2 years, as the gentleman from Iowa (Mr. KING) said, we created about 2.7 million new jobs, and that will soon in a couple of months be 1.5 million new jobs per year.

There are a couple of industries that have seen good growth in the past couple of months: Apparel, textiles, transportation and equipment, electronic components and equipment, chemicals, industrial and commercial equipment and computers, instruments, photographic equipment, metals, food, wood and wood products. Virtually every State in the Union can claim at least one of these industrial sectors. In fact, one of the things that we have seen about job creation is that in 48 of our 50 States we have seen jobs growth. That is impressive. Over the past year, 48 of our 50 States have seen jobs growth. That is why we are beginning to see this 40 months of overall economic growth, 21 straight months where we are seeing increases in the manufacturing sector, and we know all of this means jobs. It all means jobs that are being created. We know that there is a lot of work ahead that we need to do to be certain that this economy keeps growing.

Mr. Speaker, much of our focus this session is going to be on economic growth, economic competitiveness, doing the things that encourage, that create the right environment. Our gov-

ernment does not create jobs, it is this free enterprise system that creates jobs, and doing things so we help create the right investment, focusing on tax reform and trade issues, on regulatory reform and on energy independence. These are the areas that are going to have a tremendous impact on our economy as it expands. We will continue to see growth in those sectors.

Mr. Speaker, I yield to the gentlewoman from North Carolina (Ms. FOXX) who is new to us this Congress. The gentlewoman from North Carolina (Ms. FOXX) has come to our Congress this year and is serving on the Committee on Education and the Workforce. And much of her focus, even though her Ph.D. is in education, she understands the importance of an educated workforce and lifelong learning and developing the skills that are so necessary to be productive in your job, to be satisfied in your job. The gentlewoman from North Carolina (Ms. FOXX) has some thoughts she would like to share with us tonight on economic competitiveness.

Ms. FOXX. Mr. Speaker, the gentlewoman from Tennessee (Mrs. BLACKBURN) is so eloquent in her words about freedom and the economy and what makes this country great. We have the healthiest economy in the world, and I want to build on the things that my colleagues have said. The reason we have the healthiest economy in the world is because we are the freest people in the world.

I agree with what the President has been saying. If we want to see a good world, we want to see people have all of the rights and privileges, we are going to see freedom throughout the world and we are going to see growing economies. As again the gentlewoman from Tennessee (Mrs. BLACKBURN) said, job creation was up in 48 of the 50 States last year, and unemployment was down in all regions.

I want to talk a little bit about the Job Training Improvement Act which is going to be voted on here tomorrow. The Committee on Education and the Workforce has passed it out of our committee after a great deal of debate. H.R. 27 is called Strengthening America's Job Training System. It builds on the significant reforms made in the bipartisan Workforce Investment Act improvements that were enacted in 1998. While those reforms have provided workers with resources and tools necessary to rejoin the workforce or retrain for better jobs, there were still areas of inefficiency and duplication that were remaining. What H.R. 27 is going to do, among other things, is eliminate duplication and waste. It consolidates three adult job training programs into one consolidated adult funding stream to streamline program administration and reduce inefficiency at the State and local level. This change will enable more job seekers to be served with no reduction in services.

Last week we talked a lot about inefficiency and waste, and this is another

one of the ways that we are going to do that. We are going to ensure our one-stop delivery system is demand driven. We are going to remove barriers to job training. The bill eliminates arbitrary provisions of current law that prevent someone from accessing training immediately if appropriate to meet his or her employment goals. State and local areas will have the flexibility to tailor services to meet individual needs, and that is so important to us as we drive down the decisionmaking to the local level.

The bill is also going to protect the rights of faith-based groups to help train and retrain workers. The bill protects the rights of faith-based groups willing to participate in the Nation's job training system. The landmark 1964 Civil Rights Act makes clear that faith-based groups have the right to hire workers on a religious basis, and that such hiring practices do not constitute discrimination.

Former President Clinton signed a number of major laws upholding this right. We are going to strengthen partnerships between businesses and job-training service providers. We are going to improve adult education and enhance vocational rehabilitation. The bill includes a number of provisions designed to strengthen the 1973 Rehabilitation Act in a continuing effort to help individuals with disabilities become employable and achieve full integration.

I want to make a comment about a wonderfully significant thing that happened in the Fifth Congressional District last week related to increasing jobs, and that was that Dell manufacturing broke ground for a \$100 million plant in Forsythe County. That plant is Dell's largest anywhere, 527,000 square feet. They are going to hire 700 people in the first year. Workers are going to assemble two of Dell's desktop models, the Dimension and the OptiPlex, in the new plant. The jobs there are going to pay an average of \$27,000. We are about 2 weeks away from the start of a process where people can express interest in being hired for the first 200-250 jobs, then Dell will hire another 500 people. Most of these will be people from the Fifth Congressional District.

We are so excited to have Dell manufacturing in Forsythe County. Again, I think this is an indication that the policies of this President and the policies of this Congress are working in terms of reducing taxes and making our South a very good place to bring new jobs.

□ 2045

Mrs. BLACKBURN. I thank the gentlewoman for bringing her perspective to the debate and for celebrating, allowing us to celebrate with the good people of Forsythe County, North Carolina, as they welcome 700 new jobs to their area. How exciting that is, and how exciting for us that we have a program like the workforce development

programs that are very successful, that assist in retraining folks.

I know in my 7th Congressional District in Tennessee, we have seen tremendous success with the workforce development program. As a matter of fact, we have a program in Montgomery County, Tennessee, that is really attuned to the needs of our veterans and to our military spouses and our military retirees. And they are going to be honored later this week for their excellent work that they are doing for jobs retraining, helping people focus on the importance of developing and having that career.

Jobs and education, they go hand in hand. They are very important components of our economic competitiveness, just as tax reform, just as tort reform and the other things that we have discussed this evening.

Mr. Speaker, at this time I would like to recognize a member of the freshman class, new to us, but with a tremendous amount of experience in his home State of Texas where he has been a part of the business community, has served as a judge, and is a skilled legislator. The gentleman from Texas (Mr. GOHMERT) is going to speak with us for a few moments about some of the things that are happening in Texas as in the process with our economic competitiveness issues.

Mr. GOHMERT. Mr. Speaker, I would like to thank the gentlewoman from Tennessee. Talking about being well spoken, she certainly is, and I appreciate the way that she is addressing the great things that are beginning to or continuing to happen in the economy.

The economy is growing. One of the things that is not, of course, is Social Security. It continues, as we have been told, to limp along about 1.5 percent, 1.6 percent. But the rest of the economy, where a free market is being allowed to thrive and grow, is helping to create jobs.

Now, there are problems. We have not conquered them all. But what a great time of hope. And I have seen it, and you have expressed it, and you feel it in east Texas. There is an industry that is looking at reopening a plant in Lufkin, Texas. That is exciting, maybe bringing 4 or 500 jobs, plus maybe several hundred more potentially once that occurs.

There is excitement as people think about the potential for helping with tort reform. We were having hearings a couple of weeks ago and finding that one of the drains on the medical economy is the fact that 70 percent of all the massive number of physicians who are sued are dropped without any finding of fault and without paying anything in settlement. Well, that is an area we are working on to help reform, to help eliminate; 70 percent of the physicians that are sued having to be sued and providing a carrot and a stick to correct that form where abuse has occurred.

You know, 9/11 should have sent this economy into depression. Students of

history, and I was talking with some students and teachers from Grace High School in Tyler, Texas, and they have been studying a number of aspects of this.

But we should have gone into a full scale depression. But we had a President with courage and with vision. And despite what the naysayers were coming out with, he stood firm. We had tax cuts. And as we found, as President Kennedy knew, as President Reagan established, every time there has been a tax cut, it has helped the economy. Thank God for President Bush and his standing there firm for tax cuts. And we have seen the economy continue to grow.

As the students I talked with earlier from Grace High School had studied, the free market system works. You know the Pilgrims, as you probably know, Congresswoman, they tried a communist form of government. And what they found was that it did not work. They nearly starved to death. So they had to institute free market forces and just, if you do not work you do not eat. And the next thing you know, they are thriving, crops are growing, things are going well again.

And I tell you, we have put way too much trust in government. And I am excited about the potential this government has and to be a part of this Congress with you because I think we have more potential to get this country on the right road than any Congress since the 1930 New Deal Congress.

We can establish free market. We can fix Social Security so young people today can have the benefits of the free market economy instead of struggling in poverty with what little bit Social Security pays. This President, this House, this Senate have such potential and I consider it an honor to be part of it.

As it says above the Speaker's head, "In God We Trust." And we need to make use of the trust that God has given us. And I thank you for the trust with some of your time.

Mrs. BLACKBURN. Mr. Speaker, I want to thank the gentleman from Texas. And I would like to commend him for meeting with the students and working with the students from Grace High School in Tyler, Texas, and for their study, their caring about the free enterprise system and seeking greater information on that. How exciting that they are doing that.

You know, Mr. Speaker, one of the things we are hearing from business schools all across the country, one of the things we are hearing from high schools, from tech schools is that more and more people are saying, I want to be an entrepreneur. I want to start my own business. I want to see if I can grab on to that American Dream of owning my own company, starting a company, having an idea, watching that idea come to fruition in the form of a company that creates jobs.

And it is so encouraging to me that the Republican leadership and our majority in this House is committed to

doing the things that are going to be necessary to continue economic growth, long-term sustained economic growth like we have seen over the past 40 months.

I have got another article from washingtonpost.com that I had pulled today. This one is really interesting. Construction spending rose a strong seven-tenths of a percent in January, a month when generally they are not going to see that kind of increase. This pushed total construction activity to a record high of just over \$1 trillion at a seasonally adjusted annual rate and followed an even larger 1.2 percent rise in December. What we are seeing is confidence and belief and the fact that people believe in the strength of this economy.

We have a freshman Member from Kentucky (Mr. DAVIS) who has joined this Congress this year. He is with us for just a few moments to talk about some of the good things that are happening in his State. I yield to the gentleman from Kentucky.

Mr. DAVIS of Kentucky. Mr. Speaker, I am impressed with the fact that America is a land of vision and opportunity. My wife's grandparents came through Ellis Island and began literally with nothing. By the second generation, both had become professionals and had made a great impact on their local economies, passed that on to the third generation with their children, adding value, working to create jobs in the long term. I think the exciting thing of the values of this Nation is the people who have come here from every ethnic background, from every nation on this Earth. The great diversity has one thing in common, that is, a unity of vision, of opportunity, of purpose that can be accomplished when we are part of something bigger than ourselves.

When I look at the numbers right now in this Nation from an unemployment standpoint, we stand at 5.2 percent, which is one of the lowest unemployments in the industrialized world, particularly in light of the fact that we are involved in a war that was forced upon us by global terrorists. When I look at the challenges that this Nation has faced, there has been a great turnaround during the last 4 years. More than that, when I look to my own district, to the Fourth District of Kentucky, and the tremendous steps forward that have been made in the manufacturing economy, that have been made in technology and in the creation of jobs and in the development of industry and health sciences, I am excited about our future. I am excited about the potential for our young people to move forward and have the opportunity to create their own future, to create jobs, to start small businesses, to follow in the opportunity that I had when I finished my military service.

After a time in industry, I chose to pursue that vision to start my own company and then end up helping other

companies create jobs. I think one of the great things that we see a need for right now is to continue to remove the burden of regulations, to remove the burdensome Tax Code, to remove the impediments to individuals at every level of our economy, from starting their own businesses, from creating jobs in our communities, that will stay in our communities, to keep capital investment in those communities.

I think there are several steps that are important. First, we need to bring about meaningful tax reform. I believe that the tax cuts that were enacted in the last Congress need to be made permanent so that people can keep more of what they earn. I think it is important that the so-called death tax be completely eliminated. The reason why is it has nothing to do with the super-rich. It has to do with jobs in our communities, local farmers, small family farmers, people that own family businesses that have gone on for generations, to make sure that they have the opportunity to keep those jobs in the community. That is a tax that is pernicious.

Indeed, what it does is it hurts the very people it is intended to help because it removes the capital from our local economy. Another thing that is necessary for us to do is to make sure that small business owners have the flexibility to overcome a burdensome Tax Code. If they see the opportunity in a good year to take advantage of capital investment to improve their competitiveness, to increase jobs in the local community or protect the jobs that they have, they should have that flexibility; and I would like to see the ability to expense capital investment made permanent rather than renewing it as we have been doing over the past 18 years.

Education is an important area as well. We need to open up the tremendous opportunities to entrepreneurship that we have in our economy. I met recently with a new division of Northern Kentucky University, a pioneer in the University of Kentucky system. They have their own school of entrepreneurship now to encourage this creation of jobs in the local economy, to show people how they can start a business, how they can add value, how they can help people create a nest egg and a job that will last for the long term and create other jobs that will strengthen our community.

It is also important that we continue to invest in our university systems and vocational and technical education. The reason for this, working with public-private partnerships, working closely with our local communities from the Federal Government is to assure that we are staying on the cutting edge of technology innovation, looking for opportunity for the long term.

In addition, it is also important that we look at reforms that will allow small businesses to function. We need to bring about meaningful health care reform. What does that mean? Small

businesses need to have the ability to band together and form associations to reduce the cost of health care. I found in my own business that my premiums, if I had not been elected to Congress, were going to increase 50 percent, from \$1,200 to \$1,800 a month, just for my family and my business. That is unconscionable. We need to encourage these small businesses and enact regulations that will allow them to cover more of their employees, more of our employees in the long term.

In addition to that, we need to bring about meaningful medical liability reform as part of this health care reform. The reason for that is, first of all, to stop driving our doctors out of practice in many States. For example, in Kentucky we have lost one-third of our OB-GYN doctors in the last 5 years due to medical liability costs. But at a small business and job creation level, it will be a job creator if we have some meaningful liability reforms, not only to keep our doctors but to keep the cost of health care provision low so that we could cover more of our employees and also be more competitive in the long term.

In the end, there are a variety of steps that we can take. I am very excited about the potential of the American people. We have shown in a time of national adversity now that we can compete, that we can have a strong economy, that we can create jobs; and when I look at one of the largest employers in northeastern Kentucky, a very prominent steel mill that is creating jobs, that is hiring, that is competing effectively in the world economy now, I know that we are going to be successful.

Mrs. BLACKBURN. I thank the gentleman from Kentucky for talking with us a few moments about what he is seeing happening and his desire to see some changes take place here in the policies that we will make, the things that we will implement in this Congress, in the 109th Congress.

Mr. Speaker, one of the things that I do a lot and that I had the opportunity to do over the break is to visit with small business owners. I heard repeatedly from them that what they do not want and what they do not need is more taxes, more regulation, and more government. We hear them. The Republicans hear them. This majority hears them. We understand what they are saying. Unfortunately, I have a lot of colleagues who are not listening to these small business owners. I think it is important to note, small businesses in America represent over 90 percent of all employers and employ half of all private sector employees. They pay 44.3 percent of the total U.S. private payroll.

That is our small businesses and entrepreneurs that we have talked about today, the people that are starting businesses, that are creating so many of these jobs. Small businesses generate 60 to 80 percent of the net new jobs growth annually.

□ 2100

That is why it is so important that we carry forth on this commitment to be certain that we have the right environment for an economic renaissance in this country. Small businesses are the Nation's economic engine, and Republicans have worked to reduce their tax burden so that they have the ability to create more jobs. We have passed legislation that will give them more affordable health care options for their employees, Association Health Plans and Health Savings Accounts.

Republicans have passed legislation to stem the tide of frivolous lawsuits, and we are continuing to do more on the tort reform issues.

We are planning and continue to work daily on trade and opening foreign markets for American-made goods so that our employers in our local communities have access to markets around the globe, ways that they can place their products before a world that is ready to buy them. And we are trying to make certain that manufacturers are not being treated unfairly and that they have the opportunity to be competitive in a global marketplace.

Republicans want to pass a comprehensive energy policy so that America's economic growth is not held hostage to foreign energy production. We want to harness more of our domestic energy. We believe excessive government growth in spending crowds businesses out of the marketplace. We know that when there is a need, if government fills that need, then the private or not-for-profit sector does not move in and fill that need. We know that the growth of government needs to be curtailed so that less of the taxpayers' money is being required to pay for the government, so that taxpayers keep that money in their pocket. Reducing the size of government is what we have talked about over the past couple of weeks as we have talked about rooting out waste, fraud, and abuse and reducing the size of the Federal Government.

Mr. Speaker, we have a plan that will drive economic growth, that will continue to drive economic growth. We have had 40 months of overall economic growth. We would like to see another 40 months of economic growth and job creation for Americans. We have had 2.7 million jobs created in just under the past couple of years. We have 21 months where we have seen manufacturing increases. We had our last quarter of 2004 with 3.8 percent economic growth.

The fundamental difference between Republicans and Democrats is that we have a plan to continue to drive economic growth. And all of our small business owners, myself included, we know the cost that regulation imposes and the importance of rolling back regulation.

Among the top complaints that we receive from small business owners has to do with the Federal Tax Code, the

cost of compliance. The gentleman from Iowa (Mr. KING) spoke to that earlier. Twenty-two cents of every single dollar of manufactured goods in this Nation is spent in compliance. That is an obstacle that we need to get rid of, and we are committed to working on that. We know this Tax Code is overly complicated, it is time-consuming, and it is incredibly frustrating for millions of small business owners in this Nation. That is why Republicans are committed to a code that is flatter, that is fairer, and absolutely is simpler not only for individuals but for our Nation's small businesses.

Mr. Speaker, all over we have got a plan. It is the better plan. And we know the problems that are facing our Nation's economy. We know the problems that are facing this Nation's employers, whether they be small or whether they be large, whether they are small businesses or whether they are big business. And, Mr. Speaker, one thing that we know for sure in this 109th Congress, we are committed to moving forward on commonsense reforms that will continue to work toward greater effectiveness and greater competitiveness for our Nation's economy.

THE 109TH CONGRESS'S RULES PACKAGE

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced policy of January 4, 2005, the gentleman from West Virginia (Mr. MOLLOHAN) is recognized for 20 minutes as the designee of the minority leader.

Mr. MOLLOHAN. Mr. Speaker, the 109th Congress's rules package, which was adopted this past January on a straight party-line vote, included provisions that made major unfortunate changes in the rules governing consideration of ethics complaints by the Committee on Standards of Official Conduct. I am today introducing a resolution that would amend or repeal those provisions.

There cannot be a credible ethics process in the House of Representatives unless the Committee on Standards of Official Conduct is able to consider complaints against Members and staff in a thorough, efficient, and nonpartisan manner. I am concerned that those provisions of the rules package, if allowed to stand, will seriously undermine the committee's ability to perform this critical responsibility.

The rules package made essentially three changes in the rules governing ethics complaints. The first change is the Automatic Dismissal Rule, which requires the committee to consider an act on any complaint within a period as short as 45 days or else the complaint will be automatically dismissed.

The second is a set of changes that applies where the committee, or an investigative subcommittee, decides to conclude a matter by issuing a letter, notification, or a report that refers to the conduct of a particular Member.

These changes provide a number of so-called "due process" rights to such a Member, one of which is the right to demand that the committee establish an adjudicatory subcommittee to conduct an immediate trial on the matter.

The third change concerns the matter of a single attorney representing more than one respondent or witness in a case before the committee. Under this change, the committee is prohibited from requiring that a respondent or witness retain an attorney who does not represent someone else in the case.

Mr. Speaker, turning first to the Automatic Dismissal Rule, the Automatic Dismissal Rule constitutes a radical change in the rules governing the Committee on Standards of Official Conduct's consideration of complaints. From the time the committee came into existence until the adoption of this rule, there was only one way that a complaint filed with the Committee on Standards of Official Conduct could be dismissed, and that is by a majority vote of the committee. Because under the prior rules a complaint could be disposed of only by a committee vote, committee members were required to analyze the claims made in a complaint, to collect and consider additional information on the conduct in issue, and to discuss complaints among themselves in an effort to reach a resolution.

With the enactment of the Automatic Dismissal Rule, the need for this study, fact gathering, and discussion within the committee will be significantly reduced, if not entirely eliminated, in any instance in which five committee members are initially inclined to vote to dismiss the complaint. What incentive would those members have to give genuine consideration to the complaint? Under the new rule, they need do nothing more than sit on their hands and the complaint will disappear.

Of course, this rule change will have its greatest impact on the controversial high-profile complaints that come before the committee, but it is in the handling of complaints of that kind that the committee's credibility is most at stake. In short, while the long-term interests of the House require that committee consideration of all complaints in a reasoned, nonpartisan manner be made, the effect of the Automatic Dismissal Rule will be instead to promote partisanship and deadlock within the committee.

Why was the Automatic Dismissal Rule included in the rules package? The sole rationale that was offered for the Automatic Dismissal Rule was that it would "restore the presumption of innocence." Yet how does the Automatic Dismissal Rule restore the presumption of innocence? If a complaint against a Member is dismissed automatically because of committee inaction over a period as short as 45 days, is that Member in any position to claim vindication or that his conduct has been cleared by the committee?