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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Ms. CAPITO).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 13, 2005.

I hereby appoint the Honorable SHELLY MOORE CAPITO to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Dr. Curt Dodd, Senior Pastor, Westside Church, Omaha, Nebraska, offered the following prayer:

Dear Heavenly Father, I ask You this day to empower these representatives, wherever they may be, both in this House and in committee meetings, with true spiritual sensitivity. Give them wisdom to know the difference between loud, hollow requests and opportunities to positively impact an entire nation.

Protect them, O Father, from the temptation to be politically correct for the sake of a few while the audience of heaven watches and millions in posterity wait to weigh their influence.

Help them this day to engage with purpose, using this platform for Your glory and their personal growth. Protect their families, regardless of where they may be this day. Surround them with Your presence, giving confidence that You have met their every need. In turn, may they meet the needs of others through their actions this day.

Help them enjoy the privilege of representing millions of Americans this day. May their decisions this day change our country for the better tomorrow. Give them great joy in what they do in this place.

Father, may they experience what it really means to be in peace because of

a relationship with You through Your Son Jesus, for it is in Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Florida (Mr. STEARNS) come forward and lead the House in the Pledge of Allegiance.

Mr. STEARNS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNIZING PASTOR CURT DODD'S MINISTRY FOR CHRIST

(Mr. TERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TERRY. Madam Speaker, I have the distinct honor to recognize Pastor Curt Dodd, our guest chaplain in the House of Representatives today, and I also want to thank him for his thoughtful and inspiring prayer.

Dr. Dodd began his ministry as an intern at the First Baptist Church in Houston, Texas, in 1973. He was called to serve as associate pastor and then senior pastor at several Texas churches before shepherding the Metropolitan Baptist Church in Houston. Under Dr. Dodd's pastoral leadership, "the Met" received recognition as one of the fastest growing churches in Texas and the Southern Baptist Convention.

From 1995 to 1999, Dr. Dodd was called by God to leave his successful ministry at the church to start a

church in Pueblo, Colorado, one of that State's most under-reached areas. With his trademark enthusiasm and commitment to the Lord, he initiated several other church plants, including Fellowship of the Rockies in Colorado Springs. He then went to Florida to Merit Island, and now serves as the senior pastor of Westside Church in Omaha, Nebraska, where my family and I attend.

Dr. Dodd is also an accomplished author of three books: Add One to Grow On; Hearts on Fire—the Keys to Dynamic Church Growth; and Running on Empty in the Fast Lane.

With a heart for the local church and kingdom expansion, he has served on various national and international denominational boards, but his greatest accomplishments are seen in the eyes of the men and women who have heard and accepted the message he brings, that Jesus is our Lord and Saviour who died for our sins.

Madam Speaker, I know that I speak for my colleagues when I say we are proud and honored to have Dr. Dodd with us today.

IT IS TIME TO LEAD AMERICA TO ENERGY INDEPENDENCE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Madam Speaker, as summer approaches, I am concerned about the effect that rising gas prices are having on family budgets and small businesses. In the past 3 weeks, gas prices have skyrocketed by 19 cents because of growing demand, high crude oil prices, and higher refining costs.

Congress can help reduce gas prices by finally implementing a comprehensive national energy policy. For the past 4 years, the House has passed sound energy legislation that will reduce our reliance on foreign sources of

This symbol represents the time of day during the House proceedings, e.g., 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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energy, increase conservation and increase the use of clean, modern and reliable sources of energy. But Democrats are playing politics, smearing TOM DELAY, DICK CHENEY and Condoleezza Rice, and the United States still does not have a comprehensive national energy policy.

South Carolina families need relief from record high energy costs, and Congress can now act to lead America to greater energy independence. This is a matter of economic and national security and we cannot afford to wait another year.

In conclusion, God bless our troops, and we will never forget September 11.

PROTECTING THE NATION FROM AVIAN FLU

(Mr. EMANUEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMANUEL. Madam Speaker, this country is dangerously close to a real biological crisis. Yesterday we learned an American company mailed a deadly avian flu strain to 37,000 laboratories in the United States and around the world as part of a routine test kit. The potential error is a reminder of the real danger of a flu pandemic and the millions of deaths it could cause. It also reminds us of the responsibility as a Congress and as a Nation to improve our ability to produce and distribute flu vaccine and to prepare for the pandemic.

The Flu Protection Act, which Senator BAYH and I introduced, would help ensure that enough vaccine is produced each year, fund research to combat avian flu, and require the development of contingency plans in the case of a pandemic.

The impending crisis must encourage this administration to take action now. Earlier this month, President Bush took an important step when he authorized a quarantine to stem the spread of avian flu.

In a letter that Senator BAYH and I will send today to the White House, there are other steps the President can take without legislation. He can increase our vaccine stockpiles, help States and cities prepare for the crisis of a pandemic, and provide the incentives for vaccine manufacturers to increase their production.

Madam Speaker, yesterday's announcement reminds us that the next flu pandemic is just around the corner, and the time to act is now. Congress and the President should not wait for this disaster to reach our shores before acting to protect this Nation.

SUPPORT THE CHILD INTERSTATE ABORTION NOTIFICATION ACT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Madam Speaker, in most schools an underage child is

prohibited from attending a school field trip without first obtaining parental authorization, yet nothing forbids this child from being taken across State lines in disregard of State laws for the purpose of undergoing a life-altering procedure, an abortion.

Please note these documents from a local school district in which it is required to have extensive information and parental authorization for a simple field trip or for a release for disbursement of medication, a total of eight pages for a field trip or for giving an aspirin, even brought from the child's home. But for an abortion, nothing is required.

My legislation, the Child Interstate Abortion Notification Act, CIANA, would make it a Federal offense to transport an underage child across State lines in circumvention of State and local parental notification laws for the purpose of having an abortion. It will also require that, in a State without a parental notification requirement, abortion providers be required to notify a parent.

Today, CIANA will be marked up by the House Committee on the Judiciary. I hope we can pass the bill in the House quickly to protect our underage girls.

THE CHARADE OF GOP LEADERSHIP REGARDING THE ESTATE TAX

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUMENAUER. Madam Speaker, I was moved by the words of Dr. Dodd from Omaha and thought about today's continuation of the charade our friends in the Republican leadership play, a very cynical game that they have done every Congress since I have been here that is both unnecessary and unjustified.

Instead of allowing the legislative process to work here to deal with the consensus that exists to raise estate tax limits and solve problems of family businesses and farms, instead they are going to go through an empty effort to repeal it altogether, which ultimately they know will not happen.

In the meantime, this week, 2.9 million families are caught in the snare of the Alternative Minimum Tax, not the fabulously wealthy who are dodging taxes but hundreds of thousands of hard-working, non-rich Americans, whose only sin is, they pay their taxes, they are raising their family and they are saving for the future.

Rather than the fixing the Alternative Minimum Tax, today's charade is a shameful dereliction of duty for American taxpayers.

LET THE DEATH TAX DIE FOR GOOD

(Mr. PRICE of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE of Georgia. Madam Speaker, it is time that we bury the death tax today, once and for all. For too long the American dream has turned into the American nightmare and for too many citizens and countless small businesses.

Many Americans with dreams take risks, invest their savings, work long hours, and the government keeps over half of their assets when they die, 55 percent. That is the amount Washington takes with the death tax, 55 percent, and that is not fair to anyone.

The death tax undermines our economy, and I know that we can do better. It costs our economy over 250,000 jobs a year. That is a quarter of a million people who should be collecting paychecks rather than unemployment checks.

Madam Speaker, the death tax is hurting families, and it is killing our small businesses. Freedom and liberty demand that hard-working Americans be able to leave their children the results of their success, not have Washington get a windfall. Let us act today and let the death tax die for good.

ETHICAL SYSTEM OF U.S. HOUSE OF REPRESENTATIVES

(Ms. SOLIS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SOLIS. Madam Speaker, I rise today to urge my Republican colleagues to join me in restoring the ethical system to this Chamber.

Currently, a member of the Republican leadership is at the center of a troubling array of investigations into corruption, abuse of power and ethics violations. Instead of being forthright and open to these allegations, the Republican leadership has stripped the ethical rules of this institution to cater and protect one of their own. By doing so, Republican leadership has abandoned a tradition of trust and transparency in this body.

As Members of Congress, we are responsible to adhering to the ethical guidelines set forth by this Congress. As public servants, we must answer to the American public, and while we craft the law, we are not above the law.

I urge my colleagues to answer the concerns of the American public and remove the question of any possible ethics violations that tarnish the reputation of this Chamber. Democrats want to restore strong, bipartisan ethics rules. It is time Republicans join us in passing the Mollohan resolution and restore the ethical system and the integrity it upholds in the U.S. House of Representatives.

DEMOCRACY IN THE MIDDLE EAST

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Madam Speaker, it has been 2 years since the United

States troops entered Iraq, and it has become clear that the democratic elections that have been provided to the people of Iraq through this campaign have begun to spread throughout the region.

In Beirut on Monday, hundreds of thousands of Lebanese protesters gathered in Martyr Square, which some are now calling Freedom Square, to demonstrate for the removal of Syrian troops to withdraw from Lebanon. They chanted, "Sovereignty, Freedom, and Independence."

When their prime minister was assassinated 4 weeks ago and replaced with a pro-Syrian prime minister, the Lebanese people took to the streets and called for freedom. Their protests sparked the resignation of the pro-Syrian prime minister.

Because of U.S. efforts in the Middle East, freedom is no longer something inconceivable to the people of this region. Instead, they have witnessed the spread of freedom to their neighbors and have been empowered by it.

We must continue to support policies which promote freedom in the Middle East.

MEMORIALIZING THE NATIONAL DAY OF SILENCE

(Mr. FARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FARR. Madam Speaker, I rise today to provide a voice for those too often silenced, the gay, lesbian, bisexual and transgendered students who face verbal, nonverbal and physical harassment in our schools.

□ 1015

Today is the National Day of Silence; and across the country, students have taken a vow of silence to protest the discrimination and intolerance that gay, lesbian, bisexual, and transgender people face on a daily basis. We must continue to promote the diversity that makes our country so rich, while denouncing stereotypes that make it harder for youths to accept themselves. Stereotypes also contribute to the harassment, prejudice, and discrimination that silence GLBT youth.

For that reason, I am proud to sponsor H.R. 123, which memorializes the National Day of Silence.

I would also like to highlight the new campaign from the Gay Lesbian Straight Education Network called TeachRespect.org.

I would also like to thank Mat Friday and Bruce Carlsen, community members in my district who are working hard to make K-12 schools safe, and especially Stewart Rosenstein, who is a tireless advocate for the GLBT youth in Santa Cruz, California.

I commend my colleague, the gentleman from New York (Mr. ENGEL), for introducing such important legislation. I urge my colleagues to be cosponsors.

NATIONAL CRIME VICTIMS' RIGHTS WEEK

(Mr. KENNEDY of Minnesota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY of Minnesota. Madam Speaker, this week is the 25th anniversary of National Crime Victims' Rights Week. When President Reagan first announced National Crime Victims' Rights Week, he said, "For too long, the victims of crime have been the forgotten persons of our criminal justice system. Each new victim personally represents an instance in which the system has failed, and lack of concern for victims compounds that failure."

The Crime Victims' Rights constitutional amendment is an important step forward that will empower crime victims by allowing them to confront their assailants in court and alerting them of prisoner releases and allowing victims to seek restitution from their attackers.

Last Congress, we passed the PROTECT Act, also known as the Amber Alert bill. The PROTECT Act stiffens penalties for sex offenders, eliminated the statute of limitations for these crimes, and created a national Amber Alert system. We passed the Debbie Smith Act, which funds expanding and improving the quality of crime labs to conduct DNA analyses to catch sex offenders and other criminals, ensuring that the right person is going to jail.

But there is more we can do. Last year, Minnesota suffered a great tragedy with Dru Sjodin being abducted. We need to pass Dru's Law this year.

ARROGANT MAJORITY DISMANTLES ETHICS PROCESS

(Ms. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER. Madam Speaker, a dark cloud and a suspicion of corruption hangs over this House of Representatives. It is the talk of the Nation. With no Committee on Standards of Official Conduct or reasonable ethical standards to speak of, there is no hope that the dark cloud will recede and that daylight will be let in.

By systematically dismantling the House ethics process, the majority has denied this House the right to investigate its own Members and thus betrayed our core American values. Honesty, integrity, and accountability, the values, which should be the hallmark of this government, have instead been thrown under the bus by an arrogant majority, casualties in a misguided campaign to shield from accountability those who abuse this House.

This House cannot function without an open, accountable, and independent ethics process; and the molestation of that process by the majority is an abuse of power that cannot stand.

It is for these reasons I have repeatedly asked the Chair of the Committee

on Rules to hold a bipartisan ethics hearing. As guardians of the democratic process, our Committee on Rules has the unique responsibility to protect the integrity of this hallowed institution.

What are we waiting for? This dark cloud must be lifted, the air must be cleansed, and the ethics rules must be fully restored, because the very credibility of the government and its ability to lead the American people hang in the balance.

DEATH TAX REPEAL PERMANENCY ACT KEEPS FAMILY FARMS THRIVING

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RYUN of Kansas. Madam Speaker, I rise today to urge my colleagues to vote to permanently repeal the death tax. The death tax hurts average Americans who have worked hard to build a family business and want to pass it on to their children.

Arguments from my colleagues on the other side of the aisle ignore those who the death tax hurts the most. I am particularly concerned about one group of people impacted by the death tax, and that is the family farm.

There are approximately 2 million family farms in America, many of which are in my district, the second district of Kansas. These farms produce 94 percent of the American agricultural products that are sold. More importantly, however, they pay death taxes as high as 47 percent when they deed the farm to their children. Furthermore, there are twice as many farm estates paying death taxes than any other type of estates combined. This troubles me because family farms cannot afford to pay high taxes that could be pushing them out of business.

Unless we act, the death tax will be reinstated in 2011. If that happens, countless family farms will be forced to sell land, buildings, and equipment, putting them out of business.

For this reason, I urge my colleagues to vote in favor of the family farm and vote for the Death Tax Repeal Permanency Act.

REPUBLICAN-LEANING "PLAIN DEALER" EDITORIAL SEEKS BREATH OF INTEGRITY

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Madam Speaker, from April 8, a Plain Dealer editorial from a Cleveland Republican-leaning newspapers writes: "Tom DeLay, the House Majority Leader, can fashion what to him is a reasonable explanation for each of the ethics questions increasingly being raised against him.

"It's a witch hunt by a Democrat out to destroy him," DeLay responds. This is the Plain Dealer writing.

“To each of these and far too many more defensive responses, his faithful defenders, especially those who have bathed regularly under the campaign money spigot he controls, shout a loud ‘amen’ and accuse the Times and Post of mounting a liberal smear campaign.

“But the ranks of DeLay’s defenders shrink almost daily, as they should.”

The Republican-leaning Plain Dealer then asks: “Is the Sugarland sugar daddy the best their party has to offer the Nation in this key leadership post? Can they not find a fellow Republican wise enough to avoid, in terms he might understand, the very appearance of evil? Can’t someone open a window and let in a breath of integrity to blow the growing stench out of the people’s Chamber?”

Words from a newspaper that endorsed George Bush in 2000, the Cleveland Plain Dealer, April 8.

SANDY BERGER’S DEAL IS SHADY

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Madam Speaker, last year, former Clinton National Security Adviser Sandy Berger stole classified documents from the National Archives, five copies of an “after-action” memo on the 2000 millennium terror plot, to be precise. He later destroyed, he cut up, three of the copies that contained handwritten notes from administration officials. Then, he lied about it to Federal investigators. The memo was severely critical of the Clinton administration’s handling of the incident.

Recently, we learned that Mr. Berger made a deal with Federal officials, and the deal was not 5 years in prison instead of 10. No, he gets a slap on the wrist in exchange for admitting he lied.

So let us just make sure we have the score right here. Martha Stewart tells a lie about a stock sale; she goes to prison. Sandy Berger lies about stealing and destroying national security documents; he gets a slap on the wrist. So send the person who lied about money to jail, but go easy on the person who lied about stolen and destroyed classified documents who tried to cover up the public record on an issue of life and death and national security.

Justice? Sorry to say, not this time.

TRIBUTE TO THE HONORABLE DAN PEARL

(Ms. WASSERMAN SCHULTZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WASSERMAN SCHULTZ. Madam Speaker, I rise today to pay tribute to the honorable Dan Pearl.

Mayor Pearl retired in 1972 to the town of Sunrise, Florida, in Broward County after having served 30 years as a parole officer with the New York Division of Parole.

In 1979, he was first elected to the Sunrise City Council and later served as mayor and deputy mayor. It was during his tenure as mayor that Sunrise made the transition from a strong-mayor system to a professionalized city government administered by a city manager.

In appreciation of his tireless service to his community, county officials took the unprecedented step of naming the Oakland Park Boulevard Library after Mayor Pearl in 1993.

Those of us who had the pleasure of working with Mayor Pearl will always remember his contributions and insights as a public servant. He was a member of numerous boards and organizations, including the Florida League of Cities, the Gold Coast League of Cities, the Broward Planning Council, the South Florida Regional Planning Council, and the American Cancer Society.

His death in 1996 was a tremendous loss to his family, colleagues, and the citizens of south Florida; but we will always remember the warmth, sincerity, and friendliness of Dan Pearl that he shared with everyone.

On behalf of the people of south Florida, it is my honor to salute the life and legacy of Mayor Dan Pearl.

END THE TYRANNY OF ANXIETY OF APRIL 15

(Mr. PENCE asked and was given permission to address the House for 1 minute.)

Mr. PENCE. Madam Speaker, it is April 13; and to my fellow American procrastinators I say, 2 days and counting, until tax day, April 15.

In 2003 alone, Americans spent \$203 billion just preparing our taxes, let alone paying for them. Madam Speaker, 1 billion hours in annual paperwork has been added to tax preparation in just the last 10 years.

Think of these comparisons: in 2003, your 1040 form is 73 lines long. In 1935 it was 34 lines long. In 2003, your 1040 booklet was 131 pages. When it was created in 1935, it was 2 pages.

Are we having fun yet? I say no.

Today we will scrap the death tax, and well we should. But while we are at it, let this majority rededicate itself to scrap the code, to create a new flatter and fairer and simpler system that ends the tyranny of April 15 on the American people, a tyranny of anxiety.

ETHICS ISSUES SHOULD BE ADDRESSED IN THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. CROWLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROWLEY. Madam Speaker, the ethics of this House, the people’s House, and this leadership have been questioned.

Madam Speaker, the leadership of the majority is being investigated by

no more than 15 newspaper investigative reporters. And while all this happens, the Committee on Standards of Official Conduct, our Committee on Standards of Official Conduct, stands silent, locked tighter than a drum, deadlocked. This time, the majority cannot blame anyone but themselves. They cannot blame the Democratic Party.

The majority threw out the rules and House ethics. They removed the former Chair because of his independence and changed the rules to make delay and denial easier and facts harder to find.

The ethics issues that are being investigated need to be addressed, and where they should be addressed is in the House Committee on Standards of Official Conduct.

The Republicans need to break this logjam and make the Committee on Standards of Official Conduct the most respected committee in the Congress, instead of the partisan political tool that it has become.

MAJORITY AGENDA UNFAIR AND UNAMERICAN

(Mr. MORAN of Virginia asked and was given permission to address the House for 1 minute.)

Mr. MORAN of Virginia. Madam Speaker, the House majority today is about to increase our deficit by \$290 billion. We are going to offer an alternative; but they will reject that alternative so that they can take care of three-tenths of 1 percent of the very wealthiest people in this country. For the difference in cost, you could restore food stamps to 300,000 families; you could restore medical care to the 7 million poor elderly people in the nursing homes that you just cut from the Medicaid program; you could restore 300,000 day care slots for poor children.

These are people who suffer from the accident of birth and, in many cases, only because of the accident of birth; in order to reward a handful of families who are advantaged by the accident of birth, who have the very best education, the very best contacts, the very best prospects for economic success, and yet we will take billions, tens of billions, hundreds of billions of dollars out of Federal revenue to reward that three-tenths of 1 percent. That is unfair, and it is un-American. This was envisioned as a Nation of equal opportunity, not one of inherited aristocracy.

BRING BACK INTEGRITY TO THE HOUSE OF REPRESENTATIVES

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute.)

Mr. MCGOVERN. Madam Speaker, I rise today to discuss the Republican majority’s ongoing disregard for the democratic process in the United States House of Representatives.

In the last Congress, the arrogance of power coming from the other side of

the aisle was breathtaking. This Congress, it is only getting worse.

The majority has consistently used closed and highly-restrictive rules to stop Members of both parties from offering amendments to important legislation. They have rushed major bills to the floor without even giving Members a chance to read them. They have given special interests and their lobbyists unprecedented access and influence. Votes were kept open for hours in an attempt to threaten Members into voting a certain way, and they have completely gutted the ethics process here in the House.

This blatant disregard for democracy shows disrespect, not just for Members of Congress but, more importantly, for the people we all represent; and it has to stop. We can start by reestablishing a real bipartisan Committee on Standards of Official Conduct and restoring the meaningful ethics rules that the Republican leadership threw away in January.

Madam Speaker, I urge my colleagues to bring back the integrity of this House.

□ 1030

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore (Mrs. CAPITO). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later in the day.

JUSTIN W. WILLIAMS UNITED
STATES ATTORNEY'S BUILDING

Mr. SHUSTER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1463) to designate a portion of the Federal building located at 2100 Jamieson Avenue, in Alexandria, Virginia, as the "Justin W. Williams United States Attorney's Building".

The Clerk read as follows:

H.R. 1463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

(a) IN GENERAL.—The building and structure described in subsection (b) shall be known and designated as the "Justin W. Williams United States Attorney's Building".

(b) DESCRIPTION.—The building and structure to be designated under subsection (a) is that portion of the Federal building located at 2100 Jamieson Avenue, in Alexandria, Virginia, that is attached to the Federal building's main tower structure, described as A-Wing in the architectural plans, and currently occupied by the Office of the United States Attorney for the Eastern District of Virginia, Alexandria Division.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building and structure

described in section 1(b) shall be deemed to be a reference to the "Justin W. Williams United States Attorney's Building".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for appropriate identifying designations to be affixed to the building and structure described in section 1(b) and for an appropriate plaque reflecting the designation and honoring Justin W. Williams and his service to the Nation to be affixed to or displayed in such building and structure.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from California (Mr. HONDA) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Speaker, I yield myself such time as I may consume.

H.R. 1463 introduced by the gentleman from Virginia (Mr. TOM DAVIS) designates a portion of the United States courthouse located at 2100 Jamieson Avenue in Alexandria, Virginia, as the Justin W. Williams United States Attorney's Building. The full courthouse is known as the Albert V. Bryan United States Courthouse.

This is the second time this matter has come before the House, having previously been considered during the 108th Congress when it passed by voice vote. As before, the bill has the bipartisan support of the entire Virginia delegation.

Born in New York City in 1942, Justin Williams earned his Bachelor's degree from Columbia University in 1963 and his law degree from the University of Virginia in 1967. After graduation, Justin Williams embarked upon his legal career. From 1967 until 1986, he worked for the Department of Justice Criminal Division, served as Assistant Commonwealth Attorney in Arlington County, and Assistant U.S. attorney for the Eastern District of Virginia based in Alexandria.

In 1986, Justin Williams was appointed chief of the Criminal Division and served in that capacity until his death in 2003.

It is my honor to bring this bill to the floor, which honors a dedicated American who spent his entire career making America safer for everyone. I support this legislation and encourage my colleagues to do the same.

Madam Speaker, I reserve the balance of my time.

Mr. HONDA. Madam Speaker, I yield myself such time as I may consume.

H.R. 1436 is a bill to designate a portion of the Alexandria courthouse located at 2100 Jamieson Avenue as the Justin W. Williams United States Attorney's Building. In the 108th Congress, an identical bill, H.R. 3428, was introduced but did not receive action from the other body.

H.R. 1463 was introduced by my colleague, the gentleman from Virginia (Mr. TOM DAVIS), and enjoys strong bipartisan support.

U.S. Attorney Justin Williams was an extraordinary public servant who

served the citizens of Virginia for over 30 years. He received his undergraduate degree from Columbia University and his law degree from the University of Virginia. During his 33 years as a Federal prosecutor he supervised or was directly involved in every major Federal prosecution in the Eastern District of Virginia.

His career is filled with numerous awards and honors, including the Attorney General's Award for Excellence that is awarded for furthering the interests of national security, the Director's award for superior performance in years 1990, 2000, 2002, and Sustained Superior Performance for the years 1990, 1991, 1997, 1998 and 1999.

In addition to being an outstanding lawyer, Justin Williams was a thoughtful mentor, loyal friend, outstanding role model, devoted husband and loving father; and it is most fitting we honor the distinguished career of this dedicated public servant with this designation.

Madam Speaker, I reserve the balance of my time.

Mr. SHUSTER. Madam Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. WOLF).

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Madam Speaker, I rise today in support of H.R. 1463, which my colleague and good friend, the gentleman from Virginia (Mr. TOM DAVIS), introduced to recognize the important contributions Justin W. Williams made to justice and freedom in our society.

The gentleman from Virginia (Chairman DAVIS) is in a markup in the full committee and asked if I would come over to read this statement to represent him.

Justice Williams was born in New York City in 1942, earned a Bachelor's Degree, as was said, from Columbia University in 1963 and a law degree from UVA in 1967.

After law school, he worked for the Department of Justice Criminal Division from 1967 through 1968, then served as Assistant Commonwealth's Attorney in Arlington County from 1968 to 1970.

His career as a Federal prosecutor began on May 11, 1970. During the ensuing 33 years he was either directly involved or supervised every major Federal prosecution in the Eastern District of Virginia; and, as Members know, that is one the more difficult districts in the country.

Mr. Williams was appointed Acting United States Attorney on two occasions, June, 1979, to November, 1981, and January, 1986, to June, 1986.

He was also at various times First Assistant United States Attorney, Senior Litigation Counsel and, for most of his career, Chief of the Criminal Division of the United States Attorney's Office for the Eastern District of Virginia.

As Chief of the Criminal Division, Justin Williams supervised over 100

prosecutors and oversaw such high-profile trials as U.S. vs. Aldrich Ames, Aldrich Ames, a spy from the CIA who sold out his government; U.S. vs. Robert Hanssen, Robert Hanssen, an FBI agent who sold out his government to the Soviet Union, both of whom were convicted for spying for the Soviet Union.

He also led the prosecution of the Virginia Jihad Network.

His many accomplishments, far too numerous to list, include the Attorney General's Award for Excellence in furthering the Interest of the United States National Security, Section 2002, as well as three Director's Awards for Superior Performance as an Assistant United States Attorney.

On August 31, 2003, Mr. Williams died tragically at the age of 61 from an apparent heart attack as he jogged along the Potomac River in Old Town, Alexandria, Virginia, leaving his wife, Suzanne, and children Andrew and Caitlin.

His untimely death marked the end of a career of a truly remarkable public servant who was loved and respected by all his colleagues and those who had the pleasure of knowing him.

Mr. Williams was revered as a mentor and role model, and his legacy will serve as a testimonial to courage, conviction, fairness and decency.

Madam Speaker, we owe Justin Williams and his family and all those in the legal field who have chosen a career in public service a debt of gratitude.

I urge my colleagues to forever remember Justin Williams and keep a record in our mind and in our hearts as we pass by the building. And on behalf of the gentleman from Virginia (Mr. TOM DAVIS), Chairman DAVIS, I urge the support of this and will supply the statement for the record.

Madam Speaker, I rise today in support of H.R. 1463, which my colleague and good friend TOM DAVIS introduced to recognize the important contributions Justin W. Williams made to justice and freedom in our society.

Justin W. Williams was born in New York City in 1942. He earned his Bachelor's Degree from Columbia University in 1963 and his law degree from the University of Virginia in 1967. After law school, he worked for the Department of Justice, Criminal Division from 1967–1968, then served as Assistant Commonwealth's Attorney in Arlington County from 1968–1970.

Mr. Williams' career as a Federal prosecutor began on May 11, 1970. During the ensuing 33 years he was either directly involved in or supervised every major federal prosecution in the Eastern District of Virginia. Mr. Williams was appointed Acting United States Attorney on two occasions, June 1979 to November 1981 and January 1986 to June 1986. He was also at various times First Assistant United States Attorney, Senior Litigation Counsel, and for most of his illustrious career Chief of the Criminal Division of the United States Attorney's Office for the Eastern District of Virginia. As Chief of the Criminal Division, Justin Williams supervised over 100 prosecutors, and oversaw such high profile trials as U.S. v. Al-

drich Ames, U.S. v. Robert Hanssen, both of whom were convicted of spying for the Soviet Union. He also led the prosecution of the Virginia Jihad Network.

His many accomplishments and awards, far too numerous to list, included the Attorney General's Award for Excellence in Furthering the Interest of the United States National Security (2002), as well as three Directors' Awards for Superior Performance as an Assistant United States Attorney.

On August 31, 2003, Mr. Williams died tragically at the age of 61 from an apparent heart attack as he jogged along the Potomac River in Old Town, Alexandria, Virginia, leaving his wife Suzanne and children Andrew and Caitlin. His untimely death marked the end of a career of a truly remarkable public servant who was loved and respected by all of his colleagues and those who had the pleasure of knowing him. Mr. Williams was revered as a mentor and role model and his legacy will serve as a testimonial to courage, conviction, fairness, and decency.

Madam Speaker, we owe Justin Williams, and all those in the legal field who have chosen a career in public service a debt of gratitude. I urge all my colleagues to forever remember Justin Williams and to keep a record in our minds, and in our hearts, of the great sacrifices made by all men and women in the legal community who have served and continue to serve our great Nation.

I thank the Virginia delegation for their support of this resolution and I ask all members to support H.R. 1463.

Mr. HONDA. Madam Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Madam Speaker, I thank my friend and colleague from California (Mr. HONDA) for yielding me this time in order to give some much-deserved recognition to Justin Williams.

As our colleague, the gentleman from Virginia (Mr. WOLF) has explained, Chairman DAVIS has to be in a hearing, but I know the chairman is very much disappointed he is not able to speak on this bill that he introduced.

We want to name the Federal building on Jamieson Avenue in Alexandria, Virginia, just by the Federal courthouse, after Justin Williams because he was such an outstanding Federal prosecutor.

He passed away August 31, 2003, while he was running along the Potomac River in Old Town. He had a heart attack. We lost a tremendous asset to the country and to the Department of Justice. Mr. Williams was also a wonderful friend to all who knew and worked with him.

Justin Williams began his career as a lawyer after attending Columbia University. He then went to law school at the University of Virginia, where he graduated in 1967.

He then moved to the Washington, DC, area and worked at the Department of Justice Criminal Division. In 1968, he served as the Commonwealth's attorney for Arlington County before going back to the Federal Government in 1970.

He then became a Federal prosecutor for the U.S. Attorney's Office in Alex-

andria, was named Chief of the Criminal Division and an Assistant U.S. Attorney for the Eastern District of Virginia.

As a Federal prosecutor, as has been said, he was responsible for the prosecution of several terribly important high-profile cases, including Aldrich Ames, Robert Hanssen, and many cases involving terrorists after September 11. After the Robert Hanssen case, Mr. Williams was honored by Attorney General Ashcroft for his role in that prosecution.

He has received so many awards for his accomplishments as a Federal prosecutor that we can't list them all here. He was named Acting U.S. Attorney on two separate occasions. But he will be most remembered not just for the accolades that he received but for the kindness that he showed toward those he served throughout his tenure.

As a supervisor for more than a hundred other prosecutors, he was a mentor and a role model to the attorneys that were just beginning their careers. He had an incredible ability to remember cases, to put cases in context. He was always willing to share that extensive knowledge with his colleagues.

He had a superb reputation with the judges he worked with and was known for having a very sound legal mind. Everybody remembers him for his sense of humor, his humility and his good judgment.

We want to pass along our condolences to Mr. Williams' wife, Suzanne, his children, Andrew and Caitlin, and the other members of his extended family, his friends and his colleagues who feel his loss so deeply. His memory will not soon fade.

His service not only to our Nation but also to the people of Virginia certainly justifies naming this building by the Federal courthouse in Alexandria the Justin W. Williams United States Attorney's Building. His lasting legacy will be felt by all who work in this Federal building and especially by those who carry the responsibility of working as a Federal prosecutor in the future. May they be inspired by Mr. Williams' commitment to excellence and service to our country.

Mr. OBERSTAR. Madam Speaker, I rise in support of H.R. 1463, a bill to designate the A-Wing portion of the new United States courthouse located at 2100 Jamieson Ave, in Alexandria, Virginia as the "Justin W. Williams United States Attorney's Building."

This designation honors former Assistant U.S. Attorney Justin Williams. Mr. Williams enjoyed a remarkable and distinguished career in public service. After his graduation from the University of Virginia Law School in 1967, he accepted a job as an attorney in the Criminal Division in the U.S. Department of Justice. He also served as an Assistant Commonwealth's Attorney in Arlington County, Virginia, and in 1970, he accepted an appointment as an Assistant U.S. Attorney in the Eastern District of Virginia where he served for 33 years until his death in August 2003.

At various times in his career, he held the position of Acting U.S. Attorney, First Assistant

U.S. Attorney, Senior Litigation Counsel, and Chief of the Criminal Division for the Eastern District of Virginia. As Chief of the Criminal Division, to which he was appointed in 1986, Mr. Williams was involved in virtually all major federal prosecutions in that District and was responsible for many high profile cases, including *U.S. v. Aldrich Ames* and *U.S. v. Robert Hanssen*. In each position, he consistently displayed the highest levels of professionalism, serving with distinction and honor.

During his long and distinguished career, Mr. Williams received a number of awards and honors, including the U.S. Attorney General's Award for Excellence in Further in the Interests of U.S. National Security. He was deeply admired by all his colleagues and loved by his family and friends, and he served as a role model and mentor for all worked with him in the U.S. Attorney's office.

H.R. 1463 has strong bipartisan support from many members of the Virginia delegation. I also support the bill and urge its passage.

Mr. SHUSTER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HONDA. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the bill, H.R. 1463.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. HONDA. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

REYNALDO G. GARZA AND FILEMON B. VELA UNITED STATES COURTHOUSE

Mr. SHUSTER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 483) to designate a United States courthouse in Brownsville, Texas, as the "Reynaldo G. Garza and Filemon B. Vela United States Courthouse".

The Clerk read as follows:

H.R. 483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at the corner of Seventh Street and East Jackson Street in Brownsville, Texas, shall be designated and known as the "Reynaldo G. Garza and Filemon B. Vela United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Reynaldo G. Garza and Filemon B. Vela United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from California (Mr. HONDA) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Speaker, I yield myself such time as I may consume.

H.R. 438, introduced by the gentleman from Texas (Mr. ORTIZ), designates the United States courthouse located in Brownsville, Texas, as the Reynaldo G. Garza and Filemon B. Vela United States courthouse.

This is the second time the Congress has considered this matter, having previously passed identical legislation by voice vote during the 108th Congress.

This legislation honors two men for their service to their country, both inside and out of public service.

Reynaldo Guerra Garza was born in Brownsville, Texas, and spent his lifetime serving that community.

President Kennedy appointed then State Judge Garza to the U.S. District Court for the Southern District of Texas in 1961. At that time, Judge Garza became the first Mexican American on any U.S. District Court.

In 1979, when Jimmy Carter appointed him to the Fifth Circuit Court of Appeals, Judge Garza became the first Mexican American to serve in that position.

Filemon Bartolome Vela was born and raised in Harlingen, Texas. Like Judge Garza, he dedicated his life to South Texas, first as a State judge and then as a Federal judge, taking over the District Court seat vacated by Judge Garza upon his appointment to the Circuit Court of Appeals.

Judge Vela is perhaps best known in the community for his work with schools, encouraging youth education and literacy programs.

□ 1045

This naming is fitting tribute to their dedicated service, and I urge my colleagues to support this legislation.

I would also like to recognize my colleague, the gentleman from Texas (Mr. ORTIZ), for his dedication to bringing this legislation to the floor. I thank him for ensuring these men are recognized for their service.

Madam Speaker, I reserve the balance of my time.

Mr. HONDA. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I join with the gentleman from Brownsville, Texas (Mr. ORTIZ), in supporting H.R. 483, a bill to name the courthouse in Brownsville, Texas, as the Reynaldo G. Garza-Filemon B. Vela United States Courthouse.

Madam Speaker, this bill honors the life and works of two extraordinary Mexican Americans. The first honoree, Judge Reynaldo Garza, was born in Brownsville in 1915. He graduated from local elementary schools as well as Brownsville High School. After grad-

uating from Brownsville Junior College, he attended the University of Texas where he received the combined degrees of Bachelor of Arts and Bachelor of Law.

Judge Garza served his country during World War II in the Air Force. After the war he returned to Brownsville to practice law.

In 1961 President Kennedy appointed Judge Garza to the district court for the Southern District of Texas. In 1979 President Carter appointed him to the United States Court of Appeals for the 5th Circuit. In addition to his judicial duties, Judge Garza has long been interested in education issues.

He served former Governors John Connally and Mark White on commissions to improve the quality of education in Texas. Judge Garza recognized the importance of education in judicial proceedings and his concern for uneducated men at the mercy of unscrupulous people.

Judge Garza was very active in his church and has served the Knights of Columbus in the Brownsville area for many years.

Pope Pius XII twice decorated Judge Garza for his work on behalf of public charities. In 1989 Judge Garza was honored by the University of Texas with a Distinguished Alumnus Award.

His record of public service includes the work with the Rotary Club, the Latin-American Relation Committee in Brownsville, trustee at his law school, advisory council for the Boy Scouts, and he was elected as the city commissioner for the City of Brownsville.

It is fitting and proper to honor Judge Garza's outstanding, rich life, his commitment to excellence and his numerous public contributions.

The second honoree, Madam Speaker, Judge Filemon Vela, was also a native Texan and a veteran of the United States Army. He attended Texas Southmost College and the University of Texas. His law degree is from St. Mary's School of Law in San Antonio.

Judge Vela served as a commissioner of the City of Brownsville. He was a member of the Judges Advisory Committee to the U.S. Sentencing Commission. Judge Vela is a former law instructor and an attorney for the Cameron County Child Welfare Department.

His civic activities including being the charter president for the Esperanza Home for Boys and the co-sponsor of the Spanish Radio Program "Enrich Your Life, Complete Your Studies." Judge Vela's other civic activities include membership on the Independent School District Task Force and membership in the general assembly of the Texas Catholic Conference. He is also an active member of the Lions Club.

Judge Vela was nominated by President Carter for the Federal bench and was confirmed by the United States Senate in 1980.

Judge Vela's career is filled with successes, commitment to his family, devotion to his religion and his church,

love for his work and respect for his colleagues. It is most fitting to honor Judge Vela with this designation.

I join the gentleman from Texas (Mr. ORTIZ) in supporting H.R. 483.

Madam Speaker, I reserve the balance of my time.

Mr. SHUSTER. Madam Speaker, I reserve the balance of my time.

Mr. HONDA. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. ORTIZ), the author of this bill.

Mr. ORTIZ. Madam Speaker, I thank the gentleman for yielding me time. I think the gentleman has done a great job in describing the contributions of two great giants from south Texas. I want to thank the gentleman from Alaska (Mr. YOUNG) and the gentleman from West Virginia (Mr. MOLLOHAN) and the gentleman from Pennsylvania (Mr. SHUSTER) and all those involved who helped expedite this bill.

This is not the first time this bill has been before the House. It has passed two or three times, but it has stalled in the Senate. This bill would rename the Brownsville courthouse for two legislative giants from south Texas. This bill will rename the courthouse the Reynaldo G. Garza and the Filemon B. Vela United States Courthouse.

We have a wealth of riches in south Texas, including these two giants of men. Reynaldo Garza was the first Hispanic appointed to the Federal bench by President John F. Kennedy in 1961 and Judge Filemon Vela was appointed to the Federal bench by President Jimmy Carter back in 1980. Both of these men have become legends in the south Texas area by virtue of their commitment to education and to our community. Both heroes passed away last year.

This legislation is noncontroversial, and I hope the Senate will quickly consider and pass this as well.

I thank the House and my friends for helping expedite this bill again to get to the floor.

Mr. SHUSTER. Madam Speaker, I reserve the balance of my time.

Mr. HONDA. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Madam Speaker, I rise today in strong support of H.R. 483, the Garza-Vela United States Courthouse Designation Act, offered by my colleague and my good friend, the gentleman from Texas (Mr. ORTIZ).

This bill pays tribute to two great Americans, Federal Judge Reynaldo Garza and Federal Judge Filemon Vela who were judicial legends in the great State of Texas.

Judge Garza was the Nation's first Mexican American Federal district judge appointed to the Federal bench by President Kennedy in 1961. This outstanding man had done advanced study in the field of law and was a great orator.

Judge Garza served our Nation through the turbulent years of the civil rights movement. His decisions contributed to the changes that opened up many opportunities for minorities.

In 1976 President Carter asked him to serve as the Nation's Attorney General, but he declined because he did not want to leave his beloved south Texas and his service on the Federal bench. He did, however, accept an appointment to the 5th Court of Appeals by President Carter and for many years commuted back and forth between south Texas and the circuit court in New Orleans.

In 1982 he obtained senior status; and even after his retirement, he remained active by filling in on the bench whenever he was needed. He was committed to education, particularly in encouraging literacy; and he was known and highly respected by everyone for the even-handed way in which he dispensed justice.

I served 1 year as foreman of a Federal grand jury which he appointed in his district court in Brownsville, Texas. It was a privilege and a pleasure to work with him and meet in his chamber where I witnessed firsthand the honesty, the integrity, and compassion of this gentleman from south Texas.

His last official act took place from his hospital bed when he officiated the swearing in of his protege, Federal Judge Ricardo H. Hinojosa, as the new chairman of the Federal Sentencing Commission.

Judge Vela was nominated to the Federal bench by President Carter in 1980. He became an expert on comparative American and Mexican law. During his tenure, the Federal docket dramatically increased due to the enormous population growth in south Texas. Yet despite the heavy case load, Judge Vela fought to ensure that every person received prompt and fair treatment. He worked tirelessly to design and have built the new courthouse in Brownsville. It is indeed fitting that his name will be on this new Federal courthouse.

Judge Vela, like his good friend Judge Garza, was known for his impeccable integrity and his willingness to mentor young attorneys. He also was passionate about teaching children about the law and the criminal justice system in order to encourage them to make right choices of life. He would bring inmates to school auditorium programs to tell children about the mistakes they had made and the consequences they suffered as a result.

Judge Vela had one of the longest running and most successful radio programs on legal subjects which was broadcast in Spanish to more than 2 million listeners in south Texas and northern Mexico.

He also participated in 220 Spanish radio programs entitled "Enriquezca Su Vida, Termine Sus Estudios," meaning "enrich your life, complete your studies," that focused on encouraging children to stay in school and off drugs.

He was tireless when it came to community involvement and showing compassion for low-income families. I am

proud to have called him my second cousin.

He gave countless hours as a mentor and leader to youth programs whether as an attorney for the Cameron County Child Welfare Department, as founder of the Esperanza Home for Boys, or as the Chair of the Board of Rio Grande Marine Institute Home for Youth.

We lost both of these great men last year, but their service to the people of Texas and to this great Nation must not be forgotten.

I urge my colleagues to support this legislation that provides a fitting tribute to these two great Americans.

Mr. OBERSTAR. Madam Speaker, I rise in strong support of H.R. 483, a bill to honor two members of the United States Judiciary. The bill would designate the federal courthouse located in Brownsville, Texas as the Reynaldo G. Garza and the Filemon B. Vela United States Courthouse. I'd like to recognize the Gentleman from Texas, Congressman ORTIZ, for introducing this bill. The Gentleman introduced this same legislation in the 108th Congress, which passed the House last September. Unfortunately, the Other Body did not act on that bill. I am hopeful that with our passage of the bill today, the Senate will take quick action on it.

These two jurists displayed the very finest in legal scholarship. Judges Garza and Vela have contributed several decades of legal excellence to the judicial system of the United States. In addition, both these gentlemen have made substantial contributions, through extensive volunteer efforts, to the well being of their communities.

Judge Reynaldo Garza was appointed by President Kennedy to the federal bench and was the first Hispanic Federal Judge. After serving in the federal district court, Judge Garza was appointed to the U.S. Court of Appeals for the Fifth Circuit. He also served on the Brownsville Independent School Board, the Texas Educational Standards Committee, and the Select Committee on Higher Education.

When Judge Garza was appointed to the Fifth Circuit, Judge Filemon Vela succeeded him on the U.S. District Court for the Southern District of Texas in Brownsville. Judge Vela had a history of service to the community of South Texas. He worked closely with The Esperanza Home for Boys, and headed numerous local activities to encourage young people to stay in school. He was an active member of the Texas Conference of Churches and was former district Chairman of the Boys Scouts of America.

Judges Garza and Vela were active members in numerous civic organizations including the Texas Bar Association, and the United States Sentencing Commission, Brownsville Rotary Club, the Latin American Relations Committee, and the Brownsville Chamber of Commerce. They were beloved and revered members of the Mexican-American community, the judicial community, and the city of Brownsville.

Judges Garza and Vela were outstanding jurists and good friends. This designation is a fitting tribute to their distinguished public and civic careers of two remarkable Texans and I urge its adoption.

Mr. REYES. Madam Speaker, it is rare that a man has a chance to know his heroes. It is

even rarer for a man to be able to stand shoulder to shoulder with his heroes as a fellow community leader. While serving as Border Patrol Sector Chief for the McAllen, Texas sector, however, I had that chance. Today, we are remembering the lives and groundbreaking achievements of the late Judges Reynaldo Guerra Garza and Filemon Vela and inscribing the U.S. Courthouse in Brownsville with their names.

Like me, Judge Garza came from a humble background, from a family whose parents were born in Mexico and came to this country in search of opportunity for their children. He rose to preside over one of the highest courts in the land, in the process becoming the first Mexican-American federal district judge and rendering some of the most important civil rights decisions in this country's history. Judge Garza ended his career on the prestigious Fifth Circuit of the U.S. Court of Appeals.

Judge Vela, much like Judge Garza, grew up of modest means in South Texas. He is remembered as a hard-working and committed judge whose impact was felt not only in the courtroom, but in the community as well.

Perhaps the essential message for me to convey here, however, is that each of these men spent considerable time and effort emphasizing the incredible power of education. Both Judges Garza and Vela understood how education could transform the lives of young people, because they and their families had benefited greatly from it.

Madam Speaker, I urge all of my colleagues to support this legislation naming the courthouse in Brownsville, Texas after Reynaldo G. Garza and Filemon B. Vela—two great judges, great role models, and great men.

Mr. HONDA. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SHUSTER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. CAPITO). The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the bill, H.R. 483.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ROBERT T. MATSUI UNITED STATES COURTHOUSE

Mr. SHUSTER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 787) to designate the United States courthouse located at 501 I Street in Sacramento, California, as the "Robert T. Matsui United States Courthouse".

The Clerk read as follows:

H.R. 787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 501 I Street in Sacramento, California, shall be known and designated as the "Robert T. Matsui United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Robert T. Matsui United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from California (Mr. HONDA) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 787 introduced by the gentleman from California (Mr. THOMPSON), honors the late Bob Matsui, a distinguished and well-liked Member of this body.

A well-respected attorney and former city councilman, Bob Matsui served in this body for 26 years before his passing away on New Year's Day of this year.

Since his passing, much has been said about our late colleague by Members that knew him better than I, many of whom are here today. So I will leave it to them to speak of his many and varied talents and abilities.

This naming is a fitting tribute to an exceptionally fine person, a dedicated public servant, and a respected colleague.

Madam Speaker, I reserve the balance of my time.

Mr. HONDA. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of H.R. 787, a bill to name the courthouse in Sacramento in honor of our former colleague, Robert T. Matsui. This bill has broad bipartisan support from both his California colleagues and all of us who had the distinct privilege of serving with him.

Congressman Matsui's legislative interests and accomplishments are legendary here in the House. Health care, welfare reform, tax issues, the environment, immigrant issues, and of course Social Security are just a few of the issues that Bob made his own.

Bob was only 6 months old when, just months after the attack on Pearl Harbor, he and his family were interned at Tule Lake camp in California. His childhood experience in the internment camp shaped his future actions on behalf of those fighting for fairness. Bob understood the injustice of the internment and sympathized with other loyal Americans who suffered at the hands of the government in which they never lost faith.

He embraced his heritage and channeled his energy into making positive changes for all Americans. From the time he worked as a member of the Sacramento City Council to serving as the vice mayor of Sacramento and finally as a U.S. Representative starting in 1978, Bob Matsui served as a constant reminder of what integrity and dedication can accomplish in public office.

□ 1100

Bob Matsui should ultimately be remembered for his civility, his dignity and his service to others. He was a selfless role model whose footprint will forever be imprinted on our Nation's history.

Bob Matsui was intelligent and principled. As a skilled, respected politician and willing to reach across the aisle, his voice elevated any debate. His leadership style and his character served as a model for all of us.

It is certainly fitting that the House honor his exceptional life, his public service with this very appropriate courthouse designation. I thank the gentleman from California (Mr. LEWIS) and the gentleman from California (Mr. THOMPSON) for bringing up this measure in such an expeditious manner.

Again, I strongly support H.R. 778 and urge my colleagues to join me in support of this bill.

Madam Speaker, I reserve the balance of my time.

Mr. SHUSTER. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Madam Speaker, I appreciate the gentleman yielding me time.

I just wanted to come and pay tribute to this legislation and speak in favor of this tribute to Bob Matsui, and it is very fitting legislation to designate this courthouse.

I wanted to speak personally as a member of the Committee on Ways and Means, as a younger member of the Committee on Ways and Means, who had the opportunity to serve with Bob Matsui for 4 years. I have not served with Bob for the decades that many have in the past, but the Bob Matsui that I got to know in the Committee on Ways and Means was a very special man and person.

Bob Matsui was intellectually on the top of his game and was one of the best intellectual debaters and sparring partners we had, especially when it came to the issue of Social Security.

My favorite kind of people in the world and in this body are those who are passionate about their beliefs, whether or not we agree on those beliefs, and Bob Matsui had a great lesson for those of us younger Members and it was that you can be as strong and tough in debate when the microphone's on, but when it is turned off, you can be good human beings to one another.

Bob Matsui was a very kind gentleman. I was half his age, about the age of his kids, and I always just felt that he gave me sort of a mentoring-kind of relationship and role. Because every time I had a conversation with Bob Matsui, he had this nice glint in his eye, and he was always a person offering a kind word of advice or a kind word of friendship. That is something that I do not think we have enough of in this institution. It is something that I thought was a great lesson on how to conduct yourself among your colleagues, especially across the aisle.

So I am really sad to see Bob leave us here, but I think this is an extremely fitting tribute. I wish that more of us conducted ourselves in the way that he did, and I just want to lend my word of support to this fine legislation for just an outstanding and fine man who taught us a lot on how we can be civil with one another.

Mr. HONDA. Mr. Speaker, I want to thank the gentleman for his kind words.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMPSON), my friend and colleague and the author.

(Mr. THOMPSON of California asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of California. Mr. Speaker, we are here today to honor a colleague who honorably served in the House for 26 years, our good friend, the late Robert T. Matsui.

This bill to rename the U.S. courthouse in Sacramento after Bob is a small tribute to our friend who always rose above petty, partisan politics to do what was good and what was right for his district and for our country.

Bob provided more than a voice for those who could not speak for themselves. He provided monumental victories and results, not by being the loudest but by always being the smartest and the most informed person in any debate.

Bob's legacy of legislative victories directly improved the lives of millions of Americans spanning several generations. His victories included protection for single mothers with infants, stronger civil rights laws and protection of our Nation's most vulnerable seniors.

He also played a key role in crafting fiscal policy for the past 26 years, and before his very untimely death he was leading the effort to protect Social Security benefits for America's seniors.

Bob left an indelible mark on national policy, but he never forgot the needs of his district. His district and the greater Sacramento region were always his number one priority.

Today, we will vote to rename the U.S. courthouse in Sacramento after Bob Matsui. This courthouse is a symbol of Bob's commitment to his district. Here in Congress, he was able to secure \$142 million that was used and needed to build that courthouse.

The courthouse not only created 1,200 new jobs in the Sacramento area, but it was the anchor for redevelopment and revitalization of downtown Sacramento, California.

It is more than fitting that we name this important building in honor of a very important figure in our history and our friend, Bob Matsui. I urge everyone to cast a vote for this bill.

Mr. SHUSTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for the time.

I rise to recognize the life and work of Bob Matsui and to support this legis-

lation which will name the courthouse after him.

Bob was truly a remarkable individual, intellectually very smart but, more importantly, humanly, deeply in touch with the challenges that America has faced over his many years of service here. He focused on the fundamentals. Often they were not sexy, often they did not attract a great deal of attention in the press, but, for example, he spent many years working with me and others on trying to build the R&D tax credit into our Tax Code in a way that would recognize the dependence of American companies on invention to maintain their position in an intensely competitive global economy.

He understood the big issues and he understood the small steps that had to be taken for us to be successful in the macro arenas, whether the macro arena of economics, the macro arena of strengthening and supporting families struggling through difficult matters, the security of our retirees. On so many fronts, Bob Matsui was a thoughtful voice, profoundly in touch with the challenges our society faces today and over the many years of his long service.

I salute him and I thank the gentleman for bringing forward this legislation to name a courthouse after him in his home base.

Mr. HONDA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), the dean of the delegation.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, I rise just to comment. My colleagues will hear a lot of people talking about our friend Bob Matsui and his legislative accomplishments. I want to remind everybody that his name on this Federal courthouse will remind people that it was 6099 that interned Japanese Americans in the 1940s in violation of what we then thought were human and civil rights. As we proceed to violate people's human and civil rights under the PATRIOT Act, I think it will be appropriate that the Matsui courthouse will be the place where, hopefully, these rights will be corrected and restored to the American citizens and residents who deserve them.

I think it is most fitting that this building is named for Robert Matsui.

Mr. SHUSTER. Mr. Speaker, we have no speakers at this time, and I continue to reserve the balance of my time.

Mr. HONDA. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. RANGEL), my friend.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I rise in support of this legislation, and I thank the gentleman from California (Mr. THOMPSON) and those others who thought about doing this for our friend Bob Matsui.

So often we read about outstanding Americans who make great contributions to the country, and yet some of us have never heard of them. So I feel indeed so privileged and so honored of having served with one of those people. Notwithstanding how his country treated him, he decided to make his country treat other people so much better.

Here is a person that served on the Committee on Ways and Means, which is a privilege to serve, but he enjoyed each and every minute of it. He was involved in every debate, whether it was fairness in taxes, Medicare, Social Security, providing assistance to those people who have less than most people in this country. His compassion was always mixed with a lot of humor, to make certain that people would take time out to listen to him when he was serious and at the same time to know that he was not a politician but was someone who was a patriot who loved this country.

I really think that he has set an example for so many people who have reasons to be bitter but certainly can make a better contribution to life as Bob Matsui has made to his country, to his Congress and to his family.

I thank God that I had the privilege to know and to be his friend.

Mr. SHUSTER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, I had the privilege of serving with Bob Matsui on the Subcommittee on Social Security, and it was a real privilege.

You always hope that we will send to Congress men and women of just great decency, who love their country, love their community, love their family so dearly and are willing to give back to all that and do it in such a good, positive way. That is what Bob Matsui stood for and still stands for in my mind.

There is a saying that you make a living by what you get; you make a life by what you give. By that measure, Bob Matsui had a very rich life because he gave back so much to this body. He gave back so much in his example to other Members like myself, and he truly gave back to his family and his Nation, and I consider it a privilege to have served with him.

Mr. HONDA. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, Bob Matsui was a pillar of his beloved Sacramento. He was a pillar of the congressional community. So it is truly fitting that the courthouse in his beloved city be named after him.

I think today we should pause and ask what would be the best monument to Bob Matsui here in Washington, and I think it is clear and that is that we join together with his wife Doris, who is now a colleague, to try to carry out

his hopes, to fulfill his dream that everybody in this country counts, and when it comes to our work here, everybody should count equally.

So I am pleased to join with my colleagues and this is another moment of emotion. We very much remember Bob.

Mr. SHUSTER. Mr. Speaker, I reserve the balance of my time.

Mr. HONDA. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I had the opportunity in Seattle to help bring about the renaming of a courthouse there for a man who won the Congressional Medal of Honor, a Japanese American. He served in the 422nd and died, and it is very fitting on the West Coast that we find another courthouse, and we put Bob Matsui's name up.

He was also a hero. He was a Congressional Medal of Honor winner in the civilian society because he stood for the principle that we are all in this together, and we are not going to let the past stand in our way of moving forward.

He was one who was reluctant to come forward on the whole issue of repayment to Japanese who suffered losses. He felt that once the war was over it was his job to help the community move forward and be one Nation, where we all stand together and look after everybody.

The monument to Bob Matsui will be what we do with the PATRIOT Act in this House in a few weeks. It will be a statement about whether we learned the message that guys like Bob Matsui tried to teach us.

Mr. HONDA. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LEWIS).

□ 1115

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to rise in support of H.R. 787, to designate the United States Courthouse located in Sacramento, California, as the Robert T. Matsui United States Courthouse.

It is so fitting and appropriate that we honor Bob Matsui. In spite of what the American Government did to him and his family, this good and decent man never lost faith in America. He loved America. He loved the people of his district. He was a wonderful human being. Every day he tried to do his best to bring America together, to create one America, one family, one House, the American House.

Mr. Speaker, with this legislation I think we are doing the right thing by honoring Bob Matsui.

Mr. HONDA. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I say to the gentlewoman from California (Ms. MATSUI), it gives me great pleasure to speak on the floor this morning with regard to Bob Matsui. As a former judge, I do not believe a better name could be placed upon a court-

house for someone who stood for justice and integrity and looking out for the little people.

I am pleased to have an opportunity to be here this morning to support the legislation, and I bring something no other Member has brought to the gentleman from California yet: my sister and her husband are moving to Sacramento and are building a house. I am bringing the gentlewoman two more votes, and I will introduce them to the gentlewoman when I have an opportunity.

Mr. HONDA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I rise in support of this bill to name this courthouse the Robert Matsui Courthouse. I cannot think of anything more fitting, as others have said, the notion of a courthouse where justice is weighed and issued for a person who had injustice done to him and never lost his sense of right and justice. It would have been easy for Bob to be angry, but he always sought fairness both personally and professionally.

I think it is quite fitting and it has a sense of poetic justice that we are naming a courthouse for a gentleman who was not treated fairly at one time by his country, but who always sought fairness and justice and equality throughout his life. It is fitting to remember him this way, someone who will always be part of our family here; and I thank the gentlewoman from California (Ms. MATSUI) for allowing us to be part of his family.

Mr. HONDA. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. MATSUI), the wife of Bob Matsui.

Ms. MATSUI. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to take this opportunity to thank, first of all, the gentleman from California (Mr. DOOLITTLE) and the gentleman from California (Mr. THOMPSON) for sponsoring this legislation. I know that Bob would have been so proud to know how much effort his two colleagues have put in to bring this bill to the floor to honor him.

This courthouse, which symbolizes equal justice for all, was a major accomplishment for Bob personally, but also for the city of Sacramento. It is such an appropriate way to honor him and his many years in public service, for the city he loved, Sacramento, and the country he absolutely adored.

I would also like to thank his other colleagues here, now my colleagues, for honoring him by speaking here today. I would like to thank all Members very much and on behalf of Brian, Amy, and my granddaughter, Anna, for this wonderful honor.

Mr. HONDA. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, I thank the leadership for this opportunity to honor Bob Matsui, who sought to make this country a

more perfect place, and urge passage of the bill.

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

Mr. SHUSTER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, it was an honor for me to manage this bill and to serve with Bob Matsui. I know my father and my entire family's thoughts and prayers go out to the Matsui family. As I said, he is a respected colleague, a fine gentleman, and this is a very fitting tribute. I urge my colleagues to support this bill.

Ms. ESHOO. Mr. Speaker, I'm pleased to rise today in support of H.R. 787 and to say a few words for our late colleague, the Honorable Robert T. Matsui. When Bob passed away on January 1, 2005, we lost a friend, his constituents lost their most ardent supporter and America, as a whole, lost a dedicated statesman.

Bob was well respected on both sides of the aisle. A brilliant man and an honest and fair politician, his leadership on the House Ways and Means Committee and his expertise and knowledge of Social Security will be sorely missed in the House for many years to come.

Naming the federal courthouse in Sacramento is a fitting tribute for a man who did so much for that city. A member of the Sacramento City Council, Vice-Mayor and eventual Representative of the city in Congress, Bob served the city of Sacramento in every capacity he could. In Congress, Bob's efforts in securing funding for Sacramento were crucial in the revitalization of that city. Among the projects he was responsible for were the expansion of the city's light rail public transit system, and the courthouse that will soon bear his name. Both projects were crucial in creating new jobs and opportunities for the people of Sacramento.

His passing is a great loss for all of us and I thank my colleagues on both sides of the aisle for their work in getting this legislation before the House so quickly, so that we can honor a man we all loved and respected. I urge all my colleagues to support this resolution.

Mr. OBERSTAR. Mr. Speaker, I rise in support of H.R. 787, a bill to designate the new United States courthouse located at 501 I Street in Sacramento, California in honor of our friend, my dear and treasured friend and colleague, Congressman Bob Matsui.

Congressman Matsui's death this past January deprived this House of one of its most astute, most admired statesman. The headline in the "Sacramento Bee" newspaper said it well: "A Good and Decent Man." A lifelong Californian, Bob Matsui served the people of California's 5th District with dedication, commitment and compassion.

I was able to witness Bob Matsui's commitment to his constituents first hand when he and I worked together to address flood control issues for his beloved Sacramento area.

No other major metropolitan area faces as severe a flood risk as Sacramento. Congressman Matsui believed, as do I, that the capital city of the world's fifth largest economy deserved to know that it would not face severe threats from flooding.

Following the high flows of 1986, when the levees almost failed, Congressman Matsui worked tirelessly to improve flood protection.

He examined every option. He worked to forge agreement to complete a dam at Auburn, California. It was to be a multipurpose dam, then a dry dam, and then ultimately, no dam, but assurance of adequate water supply for up-country users represented by Congressman John Doolittle. Because of Bob Matsui's persistence, original thinking, flexibility and collegiality, we were able to develop a comprehensive proposal that strengthens levees, makes use of the existing Folsom Dam, and preserves the beautiful American River Canyon.

As this project comes to completion over the next few years, every Spring, when the snows melt and rains come, and the State Capitol in Sacramento stays dry, the people of California and the Nation will owe a debt of gratitude to Bob Matsui for his persistence and wisdom on behalf of flood control.

Flood control is just one example of Bob Matsui's dedication and effectiveness. There are countless other examples.

In his first congressional race in 1978, Congressman Matsui campaigned as an underdog who vowed to bring new statesmanship to public office. His campaign was enriched by literally hundreds of volunteers that helped him achieve victory. Bob Matsui did not disappoint his constituents. He brought not only statesmanship, but also dedication, competence, innovation, and integrity to public service.

Elected to 14 consecutive terms in the House, Bob Matsui rose through the ranks to be a member of the Leadership team. Under his quiet demeanor lay a man of keen intellect who was a trusted friend and a formidable competitor.

As a senior member of the Committee on Ways and Means, Congressman Matsui was substantially involved with all the complex policy issues placed before the Committee including international trade, health care, welfare reform, and tax issues.

Congressman Matsui helped create the Research and Development Tax Credit in 1981 to fuel innovation in the American economy. In 1986, he spearheaded efforts that resulted in extensive reform of the tax code. His work on the Earned Income Tax Credit helped extend the tax credit for working poor families.

Most recently, Congressman Matsui was preparing to lead the discussions regarding the future of social security and his desire to preserve social security for future generations. Bob Matsui truly understood the varied complexities of the social security program, and he was determined that any reform of social security would provide for its long-term solvency without compromising its fundamental purposes.

Bob Matsui was intellectually curious and honest. He was fair minded and even handed. His legacy is one of compassion, commitment to do the right thing, hard work, and wisdom.

Congressman Matsui is ably succeeded by his wife DORIS MATSUI. She has already done an admirable job of representing the people of California's 5th District and I am confident that she will continue to do so.

It is most fitting and proper that the career of this truly outstanding member be honored with the designation of the new courthouse in his hometown of Sacramento, California as the "Robert T. Matsui United States Courthouse." I urge the bill's passage.

Mr. THOMAS. Mr. Speaker, I rise today as a cosponsor of this legislation, which will

name the Federal courthouse in Sacramento after our former colleague and friend, the late Representative Bob Matsui.

As many of you know, we both arrived in Washington in 1979 as newly elected Congressmen from opposite ends of California's vast Central Valley. For more than 20 years, we worked together on issues of importance to California, such as securing funding to combat drug trafficking and to gain a better understanding of the challenges posed by California's air quality. Through these efforts, as well as through his work on the Committee on Ways and Means, I saw first-hand Bob's commitment to, and strong advocacy of, his principles and how he served his constituents with honor and distinction.

Naming a Federal courthouse, where our Nation's laws and constitution are used to dispense justice, is a fitting way to remember Bob. Notwithstanding his service as a Member of the U.S. Congress, he was one of the more than 120,000 persons of Japanese ancestry who, pursuant to Executive Order 9066, were forcibly removed from their homes by our government and detained during World War II. Undoubtedly, this experience had a profound impact upon his life and career.

Accordingly, I now ask my colleagues to pass this legislation in honor Bob's service to his constituents and Nation.

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

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the bill, H.R. 787.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. HONDA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1463, H.R. 483 and H.R. 787, the matters just considered by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX REPEAL PERMANENCY ACT OF 2005

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 202 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 202

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 8) to make the repeal of the estate tax permanent. The bill shall be considered as read. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Pomeroy of North Dakota or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, House Resolution 202 is a structured rule providing for 1 hour of general debate on H.R. 8, a bill to make the repeal of the estate tax permanent, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides for consideration of the amendment in the nature of a substitute printed in the Committee on Rules report accompanying the resolution, if offered, by the gentleman from North Dakota (Mr. POMEROY) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled by the proponent and an opponent.

Finally, Mr. Speaker, the rule waives all points of order against the amendment printed in the report and provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 8, a bill introduced by the gentleman from Missouri (Mr. HULSHOF), permanently repeals the death tax. I commend the gentleman from Missouri (Mr. HULSHOF) for championing an end to the death tax, as my former friend and colleague, Jennifer Dunn, did while serving in Congress. Through Jennifer's tireless efforts, in 2001 Congress acted in a bipartisan fashion to gradually phase out the death tax and fully eliminate it in 2010.

However, if Congress does not extend the death tax repeal beyond 2010, in 2011 small business owners and family farmers will once again be assessed the full death tax at the maximum 2001

rate. The death tax is a form of double taxation and is simply unfair.

The last thing families in central Washington and across the Nation should have to worry about when a loved one dies is losing the family farm or business in order to pay the Internal Revenue Service. But, sadly, that is the situation many hard-working families would face if the death tax is not permanently abolished.

With permanent elimination of this tax, farmers and business owners will have the sense of security they need to plan for the financial future of their businesses, farms, or families. Death taxes are an unfair assault on every American's potential life savings. Today, we have the opportunity to bury the death tax for good.

The Committee on Rules reported House Resolution 202 by a voice vote. Accordingly, I encourage my colleagues to support both the rule and the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MCGOVERN asked and was given permission to revise and extend his remarks.)

Mr. MCGOVERN. Mr. Speaker, for years the Republican leadership has misled the American public about the estate tax. Today, because of that deceptive campaign, millions of Americans seem to believe they will be subject to the so-called death tax. They have been lied to.

Facts are stubborn things, and the facts prove that the Republican leadership is once again trying to pass a bill that helps the very wealthy few at the expense of everyone else.

The truth is that the overwhelming majority of American families, 99.7 percent, are not subject to estate taxes. Let me repeat: 99.7 percent of American families are not subject to estate taxes.

The truth is that this is the wrong bill at the wrong time that helps the wrong people, and it should be defeated. This permanent repeal of the estate tax does not help the average American. Instead, it benefits the heirs of the wealthy. Paris Hilton is doing just fine. She does not need another tax cut by the Republicans.

My colleague, the gentleman from Washington (Mr. HASTINGS), will claim that this bill will help family farmers and small business owners pass their assets, their farms and businesses, on to their children. The reality is that most of these family farmers and small business owners are already exempt from the estate tax.

Further, as The Washington Post pointed out today, permanently repealing the estate tax may actually hurt more family farmers and small businesses than it would help because of the cumbersome new reporting requirements and changes in how assets are valued.

Let us look at the facts. Exempting estates up to \$1 million, the original

level before the 2001 Bush tax cut, leaves only the top 2 percent of the estates in the country. But current law goes well beyond the \$1 million exemption; and to hide the real cost of their bad economic policies, the Republican leadership included a provision that sunsets the 2001 tax cut in 2011.

Mr. Speaker, for most of the 20th century, this country operated on a progressive taxation system. Those who could afford it paid their fair share. We looked out for each other. We provided food to the hungry, shelter to the homeless, assistance to the unemployed, and health care to the sick.

But the Republican leadership wants to turn that system upside down. They believe the wealthy should be exempt from paying taxes and the poor should fend for themselves. It is wrong, and we have to stop it.

Let me connect the dots for my Republican friends. They say there is a deficit and we need to tighten our belts to pay down the debt. Of course this debt is of their creation. President Bush came into his first term with a surplus and ended his second term with the largest deficit in the history of the United States of America, and now they bring forward another tax cut that costs \$290 billion according to the Joint Committee on Taxation.

□ 1130

Some private groups estimate that this bill will ultimately cost closer to \$1 trillion.

Where is that money going to come from? It is a credit card bill that they are passing on to our children and our grandchildren. That is the actual estate tax. That is the real legacy they are leaving to future generations.

Mr. Speaker, we are at war, but the only people being asked to sacrifice are those who can least afford it. The wealthiest of the wealthy are getting a free ride at this very difficult time in our history.

Look at the budget resolution. The Republican leadership pushed the budget resolution through earlier this month. What do they do? They cut food stamps. They cut Medicaid. They cut education programs. They cut environmental protection. They cut community development block grants. They cut school breakfasts and school lunches. Why? All so a few people can inherit a few more billion dollars tax free from their relatives.

Our colleague from North Dakota (Mr. POMEROY) will offer an amendment that will set the exemption for estates at \$3 million for individuals and \$7 million for couples. This would cost dramatically less than the Republican bill, \$72 billion compared to \$290 billion, and it would exempt 99.7 percent of all estates from ever facing the estate tax. This is a commonsense compromise that should receive near unanimous support.

Mr. Speaker, the truth is out there, but the Republican leadership is too stubborn and too arrogant to face it.

We are at war. Health care costs are spiraling out of control. Poverty in America is increasing. More Americans go to bed hungry at night. Our children are falling behind in math and science. I, for one, do not believe the answer to these challenges is a permanent repeal of the estate tax.

I urge my colleagues to do the right thing and defeat this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from West Virginia (Mrs. CAPITO), a valuable member of the Committee on Rules.

Mrs. CAPITO. I thank the gentleman from Washington for yielding me this time.

Mr. Speaker, I rise today in strong support of the rule and the underlying legislation. I am proud to be a cosponsor of H.R. 8 and thank the gentleman from Missouri for his leadership in offering this bill.

I was proud to be in this Chamber 4 years ago on the day Congress began phasing out the death tax. As a result, thousands of jobs were saved and second and third generations were able to take charge of their family's business. We knew when we passed that law the phaseout was not a permanent fix. Today we have the opportunity to complete unfinished business. If we do not act now to permanently eliminate the death tax, it will be revived at the stroke of midnight on January 1, 2011. Bringing back the death tax will drive the final nail in the coffin for America's next generation of small business owners.

The Death Tax Repeal Permanency Act represents the changes to our Tax Code called for by our Nation's farmers and small business owners who want to pass their family business on to the next generation. Small business owners and farmers devote their time, energy and money into building a business so it can be passed on to their sons or daughters. In the absence of the death tax, these small businesses become a legacy for one generation to pass on to the next. With the death tax, families face a whopping tax bill on the property and assets even though taxes have already been paid annually by the owners.

The death tax is an overwhelming burden, forcing many families to sell their businesses just to pay the 37 to 55 percent tax. As a result, jobs are lost and generations of family toil are plundered by the government.

Permanently repealing the death tax will help small businesses create new jobs. A 2002 study showed that an extra 100,000 jobs a year would be created if the death tax were permanently repealed. The Wall Street Journal wrote in 1999 that 60 percent of small businesses would add jobs if death taxes were not on the books.

The very threat of a revived death tax has a negative impact on small business. Even with the temporary

phaseout, business owners must continue to plan for paying that tax. To help owners hire new workers and continue to invest in their business, they need to know that the death tax is gone for good.

We must not allow this small business killer to rise from the dead. The House today has an opportunity to rid the Nation of this tax that kicks families when they are down, takes away a lifetime of hard work, and stifles job growth. I hope that my colleagues will join me today in supporting the rule and the underlying legislation.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

We hear the phrase "death tax," which really is kind of a misnomer. There is no such thing. When I am dead, I am dead. You cannot collect any taxes from me. The issue is whether or not estates in the billions of dollars should be subject to any taxation. We are not talking about small family farms or small businesses. That is not what this is about. If you read the Washington Post today, it is very clear what this is about. It is about the most extremely wealthy companies, the most extremely wealthy people in this country.

The gentleman from North Dakota has a substitute that would basically exempt 99.7 percent of all estates from any estate tax. So let us be clear about what is going on, and let us also be clear about the cost to our kids. The Joint Committee on Taxation says that this is going to cost up to \$290 billion. There seems to be no concern on the other side of the aisle about what this does to our deficit or our debt. This is not paid for. They make no attempt to pay for it.

Let me just remind my colleagues that the debt that we are faced with right now is close to \$8 trillion, and the interest on that debt is astonishingly high. That is the legacy that they are passing on to our kids.

Our good colleague from Tennessee (Mr. TANNER) in a presentation, I thought, said it best. He said, so people can understand what the debt means, if you stack up one thousand dollar bills, a million dollars would be about a foot high; a billion dollars would be about the size of the Empire State Building; a trillion dollars would be 1,000 Empire State Buildings. Our debt is close to \$8 trillion, and there is no outrage on the other side, there is no concern about what we are doing and what it means to our economy by making these tax cuts permanent.

I think that people need to understand what is going on here. This is not about small family farms. It is not about small businesses. This is about helping the wealthiest of the wealthy.

Mr. Speaker, I yield 6 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank the gentleman for yielding me this time.

Mr. Speaker, this rule brings an important debate to the floor. Let me tell

you what is not on the floor. What is not being debated is whether there should be additional estate tax relief. We agree there should be. Much has been accomplished over the last few years in that regard. The estate tax level attached at \$600,000 per individual at the beginning of this decade. So that, as my colleague from West Virginia talks about the concern of estate tax on small businesses and farms, that may have been more the case at that time. Certainly it is less the case now. The estate tax level attaches at \$1.5 million per individual, \$3 million per couple, and obviously the number of estates that would have tax consequences has fallen significantly.

Is it enough? No. Let us do something quite dramatic. The proposal that I am offering as a substitute would double from where we are today and in a very certain and immediate way bring to \$6 million the estate tax exclusion for couples. Couples across this country possessing less than \$6 million in assets, no estate tax. Nothing. Gone. Immediately and certainly. By the end of the decade, it moves to \$7 million. By 2009, there could be \$7 million in a couple's estate.

Is this meaningful? You bet it is meaningful. You look at the numbers, and it will tell you that we all but make this problem go away. Looking across this country, 99.7 percent of estates in this country no longer have estate tax issues under the substitute that I am advancing. That is 997 out of 1,000. That is pretty significant.

There are a couple of other differences. It is one-quarter of the cost of the majority proposal, \$290 billion, that they are talking about. There are things they are saying that just are not so, that small businesses and family farms have major estate tax issues when the level is \$6 million per couple. They do not.

I represent family farms and small businesses all across the State of North Dakota. I am telling you, if we set this level at \$6 million per couple, to move to \$7 million by the end of the decade, we largely take care of the problem.

But beyond that, going forward, there is yet another very important wrinkle in the majority proposal. This is the capital gains tax that their proposal would add. It is unlike a tax relief bill that I have seen before, because, for everyone it helps, it adds capital gains taxes for many more. Right now in the handling of an estate, there is no capital gains tax. Under their proposal, they establish something called the carryover basis. Not to get technical with you, but what that does is impose capital gains tax exposure on estates. The way the numbers work out, more estates are going to end up with capital gains consequences than get relief from estate taxes. So you help a few; you harm a lot. It does not make much sense to me. Again, at a total budget cost of \$290 billion over the first 10 years and more than \$800 billion over the second 10 years.

This is a budget buster, my friends. At a time when we are talking about how we address the long-term solvency of Social Security, to just, without a concern, pass a \$290 billion bill to help three-tenths of 1 percent of the most affluent in this country seems to be standing priorities directly on their head. The very people that favor privatizing Social Security, which is going to add risk in the Social Security benefit, which is going to reduce benefits sharply because they change the inflation index going forward, that is going to reduce the benefits on our children and grandchildren, want to now run up the debt on our children and grandchildren in order to help that three-tenths of 1 percent, the very wealthiest among us. What kind of sense is that?

So we have proposed something quite different, immediate and certain estate tax relief, \$6 million per couple, \$3 million per individual, right now, and in 2009, \$7 million per couple, \$3.5 million per individual. And, once more, a proposal that I think we would want to consider closely, we could take the difference between the majority bill and our bill and dedicate it to the Social Security trust fund.

There is a lot of talk from the other side: Where's your plan? Where's your plan? How about this one? Let us start by addressing the problem and making a good deal of it go away.

If we took the difference, the amount of estate tax revenue over the \$7 million figure at the end of the decade, and dedicated it to the Social Security trust fund, we could fill 40 percent of the hole over 75 years, almost make half the problem go away, while preserving benefits, while keeping the inflation adjustment that our grandchildren need.

I think in the consequence of our floor discussions today it is important to talk about both concepts, the immediate and certain estate tax relief alternative that we are advancing and what we could do with the difference. They say this estate tax has to be repealed, that it is the most unfair thing in the world. I can think of something even more unfair, and that is cutting the benefits of Social Security to our children and grandchildren. That is more unfair in my opinion.

We do not have to make that trade-off. We can make estate tax go away for 99.7 percent of the people in this country, take the balance between the bills, invest it in the Social Security trust fund and deal with almost half of the problem of the underfunding over the next 75 years.

That is what the minority is bringing forward today. It is a thoroughly considered and balanced alternative, I believe a reasonable and responsible alternative, and I urge the Members' consideration.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. COX).

Mr. COX. Mr. Speaker, I rise in support of this rule and the bill authored by the gentleman from Missouri (Mr. HULSHOF) and commend him for his great work on behalf of America's job creators.

I just heard the Democratic Member say that only a tiny fraction of the people who die in America and their families have to pay this death tax. Apparently, the gentleman has never had to go through the dreaded form 706. How many of us right now are trying to deal with form 1040? Even though we deal with it year in and year out, we still cannot figure it out. What we are trying to get rid of is the complexity of the Tax Code and the \$20 billion a year that the death tax consumes from the American economy that does not go to the Treasury but, rather, goes to tax lawyers and accountants and life insurance sales and keyman policies and so on, all of this estate planning which is economic waste. It is hurting our economy.

Eighty-eight pages of the Internal Revenue Code, 88 pages of law, are devoted to trying to close the loopholes that have erupted over the 20th century as our experiment with the death tax has shown that it actually costs the government and costs the American people money to maintain it. Much as we would like to be able to tax the super-rich, they get out of the tax with trusts and loopholes and so on, as will the rich after we do what the Democrats want, which is to create some complicated new definitions to try and cabin off this tax so it only affects a few people. The only people who will actually be hurt by the burden of these new complex rules and laws will be people who we do not want to pay the tax in the first place.

□ 1145

If at the time that one of one's loved ones dies, just to file the return, not pay the tax, they are going to have to plow through all of these helpful instructions that are in such small print that even a high school student might need reading glasses to get through some of these 40 pages. But here is the kind of helpful thing one will find when a loved one dies: "Generally, you may list on Schedule M all property interests that pass from the decedent to the surviving spouse and are included in the gross estate. However, you should not list any 'nondeductible terminable interests,' described below, on Schedule M unless you are making a QTIP election. The property for which you make this election must be included on Schedule M. See 'qualified terminable interest property' on the following page.

"For the rules on common disaster and survival for a limited period, see section 2056(b)(3)."

This is just one little paragraph out of 40 pages of this. They are going to have to hire a lawyer. They are going

to have to hire an accountant to go through all this and list everything that their family member has accumulated throughout his or her entire life just to prove that they do not owe this tax. Anybody who is slogging through their form 1040 trying to file their income tax return now knows what I am talking about.

We are trying to eliminate the complexity of this law which hurts every single person who works for a small business in America. When that small business is liquidated in order to pay the death tax because it is a tax on property of small businesses, people lose their jobs, and that is where the burden and the incidence of this tax falls.

Repealing the death tax once and for all is the right thing to do, and I am very pleased that this rule will bring that to the floor.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Let me again remind people that we are talking about three-tenths of 1 percent who actually pay an estate tax. In that category we are not talking about family farms or small businesses. We are talking about Paris Hilton, and I would say to my colleague from California that I think she has enough accountants and lawyers to be able to fill out form 706.

Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, this is actually one of the more absurd debates that I have ever heard in my life, and I think anybody who turns on the television and wonders what is going on here in Congress will then conclude that the reason that this institution is held in so low regard is because we have debates like this.

Let us look at what is going on in America today. The middle class is shrinking. Study after study shows that real wages for American workers are going down; and in the last 4 years, 4 million more Americans have entered the ranks of poverty. While the middle class shrinks, poverty increases. The richest people in America have never had it so good. CEOs of large corporations now make 500 times what their workers make. In America today we have the most unfair distribution of wealth and income in the history of our country and of any major country on Earth.

So what are we discussing here today? Are we going to raise the minimum wage to a living wage? Are we really going to protect family farmers from low prices? Are we going to stop the hemorrhaging of decent-paying jobs going to China? Do not be silly. We do not talk about that because corporate America does not fund those concerns.

The richest people in America said several years ago, Hey, yes, we are worth billions of dollars. That is not

enough. We are going to contribute money to our Republican friends, and do you know what they are going to do? They are going to lower our taxes even more.

Mr. Speaker, we are here debating an issue that has zero impact on 98 percent of the American people. Nobody in the middle class, nobody in the working class, no low-income person pays one penny in the estate tax. All of the estate tax is paid by the wealthiest 2 percent. If their proposal passes, half of the benefits go to the richest one-tenth of 1 percent.

I want to ask my friends a question. This is a question. As my colleagues know, President Bush and the Republican leadership are supporting increased fees on our veterans. They are raising prescription drug fees for our veterans, and they want to charge a \$250 co-pay for veterans of wars who enter the VA hospital. I would like to ask my Republican friends do they think it is a good idea to give tax breaks today to billionaires and to charge veterans significantly increased fees for health care. That is my question.

I am listening. I am listening. I do not hear an answer.

That is the answer. They are substantially increasing health care costs for veterans who have put their lives on the line defending this country. They are increasing our deficit, increasing our national debt, all on behalf of the richest people in this country. This bill is bought and paid for by millionaires and billionaires, and anyone who votes for it should be ashamed of themselves.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The Chair would remind persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. WESTMORELAND).

Mr. WESTMORELAND. Mr. Speaker, I thank the gentleman from Washington (Mr. HASTINGS) for yielding me this time.

Mr. Speaker, I rise today in support of this rule and H.R. 8. I applaud the efforts of the leadership and the gentleman from Missouri in bringing forward H.R. 8 to finally bury the death tax once and for all.

One thing I have learned in the short time I have sat here is that the Democrats really look at the person whom this bill would affect, and, by the way, I do not think any of them are watching this on TV right now because they are all probably at work, but they are

looking at the person whom this bill would affect as someone who got up early, worked hard all his life, looked after his family, built infrastructure, saved money, put capital back into this system, provided jobs, benefits, health care for people, and the Democrats look at this individual as a gift who keeps on giving.

One of the things our country needs is individuals who are willing to work hard and save their money. It is the basis of our economy and the American Dream. This country is a wonderful land of opportunity. Anyone can work hard and be whatever they want to be in this country. Yet our tax system directly discourages savings by limiting contributions to IRAs and taxing dividends. When one works hard and saves, they should be rewarded, not punished. The current death tax punishes people for saving their own money, for fulfilling the American Dream.

Tax cuts do not cost the U.S. Government money. This is something that I think is misunderstood up here. Cutting taxes does not cost the government money. It allows people who earn that money to keep more of it in their pocket. This Congress must recognize that tax cuts spur economic growth. We have seen this in the Reagan tax cuts that led to the boom of the 1990s and in this President's tax cuts that have brought us out of the recession that this country experienced after 9/11.

As a small business owner, I know firsthand how hard one has to work to build a business. And most times the assets of a family business are not in cash, or easily so. When a family business is hit with an estate tax, it often requires the selling of a large amount of inventory or other assets in order to pay the debt. That is not right. That hurts families who want to continue the legacy of their loved ones who have passed away. Why do we want to harm or punish or exploit those who work their hardest to create an inheritance for their loved ones?

The death tax has made crooks out of honest people because they have to search for all kinds of ways to avoid paying the tax. And the reason they do not want to pay this tax is because they hate to see everything that someone that they loved and deeply cared about who spent their whole life building is taken away by the government.

Small businesses should not be run while looking over one's shoulder to make sure the tax man is not about to get them. Small business owners must be able to focus on their business. More than 70 percent of small family businesses do not last beyond the second generation, and the estate tax plays a large part in that. Having someone pay half of their assets to the government is absolutely wrong no matter what is being paid. We all know that people can manage their own money much better than the government.

One of the things I hate more than anything is a double tax. When the

government takes its bite out of the apple, it should not get a second bite. Yet the death tax takes an even bigger bite out of the money that has already been taxed. Economic studies have shown that the cost of trying to comply or avoid the death tax consumes as much out of the economy as is generated by the death tax itself.

The death tax also hits those who cannot afford a lawyer or a CPA to help them. If their assets are not in cash, as in most family businesses they are not, they have to make a huge burden and sacrifice that they are not ready for by having to get somebody else to advise them about how to take care of their families and their children. And in spite of all this, the death tax does not even generate that much revenue or "windfall profit" for the government, yes, a "windfall profit" for the government, while placing this huge burden on the families of this country. It is not right.

The idea of the tax coming back in 2011 is amazing. It just does not make sense, and people cannot make any long-term financial plans. Getting rid of the death tax will simplify our Nation's laws and ease the burden on our country. If it takes a CPA or a lawyer to figure out what one is trying to do and what burdens the government has put on them, then it is too much of a burden. We need to do everything we can to lessen that burden. Repealing the death tax is the right thing to do.

Although I was not in Congress when the phase-out of the death tax began, I am thrilled to be here today to cosponsor and vote for it to be completely eliminated. And I urge all of my colleagues to do the same.

Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Let me just make a couple of points here. This is not about protecting small businesses or family farms. I mean, I think that is clear to everybody here. This is about protecting the three-tenths of the 1 percent wealthiest people in this country.

I enter into the RECORD an article that appeared in today's Washington Post that really kind of explains what this debate is all about, about how Mars candy, Gallo wine, and Campbell soup fortunes have been lobbying for the complete repeal of the estate tax for some time so they can end all taxation on their inheritance. That is what this is about. This is not about working families. This is not small family farms or small businesses. This is about protecting the richest of the rich.

[From the Washington Post, April 13, 2005]

EROSION OF ESTATE TAX IS A SESSION IN POLITICS

(By Jonathan Weisman)

In 1992, when heirs to the Mars Inc. fortune joined a few other wealthy families to hire the law firm Patton Boggs LLP to lobby for estate tax repeal, the joke on K Street was that few Washington sightseers had paid so much for a fruitless tour of the Capitol.

Today, the House is expected to vote to permanently repeal the estate tax, moving

the Mars candy, Gallo wine and Campbell soup fortunes one step closer to a goal that once seemed quixotic at best: ending all taxation on inheritances.

"I think this train has an awful lot of momentum," said Yale University law professor Michael J. Graetz, a former senior official in the Treasury Department of President George H.W. Bush.

Last month, Graetz and Yale political scientist Ian Shapiro published "Death By A Thousand Cuts," chronicling the estate tax repeal movement as "a mystery about politics and persuasion."

"For almost a century, the estate tax affected only the richest 1 or 2 percent of citizens, encouraged charity, and placed no burden on the vast majority of Americans," they wrote. "A law that constituted the blandest kind of common sense for most of the twentieth century was transformed, in the space of little more than a decade, into the supposed enemy of hardworking citizens all over this country."

The secret of the repeal movement's success has been its appeal to principle over economics. While repeal opponents bellowed that only the richest of the rich would ever pay the estate tax, proponents appealed to Americans' sense of fairness, that individuals have the natural right to pass on their wealth to their children.

The most recent Internal Revenue Service data back opponents' claims. In 2001, out of 2,363,100 total adult deaths, only 49,911—2.1 percent—had estates large enough to be hit by the estate tax. That was down from 2.3 percent in 1999. The value of the taxed estates in 2001 averaged nearly \$2.7 million.

Congressional action since 2001 will likely bring down the number of taxable estates still further. President Bush's 10-year, \$1.35 trillion tax cut in 2001 began a decade-long phase-out of the estate tax. The portion of an estate exempted from taxation was raised from \$675,000 in 2001 to \$1.5 million in 2004. Next year, the exemption will rise to \$2 million for individuals and \$4 million for couples.

The impact has been clear, tax policy analysts say. The number of estates filing tax return is falling sharply, from 123,600 in 2000 to an expected 63,800 this year. And only a small fraction of those will actually be taxed.

Under the 2001 legislation, however, all of the tax cuts, including the estate tax's repeal, would be rescinded in 2011. The vote today is the first to address the sunset provisions.

House Democrats, led by Rep. Earl Pomeroy (D-N.D.), today will propose permanently raising the exclusion to \$3.5 million—\$7 million for couples. That would be enough to exempt 99.7 percent of all estates. The Pomeroy bill would cost the Treasury \$72 billion over 10 years, compared with the \$290 billion price tag of a full repeal through 2015, according to the Joint Committee on Taxation.

"The ideological fervor that is admittedly still pretty strong in some quarters is now being tempered by the runaway debt that is weighing down this country," said Pomeroy, who thinks voters are ready for a compromise.

Indeed, Senate Majority Leader Bill Frist (R-Tenn.) has asked Sen. Jon Kyl (R-Ariz.), a repeal proponent, to find a compromise that could win a filibuster-proof 60 votes in the Senate this year, even if it falls short of full repeal.

A compromise that includes any estate tax, no matter how small, may fail if the fervent repeal coalition holds firm, Graetz said. Repeal opponents have been unable to whip up big support, he said, because they never made the emotional case that the American

belief in equal opportunity runs counter to the existence of an aristocracy born to inherited riches. Paris Hilton, who inherited her wealth, and now famously enjoys spending it, could have been their counter to the small-business owners and family farmers whom repeal proponents held up as the victims of the tax.

"The public doesn't believe people should be taxed at the time of death, whether they are paupers or billionaires," said Frank Luntz, a Republican pollster who has been working on estate tax repeal for a decade. "Compromise is very difficult because the public doesn't want it to exist."

It is that sentiment that the fledgling repeal forces tapped into when they mobilized more than a decade ago. A little-known Southern California estate planner named Patricia Soldano launched her repeal effort with the backing of about 50 wealthy clients, with the Gallo and Mars families leading the way. Other contributors included the heirs of the Campbell soup and Krystal hamburger fortunes. Frank Blethen, whose family controls the Seattle Times Co., was also pivotal.

The effort caught fire when small-business groups such as the National Federation of Independent Business and agriculture groups led by the National Cattlemen's Beef Association joined in.

By 1994, Newt Gingrich's Republican insurgents had latched onto the estate tax issue, but the Contract With America called for an estate tax reduction, not repeal. In 1995, Luntz poll-tested the term "death tax" and advised the new GOP majority to never use the terms "inheritance" or "estate tax" again.

By then, Soldano's Policy and Taxation Group was spending more than \$250,000 a year on lobbying. A parade of small-business owners and family farmers appealed to their congressmen, worried that they could not pass on their enterprises to their children, even though most of them would not be affected by the tax.

"There's been a sustained, determined campaign of misinformation that in the end has left the American people with a very different notion of what the estate tax is and does than actually exists," Pomeroy said.

But ultimately, whether people believe the estate tax will affect them has little bearing on support for repeal. Early this year, with Soldano's money, Luntz again began polling, this time in the face of record budget deficits and lingering economic unease. More than 80 percent called the taxation of inheritances "extreme." About 64 percent said they favored "death tax" repeal. Support fell to a still-strong 56 percent when asked whether they favored repeal, even if it temporarily boosted the budget deficit.

Democrats "still don't get it," Graetz said. "The politics are still very powerful."

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. PUTNAM), a powerful member of the Committee on Rules.

Mr. PUTNAM. Mr. Speaker, I thank the gentleman for yielding me this time.

I am proud to be a part of the Committee on Rules, which reported out a very balanced rule that allows both sides to be heard on this issue.

The interesting thing about this issue is that there is agreement that the death tax should go away. There is disagreement about the numbers and the number of people for whom it

should go away, our side believing that it should be totally repealed, the other side believing that there are a certain number of people who should be exempt from paying this. It is good to see that we have finally come together to recognize that the death tax is a killer for small businesses and family farms and ranches. I am glad that that is a bipartisan agreement, and I am glad that this rule reflects that.

A wise man once joked that there is always death and taxes, but death does not get worse every year.

With the death tax in place, that is not true. Each year that passes, many family-owned farms and businesses are subject to this tax. It is fundamentally unfair that death is a taxable event. Taxes have already been paid on the assets subject to the taxation under the death tax during the lifetime of the owners. It amounts to a second bite of the apple for the government.

With the repeal of the tax, more small businesses and farms will stay in the hands of those families. Currently, the death tax is a leading cause of dissolution. And we see this all the time in agriculture, that when the grandparents die they have to sell off a portion of the land so that the government gets their share so that they break up the very asset that made that farm what it was. They eliminate the opportunity for that next generation to participate even though they worked on it themselves, growing up, paying their way through school, helping to support all of the family efforts. That is a great cause of the loss of rural communities and small-time agriculture in this country, and I think that we can all agree that that is a shameful loss to our Nation. They form the backbone of our rural heritage.

The death tax is a virtue tax in the sense that it penalizes work, penalizes savings and thrift in favor of large-scale consumption.

□ 1200

In other words, if those same families had sold off everything and spent it, then they would not be subject to the death tax. But the fact that they made a decision to hold something, to build it, to grow it so that their children and grandchildren might have a farm to continue to cultivate the bread basket for the world in, then they are taxed. Where is the fairness in that?

Mr. Speaker, 87 percent of family businesses do not make it to the third generation. Unquestionably, the death tax plays a tremendous part in that statistic. This is especially true of businesses that are land-rich and cash-poor. That is what we call it in the South, Mr. Speaker, where you have all of your assets tied up in things. You cannot afford a brand-new car, you cannot afford a brand-new tractor, you cannot afford all the nicer things; but yet on paper you are quite wealthy, because you purchased land, you gave value to that land as time passes.

Mr. Speaker, I urge that we adopt the rule and continue forward with the repeal of this scurrilous tax on death.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

I appreciate the words from my colleague on the Committee on Rules, the gentleman from Florida; but quite frankly, I do not know what he is talking about. The small businesses and the family farms, we are all in agreement that they need to be protected. That is not what the debate is about here today.

The debate is about whether three-tenths of 1 percent of higher income-earners in this country deserve additional tax relief at a time when they are cutting Medicaid, veterans benefits, when they are dipping into the Social Security trust fund.

This is not a death tax. What they are talking about is a debt tax, D-E-B-T, adding to the deficits and the debt of this country. Right now, this year, we are paying \$177 billion this year in interest on the debt. Next year it will be \$213 billion. It is ridiculous. We need to rein in some of these extravagant tax cuts for the wealthy so that we can get our fiscal house in order here in this country, so we can start taking care of Social Security in the long term, so we do not have to cut veterans benefits or educational benefits or environmental protection.

Mr. Speaker, I at this time I will enter into the RECORD an article by E.J. Dionne entitled "The Paris Hilton Tax Cut."

[From the Washington Post, Apr. 12, 2005]

THE PARIS HILTON TAX CUT

(By E. J. Dionne Jr.)

The same debate who insist that critics of Social Security privatization should offer reform proposals of their own are working feverishly to eliminate alternatives that might reduce the need for benefit cuts or payroll tax increases.

I refer to the fact that House Republican leaders have scheduled a vote this week to abolish the estate tax permanently. Under a wacky provision of the 2001 tax cut designed to disguise the law's full cost, Congress voted to make the estate tax go away in 2010, but come back in full force in 2011.

With so many other taxes around, it's hard to understand why this is the one Congress would repeal. It falls, in effect, on the heirs to the wealthiest Americans. Fewer than 1 percent of the people who died in 2004 paid an estate tax, and half the revenue from the tax came from estates valued at \$10 million or more.

Yet, because the wealthy have gotten wealthier over the past three decades or so, the estate tax produces a lot of money. Counting both revenue losses and added interest costs, complete repeal of the estate tax would cost the government close to \$1 trillion between 2012 and 2021, according to the Center on Budget and Policy Priorities.

And that is where Social Security comes in. You can reject outlandish claims that Social Security faces some sort of "crisis" and still acknowledge that it faces a gap in funding for the long haul. The estate tax should be part of the solution.

In a little-noticed estimate confirmed by his office yesterday, Stephen Goss, the highly respected Social Security actuary, has studied how much of the Social Security financing gap could be filled by a reformed estate tax. What would happen if, instead of repealing the tax, Congress left it in place at a

45 percent rate, and only on fortunes that exceeded \$3.5 million—which would be \$7 million for couples? That, by the way, is well below where the estate tax stood when President Bush took office and would eliminate more than 99 percent of estates from the tax. It reflects the substantial reduction that would take effect in 2009 under Bush's tax plan.

According to Goss, a tax at that level would cover one-quarter of the 75-year Social Security shortfall. The Congressional Budget Office has a more modest estimate of the shortfall. Applying Goss's numbers means that if CBO is right, the reformed estate tax would cover one-half of the Social Security shortfall.

This is big news for the Social Security debate. Michael J. Graetz and Ian Shapiro, authors of a new book on the estate tax, "Death by a Thousand Cuts," have referred to its repeal as the "Paris Hilton Benefit Act." To pick up on the metaphor, why should Congress be more concerned about protecting Paris Hilton's inheritance than grandma's Social Security check? How can a member of Congress even think about raising payroll taxes while throwing away so much other revenue?

This also means that Democrats now talking about reaching a "compromise" with the Republicans on the estate tax should put the discussions on hold until the Social Security debate plays itself out. Most of the "compromises" being discussed would repeal 80 to 90 percent of the estate tax. At some point, it might be reasonable to agree to make the 2009 estate tax levels permanent. But if they agree to any steps beyond that, Democrats will, once again, be placing the concerns of wealthy donors over the interests of the people who actually vote for them.

The Friends of Paris Hilton realize that as federal deficits mount and rising Medicare costs loom, the case for the total repeal of the estate tax grows steadily weaker. That's why they're hoping they can sucker defenders of estate taxes into a so-called compromise that gives away the store—the store, in this case, going to Neiman-Marcus shoppers, not to those who rely on Target.

This is an instructive moment. What we are having is not a real debate on the future of Social Security but a sham discussion in which the one issue that matters to the governing majority is how to keep cutting taxes on the wealthiest people in our country.

Those who vote to repeal the estate tax this week will be sending a clear message: They see the "crisis" in Social Security as serious enough to justify benefit cuts and private accounts. But it's not serious enough to warrant a minor inconvenience to those who plan to live on their parents' wealth.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, I want to rise in support of the rule that will allow us to consider the permanent repeal of the death tax.

Mr. Speaker, I think it is so appropriate, so very appropriate that this week, as millions of American taxpayers are finalizing their Federal income tax filings that we are looking at what is one of the most egregious taxes and most unfair taxes to our small business community. I am one of those that fully believes that the death tax is the triple tax, because Americans pay tax when they earn their income. Then

they turn around, they buy an asset, and they spend their money, and they are paying a tax on every bit of that. And then, when an American dies, they have to pay the tax again.

This tax affects every American, especially our small business owners. I have found it very curious that some of my colleagues across the aisle continue to say it only affects the rich. Well, in my district, do my colleagues know that it affects thousands of farmers, thousands of small business owners who are very upset about the death tax?

Families everywhere would benefit from the repeal of this tax. When 70 percent of family businesses do not make it to the second generation, there is a problem; and we know we can fix part of that problem, because it is the death tax. For too long the death tax has been a major factor in the failure of family businesses. The tax not only forces American families to hand over their hard work to the government; family businesses spend millions of dollars every year trying to comply with these regulations. In addition, it discourages savings and investment, and it is costing our economy hundreds of thousands of new jobs.

Mr. Speaker, 89 percent of Americans want death taxes repealed. Small business owners get it, seniors get it, the farmers in my district get it.

Mr. Speaker, I urge my colleagues to join the leadership and to support this rule in favor of H.R. 8.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Again, I am having trouble following this debate here. The gentlewoman from Tennessee talked about the thousands of people in her district that had to pay the estate tax last year. I am reading from a report here that said there were roughly 440 taxable estates, or about 2 percent of all taxable estates were made up of farm and business assets in the year 2004.

What we are talking about here, and again, if we agree to the Pomeroy substitute, is three-tenths of 1 percent of the wealthiest people in this country. That is what we are talking about. We are not talking about family farms. I mean, that is a red herring. We are not talking about small businesses. We are talking about the Campbell Soup fortunes, the Mars candy fortunes. We are talking about the richest of the rich. That is what this is about.

What is unconscionable is that we are moving forward on this at a time when the majority of this House is proposing budgets that slash Medicaid, that cut community development block grants, that cut veterans health benefits, that cut education, that cut things that people rely on every single day. This is absurd that we are having this debate here today.

Again, I would urge my colleagues to look at the facts. Please do not exaggerate the impact of the difference between what the gentleman from North Dakota (Mr. POMEROY) has suggested

and what you are proposing here. What you are doing here is trying to extend this to protect the richest of the rich, and that is just wrong.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume to remind my colleagues that the rule that we are debating here to talk about the repeal of the death tax makes in order the substance of the subject that the gentleman from Massachusetts talked about, the Pomeroy substitute. We will have a vigorous debate on that. This is a very fair rule so that we can debate the difference between the two, and the body will work its will.

Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of the rule and the Death Tax Repeal Permanency Act of 2005. I do so, Mr. Speaker, really to just speak about small business America and about a small businessman who raised me.

It was 17 years ago today at the too-young age of 58 that my father, Ed Pence, passed away. It happens to be an unfortunate anniversary in my family, but on April 13, 1988, we said goodbye to my father. He was a small business owner that many on the floor of the Congress today would classify as a rich American.

Now, the rich American that I saw was a man who started out in a very small business in Columbus, Indiana, and worked tirelessly to raise his four sons and two daughters and build a business that employed several hundred local people in support of their families. It is really, with the memory of my father in mind, that I rise in vigorous support of the permanent repeal of the death tax. Because while my family was reeling from the grief of the loss of my father to a sudden heart attack 17 years ago today, also we were settling into the reality that much of what he had built, all of which he had already paid taxes on, was now subject to as much as a 47 percent estate tax.

My father's death and the business that he built and the resources that he had husbanded, after paying all of his debts and all of his taxes, should not have been subject to another tax. And we come into this well today on behalf of small business owners and family farmers just like my dad to put to an end permanently this truly immoral death tax in America.

It is the reality out there, not the heated rhetoric of rich versus poor, that explains why 89 percent of small business owners favor permanent repeal. In fact, they know that more than 70 percent of family businesses do not survive to a second generation; 87 percent do not make it to a third generation. Much is made of middle America that I am proud to represent and

the fact that Main Streets and courthouse squares are largely boarded up. People want to blame the Internet. They want to blame mass retailers. Well, I put the majority of the blame in practical terms at the doorstep of the death tax. It has waged war on small business and family farmers all across America, and we will begin to reverse that in a permanent way today.

So in the tender memory of my father, of his earnest labors, and with it in my mind the men and women who to this day labor to raise their families and build small businesses and family farms all across America that I extol the authors of this bill. I endorse the rule, and I vigorously support the permanent repeal of the death tax.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

I want to make it clear, as there is a lot of misinformation being promoted on the other side here: our side supports relief for family farmers and small businesses. That is not what we are talking about here today. The difference between our approach is the three-tenths of 1 percent richest people in this country, the Paris Hiltons of the world, the executives at Campbell Soup, the heirs of Campbell Soup or Mars candy if you read The Washington Post today. That is what this is about. In a climate where the majority is cutting Medicaid, cutting veterans benefits, cutting programs that help feed the most vulnerable in our country, to go out and protect and to try to extend a special tax cut to those richest people in this country, I think, is unconscionable.

Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank my colleague, the gentleman from Massachusetts, for leading the debate on this important rule in this fashion. I will just respond to my friend, the gentleman from Indiana (Mr. PENCE), the preceding speaker.

It is important that we talk about real facts today and, honest to goodness, some of the language does not reflect what reality would be relative to the estate tax if you would pass the Pomeroy substitute and set it at \$6 million per couple, taking care of, making estate tax completely go away for 99.7 percent of the people in this country. Language like "waging war on small business" and the majority reason for why small family farms do not pass on, 99.7 percent have no, absolutely no estate tax under the proposal that we are advancing. Clearly, that language does not match the facts of the proposal that we have advanced.

We heard about the immorality of taxing for the wealthiest three out of the 1,000 estates in this country. I believe another immorality is on the floor today, and that is the immorality of privatizing Social Security and reducing the benefits of Social Security for our children and grandchildren. An essential part of the Social Security

debate is changing the inflation index that would reduce the benefit for our subsequent generations. In my opinion, that is immoral.

What I think we ought to have captured in this debate on estate tax is the trade-off, because they say it is just estate tax; believe me, it is also Social Security. If you take \$290 billion out of the budget for the wealthiest three out of 1,000, you impact the ability to fix Social Security for everybody else. And the proposal I would like considered before the House is, let us give immediate and certain estate tax relief, 6 million per couple, and let us capture the amount over that dedicated to Social Security. That would fill 40 percent of the unfunded liabilities.

In context, we are looking at a 75-year solvency figure that the President has found so troublesome he wants to privatize Social Security. Well, by dedicating the sums that we capture with this three-tenths of 1 percent, we could fill 40 percent of the hole on Social Security. We would not have to cut benefits for our children. We would not have to cut benefits for our grandchildren.

So what we have is a very reasonable proposal going forward. Let us make the estate tax go away for 99.7 percent of the estates in this country. Let us not impose new capital gains taxes at the time of estates, and let us dedicate the difference to addressing Social Security. It brings us almost halfway there in terms of keeping all of the guarantees, while meeting the funding challenge over the next 75 years.

That is what is advanced by the minority proposal in this debate, and I hope it will get my colleagues' close consideration.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Texas (Mr. GOHMERT).

Mr. GOHMERT. Mr. Speaker, we have heard a lot of rhetoric here today, and some of it a bit disingenuous. I think it is a bit disingenuous to say in a loud tone, demanding an answer to some rhetorical question, and then demand, well, I hear none, when all of us here are observing the rules and not interrupting. It is a bit interesting to hear people talk about red herrings, and I like hearing from people across the aisle that they want to talk about real facts. So let me talk about real facts.

This, my friends, is a music box. It plays Amazing Grace. I would wind it up and play it now if the rules allowed that.

□ 1215

It belonged to my Great Aunt Lillie. She was land rich. Over a hundred years their family accumulated land, farm and ranch. I bought this music box at an IRS auction where the IRS forced the sale of everything she owned. They accumulated about 2,500 acres of farm and ranch land. She died in July of 1986, and shortly thereafter

land was dumped on the market. Times were rough, and the value of the land that was around \$2,000 an acre when she died went to \$600 or \$700 an acre.

The IRS was actually very gracious. They gave a couple of extensions or so. They allowed another appraisal, but it was around \$2,000 an acre when she died.

The IRS required the sale of every acre of land that they owned. They sold every item out of her home. If anybody in the family wanted anything, we had to show up at the auction and buy it. I bought this keepsake to remember my Great Aunt Lillie, who had been so gracious and kind and a great farm woman and a great gentlewoman.

So if you want to talk about the death tax in real facts, here it is. The death tax provides no grace, amazing or otherwise. It is a socialist notion, and it needs to go away.

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume.

Let me again, just for the record, point out that the Pomeroy substitute would provide \$3 million in relief for individuals immediately, \$3.5 million by 2009, and \$7 million per couple. And, again, what we are talking about here is not what the gentleman just spoke of. What we are talking about here is the richest of the rich in this country.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1¼ minutes to the gentleman from Texas (Mr. SMITH).

Mr. SMITH of Texas. Mr. Speaker, I thank my friend from Washington for yielding this time.

Mr. Speaker, in the last 2 years, the economy has created over 3 million new jobs. The unemployment rate is down. Our Nation's total output, or Gross Domestic Product, is up. Home ownership is at a record high, and personal income has increased.

Our economy is strong. To ensure that we continue to enjoy prosperity, Congress should support a pro-economic growth agenda that creates jobs and helps small businesses grow. This includes reducing taxes.

Our families and our country are better off when they keep more of what they earn. One way to enable them to do that is to pass H.R. 8, which permanently repeals the punitive death tax.

This tax often prevents parents from passing along their life's work and savings to their children. Family farms, ranches and small businesses are forced to be sold to satisfy the death tax rates which can reach 55 percent.

No one should be taxed throughout their lifetime and then have their property retaxed at the time of their death. It is the wrong tax at the wrong time on the wrong people.

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I think this piece of legislation that the majority is clearly going to be able to pass today is one of the most outrageous tax cuts that we have brought

to the House floor. The Democrats are going to offer an alternative, and I appreciate the fact that it was allowed by the Rules Committee, but this alternative would exempt 99.7 percent of American families from having to pay inheritance taxes. So all we are really talking about is three-tenths of 1 percent, a relative handful, the people who clearly can most afford to pay taxes.

This excessive, unnecessary cut will pass despite the fact that, within the last few legislative sessions, this Congress has voted to take 300,000 families off food stamps, to take 300,000 children off daycare, to run the risk, by taking \$20 billion out of Medicaid, that as many as 7 million very poor elderly people dependent on government help in nursing homes will not get that assistance.

Where are our priorities? Where is our source of fairness?

You know, I think that we would all agree that we believe in equal opportunity. But in this country, unfortunately, when you see the effect of these tax cuts, that equal opportunity is really dependent upon the accident of birth. Millions of people in our country are suffering for the accident of birth, without health insurance, without any real prospect of getting decent schooling. And yet where are we putting our tax cuts? What excuse are we using for burdening the next generation with hundreds of billions of dollars of debt?

We are taking hundreds of billions of dollars, borrowing it from the Social Security trust funds, just to give more help to the very children who, because of the accident of birth, have the very best education that this country can allow, have all the contacts imaginable, are virtually guaranteed economic success unless they choose to turn their backs on it.

What we have done is to turn our backs on the vast majority of the American people, and to close our consciences to our children's generation, who are getting swamped with debt. This bill is going to cost \$290 billion added on to a public debt that our children will never be able to recover from. And it is not necessary.

I ask you to consider the fact that it takes away the stepped-up basis at the point of inheritance, insuring that there will be more small businesses, more family farms that are going to get hurt—over 70 thousand—by this provision, by this legislation than are going to be helped, because they are going to have to pay capital gains at the point when they actually inherit calculated by going back to the original cost to the deceased. So it just does not make any sense, other than to people gripped by this ideological fervor to cut taxes irregardless of the rationale or the consequence. It is terrible legislation. It ought to be defeated.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 1¾ minutes to the gentleman from Georgia (Mr. GINGREY).

Mr. GINGREY. Mr. Speaker, I rise today as a proud cosponsor of H.R. 8,

the Death Tax Repeal Permanency Act of 2005.

First, I would like to take this opportunity to thank the gentleman from Missouri (Mr. HULSHOF) for his leadership on the bill.

Mr. Speaker, I do not believe that there has ever been a more reprehensible tax on the face of the earth than the death tax. The death tax represents not only a tax on the deceased but also on their families. Husbands, wives and children and other relatives bear the burden of this tax while they are still struggling to cope with the loss of their loved one.

Mr. Speaker, it is intolerable and absolutely unacceptable for the Federal Government to exact a tax on death and on the surviving families, causing them to lose their homes, their business, their farms and the lives they have struggled to build.

After all, they have created and established these businesses with after-tax dollars. Taxes have already been paid, and every bit of profit that they might make in a year is taxed as well.

Currently, the repeal of the death tax is set to expire in 2010; and, Mr. Speaker, I cannot understand how anyone would allow the Federal Government to hand a grieving family in 2011 a bill for the death of their loved one. Death's inevitability should not be a taxable event.

Mr. Speaker, let us get the Federal Government off the backs of grieving families and pass this rule and this bill for the sake of fairness and decency.

Mr. MCGOVERN. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I rise today as a cosponsor of H.R. 8 and in support of this rule. I believe, as most Americans do, that it is unacceptable for a grieving family who has recently lost a loved one to get a visit from the undertaker and the IRS on the very same day. It is unconscionable, and it ought to be illegal.

The death tax is really a tax on the American dream. Americans work hard all their lives building up farms and ranches and small businesses, hoping that maybe one day they can pass this along to their families. But after years of payroll taxes and income taxes and sales taxes and property taxes, many businesses and farms just do not make it. And those that do, the government can step in and take over half of what they worked their entire life to build.

Now, Mr. Speaker, I grew up working on a farm, and I represent a large portion of rural East Texas. East Texas is a great place to live, but sometimes it can be a challenging place to make a good living.

Recently, I spoke to a rancher in my district who has worked hard nearly 30 years building up a cattle ranch operation. His greatest dream is one day to leave that ranch to his family. But

with sadness in his voice he told me, you know what, Congressman? By the time the government takes its share, there is just not enough to go around.

It is not fair to take that family's ranch. It is not fair that Americans are being taxed twice on the same income. And it is not fair that the Federal Government can step in and automatically inherit 55 percent of the family farm, a family business or a family nest egg.

Mr. Speaker, let us vote for this rule. Let us support H.R. 8. Let us kill the death tax and breathe new life into the American dream.

Mr. MCGOVERN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, what the majority is doing today is wrong. We need to help family farmers and small businesses. We all agree on that, and the substitute that the gentleman from North Dakota (Mr. POMEROY) puts forth does that, with very generous exemptions.

But what the majority is suggesting is that somehow we need to do something to help the three-tenths of 1 percent of the richest people in this country at a time when they present budgets that cut Medicaid, that cut veterans benefits, that cut educational programs, that cut programs for the poor.

I mean, what are you doing? How can you come here with a straight face and say that we need to help the three-tenths of 1 percent richest people in this country, when so many people who are struggling in the middle class, so many struggling to get in the middle class, are having such a difficult time?

This is wrong what you are doing.

Mr. Speaker, at the end of this debate, I will call for a vote on the previous question; and if the previous question is defeated I will offer an amendment to the rule.

My amendment would take the cost difference between the Republicans' estate tax cut bill, which cost \$290 billion, and the Pomeroy estate tax cut bill, which costs \$72 billion, and shift that difference to the Social Security trust fund. We are talking about \$218 billion that could go right into the Social Security trust fund.

The Republican leadership and President Bush claim that there is a Social Security crisis. If they truly believe that there is a crisis, they should step up to the plate and support this effort to shore up the Social Security trust fund now.

The Pomeroy substitute will exempt 99.7 percent of all estates. 99.7 percent. With this amendment we can restore \$218 billion back to the Social Security trust fund and help save Social Security for future generations.

Mr. Speaker, there are a lot of people on the other side of the aisle who go back home and do town hall meetings and tell their constituents that they are for protecting Social Security. Well, this is a vote to show that you want to protect Social Security.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment immediately prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MCGOVERN. Again, Mr. Speaker, I would urge that the people join with us on this vote.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is not the first time that this body has addressed the issue of repealing or making permanent the death tax. In the 106th Congress, on a bipartisan basis, with 279 votes in favor, this body voted in favor of permanently eliminating the death tax. And the other body, also on a bipartisan basis, they, too, voted to permanently eliminate the death tax, but President Clinton vetoed that bill.

□ 1230

In the 107th Congress, again on a bipartisan basis, the House voted to eliminate the death tax permanently. Unfortunately, in the reconciliation of trying to put the differences between the two Houses together, we put the date of the 2011 when that would expire.

In the last Congress, once again the House addressed this issue and voted to permanently eliminate this death tax.

The bill that we will address when we pass this rule is exactly the same as the bill that we passed on a bipartisan basis in the last Congress.

Mr. Speaker, I urge my colleagues to vote for the rule and the underlying bill.

The material previously referred to by Mr. MCGOVERN is as follows:

AMENDMENT TO H. RES. 202 OFFERED BY REP. MCGOVERN

At the end of the resolution, add the following:

SEC. 2. Notwithstanding any other provision of this resolution, the amendment made in order under the first section of this resolution shall be modified by adding at the end the following new section:

SECTION __. TRANSFERS TO SOCIAL SECURITY.

(a) FINDINGS.—Congress hereby finds that—

(1) permanent repeal of the estate tax will cost \$290 billion over the 10-year budget window,

(2) this \$290 billion understates the long-term cost of repeal—in the last year of the budget window repeal of the estate tax will cost \$70 billion,

(3) in the next decade, the cost of repealing the estate tax together with the increased interest cost to the United States would be substantially above \$1 trillion,

(4) the enormous cost of repealing the estate tax would only benefit the wealthiest 0.3 percent of all families in the United States,

(5) permanent repeal of the estate tax would result in a substantial reduction in income tax receipts, and could result in lower receipts in the Social Security Trust Funds because of that tax avoidance,

(6) the provisions of this Act would prevent the reduction in Social Security receipts that could result from permanent repeal and it would preserve funds necessary to meet

commitments made to the Social Security system or other programs,

(7) the provisions of this Act provide immediate and substantial estate tax relief, exempting 99.7 percent of all estates from the estate tax,

(8) the United States is faced with many other fiscal challenges, including the requirement to meet the commitments made through the Social Security system, and

(9) the amounts saved by enacting this Act as compared to permanent repeal—

(A) in the long run on an annual basis would equal the current costs of the operations in Iraq,

(B) could be used for improvements in veterans benefits, and

(C) would close half of the shortfall faced by the Social Security system.

(b) TRANSFERS TO SOCIAL SECURITY.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

“(o) For purposes of ensuring that amounts are available to meet the commitments of the Social Security system, the Secretary of the Treasury shall, from time to time, transfer from the general fund in the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, the savings from the enactment of the Certain and Immediate Estate Tax Relief Act of 2005 as compared to the permanent repeal of the estate tax by the bill H.R. 8 (as introduced in the 109th Congress) as follows:

“(1) For fiscal years 2010–2015, the transfers in each year shall total for each fiscal year specified in the following table, the amount specified in connection with such fiscal year, as follows:

Table with 2 columns: Fiscal year, Amount Transferred. Rows include 2010 (\$6.1 billion), 2011 (\$35.4 billion), 2012 (\$39.4 billion), 2013 (\$42.7 billion), 2014 (\$47.9 billion), 2015 (\$50.5 billion).

“(2) For fiscal years beginning after September 30, 2015, the transfers in each year shall total the amount the Secretary of the Treasury determines to be the savings from the enactment of such Act as compared to such permanent repeal of the estate tax.”.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 30 minutes p.m.), the House stood in recess, subject to the call of the Chair.

□ 1338

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 1 o'clock and 38 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clauses 8 and 9 of rule XX, proceedings will now resume on questions previously postponed.

Votes will be taken in the following order:

motion to suspend the rules on H.R. 1463, by the yeas and nays;

motion to suspend the rules on H.R. 787, by the yeas and nays;

ordering the previous question on House Resolution 202, by the yeas and nays;

adoption of House Resolution 202, if ordered.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

JUSTIN W. WILLIAMS UNITED STATES ATTORNEY'S BUILDING

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1463.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the bill, H.R. 1463, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 427, nays 0, not voting 7, as follows:

[Roll No. 98] YEAS—427

Table listing names of members who voted 'Yeas' for H.R. 1463, including Bono, Chandler, Boozman, Chocola, Boren, Clay, Boswell, Cleaver, Boucher, Clyburn, Boustany, Coble, Boyd, Cole (OK), Bradly (NH), Conaway, Brady (PA), Conyers, Baker, Cooper, Baldwin, Brown (OH), Costa, Barrett (SC), Brown (SC), Costello, Barrow, Brown, Corrine, Cox, Bartlett (MD), Brown-Waite, Cramer, Barton (TX), Ginny, Crenshaw, Bass, Burgess, Crowley, Bean, Burton (IN), Cubin, Beauprez, Butterfield, Cuellar, Becerra, Buyer, Culberson, Berkley, Calvert, Cummings, Berman, Camp, Cunningham, Berry, Cannon, Davis (AL), Biggert, Cantor, Davis (CA), Bilirakis, Capito, Davis (FL), Bishop (GA), Capps, Davis (IL), Bishop (NY), Capuano, Davis (KY), Bishop (UT), Cardin, Davis, Jo Ann, Blackburn, Cardoza, Davis, Tom, Blumenauer, Carnahan, Deal (GA), Blunt, Carson, DeFazio, Boehlert, Carter, DeGette, Boehmer, Case, Delahunt, Bonilla, Castle, DeLauro, Bonner, Chabot, DeLay

Dent	Kelly	Pascarell	Tierney	Wasserman	Whitfield	Ford	Linder	Rehberg
Diaz-Balart, L.	Kennedy (MN)	Pastor	Towns	Schultz	Wicker	Fortenberry	Lipinski	Reichert
Diaz-Balart, M.	Kennedy (RI)	Paul	Turner	Waters	Wilson (NM)	Fossella	LoBiondo	Renzi
Dicks	Kildee	Payne	Udall (CO)	Watson	Wilson (SC)	Fox	Lofgren, Zoe	Reynolds
Dingell	Kilpatrick (MI)	Pearce	Udall (NM)	Watt	Wolf	Frank (MA)	Rogers	Lowey
Doggett	Kind	Pelosi	Upton	Waxman	Woolsey	Franks (AZ)	Lucas	Rogers (KY)
Doyle	King (IA)	Pence	Van Hollen	Weiner	Wu	Frelinghuysen	Lungren, Daniel	Rogers (MI)
Drake	King (NY)	Peterson (MN)	Velázquez	Weldon (FL)	Wynn	Gallegly	E.	Rohrabacher
Dreier	Kingston	Peterson (PA)	Visclosky	Weldon (PA)	Young (AK)	Garrett (NJ)	Lynch	Ros-Lehtinen
Duncan	Kirk	Petri	Walden (OR)	Weller	Young (FL)	Gerlach	Mack	Ross
Edwards	Kline	Pickering	Walsh	Westmoreland		Gibbons	Maloney	Rothman
Ehlers	Knollenberg	Pitts	Wamp	Wexler		Gilchrest	Manzullo	Roybal-Allard
Emanuel	Kolbe	Platts				Gingrey	Marchant	Royce
Emerson	Kucinich	Poe				Gohmert	Markey	Ruppersberger
Engel	Kuhl (NY)	Pombo	Baird	Frelinghuysen	Meeks (NY)	Gonzalez	Marshall	Rush
English (PA)	LaHood	Pomeroy	Davis (TN)	Gillmor		Goode	Matheson	Ryan (OH)
Eshoo	Langevin	Porter	Doolittle	Hunter		Goodlatte	Matsui	Ryan (WI)
Etheridge	Lantos	Portman				Gordon	McCarthy	Ryun (KS)
Evans	Larsen (WA)	Price (GA)				Granger	McCaul (TX)	Sabo
Everett	Larson (CT)	Price (NC)				Graves	McCollum (MN)	Salazar
Farr	Latham	Pryce (OH)				Green (WI)	McCotter	Sánchez, Linda
Fattah	LaTourette	Putnam				Green, Al	McCrery	T.
Feeney	Leach	Radanovich				Green, Gene	McDermott	Sanchez, Loretta
Ferguson	Lee	Rahall				Grijalva	McGovern	Sanders
Fillner	Levin	Ramstad				Gutierrez	McHenry	Saxton
Fitzpatrick (PA)	Lewis (CA)	Rangel				Gutknecht	McHugh	Schakowsky
Flake	Lewis (GA)	Regula				Hall	McIntyre	Schiff
Foley	Lewis (KY)	Rehberg				Harman	McKeon	Schwartz (PA)
Forbes	Linder	Reichert				Harris	McKinney	Schwarz (MI)
Ford	Lipinski	Renzi				Hart	McMorris	Scott (GA)
Fortenberry	LoBiondo	Reyes				Hastings (FL)	McNulty	Scott (VA)
Fossella	Lofgren, Zoe	Reynolds				Hastings (WA)	Meehan	Sensenbrenner
Fox	Lowey	Rogers (AL)				Hayes	Meek (FL)	Serrano
Frank (MA)	Lucas	Rogers (KY)				Hayworth	Meeks (NY)	Sessions
Franks (AZ)	Lungren, Daniel	Rogers (MI)				Hefley	Melancon	Shadegg
Gallegly	E.	Rohrabacher				Hensarling	Menendez	Shaw
Garrett (NJ)	Lynch	Ros-Lehtinen				Herger	Mica	Shays
Gerlach	Mack	Ross				Herseth	Michaud	Sherman
Gibbons	Maloney	Rothman				Higgins	Millender-	Sherwood
Gilchrest	Manzullo	Roybal-Allard				Hinchev	McDonald	Shimkus
Gingrey	Marchant	Royce				Hinojosa	Miller (FL)	Shuster
Gohmert	Markey	Ruppersberger				Hobson	Miller (MI)	Simmons
Gonzalez	Marshall	Rush				Hoekstra	Miller (NC)	Simpson
Goode	Matheson	Ryan (OH)				Holden	Miller, Gary	Skelton
Goodlatte	Matsui	Ryan (WI)				Holt	Miller, George	Slaughter
Gordon	McCarthy	Ryan (KS)				Honda	Mollohan	Smith (NJ)
Granger	McCaul (TX)	Sabo				Hooley	Moore (KS)	Smith (TX)
Graves	McCollum (MN)	Salazar				Hostettler	Moore (WI)	Smith (WA)
Green (WI)	McCotter	Sánchez, Linda				Hoyer	Moran (KS)	Snyder
Green, Al	McCrery	T.				Hulshof	Moran (VA)	Sodrel
Green, Gene	McDermott	Sanchez, Loretta				Hunter	Murphy	Solis
Grijalva	McGovern	Sanders				Hyde	Murtha	Souder
Gutierrez	McHenry	Saxton				Inglis (SC)	Musgrave	Spratt
Gutknecht	McHugh	Schakowsky				Inslee	Myrick	Stark
Hall	McIntyre	Schiff				Israel	Nadler	Stearns
Harman	McKeon	Schwartz (PA)				Issa	Napolitano	Strickland
Harris	McKinney	Schwarz (MI)	Abercrombie	Brady (TX)	Cunningham	Istook	Neal (MA)	Stupak
Hart	McMorris	Scott (GA)	Ackerman	Brown (OH)	Davis (AL)	Jackson (IL)	Neugebauer	Sullivan
Hastings (FL)	McNulty	Scott (VA)	Aderholt	Brown (SC)	Davis (CA)	Jackson-Lee	Ney	Sweeney
Hastings (WA)	Meehan	Sensenbrenner	Akin	Brown, Corrine	Davis (FL)	(TX)	Northup	Tancred
Hayes	Meek (FL)	Serrano	Alexander	Brown-Waite,	Davis (IL)	Jefferson	Norwood	Tanner
Hayworth	Melancon	Sessions	Allen	Ginny	Davis (KY)	Jenkins	Nunes	Tauscher
Hefley	Menendez	Shadegg	Andrews	Burgess	Davis (TN)	Jindal	Nussle	Taylor (MS)
Hensarling	Mica	Shaw	Baca	Burton (IN)	Davis, Jo Ann	Johnson (CT)	Oberstar	Taylor (NC)
Herger	Michaud	Shays	Bachus	Butterfield	Davis, Tom	Johnson (IL)	Obey	Terry
Herseth	Millender-	Sherman	Baker	Buyer	DeFazio	Johnson, E. B.	Olver	Thomas
Higgins	McDonald	Sherwood	Baldwin	Camp	DeGette	Johnson, Sam	Ortiz	Thompson (CA)
Hinchev	Miller (FL)	Shimkus	Barrett (SC)	Cannon	Delahunt	Jones (NC)	Osborne	Thompson (MS)
Hinojosa	Miller (MI)	Shuster	Barrow	Cantor	DeLauro	Jones (OH)	Otter	Thornberry
Hobson	Miller (NC)	Simmons	Bartlett (MD)	Capito	DeLay	Kanjorski	Owens	Tiahrt
Hoekstra	Miller, Gary	Simpson	Barton (TX)	Capps	Dent	Kaptur	Oxley	Tiberi
Holden	Miller, George	Skelton	Bass	Capuano	Diaz-Balart, L.	Kelly	Pallone	Tierney
Holt	Mollohan	Slaughter	Bean	Cardoza	Diaz-Balart, M.	Kennedy (MN)	Pascarell	Towns
Honda	Moore (KS)	Smith (NJ)	Beauprez	Carnahan	Dicks	Kennedy (RI)	Pastor	Turner
Hooley	Moore (WI)	Smith (TX)	Becerra	Carson	Dingell	Paul	Payne	Udall (CO)
Hostettler	Moran (KS)	Smith (WA)	Berkley	Carter	Doggett	Kilpatrick (MI)	Pearce	Udall (NM)
Hoyer	Moran (VA)	Snyder	Berman	Case	Doyle	Kind	Pearce	Upton
Hulshof	Murphy	Sodrel	Berry	Castle	Drake	King (IA)	Pelosi	Van Hollen
Hyde	Murtha	Solis	Biggert	Chabot	Dreier	King (NY)	Pence	Velázquez
Inglis (SC)	Musgrave	Souder	Bilirakis	Chandler	Duncan	Kingston	Peterson (MN)	Visclosky
Inslee	Myrick	Spratt	Bishop (GA)	Clay	Edwards	Kirk	Peterson (PA)	Walden (OR)
Israel	Nadler	Stark	Bishop (NY)	Cleaver	Ehlers	Kline	Petri	Walsh
Issa	Napolitano	Stearns	Bishop (UT)	Clyburn	Emanuel	Knollenberg	Pickering	Wamp
Istook	Neal (MA)	Strickland	Blackburn	Coble	Emerson	Kolbe	Pitts	Wasserman
Jackson (IL)	Neugebauer	Stupak	Blumenauer	Cole (OK)	Engel	Kucinich	Platts	Schultz
Jackson-Lee	Ney	Sullivan	Blunt	Conaway	English (PA)	Kuhl (NY)	Poe	Waters
(TX)	Northup	Sweeney	Boehlert	Conyers	Eshoo	LaHood	Pombo	Watson
Jefferson	Norwood	Tancred	Boehner	Cooper	Etheridge	Langevin	Pomeroy	Watt
Jenkins	Nunes	Tanner	Bonilla	Cooper	Evans	Lantos	Porter	Waxman
Jindal	Nussle	Tauscher	Bonner	Costa	Everett	Larsen (WA)	Portman	Weiner
Johnson (CT)	Oberstar	Taylor (MS)	Bono	Costello	Farr	Larson (CT)	Price (GA)	Weldon (FL)
Johnson (IL)	Obey	Taylor (NC)	Boozman	Cox	Fattah	Latham	Price (NC)	Weldon (PA)
Johnson, E. B.	Olver	Terry	Boren	Cramer	Feeney	LaTourette	Pryce (OH)	Weller
Johnson, Sam	Ortiz	Thomas	Boswell	Crenshaw	Ferguson	Leach	Putnam	Westmoreland
Jones (NC)	Osborne	Thompson (CA)	Boucher	Crowley	Fillner	Lee	Radanovich	Wexler
Jones (OH)	Otter	Thompson (MS)	Boustany	Cubin	Fitzpatrick (PA)	Levin	Rahall	Whitfield
Kanjorski	Owens	Thornberry	Boyd	Cuellar	Flake	Lewis (CA)	Ramstad	Wicker
Kaptur	Oxley	Tiahrt	Bradley (NH)	Culberson	Foley	Lewis (GA)	Rangel	Wilson (NM)
Keller	Pallone	Tiberi	Brady (PA)	Cummings	Forbes	Lewis (KY)	Regula	Wilson (SC)

NOT VOTING—7

□ 1403

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ROBERT T. MATSUI UNITED STATES COURTHOUSE

The SPEAKER pro tempore (Mr. LAHOOD.) The pending business is the question of suspending the rules and passing the bill, H.R. 787.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. SHUSTER) that the House suspend the rules and pass the bill, H.R. 787, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 426, nays 0, not voting 8, as follows:

[Roll No. 99]

YEAS—426

Abercrombie	Brady (TX)	Cunningham	Davis (AL)	Davis (CA)	Davis (FL)	Davis (IL)	Davis (KY)	Davis (TN)	Davis, Jo Ann	Davis, Tom	DeFazio	DeGette	Delahunt	DeLauro	DeLay	Dent	Diaz-Balart, L.	Diaz-Balart, M.	Dicks	Dingell	Doggett	Doyle	Drake	Dreier	Duncan	Edwards	Ehlers	Emanuel	Emerson	Engel	English (PA)	Eshoo	Etheridge	Evans	Everett	Farr	Fattah	Feeney	Ferguson	Fillner	Fitzpatrick (PA)	Flake	Foley	Forbes
Brown (OH)	Brown (SC)	Brown, Corrine	Brown-Waite,	Ginny	Burgess	Burton (IN)	Butterfield	Buyer	Camp	Cannon	Cantor	Capito	Capps	Capuano	Diaz-Balart, L.	Cardoza	Carnahan	Carson	Carter	Case	Castle	Chabot	Chandler	Clay	Cleaver	Clyburn	Coble	Cole (OK)	Conaway	Conyers	Cooper	Costa	Costello	Cox	Cramer	Crenshaw	Crowley	Cubin	Cuellar	Culberson	Cummings			
Bartlett (MD)	Barton (TX)	Bass	Bean	Beauprez	Becerra	Berkley	Berman	Berry	Biggert	Bilirakis	Bishop (GA)	Bishop (NY)	Bishop (UT)	Blackburn	Blumenauer	Blunt	Boehlert	Boehner	Bonilla	Bonner	Bono	Boozman	Boren	Boswell	Boucher	Boustany	Boyd	Bradley (NH)	Brady (PA)															
Brown (OH)	Brown (SC)	Brown, Corrine	Brown-Waite,	Ginny	Burgess	Burton (IN)	Butterfield	Buyer	Camp	Cannon	Cantor	Capito	Capps	Capuano	Diaz-Balart, L.	Cardoza	Carnahan	Carson	Carter	Case	Castle	Chabot	Chandler	Clay	Cleaver	Clyburn	Coble	Cole (OK)	Conaway	Conyers	Cooper	Costa	Costello	Cox	Cramer	Crenshaw	Crowley	Cubin	Cuellar	Culberson	Cummings			
Bartlett (MD)	Barton (TX)	Bass	Bean	Beauprez	Becerra	Berkley	Berman	Berry	Biggert	Bilirakis	Bishop (GA)	Bishop (NY)	Bishop (UT)	Blackburn	Blumenauer	Blunt	Boehlert	Boehner	Bonilla	Bonner	Bono	Boozman	Boren	Boswell	Boucher	Boustany	Boyd	Bradley (NH)	Brady (PA)															

Wolf	Wu	Young (AK)
Woolsey	Wynn	Young (FL)

NOT VOTING—8

Baird	Deal (GA)	Keller
Calvert	Doolittle	Reyes
Chocola	Gillmor	

Leach	Pence	Shays
Lewis (CA)	Peterson (PA)	Sherwood
Lewis (KY)	Petri	Shimkus
Linder	Pickering	Shuster
LoBiondo	Pitts	Simmons
Lucas	Platts	Simpson
Lungren, Daniel E.	Poe	Smith (NJ)
Mack	Pombo	Smith (TX)
Manzullo	Porter	Sodrel
Marchant	Portman	Souder
McCaul (TX)	Price (GA)	Stearns
McCotter	Pryce (OH)	Sullivan
McCrery	Putnam	Sweeney
McHenry	Radanovich	Tancredo
McHugh	Rahall	Taylor (NC)
McKeon	Ramstad	Terry
McMorris	Regula	Thomas
Mica	Rehberg	Thornberry
Miller (FL)	Reichert	Tiahrt
Miller (MI)	Renzi	Tiberi
Miller, Gary	Reynolds	Turner
Moran (KS)	Rogers (AL)	Upton
Murphy	Rogers (KY)	Walden (OR)
Musgrave	Rogers (MI)	Walsh
Myrick	Rohrabacher	Wamp
Neugebauer	Ros-Lehtinen	Weldon (FL)
Ney	Royce	Weldon (PA)
Northup	Rush	Weller
Norwood	Ryan (WI)	Westmoreland
Nunes	Ryun (KS)	Whitfield
Nussle	Saxton	Wicker
Osborne	Schwarz (MI)	Wilson (NM)
Otter	Scott (GA)	Wilson (SC)
Oxley	Sensenbrenner	Wolf
Paul	Sessions	Young (AK)
Pearce	Shadegg	Young (FL)
	Shaw	

Thompson (MS)	Visclosky	Weiner
Tierney	Wasserman	Wexler
Towns	Schultz	Woolsey
Udall (CO)	Waters	Wu
Udall (NM)	Watson	Wynn
Van Hollen	Watt	
Velázquez	Waxman	

□ 1411

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NOT VOTING—2

Baird Gillmor

□ 1418

So the previous question was ordered. The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DOOLITTLE. Mr. Speaker, on rollcall Nos. 98–99 I was unavoidably detained. Had I been present, I would have voted “yea” on both.

PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX REPEAL PERMANENCY ACT OF 2005

The SPEAKER pro tempore. The pending business is the vote on ordering the previous question on House Resolution 202, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were yeas 237, nays 195, not voting 2, as follows:

[Roll No. 100]

YEAS—237

Aderholt	Cox	Granger
Akin	Cramer	Graves
Alexander	Crenshaw	Green (WI)
Bachus	Cubin	Gutknecht
Baker	Culberson	Hall
Barrett (SC)	Cunningham	Harman
Bartlett (MD)	Davis (KY)	Harris
Barton (TX)	Davis, Jo Ann	Hart
Bass	Davis, Tom	Hastings (WA)
Beauprez	Deal (GA)	Hayes
Biggert	DeLay	Hayworth
Bilirakis	Dent	Hefley
Bishop (GA)	Diaz-Balart, L.	Hensarling
Bishop (UT)	Diaz-Balart, M.	Herger
Blackburn	Doolittle	Hobson
Blunt	Drake	Hoekstra
Boehrlert	Dreier	Hostettler
Boehner	Duncan	Hulshof
Bonilla	Ehlers	Hunter
Bonner	Emerson	Hyde
Bono	English (PA)	Inglis (SC)
Boozman	Everett	Issa
Boustany	Feeney	Istook
Bradley (NH)	Ferguson	Jenkins
Brady (TX)	Fitzpatrick (PA)	Jindal
Brown (SC)	Flake	Johnson (CT)
Brown-Waite,	Foley	Johnson (IL)
Ginny	Forbes	Johnson, Sam
Burgess	Fortenberry	Jones (NC)
Burton (IN)	Fossella	Keller
Buyer	Fox	Kelly
Calvert	Franks (AZ)	Kennedy (MN)
Camp	Frelinghuysen	King (IA)
Cannon	Gallely	King (NY)
Cantor	Garrett (NJ)	Kingston
Capito	Gerlach	Kirk
Carter	Gibbons	Kline
Castle	Gilchrest	Knollenberg
Chabot	Gingrey	Kolbe
Chocola	Gohmert	Kuhl (NY)
Coble	Goode	LaHood
Cole (OK)	Goodlatte	Latham
Conaway	Gordon	LaTourette

NAYS—195

Abercrombie	Fattah	Melancon
Ackerman	Filner	Menendez
Allen	Ford	Michaud
Andrews	Frank (MA)	Millender-
Baca	Gonzalez	McDonald
Baldwin	Green, Al	Miller (NC)
Barrow	Green, Gene	Miller, George
Bean	Grijalva	Mollohan
Becerra	Gutierrez	Moore (KS)
Berkley	Hastings (FL)	Moore (WI)
Berman	Hereth	Moran (VA)
Berry	Higgins	Murtha
Bishop (NY)	Hinchey	Nadler
Blumenauer	Hinojosa	Napolitano
Boren	Holden	Neal (MA)
Boswell	Holt	Oberstar
Boucher	Honda	Obey
Boyd	Hooley	Olver
Brady (PA)	Hoyer	Ortiz
Brown (OH)	Inslee	Owens
Brown, Corrine	Israel	Pallone
Butterfield	Jackson (IL)	Pascrell
Capps	Jackson-Lee	Pastor
Capuano	(TX)	Payne
Cardin	Jefferson	Pelosi
Cardoza	Johnson, E. B.	Peterson (MN)
Carnahan	Jones (OH)	Pomeroy
Carson	Kanjorski	Price (NC)
Cason	Kaptur	Rangel
Chandler	Kennedy (RI)	Reyes
Clay	Kildee	Ross
Cleaver	Kilpatrick (MI)	Rothman
Clyburn	Kind	Roybal-Allard
Conyers	Kucinich	Ruppersberger
Cooper	Langevin	Ryan (OH)
Costa	Lantos	Sabo
Costello	Larsen (WA)	Salazar
Crowley	Larson (CT)	Sánchez, Linda
Cuellar	Lee	T.
Cummings	Levin	Sanchez, Loretta
Davis (AL)	Lewis (GA)	Sanders
Davis (CA)	Lipinski	Schakowsky
Davis (FL)	Lofgren, Zoe	Schiff
Davis (IL)	Lowey	Schwartz (PA)
Davis (TN)	Lynch	Scott (VA)
DeFazio	Maloney	Serrano
DeGette	Markey	Sherman
Delahunt	Marshall	Skelton
DeLauro	Matheson	Slaughter
Dicks	Matsui	Smith (WA)
Dingell	McCarthy	Snyder
Doggett	McCollum (MN)	Solis
Doyle	McDermott	Spratt
Edwards	McGovern	Stark
Emanuel	McIntyre	Strickland
Engel	McKinney	Stupak
Eshoo	McNulty	Tanner
Etheridge	Meehan	Tauscher
Evans	Meek (FL)	Taylor (MS)
Farr	Meeks (NY)	Thompson (CA)

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 525

Mr. SAM JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to have the name of the gentleman from New York (Mr. TOWNS) removed as a cosponsor of H.R. 525.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEATH TAX REPEAL PERMANENCY ACT OF 2005

Mr. HULSHOF. Mr. Speaker, pursuant to House Resolution 202, I call up the bill (H.R. 8) to make the repeal of the estate tax permanent, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 202, the bill is considered read.

The text of H.R. 8 is as follows:

H.R. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Death Tax Repeal Permanency Act of 2005”.

SEC. 2. ESTATE TAX REPEAL MADE PERMANENT.
Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider the amendment in the nature of a substitute printed in House Report 109–35, if offered by the gentleman from North Dakota (Mr. POMEROY) or his designee, which shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Missouri (Mr. HULSHOF) and the gentleman from California (Mr. STARK) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Missouri (Mr. HULSHOF).

GENERAL LEAVE

Mr. HULSHOF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within

which to revise and extend their remarks and include extraneous material on H.R. 8.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HULSHOF. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I appreciate the fact that we are here today poised to pass H.R. 8, the Death Tax Repeal Permanency Act of 2005.

On behalf of the lead Democratic sponsor, my colleague, the gentleman from Alabama (Mr. CRAMER), as well as the over 200 bipartisan Members who have co-sponsored this bill, I am pleased that we are poised to pass in this body this commonsense legislation.

I would like to talk about a couple of constituents, particularly a constituent named Howard Effert who is a resident of Columbia, Missouri, who in 1965 began a lumber yard business there in Columbia. He contributed \$100, which was a very modest contribution, as he had three young children to provide for with a modest wage.

He had the idea and a desire for a new venture even though many within the community felt this venture would be unsuccessful, but yet his partners helped him provide the financial assistance and of course some valuable mentoring to help him open the doors to this lumber business.

Fast forward now 40 years. His two sons, Brad and Greg, are running the day-to-day operations of the business. Of course, they want this family business that has been in their family since its modest beginnings in 1965 to be able to be passed on pursuant to the American Dream, that is, to create a legacy, to help your children be better off than you were.

Yet the Effert family today, Mr. Speaker, has to write a check for \$1,000 a week, \$52,036 to be precise, to purchase a term life insurance policy, the proceeds of which will be to pay the Federal Government on that inevitable day that Howard Effert passes from this world to the next.

In 2001 we passed historic legislation that let all income tax payers keep a little bit more of what they earned, and this historic legislation included a repeal of the Federal death tax which was a top tax priority for a lot of small business and family farm groups. Thus under current law, the death tax is gradually phased out between now and 2010. This is accomplished by increasing the exemption from the tax. Currently it is \$1.5 million shielded from this very confiscatory tax, and at the same time we chip away at that top rate, which was as high as 55 percent, and in fact, in a few isolated instances as high as 60 percent tax. We now chip that away, and it is currently 47 percent.

Unfortunately, as we know, the death tax does not stay dead and buried. As things now stand, it will rise from the

grave in 2011, and it will revert to its form prior to 2001. Now, this quirk in the law can be directly attributed to the Senate's Byrd Rule, which applies to the consideration of reconciliation bills.

As a matter of basic fairness, we must permanently repeal the death tax. The death of a family member quite simply should not be a taxable event. And if it was good policy when we enacted it in 2001, it remains a good idea today.

Let me touch briefly on some policy rationales for finishing this unfinished work. The death tax is fundamentally unfair. By its very structure, the tax punishes thrift, savings, and hard work. Conversely, the tax forces taxpayers to engage in a host of economically inefficient activities to avoid the very punitive nature of the tax. Not only does this have a very real effect on taxpayers and their behavior but a negative impact on the economy.

With a tax like the death tax, a family business or farm has no choice but to divert these precious resources, as in the case of the Effert family, to plan financially for the financial impact for the tax: money that could be used to expand the business, to purchase a forklift, to bring another person on the payroll, whatever is in the best interest of that business. Instead, this money is diverted in anticipation of this very punitive tax.

Now, supporters of retaining the death tax will claim that perhaps redistribution of income promotes economic fairness and social responsibility. We will get to have that debate. I respectfully disagree. Instead of rewarding savings and investment, this tax actually rewards those who spend lavishly and leave no ongoing business interest or assets to the next generation.

I am mindful of the bumper sticker that I saw recently traveling Missouri's highways on a big recreational vehicle that says "I am spending my children's inheritance."

If you wanted to give some good estate tax advice to someone that has put together some assets to pass along, it would be simply to consume it. Yet as we talk about some sort of tax reform and perhaps a consumption tax, this tax actually focuses on non-consumption and on thrift and savings.

For that and for a variety of reasons, we will have the opportunity, I hope, in a good debate, in a civil discourse. I think we should permanently repeal the death tax. We should enact H.R. 8.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I guess it becomes my job to point out that the Republicans are at it again. Another huge tax cut or break for the less than 1 percent of the richest Americans while they turn their back and cut Medicaid, refuse to recognize that Social Security is not in crisis but needs some adjustment, cut Head Start, cut programs for housing,

cut programs for the environment, fail to provide the promised benefits to our 140,000 servicemen in Iraq, turn their back on all that is American to give a few dollars to the very richest of Americans.

Now, not all Republicans are that way. I find that many of the Republicans who have actually worked for a living at some point in their lives, and not just either inherited money or been at the trough of the government, actually oppose this bill. Warren Buffett, the Gates family, people who have done quite well think that as I do it is a stupid bill and will do nothing for our free enterprise system. It will stifle creativity and leave us with a system where merit and ability mean nothing and heredity means everything.

\$300 billion over the next 10 years and perhaps another \$700 billion over the decade following that are going to be frittered away to a very small number of Americans. With that we could end this talk about privatizing Social Security that President Bush is leading, and we could start shoring up the trust fund. We could get rid of the doughnut hole in the poorly constructed Medicare drug benefit. We could fulfill the promise that the President and the Republicans have ignored for funding No Child Left Behind. We could eliminate the proposed cuts to Medicaid which will hurt the poorest children in this country. And while we may help a few very rich children with an inheritance, we will cut hundreds of thousands of children's Medicaid benefits. That could be prevented.

We could cover a large portion of the 45 million people who are without health insurance, I might add 8 million more than when President Bush took office. But Republicans obviously do not care about Social Security or Medicare or the uninsured or education or the children. They only care about tax cuts for the very richest among us.

Now, if you eliminate this, you are only going to help probably less than a couple thousand people a year, and they will arguably have by 2009 estates of over \$7 million. Until now there has not been a family farmer or a small business who has been unable to pass the business on to the next generation.

I might add to my friend from Missouri of his people in the lumber business, if their children cannot get the first \$7 million handed to them and then get a 50 percent down payment on the balance of the business and be given 10 years at less than 6 percent to pay off the balance of that, they are probably too dumb and would lose the business in no time at all anyway.

□ 1430

So what the current law allows is so generous, and there have been absolutely no instances, not one, of a family farmer or family business being lost, decimated or put on the auction block because of the estate tax.

In fact, 99.7 percent of all estates would be exempt from the estate tax if

we just extend the tax as it applies in 2009. They cannot show that it harms people. They can only show that gives billions, \$300 to almost \$1 trillion over 20 years, to the very smallest, most select group of rich people in this country.

It is indeed a follow on of the Republican mantra, give money to the rich, give it to them in huge amounts and cut back on education, cut back on health care, do not help the environment, cut back on support for our troops and cut back on improving America's infrastructure, all in the name of helping the few rich who may be contributors to the Republican party.

I urge that my colleagues vote "no" on the final bill. I urge that my colleagues vote for the gentleman from North Dakota's (Mr. POMEROY) who will offer a responsible substitute, which will at least keep the \$300 billion from being squandered, and it will prevent this bill, which does nothing to help hardworking Americans or small businesses, and I hope we can bring some sanity back to the financial code and to the economic future of this country by not passing this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, a lot of individuals have worked on H.R. 8, and I yield 2 minutes to the gentleman from California (Mr. HERGER), one of those individuals.

Mr. HERGER. Mr. Speaker, I thank the gentleman very much for the time.

Mr. Speaker, I rise in strong support of legislation to bury the destructive death tax once and for all; and I might mention that my personal experiences, even with my own family and others, has been just the opposite of the gentleman who just spoke before.

Nearly everywhere I go throughout my largely rural, agricultural district in northern California, I hear from businessmen and businesswomen and many farmers and ranchers who have had to liquidate and sell a family business or farm just to pay the Federal estate tax. This is simply wrong.

Four years ago, I joined with President Bush and a majority of Representatives and Senators in an effort to enact into law historic tax relief legislation, including repeal of the death tax. Unfortunately, due to outdated Senate budget rules, the 2001 tax law will sunset on December 31, 2010. This has created an incredibly unfair and arbitrary situation.

Consider that the heirs of those who pass away in 2010 will face no death tax whatsoever, while those whose families are unfortunate enough to pass away in 2011 or thereafter will face tax rates of up to 55 percent on their assets, forcing many of them to have to sell. Certainly no one can reasonably argue that this is rational tax policy.

Furthermore, the death tax extracts a high cost from American taxpayers. Studies have found that family businesses spend up to \$125,000 on attor-

neys, accountants and financial experts to assist in estate planning. These dollars could otherwise be used to modernize equipment, expand their business or farms and create new jobs.

Mr. Speaker, the death tax is, without question, one of the most destructive, counterproductive and unfair provisions of our Tax Code. Let us bury the death tax once and for all. Vote "aye" on this legislation.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, in a few words, this is fiscal madness. It is a death wish on the part of some of my colleagues about fiscal responsibility. What my colleagues are burying is fiscal responsibility.

The national debt is now \$4.6 trillion, \$6.3 if we add in Social Security funds. As mentioned, this bill would add \$290 billion in debt, and who would benefit? The very, very wealthy.

One-third of the estate tax is paid by the wealthiest one of one thousand Americans. I think that is one-tenth of 1 percent. Not farmers or small business people. That is the lamest argument brought to this floor in recent memory.

The Pomeroy amendment would totally take care of this, and what my majority colleagues' bill does, and it is interesting, they do not come here and say so, they would increase the taxes for thousands and thousands of Americans. These citizens would have to pay capital gains tax when they do not now do so. Why do my colleagues not come here and say this is a tax increase for thousands of Americans? They do not say that.

What this is also, everybody should understand, is a further raid on Social Security funds. My colleagues have come here, some of them on the majority side, talking about Social Security and how we need to address the shortfall. For some of these same colleagues, private accounts do not even touch that, and then they come here and increase the shortfall.

This is true fiscal madness. My colleagues will indulge in it again I guess, and I hope, once again, the Senate will come to our rescue.

Mr. HULSHOF. Mr. Speaker, I yield myself 30 seconds.

I am sure the gentleman from Michigan misspoke, and I am certain it was inadvertent. The bill, H.R. 8, actually does allow for a step up in basis of \$3 million for a surviving spouse and another \$1.3 million for surviving heirs.

If the intent of the legislation, which it is, is to help family businesses be passed from one generation to the next and the surviving heirs choose not to farm or continue the family business, then they are the ones making the taxable decision to dispose of assets that would be subject to a 15 percent capital gains rate but certainly not the 45 percent estate tax.

Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding me this time.

Listening to the debate that we have listened to from the other side, the sole argument seems to be that it only applies to a small amount of our population, the wealthiest among us. We know that, but I have yet to hear anybody to justify, to give us a good reason to say this is a good and fair tax and here is why.

It seems to be that the argument is being centered around the punitive basis. Let us go after the rich guys. Let us go after them and do something.

I am in favor of the Hulshof bill to repeal the death tax simply because it is the right thing to do. The death tax is wrong. To go in and tax almost half of someone's estate because they have accumulated a lot and to make death an incident of taxation is wrong. It is a wrong tax, and I cannot imagine anybody getting up and justifying it, other than the fact it is a revenue stream to the Federal Government, but it is the wrong one.

Mr. STARK. Mr. Speaker, I yield myself enough time to remind the historians here that it was the Republicans in the 1800s who established the original inheritance tax to prevent a nobility class from forming, an idle nobility class, in this country.

Mr. Speaker, I am happy to yield 4 minutes to the gentleman from Washington (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, my colleague from Florida, I wish he would stay, because we are here today because the Republican majority would like to repeal the estate tax, but they have forgotten history.

I am sure my colleague was not here, but I would like to remind him that it was a Republican, President Roosevelt, Teddy Roosevelt, who strongly supported an estate tax in the first place. Here is what he said. There is no argument for this.

"The man of great wealth," Teddy said, "owes a particular obligation to the State because he derives special advantages from the mere existence of government." Wow, nicely said, and a Republican, too.

That proves two things, that Republicans can sometimes speak eloquently, and sometimes they can even do something that is right.

Though Republicans want to undo all the good for the sake of greed, please, America, do not be phoned up by this rhetoric that we hear on this bill. They will pitch some gibberish about how they are helping Americans. That is nonsense.

We just came from the Committee on Ways and Means. The reason this place was in recess is because we were over there giving out \$8 billion to oil companies. Those poor people, whose profits have quadrupled in the last 2 years,

that is what we did a little while ago. Now we come over here, and we are going to give more money away. Does that seem like it benefits real people? This is not about real people. This is about very, very, very rich people, and that is about as plainspoken as Teddy Roosevelt would have said it.

Only 2 percent, at the most, pay any estate tax whatsoever. Three-quarters of the money that comes in comes from people with estates over \$2.5 million.

If we repeal this, the rich get richer and America's deficit gets deeper and redder. We create an oligarchic class in this country from whom the money can never be taxed. If they can manipulate it around while they are alive, they can never have to pay a penny.

The real losers in this are not only the American people. It is the American universities, the American churches, all those people who get money contributed by rich people because they do not want to pay the inheritance tax.

Now my colleagues have taken away the encouragement. Why should they give anything away? Oh, well, because they have big hearts. They have big hearts we are told. Really? Then why are we out here with a bill like this which gives them the ability to keep every single dime?

Now if you can give your kid \$2 million and say, now, Johnny, here is two million bucks, I think that ought to kind of get you a start in the world. Does that not seem like enough? Well, to the Republicans, there is never enough; take as much as you can from everybody and keep it.

Ronald Reagan put the sign of the cross on it. He said, are you better off today than you were 4 years ago? Never does anyone say on my colleagues' side, are we better off.

We are in debt to the world. We borrowed from the Japanese last year our entire deficit, more than \$400 billion, and the President wanders around the country saying, well, that is just paper. Those things in the Social Security trust fund, that is just paper. Do not pay any attention to that.

If the Japanese stop buying dollars and they start buying Euros, and the Chinese start buying Euros and the Middle East buys Euros, where do my colleagues think we are going to borrow money and what kind of interest rate are we going to pay? This is a bad bill, it is bad policy, and it is bad ethics.

Mr. HULSHOF. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from the great State of Missouri (Mr. BLUNT) a colleague of mine, the majority whip.

Mr. BLUNT. Mr. Speaker, I thank my good friend, the gentleman from Missouri (Mr. HULSHOF), for yielding to me and for the great work he has done on this issue from the day we came to Congress 8 years ago. I rise in support of the bill that would repeal this tax.

The House and Senate are already both on record for repealing the tax. We just did not repeal it permanently.

□ 1445

By not repealing the tax permanently, we created an incredible situation for those people who would have an estate that was not taxable at all in 2010, but is highly taxable in 2011. The alternatives that the other side of the aisle have discovered during the hard work to achieve the goal of this bill are certainly a long way from where they were a few years ago. In fact, we have all heard about the impact on small businesses and family farms, but it bears repeating as we consider this legislation today.

More than 70 percent of family businesses do not survive the second generation, and 87 percent do not make it to the third generation because of the estate tax. The idea that you give your son \$2 million overlooks the vast numbers of family members in this country who actually are working side by side with their son or daughter. It is hard to tell who made the money and who did not, but on the day that the original member of the family passes away, suddenly the side-by-side partner has a big problem.

Family farms and businesses are among the hardest hit. In fact, \$2 million is quite a bit below the alternative that the gentleman will vote for and suggests that amount somehow would be okay to give in his vote, but not okay to give in his speech. Add in the value of farm equipment and business inventory, suddenly there is a lot more money than you thought you could accumulate.

When we started this debate a few years ago, I saw some statistics that the highest percentage of estates paying at that time were estates that were only slightly above the estate tax amount, but I am sure none of the principals involved had any idea that they had accumulated over their lifetime an estate that would be taxed as a taxable estate.

On Friday of this week, I am going to visit with Mark and Kim Larson who own a family farm right outside of Joplin in my district. Mark tells me he and his family spend a lot of money, money which would otherwise go into continuing to grow their family business, simply trying to comply with a Tax Code that says if somebody dies in 2010, your family deals with one set of circumstances; but if they die the next year, you are impacted by the return of the death tax.

Medium-to-large farms like the Larsons' produce more than 80 percent of agricultural products in America. Let us put some certainty in the future for those kinds of families. Let us do the right thing and abolish this tax that penalizes savings and hard work.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I hope we will reject this bill. Let me give two reasons why:

first, the cost. We talk about being fiscally responsible, we talk about trying to balance the Federal budget and say we have a problem with Social Security as far as long-term solvency of 75 years; but let me point out that the revenue loss of this bill equals the 75-year amount to provide long-term solvency for Social Security.

What we do here is make choices. If we have a choice to provide for the long-term strength of Social Security or the passage of this bill, my vote is for the long-term solvency of Social Security.

The second issue I would like to point out is the predictability of the current estate tax situation. It is not very predictable, and the passage of this bill will do nothing to assure people when they do their estate plans that they can rely upon the schedule Congress has passed.

We have a chance with the Pomeroy substitute to bring certainty to estate taxes with a reasonable exemption of \$3.5 million, \$7 million per couple, and reducing permanently the tax by 10 percent. That is what people want when they do their estate planning. They want predictability.

So if Members are fiscal conservatives and are concerned about the cost of this bill on our children and seniors and if Members want predictability in the estate tax, this legislation does not give it to us. This legislation should be rejected, and we should pass a bill that provides certainty with the estate tax. We will have that opportunity with the fiscally responsible substitute so we can deal with the budget problems of this country.

We are borrowing way too much money for our children and grandchildren. They deserve better than that. They deserve a Congress that will be fiscally responsible, and the passage of this bill just does not do it. I urge my colleagues to reject this legislation.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, among the many groups that support H.R. 8, including the National Federation of Independent Business, which is the voice of small business, there are many minority owners of small businesses that also support complete repeal.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP of Georgia. Mr. Speaker, I rise today to recognize the hard-working people of America who play by the rules and have paid their fair share. Decent, law-abiding, tax-paying Americans are the backbone of this country, and they are the salt of the Earth. They are the farmers of southwest Georgia and the family business owners who provide the jobs that keep small rural communities alive and flourishing.

All across this land are Americans who have paid their taxes all their lives, only to face a final taxing event at death. They paid their taxes during

their lifetimes and should not be charged again when they die.

The death tax represents all that is unfair and unjust about the tax structure in America because it undermines the life work and the life savings of Americans who want only to pass on to their children and grandchildren the fruits of their labor and the realization of their American Dream.

In my State of Georgia, farmers, many of whom are widow women, are faced with losing their family farms because of this death tax. Employees of family businesses, many of whom are minorities, are at risk of losing their jobs because their employers are forced to pay the unfair and exorbitant death taxes levied on them. Funeral homes, weekly newspaper publishers, radio station owners, local dry cleaners, all are affected all across the demographic spectrum.

Mr. Speaker, although reasonable minds may differ on this issue, I believe that the death tax is politically misguided, morally unjustifiable, and downright un-American. Let us vote today to finally eliminate the death tax and return to the American people and their progeny the hard-earned fruits of their labor.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from California (Mr. STARK) for yielding me this time.

Mr. Speaker, the gentleman from Florida said I want Members to give me a good reason why we should not repeal the estate tax. Let me give Members two good reasons: Afghanistan and Iraq.

The idea that we would be borrowing the money to pay for Afghanistan and Iraq when by just leaving this tax in place we could pay for those incursions and maybe get the Humvees to those men and women who are defending us every single day, or maybe get bullet-proof vests to them on time, borrowing the money.

The slogan of the moderate Republican Party is this: we are rich, and we are not going to take it any more. It is day after day in this institution, borrow money, run up the debt, run up the deficits and then with a straight face say, we are going to repeal a tax that affects 1 percent of the American people, just 1 percent of the American people.

They talk about industriousness and thrift and the work ethic. We see what happens to this money when it gets to the fourth and fifth generation of the same family: thrift is gone, the work ethic is gone. They quarrel about who is going to have enough money so they can enjoy the lavish ways of American life.

When I hear people say, as they have said recently in this debate, well it is

going to take care of the family farmer, they cannot find a farmer that is not taken care of in the legislation that is about to be proposed here. This legislation that they are proposing today cuts against the grain of what Thomas Payne reminded us in "Common Sense." He was concerned about hereditary power, the idea that the same people would control the wealth of America with the same families that would get to go to the same schools so the same families would have the same doctors and lawyers and accountants so the rest of America might not have a chance to participate. Whatever happened to the Republican Party in America.

Teddy Roosevelt said this was about thrift and hard work and honesty; they were blessed to be born in this country. That is what patriotism is. When we look at who enjoys the fruits of this money, the smallest number of American people, again the top 1 percent in America. Inherited wealth, that is not what America is based upon. We do not live in an aristocracy. Look what happened to Europe and the way they lag behind as they do. There is no sense in the House of Lords that you can advance yourself. Here in this House, the people's House, every walk of life is represented. Why do we just not establish a House of Lords after we get rid of the estate tax so then when we get rid of hereditary power, we will simply have the permanent state of aristocracy and privilege for the few.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would remind the gentleman from Massachusetts (Mr. NEAL) as he mentions Iraq and Afghanistan that the budgetary impact of H.R. 8 is really not felt until the year 2011 and beyond.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. HARRIS).

(Ms. HARRIS asked and was given permission to revise and extend her remarks.)

Ms. HARRIS. Mr. Speaker, I rise in support of H.R. 8, which will finally free America's hard-working farmers and small business owners from the specter of the death tax.

Benjamin Franklin said: "In this world nothing is certain but death and taxes," but I doubt even the inventive Mr. FRANKLIN imagined the taxation of death itself.

Americans get taxed when they earn money. They get taxed again when they spend what is left, and government pursues them beyond the grave, devastating their relatives who must sell the family farm or liquidate the family business just to pay the taxes.

The impact of the death tax extends far beyond the pain it inflicts upon grieving families. The death tax distorts economic decisions on a massive scale. It punishes thrift. It reduces savings and investment, and it diverts capital away from job creation to tax avoidance.

The National Federation of Independent Businesses has estimated that the death tax will compel one-third of small business owners today to sell some or all of their business. The Center For the Study of Taxation found that 70 percent of all family businesses cannot survive the second generation and 87 percent do not make the third.

All of this wasted money, energy and over 100,000 jobs lost per year and for what, a tax that the Joint Economic Committee says costs just as much to collect as it generates in revenue.

Mr. Speaker, the opponents of H.R. 8 cannot provide any justification for the continued existence of this useless relic. It hurts the people it is intended to help, and it reduces stock in our economy by \$497 billion a year.

I urge my colleagues to drive the final nail in this coffin so 6 years from now Americans will not wake up to find that, like a vampire, this unfair tax has arisen from the dead to once again suck the blood from a lifetime of hard work and sacrifice.

Mr. STARK. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee (Mr. TANNER).

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, in 1997, Jennifer Dunn, a Republican from Washington, and I started this debate on the estate tax. At that time the country was in much different shape financially than it is today.

At that time, we raised the issue for estate tax relief because I thought then it was punitive. It had nothing to do with the theory that the gentleman from Massachusetts (Mr. NEAL) spoke so eloquently about, and that is to keep 3 percent or 1 percent of the people from owning 99 percent of our country.

□ 1500

We did not want to be like England where whoever got control of the land and money, and 1,450 still had it 26 generations later and people who were hardworking could not break through that ceiling because of the nobility that was enshrined in their tax code. That is why we have an estate tax.

But we raised that issue, and I voted for the bill that is being proposed today, but I can no longer vote for it. Let me tell you why. It is because, as I look in the faces of these young people, you are looking at a House, a Senate and an administration that has embarked since 2001 on the most radical, irresponsible financial riverboat gamble that this country has ever seen. There has been no political American leadership that has ever done what this group of people who currently hold the power of government here in Washington have done to this country.

Since April of 2001, in your name and mine, this government has borrowed \$1.2 trillion in hard money. What that means to us is that we have transferred, at only 4 percent interest, \$50

billion a year from programs like Social Security, like health care, like armor for our troops, from veterans, to health care, to education, all the things that will give the citizens of this country a chance, an opportunity to be whatever it is their God-given talents give them, we have transferred \$50 billion a year from that to interest. And you know what is worse? Eighty-four percent of this \$1.2 trillion has been borrowed from overseas. We are now sending more money overseas. Eighty-four percent of this interest check is going overseas.

Let me tell you something scary. A former official of the People's Bank of China, the country's central bank and now an economist in Hong Kong, was recently quoted as saying that the U.S. dollar is now at the mercy of Asian governments. Do you know what we are doing? We are mortgaging our country to foreign interests who do not see the world as we see it. It has got to stop, and it has got to stop sometime, and I for one am saying I want to stop it now.

In your name, we are borrowing at the rate of \$13,300 a second. This is staggering, mind numbing. \$48 million an hour. Since this debate started, in our names we have borrowed \$48 million and given the bill to those little children sitting up there. \$1 billion a day.

Do you know how much \$1 billion is? If you take thousand-dollar bills and stack them up like that, to get to a million dollars it is a foot high; to get to a billion dollars, it is as high as the Empire State Building; and to get to a trillion dollars, which is what has been borrowed in the last 46 months in your name, it is a thousand times as high as the Empire State Building, one thousand dollar bills like this.

We are facing a financial Armageddon. What we have done has created a financial vulnerability vis-a-vis the rest of world that is every bit as big a security interest as anything else we are going to face in the future. I just hope that someday soon that some sense will come to this place about how we are handling or mishandling your money.

Mr. HULSHOF. Mr. Speaker, I certainly respect my friend from Tennessee and I trust he will bring that passion to the floor when we have our discussion on our spending bills.

Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. MCCAUL), a newly elected Member.

Mr. MCCAUL of Texas. Mr. Speaker, today I rise in support of permanently repealing the death tax. I would like to thank the gentleman from Missouri for his leadership on this issue and his good timing, for in 2 days the tax man cometh. As I look at these young people in the gallery today, I say to them, this bill is about you. It is about the youth in this country. For too long, the Federal Government has been taxing working Americans, not once, not twice, but three times, on their hard-

earned money. When they earn it, the government takes an income tax. When they spend it, the government takes a sales tax. And finally, even when they die, the government takes a tax from the grave.

In addition to being bad policy, the death tax is morally wrong. It confiscates private property and is an unbearable cost to small businesses, ranchers and farmers, which is precisely why the Farm Bureau supports this bill.

I could tell you many stories about families that were forced to borrow large sums of money or sell off or parcel out their farms or businesses, dividing their families. I could tell you about the Berdolls from Austin, Texas, in my district who, after paying off a 30-year mortgage, spent 20 more years paying this unfair tax burden. They literally paid for their farm twice.

The names may change, but the story is the same. It is time we removed this financial burden from the backs of those pursuing the American dream. We must guarantee that people do not have to suffer the same hardships as the Berdolls.

I urge my colleagues to support this important measure.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Members should not address persons in the gallery, and the Chair would remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules.

Mr. STARK. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I rise in opposition to this latest Republican assault on Social Security and on fiscal sanity. At a time of apparently unending war and the largest budget deficits in American history, our Republican colleagues are intent on solving a crisis that does not exist.

As the President wastes millions of our taxpayer dollars crisscrossing this country to declare that there is no Social Security trust fund and questioning the full faith and credit of the Federal Government, his Republican allies here seem intent on actually making his dire and inaccurate statements a self-fulfilling prophecy. Today, what they propose is to borrow from the Social Security trust fund and to borrow from the Medicare trust fund in order to give more tax breaks to the richest one-tenth of 1 percent of the people in this country.

That is borrowing from Social Security for purposes that have nothing to do with the Social Security system because they think some rich folks in this country do not have wallets that are fat enough. It is taking from the hard-working employees and employers who are paying their Social Security money and transferring that wealth over to the richest one-tenth of 1 percent.

They call it the death tax? I think that is a good name. If they keep pursuing bills like this, it will be the death of Social Security and Medicare, as sure as I am standing here. Like most Democrats, I have voted not once but a number of times to repeal the estate tax for most Americans and to see that it is done right away, now, not postponing it for years as the Republicans propose to do.

There is another Democratic substitute coming out today that is going to exempt 99.7 percent of all estates from this tax, and only cover the richest .3 percent of the wealthiest estates in this country. That means you are not going to have a small business in East Austin or West McAllen or a family farm in Karnes County that is covered if they are even covered now, which the vast majority of them are not.

Why do they keep talking about family farms since it is irrelevant to this debate? They keep talking about the guy in the pickup who is working extra hours to try to make ends meet. They keep talking about the little family business that with good reason wants to be able to pass that enterprise on to the next generation of that hard-working family.

The reason they talk about those folks is that Steve Forbes's family is not quite as sympathetic. The family of Enrons Ken Lay, not quite as sympathetic. They cannot defend transferring money from the Social Security and Medicare trust fund to Ken Lay's family, to Steve Forbes's family, to Ross Perot's family, because it is totally indefensible. Their goal is to ensure that the richest of the rich are rewarded, as if they have not rewarded them enough for the last few years that they have controlled this Congress.

Social Security is not in crisis today, nor is Medicare, but if you keep passing bills that drain \$750 billion from the Treasury at the very time more people are retiring, you will have a crisis. It was back almost a century ago when a Republican, a fellow named Teddy Roosevelt, said that "inherited economic power is as inconsistent with the ideals of this generation as inherited political power was inconsistent with the ideals of the generation which established our government." It is still inconsistent. Would that we had even one Teddy Roosevelt Republican today to put a stop to this nonsense.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as he may consume to the gentleman from Alabama (Mr. CRAMER), my cosponsor of H.R. 8.

Mr. CRAMER. I thank my friend from Missouri for yielding me this time.

Mr. Speaker, I think a number of important points have been made today, but I rise today in strong support of this bill and in opposition to the estate tax. Some of the previous speakers on this side of the aisle have made reference to the fact that a number of us on the Democratic side have worked

over this issue since actually the early nineties. I know the gentleman's predecessor Jennifer Dunn and I and a number of people from this side of the aisle had worked hard together to look for a commonsense way that we could end this burden which, in my opinion, is an extreme burden on the small business community and on the farm community.

I do not know about the other speakers, but when I go back to my district and I am mixing and mingling with the folks where they eat breakfast or where they have dinner or where they gather, it is my farm families that bring this issue up. In north Alabama where I come from, we have some of the most productive farm families of any district in the country. For generations, they have struggled and used tax lawyers and tax strategies to try to find a way to effectively pass that farm on to the next generation that we want to continue engaging in that farm business. But they are overwhelmed by this issue.

In 2001, we did a good step, not a great step but a good step. We passed some temporary relief. But the reality is that if we do not permanently repeal the death tax, you have almost got to time your death for the benefit of your family. That is outrageous. So let us make sure that we bury this issue once and for all.

According to the Congressional Research Service, estates that included farm or business assets represented 42.5 percent of the 30,000 plus taxable estate tax returns filed in 2003. It is not fair to say that this is just a rich person's issue, that the estate tax only affects the wealthy, because, according to that same Congressional Research Service, estates over \$5 million accounted for only 6.8 percent of taxable estates.

In this day and time, assets are accumulated in a different way than they were 20 years ago, 25 years ago, 30 years ago or even more than that. For the benefit of those farmers, for those small manufacturers, for the local car dealers, the independent car dealers, the realtors, the funeral directors, the grocers, the family restaurant owners, the florists, the convenience store owners and many others, let us end this unfair tax burden.

I urge the Members to support this.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

(Mr. TIERNEY asked and was given permission to revise and extend his remarks.)

Mr. TIERNEY. Mr. Speaker, I rise to register my opposition to the total repeal of the estate tax. If we want to talk about values, as so many people did in the last couple of months leading up to this, let us talk about the value of supporting one's family and supporting one's community. Let us talk about the values of responsibility and fairness. They dictate that everybody pay his or her or its corporate fair share.

Millionaires and multinational corporations benefit the most from our taxes. We talk about what our taxes go for. There are dues that belong to society. Eighty percent of court cases are commercial in nature. Businesses, mostly large ones. Air traffic controllers, paid for by our taxes, they mostly support business travel back and forth. Our Coast Guard, our Navy protecting our shipping lanes, bridges and highways, making products safe to go back and forth as well as people. The Securities and Exchange Commission is our tax money trying to make large corporations behave and treat each other well instead of cheating each other. Sometimes it actually works.

□ 1515

The fact of the matter is that this bill absolves the top three-tenths of 1 percent from their responsibility to pay their fair share. And I say the top three-tenths of 1 percent because the Democratic alternative would exclude the first \$3.5 million, or \$7 million for a couple. So much for the argument of small farms and small businesses. They would not pay a dime on the first \$7 million and only pay a portion of anything above that.

The fact of the matter is that most of the money that is going to be taxed on that top three-tenths of 1 percent was not earned money. That is money they got from tax-free investments. It is money they got by appreciation, just the value of that property increasing over time. They did not earn it. To compensate for what these members of our society will not be paying as their fair share, small businesses, the people that go out and create payrolls, will have to pay more. The families that go out and work every day for a living, they will have to pay more than their fair share.

And all the while this is going on, we are not even paying America's bills. This tax is going to be \$290 billion off the top at a time when our debt is larger than it has ever been. We are running annual deficits that are at historic proportions. No family and no small business would ever operate this way.

Mr. Speaker, let me just close by saying they are robbing us of opportunity and prosperity and community by attacking our education and our health, our clean water, and our clean air. All of this because they want to give America's princes and princesses a little break at the top three-tenths of 1 percent. Let us let everybody pay their fair share.

Mr. HULSHOF. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. AKIN).

(Mr. AKIN asked and was given permission to revise and extend his remarks.)

Mr. AKIN. Mr. Speaker, about 50 percent of Americans or so are employed in small businesses, and obviously if something is employing almost half of Americans that are working, that

should be a priority. And one can imagine my surprise the other day to find out about a guy who drove up to a bank in an old Ford, about a 15-year-old Ford pickup truck, with rust holes in the floor. He went into that bank and he took out a loan for \$2 million. And the head of the bank was inquiring of the guy that is the accountant that handles our books that I have to do as a Congressman. He said, Why in the world did this guy have to take a \$2 million loan out? And it particularly seemed out of place with this guy with his old rusty holes in his pickup truck.

He said, His father just died and they have to pay the estate tax on the farm.

I had heard stories like that before, but there it was right in front of me.

So what this bill is seeking to do is to try to make it possible that we do not destroy farms and small businesses that employ close to half the people that have jobs in our country; and that seems to be only reasonable. And yet I am hearing the Democrats saying over here that they are all upset because we have already taxed a dollar the first time the guy earns it; then we are going to tax him again on sales tax and other things he buys, and now it is not fair to tax a dollar the third time it comes around.

It just seems to me we do not want to destroy the businesses and farms. What we want to do is make those jobs available, and we want to get rid of this death tax. Just dying should not be a reason for taxes.

Mr. STARK. Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TURNER).

Mr. TURNER. Mr. Speaker, I am cosponsor of the Death Tax Repeal Permanency Act of 2005 because this tax is an unfair burden on American families. The death tax puts many small businesses, those run predominantly by families, at a great financial disadvantage.

According to the Small Business Administration, in 2001 in the Dayton, Ohio, metro area, which is in my district, nearly 62,000 people worked for businesses that employ less than 20 people.

Three of my constituents, Jenell Ross; her mother, Norma; and her brother Rob, run a small business, Ross Motor Cars in Centerville, Ohio. When Jenell's father unexpectedly passed away in 1997, the Ross family received a tax bill for nearly half the value of their family business. I would like to tell their story in Jenell Ross's words. She says, "30 years ago my father took the chance of a lifetime. Determined to achieve the American Dream, he invested everything he had into Ross Motor Cars. Like a lot of people, my father thought he would live forever.

"He didn't.

"When he died unexpectedly in 1997, the overwhelming responsibility of keeping the family business afloat fell squarely" to us. We could never have

prepared ourselves for the shock of receiving a tax bill nearly half the value of the dealership, where nearly 90 percent" of the assets were "tied up in nonliquid assets such as inventory, equipment, buildings, and land.

"Does the death tax impact family-run small businesses? Yes. My family is still experiencing its devastating effects firsthand," nearly 8 years later.

It is time to repeal the death tax once and for all, and I urge my fellow constituents and Members to support the bill.

Mr. HULSHOF. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. GOODE).

Mr. GOODE. Mr. Speaker, I want to commend the gentleman from Missouri (Mr. HULSHOF), the gentleman from Alabama (Mr. CRAMER), the gentleman from California (Mr. COX), and all those who have worked so hard to get rid of this onerous burden on a number of American citizens. The Federal death tax is a job killer.

I represent the Fifth District of Virginia. We have a number of counties and jurisdictions that focus on manufacturing. Many of our smaller manufacturers have had to sell out to larger manufacturers; and as a result, we have double-digit unemployment in a number of jurisdictions that used to be the home to small manufacturers. A factor in their selling out was the Federal death tax because they would not have the cash to pay when death knocked on the door. If we pass this bill, we will help the job situation in those types of jurisdictions in the United States.

I hear the other side say that this is a bonanza and a budget breaker because we will not be getting the revenue from the Federal death tax. Let me tell the Members under the current law the really rich in this country trust and foundation themselves out of the Federal estate tax. I believe that Mr. Gates, the owner of Microsoft, is a proponent of keeping the Federal death tax. He has got a father that is in charge of his foundation. But many small farmers and average business persons are not able to have the cash to set up the trusts and the foundations that will get themselves out of the Federal estate tax. And I predict that if we pass this bill, the incentive to set up those trusts and foundations that avoid taxes will not be there and in the long run the Treasury of the United States will benefit because we will still get the capital gains tax when the assets are sold.

Mr. HULSHOF. Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, this bill shows the courage to boldly go where none have gone before, to levels of public debt and levels of trade deficits that no nation has ever tried, higher than any have dared.

We have a dollar that is dependent upon our fiscal markets, a trade deficit

that grows every year; and the result of this bill and its twin cousins and related Siamese twins, the other parts of the Republican tax and spend or borrow and spend policy, will be a declining dollar and a declining economy or a dollar that crashes and an economy that crashes. And this courage is all summoned up on behalf of the one quarter of 1 percent of American families it is designed to help.

We require the men and women in uniform to risk the ultimate sacrifice; and from our richest families, we say zero sacrifice under the estate tax. Shame.

Mr. STARK. Mr. Speaker, I yield the balance of my time to the gentleman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for his leadership and his recognition on this very important legislation that is before us today. I am very proud of the work of the gentleman from North Dakota (Mr. POMEROY), our Member of Congress, a very distinguished member of the Committee on Ways and Means, for his initiative and leadership in presenting to the Congress today an alternative that makes sense to the American people, that is fair to America's families.

The gentleman from North Dakota (Mr. POMEROY) speaks with authority on the issues that impact rural America, small business, and America's families and certainly America's family farms. He has their interests at heart. He knows firsthand what their challenges are. That is what makes his proposal so wise, and we all appreciate his leadership.

Mr. Speaker, in the 20th century, in the early part of the 20th century, our country made a decision to honor our American value of fairness by moving forward toward a progressive system of taxation. But under 10 years of Republican rule, this Congress has consistently passed legislation that has moved away from a progressive Tax Code. Republican tax policies have rewarded wealth over work. In its analysis of the President's budget, the nonpartisan Congressional Budget Office found that the tax rate on wage income is nearly twice the rate of capital income, unearned income. And now today Republicans have come to the floor with an estate tax bill continuing their harmful approach.

The Republican estate tax bill again rewards extreme wealth. The Republican approach would hurt more people than it helps by increasing taxes and administrative burdens on more than 71,000 estates. And it comes at a staggering cost of nearly \$1 trillion over 10 years once it takes full effect.

Democrats want to be fair to all Americans, and we support being able to pass a better life on to our children and our grandchildren. But we cannot support putting the luxuries of the super-rich before the needs of America's families. The difference between the Democratic and Republican bills is that Democrats take a more respon-

sible, indeed, a responsible approach that gives immediate tax relief to small businesses and farmers across the country.

The Pomeroy substitute would provide relief to 99.7 percent of estates in America, 99.7 percent; and .3 percent of estates would not be covered under the bill. That is a small percentage, but a huge amount of money being deprived from the National Treasury. The savings achieved by pursuing the more fair and targeted approach put forth by the gentleman from North Dakota (Mr. POMEROY) would cover about one half of the long-term shortfall facing Social Security.

Think of it: if we pass the gentleman from North Dakota's (Mr. POMEROY) bill, the savings would cover one half of the shortfall in Social Security down the road. It would strengthen Social Security for generations to come. That is the choice we are facing today. Do we want to put the wealthiest .3 percent of estate holders ahead of millions of American workers who have earned their Social Security benefits with a lifetime of work? Do we want to continue reckless Republican tax policies or return to a fair system of taxation?

This is a remarkable choice before us, and I hope that the American people can avail themselves of the information to understand what is at stake here. Basically, it all comes back to our deficit, to our budget, and whether we have fiscal soundness in our budget or not. What the Republicans are proposing is saying to average working families in America every day they go to work, and every paycheck money is taken from their paycheck for Social Security. What the Republicans are doing today is putting their hand into that pot and saying we are taking that money and we are going to subsidize the super-rich in our country, the largest, wealthiest estates in our country, .3 percent.

□ 1530

Mind you, the gentleman from North Dakota (Mr. POMEROY) has covered 99.7 percent, which is most, of course, 99.7 percent of the people in America. So anyone listening to this is not, odds are, affected in any positive way by what the Republicans are proposing. In fact, they will be hurt because of what it does to Social Security and what it does in terms of capital gains for over 71,000 families in America.

So I think the choice should be clear, to choose to reward work. We respect wealth. The creation of wealth is important to our economy. But that does not mean we take money from working families to give more money to the wealthiest families in America. And this at the same time as the tax cuts that the administration has proposed to make permanent, that would give people making over \$1 million a year over \$125,000 in tax cuts.

Who are we here to represent? This is the reverse Robin Hood. We are taking money from the middle class and we

are giving it to the super rich, and not only the super rich but the super, super, super rich.

So let us come down and vote for America's workers, let us come down in favor of America's families, and let us recognize that everybody, the wealthiest as well as those not so wealthy, everyone in America benefits when we have fairness in our Tax Code, where we have balance in our budget in terms of our values and in terms of our fiscal responsibility.

I urge our colleagues to support the very responsible Pomeroy resolution and vote no on the irresponsible and reckless Republican proposal.

Mr. HULSHOF. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I appreciate in large measure the tone of the debate. What I would say to the gentlewoman who just spoke and to others who raised the red herring of Social Security is to remind folks, first of all, the Federal receipts from the Federal death tax represent less than 1.5 percent of all revenues, first of all; and, secondly, that none of the income tax money generated from the estate tax goes to Social Security for the trust funds, and eliminating the tax in no way will affect or impact current Social Security benefits. Not one bit.

Now, I do want to respond. I heard, I think, the gentleman from Massachusetts earlier say that really there has been no policy justification for keeping this tax, other than we need the money. In fact, I think one gentleman said something, from Massachusetts, about we need to pay our fair share.

Well, let me just ask you to consider your day. When you woke up this morning, if you hit the snooze button on your electric alarm clock, you are paying an electric tax. When you jumped into the shower this morning, you paid a water tax. If you saw the gentleman from North Dakota (Mr. POMEROY) and I on C-SPAN debating this issue this morning, you are paying a cable TV tax. When you drove to work this morning, you are paying a gasoline tax. If you stopped for a cup of coffee, you paid a sales tax. If you used the telephone at all today, you are paying a telephone tax. And, of course, when you are at work, your wages are subject to a payroll tax that does go into Social Security, payroll taxes that do pay for Medicare, not to mention your income taxes. If you drive home to your home and you are lucky enough and fortunate enough to own a home, you are probably paying a local property tax.

When you kiss your spouse good night, you think that is free. No, leave it to the Federal Government to continue to have this thing called the marriage tax.

And, yes, if you scrape and invest and save and you build a family business, have the audacity to pursue the American dream, the Federal Government is there with its hand out saying give us 45 percent of the value of your family business.

Now I have heard from my colleagues on the other side who say that family farms are not affected. Well, then let me tell you a very quick personal story, a story of a farm family in Missouri, a young married couple who in 1956 left Portageville, Missouri, in the district of the gentlewoman from Missouri (Mrs. EMERSON), with \$1,000 in their pocket, and that was going to be the stake that they had. It happened that the woman was an expectant mother with her first child and, as it turned out, her only child.

That married couple happened to be my parents, and over the last 2½ years I have had the unfortunate reality that obviously death is inevitable, and I have had the unfortunate experience in our family of having both my father pass away in late 2002 and my mother one year ago.

I do not mind sharing with you, a 514 acre farm, a modest life insurance policy, the house that I grew up in, a combine, three tractors and some irrigation equipment, and that is it. And I am sitting across the mahogany desk from our long-time family accountant with the adding machine with a tape on it, and he is plugging in an arbitrary value for these assets that my parents invested their soul into. And I am breaking out into a cold sweat wondering whether or not this business that they built and wanted to pass on is going to fall above an arbitrary line or below an arbitrary line that we in Congress have set.

Now we did not have to pay the tax, but 14 days ago I had the requirement of filling out the form and paying the \$2,000 accountant fee; and, again, I do not quarrel with that. But, Mr. Speaker, the death of a family member should not be a taxable event, period.

Mr. Speaker, I urge my colleagues to vote for H.R. 8.

Mr. HASTERT. Mr. Speaker, we come to the floor today to address an issue of tax fairness. You see, no matter what kind of spin our friends on the other side of the aisle try to use—the death tax simply isn't fair. It's an unfair burden that the government has placed on families and small business owners. I've called it a cancer—because it's slowly destroying family farms and businesses across the nation.

Many of our small family businesses are wrapped up in a loved one's estate. And when family members are left with a huge tax bill, it hits them hard. I've heard countless stories from families who have had to sell off a chunk of the family farm just to handle their tax burden. Our friends on the other side of the aisle say that this is too costly and it's bad for the budget. I say it's too costly not to act.

This tax is destroying small businesses. And we all know they're the real job creators in our economy. What kind of nation have we become when a small family farmer can't afford to pass the business on to his children?

Look at the facts.

70 percent of family businesses do not survive the second generation,

87 percent do not make it to the third generation.

Many of these businesses are going belly-up because of the Death Tax.

We all realize that the government must have revenues, and that taxes are a necessary evil. But this tax isn't necessary; it's just evil—because it takes away the American Dream from too many American families.

It's time we give families a real chance at the American Dream.

We need to tell the IRS to stop lurking around a grieving family's pockets. Death is not a taxable event.

It's time we let the Death Tax die.

Mr. REYNOLDS. Mr. Speaker, the issue before us today is certainly not a new on new one. During the past three Congresses, the House has voted repeatedly in a bipartisan fashion to eliminate the death tax. And today, once again, we have the opportunity to bury the death tax once and for all.

The death tax punishes savings, thrift, and hard work among American families. Small businesses and farmers, in particular, are unfairly penalized for their blood, sweat and tears—paying taxes on already-taxed assets. Instead of investing money on productive measures such as creating new jobs or purchasing new equipment, businesses and farms are forced to divert their earnings to tax accountants and lawyers just to prepare their estates. All too often, those families are literally forced to sell the family farm or business just to payoff their death taxes.

Equally disturbing is the fact that the death tax actually raises relatively little revenue for the federal government. In fact, some studies have found that it may actually cost the government and taxpayers more in administrative and compliance costs than it raises in revenue.

Mr. Speaker, my rural and suburban district in western New York is home to countless small businesses and family farms. They're owned by hard-working families who pay their taxes, create jobs and contribute not only to the quality of life in their communities, but to this nation's rich heritage.

Is it so much to ask that they be able to pass on the fruits of their labor—their small business or their family farm—to their children? Must Uncle Sam continue to play the Grim Reaper? The fact is that they paid their taxes in life—on every acre sown, on every product sold, and on every dollar earned. They shouldn't be taxed in death, too.

Mr. Speaker, it's time to bury the death tax once and for all. I commend Congressman HULSHOF for introducing this crucial legislation and Chairman THOMAS for his continued leadership on this issue.

Mr. MACK. Mr. Speaker, I rise today to express my strong support of the Death Tax Repeal Permanency Act of 2005. As a cosponsor of this important legislation, I think it is absurd for the federal government to continue punishing the families through double-taxation. Rather than taxing people when they die, we should be encouraging families to save for the future through hard-work and sound financial planning.

The Death Tax is one of the most burdensome and counterproductive of all taxes. Small businesses create two-thirds of all jobs in the United States, and 40 percent of GDP in the United States is generated by small businesses. When the owner of a small family business passes away, this tax causes families and small business owners severe financial hardship, often to the point that the business must be liquidated.

It is offensive that the government taxes someone all their life then taxes them one last time when they die. Families should never have to visit the IRS and the funeral home on the same day. A permanent repeal is good for small businesses, family farmers, and the next generation of entrepreneurs.

Mr. Speaker, I urge my colleagues to vote for the repeal of the Death Tax.

Mr. BOUSTANY. Mr. Speaker, I strongly support H.R. 8, the Death Tax Repeal Permanency Act of 2005, and encourage my colleagues to pass this important legislation. This vital legislation will permanently repeal the estate tax, a tax that is unjust, inefficient, and harmful to small businesses, the backbone of our economy. Repeal of the Death Tax will create a system that is more equitable and more productive for our economy.

The Death Tax is a burden on our economy that costs the country between 170,000 and 250,000 jobs every year. In Louisiana, our family-owned farms have been faced with decreasing profitability and in many instances the Death Tax is an additional burden that they cannot carry; this tax is a leading cause of the dissolution for thousands of family-run businesses across the country. It also diverts resources from investment in capital, slowing research and development at a time when our country is facing growing competition around the world. We cannot afford to continue discouraging productivity and innovation.

Furthermore, the death tax is inefficient. Since the 1930's, revenue from the tax has fallen steadily as a percentage of total federal revenue. Compliance costs each year can be almost as high as the tax itself, around \$22 billion in 2003; thus every dollar raised by the death tax is \$2 that could have been invested in capital and new jobs.

The economic damage of the Death Tax is reason enough for its repeal, but it is also fundamentally unjust. The rate of taxation is as high as 47%, and this is in addition to the taxes that were already paid on the assets subject to this tax. The Death Tax also discourages hard work and savings and instead encourages large-scale consumption. At a time when we should and need to be encouraging individuals to save for their future, we cannot continue to send this mixed message.

By repealing the Death Tax we will create a tax policy that is more efficient, more equitable and more productive for our economy. I urge Congress to act today to permanently repeal the Death Tax and ensure that our future generations will be able to carry on the heritage of our forefathers.

Mr. CANTOR. Mr. Speaker, I rise today in support of the permanent repeal of the death tax. To put it simply, the death tax is just wrong. It is wrong to encourage people to work hard all their life, only to have the government reap the benefits when they die. It is wrong to levy hefty taxes against families of thriving small business owners just because their parents were successful. It is wrong to stifle economic growth by forcing small businesses to close because of an overbearing tax bill delivered by a greedy Uncle Sam.

Mr. Speaker, our Republican majority stands firmly against double taxation on working families. Taxes have already been paid on the assets subject to additional taxation under the death tax. I am confident that Americans are far better equipped than politicians to decide how to best spend their hard earned money.

It is time for Congress to let important fiscal decisions to be made where they should be, at the kitchen table, not at the tax table.

Let's repeal this unjust tax and empower American working families who know best how to make the right decisions for themselves.

Mr. SHAYS. Mr. Speaker, I rise in support of H.R. 8, the Death Tax Repeal Permanency Act, although the base bill does not address the estate tax in the manner I believe to be most prudent.

In 2003, Congressman Doug Bereuter and I introduced the Estate Tax Relief Act, which would increase the estate tax exclusion to \$10 million and lower the top rate to the level as the top income tax rate (currently 35 percent). I think this is a much better solution than total repeal.

Because estate and gift taxes have had devastating effects on small businesses—many of which are forced to liquidate assets simply to pay taxes ranging from 35 to 55 percent of the value of the business—I think we need to provide significant relief in this area. My preference, however, is to reduce estate taxes without entirely eliminating them.

In the last Congress, I voted for today's base bill because if it is not enacted the estate tax, which is being phased-out over a period between 2001 and 2010, will return in 2011 with an exemption of just \$675,000 and a top rate of 55 percent.

While my first choice would be to significantly increase the exclusion and lower the top rate, I believe full repeal is preferable to the return of this onerous tax.

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of H.R. 8, legislation that would permanently repeal the Death Tax, a tax that haunts millions of small business owners and farmers nationwide. The last thing the federal government should be doing is taking more money from small business owners and farmers, and curtailing further economic growth. They are the backbone that drives our economy forward. I commend Mr. HULSHOF for his leadership on this issue and praise his vision to continue lowering the federal tax burden.

Throughout my twenty-two years in Congress, I have proudly voted for every major tax cut initiative considered by the House. Cutting taxes is one of my highest priorities. I remain convinced that letting Americans keep more of what they earn will help stimulate the economy and create more jobs. People will not hide this much-needed relief under their mattress or store it in their closet; instead they will purchase necessary goods and services. An increased demand for these goods and services will require more employees; therefore, providing incentives for businesses to hire more workers—putting unemployed Americans back on the job and providing a framework for long-term economic growth.

The key to growing our economy is simple—allow Americans to keep more of their own money to spend, save, and invest. My favorite four-letter word—don't worry, it's a four letter word that can be used in polite company—is JOBS. Permanently repealing the death tax will create new jobs across the nation.

Cutting taxes is not unprecedented. Since 2001, Congress has repeatedly passed legislation, which I'm proud to say I voted for, to lower the federal tax burden. For example, we voted to extend relief from the marriage penalty tax, a burdensome tax on married couples

for doing nothing more than saying "I do." We also voted to extend the Alternative Minimum Tax reforms (AMT), which is the right step toward making sure the AMT applies only to those people it was designed to cover, not working families just trying to make ends meet. We also supported a measure to extend the 10% bracket to lower taxes for hard working, low-income families. Finally, we voted to extend the \$1,000 child tax credit.

It only makes sense to take the next step and permanently repeal the Death Tax. I urge my colleagues to join me in supporting H.R. 8, and put an end to this unfair, unjust, and inefficient burden on our economy.

Mr. HONDA. Mr. Speaker, I rise in opposition to H.R. 8, legislation that unwisely imperils our Nation's financial security in order to advance the interests of an elite few.

Since my election to Congress, I have consistently advocated for reasonable estate tax reform. Estate tax reform is extremely important for all the people in the 15th District of California. High real estate values and generous stock option packages have pushed many estates over exemption limits. As a result, too many of my Santa Clara County constituents have been burdened by an estate tax that was originally written to affect only the very wealthiest Americans. The estate tax needs to be modified to protect hardworking Americans and their heirs.

In keeping with this spirit, I intend to support a Democratic alternative to H.R. 8 that will benefit almost all Americans. Offered by Representative EARL POMEROY, the Democratic substitute will increase the estate tax exemption to \$3 million for individuals and \$6 million for married couples effective January 1, 2006 with a scheduled increase in 2009. Under this plan, 99.7 percent of all estates would have no estate tax liability.

The Republican majority has put forward a more expensive plan to benefit the three-tenths of one percent not covered by the Democratic substitute. Their plan comes at a significant cost. Once fully in effect, H.R. 8 will cost \$1 trillion over 10 years. This astronomical price tag will exacerbate record Federal deficits and undermine our Nation's ability to strengthen key Federal priorities, including Social Security, Medicare, education programs and veterans health care.

H.R. 8 may also harm more taxpayers than it would help. Current income tax law provides for a "step-up" in the basis of an inherited asset to its fair market value at the time of decedent's death. When the heir sells the asset, the capital gain for income tax purposes is measured by the difference between the heir's selling price and the stepped-up basis of the asset. H.R. 8 repeals the step-up basis and substitutes carryover basis rules in which the capital gain would be measured by the difference between heir's selling price and the asset's cost at the time when the decedent acquired it. As a result, all estates with gross assets over \$1.3 million would face reporting requirements and tax liabilities potentially more burdensome than under current law.

While I am deeply concerned with the problems surrounding the estate tax, and believe that substantial, long-term reform is needed, permanent repeal for all estates is not necessary to resolve these issues. Given our nation's challenges, I cannot support the Republican's fiscally irresponsible approach to this issue. I urge my colleagues to oppose H.R. 8.

Mr. NEUGEBAUER. Mr. Speaker, I rise today as a cosponsor of H.R. 8 to express my strong support for this important legislation to permanently repeal the estate or "Death" tax.

The estate tax is one of the most unpopular, destructive taxes collected by the Federal Government. It forces many small businesses and farms to dissolve, undermines incentives for work, savings, and investment, and leads to unnecessary development of environmentally sensitive land. By permanently repealing the estate tax, we would be eliminating a cruel tax that devalues the hard work and confiscates the savings of some of our most productive citizens.

As we all know, the estate tax is scheduled to be totally repealed on January 1, 2010; unfortunately, this repeal will sunset on December 31, 2010. At that point, unless the Congress acts, the estate tax will revert to the 2001 level. As no one I know can accurately guess which year they might pass on to the hereafter, only one year of complete relief of the estate tax is not only cynical—it's bad policy. The uncertainty of not knowing whether or not the death tax will really be repealed, makes it difficult for American taxpayers to make plans for their futures, their spouses' futures, and the futures of their children. Additionally, the tax increase that would result if Congress fails to act would be entirely unfair to many of our constituents.

On the one hand, I am pleased that the House is once again taking action today to rid our Tax Code of this punitive measure. But we've done this several times in the past and each time it has gotten bogged down in the other body. Let's hope we don't have to meet again to do what should have been done years ago. Let's do the right thing today. Let's finally and irrevocably repeal the death tax.

Ms. FOXX. Mr. Speaker, today I voice my strong support for the Death Tax Repeal Permanency Act of 2005.

It is imperative we pass this very important legislation. The Death Tax is an unreasonable and unfair burden on thousands of American families, small businesses, and family farms.

The Death Tax is the largest threat to the vitality of family-owned businesses and farms because most of their owners have the entire value of their business or farm in their estate. The Federal Government currently receives nearly half of an estate when the owner passes. As a result, more than two-thirds of family businesses do not survive the second generation and nearly 90 percent do not make it to the third generation. So much for the American dream. Rather than encouraging people to build their own livelihoods, the Death Tax discourages hard work and savings.

According to the Heritage Foundation, the Death Tax costs our country up to 250,000 jobs each year. By permanently abolishing this tax, we could add more than 100,000 jobs per year.

As my colleague, Representative SAM JOHNSON of Texas, said: Americans receive a birth certificate when they are born, a marriage license when they are wed, and a tax bill when they die. This is a disgrace. I encourage my colleagues to vote "yes" for the Death Tax Repeal Permanency Act of 2005.

Mr. JEFFERSON. Mr. Speaker, Benjamin Franklin noted over 200 years ago that "in this world nothing can be said to be certain, except death and taxes." Unfortunately, the con-

vergence of these two inescapable events, in the form of the Federal estate tax, results in a number of destructive outcomes in terms of slower economic growth, reduced social mobility, and wasted productive activity. Moreover, the costs imposed by the estate tax far outweigh any benefits that the tax might produce. For these reasons, among others, I urge my colleagues to join with me in support of permanent repeal of the Federal estate tax.

The estate tax has been enacted four times in our Nation's history—each time in response to the exigent financial straits deriving from war. In three of those instances (1797–1802, 1862–70, and 1898–1902), the estate tax was repealed shortly thereafter. Most recently, the estate tax was reintroduced during World War I (1916) and has existed ever since. What was meant to bring short-term budgetary relief has become a permanent burden on America's farmers, small business owners and families.

Some observers might believe that the estate tax is free from serious controversy. For example, it is often claimed that the tax only falls on the "rich" and thus serves to reduce income inequality. Other supporters of the estate tax point to the \$22 billion in tax revenues for 2003, or to the incentive for charitable bequests. Nonetheless, there are many reasons to question the value of taxing the accumulated savings of productive, entrepreneurial citizens. Not the least of these reasons is the widely-held belief that families who work hard and accumulate savings should not be punished for sound budgeting. Additionally, it is unclear whether the estate tax raises any revenue at all, since most if not all of its receipts are offset by losses under the income tax.

The freedom to attain prosperity and accumulate wealth is the basis of the "American dream." We are taught that through hard work we can achieve that dream and, God willing, pass it on to our children. Unfortunately, for many the estate tax turns that dream into a nightmare. The current tax treatment of a person's life accumulations is so onerous that when one dies, the children are often forced to turn over half of their inheritance to the Federal Government. The estate tax, which is imposed at an alarming 45 to 47 percent rate, is higher than in any other industrialized nation in the world except Japan. Thus, many families must watch their loved one's legacy being snatched away by the Federal Government at an agonizing time. This is tragically wrong and nullifies the hard work of those who have passed on.

In the minority community there are numerous examples of the injurious effects of the estate tax. The Chicago Daily Defender—the oldest African American-owned daily newspaper in the United States—is a good example of the unique problem presented for minority families. It was forced into bankruptcy due to financial burdens imposed by the estate tax. But, beyond that, the questions were—was the Chicago Defender family forced to sell, could a minority owner be found to purchase it, or would it become a white-owned asset, reducing the overall wealth of the African American community?

On a smaller scale, another potential victim, a storeowner named Leonard L. Harris who is a first generation owner of Chatham Food Center on the South Side of Chicago is frightened that all the work and value he has put into his business will be for naught because it

will be stripped from his two sons. According to Mr. Harris, "My focus has been putting my earnings back into growing the business. For this reason, cash resources to pay federal estate taxes, based on the way valuation is made, would force my family to sell the store in order to pay the IRS within 9 months of my death. Our yearly earnings would not cover the payment of such a high tax. I should know. I started my career as a CPA." These two stories are not isolated.

According to the Life Insurance Marketing Research Association, less than half of all family-owned businesses survive the death of a founder and only about 5 percent survive to the third generation.

Another recent study found the following:

Eight out of ten minority business owners questioned believe the Federal estate tax is unfair.

Only one minority business owner in three has been able to take any steps whatsoever to prepare for the ramifications of the estate tax.

One in four believes that his or her heirs will be forced to sell off at least part of their businesses to pay the estate tax liability.

Fully half the respondents already know a minority-owned business that has had trouble paying the tax, including some that have been forced to liquidate.

Those few minority-owned businesses that have been able to take steps to reduce their estate tax liability complain that it has detracted from their ability to meet business objectives by channeling time, energy and resources away from productive endeavors.

Many of my colleagues who are proponents of the estate tax contend that the tax adds progressivity to the Tax Code and provides needed tax revenue. They argue that the estate tax falls on wealthier and higher income individuals and increases the total tax paid by this segment of the population relative to their income. This helps offset the regressivity of payroll taxes and excise taxes, which fall more heavily on low-income groups relative to their income. They also argue that increasing the unified credit to \$4, \$5, \$6 or \$7 million would remove small family-owned businesses and farms from the harsh impact of the estate tax.

I share my colleagues concerns about protecting the tax base and ensuring that our Tax Code remains progressive. However, I find these arguments in support of the estate tax unconvincing in the face of substantial evidence otherwise.

First, there is no clear evidence that the estate tax is progressive or that larger estates are paying a greater portion of the tax. Wealthier members of our society are able to reduce and or eliminate the impact of the estate tax by stuffing money away here and there at the suggestion of high-priced attorneys and accountants. Similarly, tax planning techniques such as gift tax exclusions or valuation discounts reduce the size of the gross estate but do not appear in the IRS data causing effective tax rates to be overstated for many larger estates. The Institute for Policy Innovation recently revealed evidence of this fact in a study showing that the effective tax rate on the most valuable estates was actually lower than that on medium-sized estates.

Second, the insignificant amount of money the estate tax raises for the Federal Government cannot justify the harmful effects it has on business owners who spend more to avoid

the tax than the federal tax revenue raised. According to the President's fiscal year 2005 Budget, the estate and gift tax brought in \$22.8 billion in revenues to the Federal Government in 2003. This represents less than 1.1 percent of the total revenues out of a more than \$2 trillion Federal budget and less than the amount of money spent complying with, or trying to circumvent, the death tax.

In 2003, Congress' Joint Economic Committee reported that the death tax brought in \$22 billion in annual revenue, but cost the private sector another \$22 billion in compliance costs. Therefore, the total impact on the economy was a staggering \$44 billion. And, when one calculates the amount of money spent on complying with the tax, the number of lost jobs resulting from businesses being sold, or the resources directed away from business expansion and into estate planning, it is clear why this punitive tax must be eliminated.

It is also important to note that many economists believe that overall tax revenues would increase if the estate tax were repealed. According to a study of estate tax repeal proposals, which was prepared by Dr. Allen Sinai for American Council for Capital Formation and Center for Policy Research, Federal tax receipts would rise in response to a stronger economy, feeding back 20 cents of every dollar of estate tax reduction. In fact, over the years 2001 to 2008, estate tax repeal would increase real Gross Domestic Product by \$90 billion to \$150 billion, and U.S. employment by 80,000 to 165,000.

Finally, it is not clear that increasing the unified credit to \$6 or \$7 million would remove small family-owned businesses and farms from the threat of the estate tax. The Small Business Administration's definition of a small business is based on industry size standards. For example, a construction company or grocery store with less than \$27.5 million in annual receipts is considered a small business. Thus, families who build their businesses past the exemption amount will continue to face estate taxes that range from the aforementioned, alarming rate of 45 to 47 percent. The exemption threshold would not help these small businesses. More significantly, without significant reform or, more appropriately, repeal, these same small businesses face the prospect of estate tax rates as high as 60 percent beginning in 2011.

Permanent repeal of the estate tax will provide American families with fairness in our tax system and remove the perverse incentive that makes it is cheaper for an individual to sell the business prior to death and pay the individual capital gains rate than pass it on to heirs. But for minorities, it provides much more. It will allow wealth created in one generation to be passed on to the next thereby establishing sustainable minority communities through better jobs and education, better healthcare, and safer communities.

Mr. Speaker, I urge my colleagues to support H.R. 8 to permanently repeal the Federal estate tax and to restore fairness to our Nation's Tax Code.

Mr. ETHERIDGE. Mr. Speaker, I rise today to voice my opposition to H.R. 8. As a part-time farmer and former small business owner, I have long supported responsible legislation to provide estate tax relief for family-owned businesses. Unfortunately, this bill will not accomplish that goal.

Throughout my service in the U.S. House, I have been a strong supporter of estate tax re-

lief for family farmers and small business owners. The first bill I introduced as a Member of Congress was a bill to raise the inheritance tax exemption from \$600,000 to \$1.5 million and for the first time indexed it to inflation. But H.R. 8 is an extremely irresponsible bill that will add billions to our national debt for our children and grandchildren to pay and will harm more taxpayers than it helps.

The unfortunate reality of our situation is that we have witnessed the most dramatic fiscal reversal in our Nation's history. Our budget surpluses have been frittered away, and our Nation is now drowning in red ink with ever-growing budget deficits and increasing Federal debt. The primary culprits for our increasing debt are the risky, irresponsible tax schemes the Republican Congress has enacted the last 4 years.

Instead of adopting a bill that would increase the burden on our children and grandchildren, we need a common-sense solution that would exempt the vast majority of Americans from an estate tax while maintaining a degree of fiscal integrity.

That is why I am supporting the Democratic substitute authored by Representative EARL POMEROY. This substitute provides an estate tax exemption of \$3 million for individuals and \$6 million for couples beginning in 2006, and the exemption would increase to \$3.5 million and \$7 million respectively in 2009. Furthermore, this plan would instantly repeal the estate tax on a vast majority of farms and small businesses, as well as shield heirs from dramatic capital gains tax liabilities that are part of the Republican plan. The U.S. Department of Agriculture has estimated that more farm estates would have an increased tax liability from the Republican plan's carry-over basis rules than would ever benefit from the repeal of the estate tax.

I support estate tax relief, but not at the expense of our senior citizens who benefit from Social Security and Medicare. The only way to pay for the Republican bill is by taking more money out of the Social Security and Medicare Trust Funds and replacing it with IOUs. H.R. 8 will compound the fiscal mistakes Congress has made the last 2 years with its policy of tax cuts at any cost, including our children's education and our Nation's future.

The people of North Carolina's Second District elected me to help chart a common-sense, fiscally prudent course for the country. I pledged to represent my constituents by paying down the national debt; saving Social Security and Medicare funds for older Americans, and investing our country's resources into education, health care and other initiatives that enable people to improve their lives. H.R. 8 is inconsistent with these goals; therefore, I oppose the bill.

Mr. WELDON of Florida. Mr. Speaker, I want to express my strong support for H.R. 8, the Death Tax Repeal Permanency Act of 2005. I have supported this measure in the past and have introduced similar legislation to make the death tax repeal permanent. I believe it is important that we accomplish the goal of passing this in the House and the Senate and seeing this bill enacted into law.

The Death Tax needs to die. Along with the marriage penalty, the death tax is perhaps the most disgraceful tax levied by the Federal Government and it should be repealed immediately. The death tax is double taxation. Small business owners and family farmers pay

taxes throughout their lifetime, then at the time of death they are assessed another tax on the value of the property on which they have already paid taxes. This is unfair, unjust and an inefficient burden on our economy.

I have spoken in the past about a constituent of mine, Danny Sexton of Kissimmee, FL and owner of Kissimmee Florist. He, like millions of other Americans, has experienced the sad realities of the Death Tax. He joined me several years ago in Washington to highlight the adverse impact the Death Tax had on his family business.

Mr. Sexton, who comes from a family of florists, inherited his uncle's flower shop and was faced with paying almost \$160,000 in estate taxes. This forced him to have to liquidate all of the assets, layoff workers and take out a loan just to pay the death tax. He also had to establish a line of credit just to keep the operation running.

Danny Sexton is the reason we need to appeal the death tax. The death tax isn't a tax on just the rich, it is a tax that hurts family owned businesses—family owned businesses that are the backbone of this great Nation. It also caused several average workers to lose their jobs.

Family owned businesses provide and create millions of jobs for American workers. The people who worked in Mr. Sexton's florist were not rich, but they lost their jobs because of the Death Tax.

In a recent survey conducted by the National Federation of Independent Businesses, 89 percent of small business owners favored permanent repeal of the death tax. Why? Because these small business owners know this tax may mean the death of their business for future generations. According to the Center for the Study of Taxation, more than 70 percent of family businesses do not survive the second generation and 87 percent do not make it to the third generation. Family owned and operated businesses deserve the right to be inherited by the next generation without the blow of the death tax.

In current law, the death tax is phased-out, completely repealed in 2010. But that is not good enough because in 2011, the tax reemerges in full force. That means taxpayers must plan for three different scenarios when passing along their family business—pre-2010 when the exemption levels are gradually increasing and the top rate gradually decreasing; 2010 when the tax is completely repealed; or 2011 when the tax reemerges. This is complicated, confusing and hard to plan for—unless a small business owner knows for certain when his or her death will occur. When we make this tax repeal permanent, taxpayers will have the ability to make long-term financial plans with certainty and will have the opportunity to pass on their hard earned family businesses and farms to future generations. It will also ensure that those who work for these small businesses are able to keep their jobs.

I urge my colleagues to vote for H.R. 8, the Death Tax Repeal Permanency Act of 2005.

Mr. HOLT. Mr. Speaker, I favor cutting unnecessary, ineffective or unfair taxes, but in balanced and fiscally responsible ways. I have been one of the few Democrats in Congress who has been willing to cross party lines to vote for tax cuts. I have voted to eliminate the estate tax in the past. I have been willing to vote for eliminating the marriage penalty, to vote for cutting taxes for small businesses, to

vote for cutting taxes to help people pay for education and retirement, and to vote for cutting taxes for senior citizens and to give business tax credit for research work.

With a war in Iraq and looming postwar costs, increased expenses for domestic security and a ballooning budget deficit, Congress must exercise restraint on both revenues and spending to prevent fiscal policy from spiraling out of control. The consensus in favor of balancing the budget over the long term must be re-established.

There are a wide range of pressing national challenges that need action, from rapidly increasing health care costs, to our increasing dependence on ever-more-expensive foreign oil, to a broken and increasingly corrupt political system, and yet today we are passing a bill that will only help a few of the already wealthy.

Today we are debating total elimination of the federal inheritance tax. Permanently repealing the estate tax would further balloon the Federal budget deficit by an estimated \$290 billion through 2015; and by \$745 billion through 2021. Add in the interest costs of borrowing the funds to pay for this measure, and the true 10-year cost is nearly \$1.3 trillion.

I support the substitute offered by Representative EARL POMEROY which will protect families and small business from the estate tax. The substitute increases the estate tax credit to \$3 million, \$6 million for married couples, beginning in 2006. Under the substitute, the credit would be increased to \$3.5 million, \$7 million for couples, in 2009. The Pomeroy substitute would eliminate tax reporting compliance burdens and carryover taxes for over 71,000 estates each year which effects small business and families. According to Representative POMEROY'S calculation, his package would exempt 99.68 percent of all estates from the estate tax, yet it would save the Treasury \$217 billion compared to total repeal. It is worth noting that the saving of \$217 billion is equal to 40 percent of the shortfall of Social Security of the next 75 years.

Mr. Speaker, today the national debt is the largest in history. Americans now collectively owe about \$7.8 trillion. Here we have another tax cut that is not being paid for, even as the Bush administration and the leadership of this Congress spend more than the American government has ever spent on homeland security and on all the other expenses of running the Government—especially the huge costs of the war in, and occupation of, Iraq. Government borrowing of this scale places the burden of repaying our debts on our children.

Governing is about making choices. Our constituents all across America sent us to Congress to make the tough decisions. They did not send us here so we can pass those decisions on to our children, and they certainly did not send us here to pass the cost of our decisions on to our children.

I want the people of this country to realize that, right now, we owe collectively, about \$4.5 trillion to foreign countries. Japan holds \$702 billion of our debt; China, including Hong Kong, \$246 billion; the U.K. \$163 billion; Taiwan, \$59 billion; Germany, \$57 billion; OPEC countries, \$65 billion; Switzerland, \$50 billion; Korea, \$68 billion; Mexico, \$41 billion; Luxembourg, \$29 billion; Canada, \$43 billion—the list goes on and on.

More tax cuts of this size will not only jeopardize critical public services now, but they will

also hurt Americans well into the future. Massive deficits now create large debt and will create high interest payments that will crowd out spending on public investments for future generations. Moreover, these deep deficits threaten to increase interest rates in the future—making it harder for Americans to buy homes and afford higher education and making it harder for businesses to raise capital.

I urge my colleagues to join me in supporting permanent reform of the estate tax, but not irresponsibly repealing it. Government should follow the principle of helping the present generation and helping future generation as well—not leaving future generations to pay our bill.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, pursuant to H. Res. 202, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the Nature of a Substitute offered by Mr. POMEROY:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Certain and Immediate Estate Tax Relief Act of 2005".

SEC. 2. RETENTION OF ESTATE TAX; REPEAL OF CARRYOVER BASIS.

(a) IN GENERAL.—Subtitles A and E of title V of the Economic Growth and Tax Relief Reconciliation Act of 2001, and the amendments made by such subtitles, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subtitles, and amendments, had never been enacted.

(b) SUNSET NOT TO APPLY.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act.

(c) CONFORMING AMENDMENTS.—Subsections (d) and (e) of section 511 of the Economic Growth and Tax Relief Reconciliation Act of 2001, and the amendments made by such subsections, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such subsections, and amendments, had never been enacted.

SEC. 3. MODIFICATIONS TO ESTATE TAX.

(a) IMMEDIATE INCREASE IN EXCLUSION EQUIVALENT OF UNIFIED CREDIT.—Subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to applicable credit amount) is amended by striking all that follows "the applicable exclusion amount" and inserting ". For purposes of the preceding sentence, the applicable exclusion amount is \$3,500,000 (\$3,000,000 in the case of estates of decedents dying before 2009).".

(b) FREEZE MAXIMUM ESTATE TAX RATE AT 47 PERCENT; RESTORATION OF PHASEOUT OF GRADUATED RATES AND UNIFIED CREDIT.—

(1) Paragraph (1) of section 2001(c) of such Code is amended by striking the last 2 items in the table and inserting the following new item:

"Over \$2,000,000	\$780,800, plus 47 percent of the excess of such amount over \$2,000,000."
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(2) Paragraph (2) of section 2001(c) of such Code is amended to read as follows:

"(2) PHASEOUT OF GRADUATED RATES AND UNIFIED CREDIT.—The tentative tax determined under paragraph (1) shall be increased by an amount equal to 5 percent of so much

of the amount (with respect to which the tentative tax is to be computed) as exceeds \$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) and \$159,200."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2005.

SEC. 4. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS; LIMITATION ON MINORITY DISCOUNTS.

(a) IN GENERAL.—Section 2031 of the Internal Revenue Code of 1986 (relating to definition of gross estate) is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

"(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this chapter and chapter 12—

"(1) IN GENERAL.—In the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092)—

"(A) the value of any nonbusiness assets held by the entity shall be determined as if the transferor had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

"(B) the nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

"(2) NONBUSINESS ASSETS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'nonbusiness asset' means any asset which is not used in the active conduct of 1 or more trades or businesses.

"(B) EXCEPTION FOR CERTAIN PASSIVE ASSETS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of subparagraph (A) as used in the active conduct of a trade or business unless—

"(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

"(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C)) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(ii).

For purposes of clause (ii), material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation to farming activity.

"(C) EXCEPTION FOR WORKING CAPITAL.—Any asset (including a passive asset) which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

"(3) PASSIVE ASSET.—For purposes of this subsection, the term 'passive asset' means any—

"(A) cash or cash equivalents,

"(B) except to the extent provided by the Secretary, stock in a corporation or any other equity, profits, or capital interest in any entity,

"(C) evidence of indebtedness, option, forward or futures contract, notional principal contract, or derivative,

"(D) asset described in clause (iii), (iv), or (v) of section 351(e)(1)(B),

"(E) annuity,

"(F) real property used in 1 or more real property trades or businesses (as defined in section 469(c)(7)(C)),

"(G) asset (other than a patent, trademark, or copyright) which produces royalty income,

“(H) commodity,

“(I) collectible (within the meaning of section 401(m)), or

“(J) any other asset specified in regulations prescribed by the Secretary.

“(4) LOOK-THRU RULES.—

“(A) IN GENERAL.—If a nonbusiness asset of an entity consists of a 10-percent interest in any other entity, this subsection shall be applied by disregarding the 10-percent interest and by treating the entity as holding directly its ratable share of the assets of the other entity. This subparagraph shall be applied successively to any 10-percent interest of such other entity in any other entity.

“(B) 10-PERCENT INTEREST.—The term ‘10-percent interest’ means—

“(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation,

“(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership, and

“(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

“(5) COORDINATION WITH SUBSECTION (B).—Subsection (b) shall apply after the application of this subsection.

“(e) LIMITATION ON MINORITY DISCOUNTS.—For purposes of this chapter and chapter 12, in the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092), no discount shall be allowed by reason of the fact that the transferee does not have control of such entity if the transferee and members of the family (as defined in section 2032A(e)(2)) of the transferee have control of such entity.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

Amend the title so as to read: “A bill to amend the Internal Revenue Code of 1986 to retain the estate tax with an immediate increase in the exemption, to repeal the new carryover basis rules in order to prevent tax increases and the imposition of compliance burdens on many more estates than would benefit from repeal, and for other purposes.”.

The SPEAKER pro tempore. Pursuant to H. Res. 202, the gentleman from North Dakota (Mr. POMEROY) and a Member opposed each will control 30 minutes.

Mr. HULSHOF. Mr. Speaker, I claim the time in opposition.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. HULSHOF) will be recognized for 30 minutes in opposition to the amendment in the nature of a substitute.

The Chair recognizes the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I am pleased to begin the presentation of the amendment in the nature of a substitute by yielding such time as he may consume to the distinguished gentleman from Maryland (Mr. HOYER), the minority whip.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I was very interested in the last presentation. The bottom line was, he did not pay a tax. All that story, all those facts, and he did not pay a tax. He did pay his accountant some money to go through and make sure that he was doing what was right. He did that because the Tax Code is ex-

traordinarily complicated and has been made 25 percent more complicated by the Republican majority over just the last 48 months.

Mr. Speaker, let us be absolutely crystal clear: This Republican proposal is nothing but a tax increase. Hear me, this is a tax increase disguised as a tax cut.

“Who are you, Mr. HOYER? Lewis Carroll? What is this gibberish that you are talking about?”

It would raise taxes for thousands of families and thousands of family farmers and small businesses. There are no two ways about it.

For years, House Republicans have proclaimed that the elimination of the inheritance tax, a tax, now hear me on this side of the aisle, I know you want to hear this, a tax first proposed by Theodore Roosevelt in 1906. Now for those of you who may not be quite fully cognizant of our history, Theodore Roosevelt, of course, was a Republican President of the United States of America. It was intended to save family farms and small businesses.

But, today, not according to the gentleman from Maryland (Mr. HOYER), not according to the gentleman from North Dakota (Mr. POMEROY), not according to all the Democrats in this House or in the Senate, according to the Republican Department of Agriculture, I tell my friend from Missouri, the Republican Department of Agriculture says more farm estates would have increased tax liability from the carryover basis rules in this bill than would benefit from repeal of the inheritance tax. In other words, if we pass this bill, family farmers and small businesses are going to pay more taxes.

Now, I am for the Pomeroy alternative. First of all, we do not have that complicated look-back to find out what the basis was 10, 20, 30, 40, 50 years ago. We do as we do now, what is the basis now when you get it?

But we exempt under the substitute offered by the gentleman from North Dakota (Mr. POMEROY) \$7 million. That means that 99.7 percent of the people in America would never pay an estate tax. I am for that. So this argument, I tell my friend from Missouri, is about the three-tenths of 1 percent of the very largest estates in America. Because if you vote for Pomeroy, 99.7 percent are exempt. So, as we have been doing for the last 4 years, we have been talking about the upper 1 percent. That is who we are talking about.

Now we are pretty well off in Congress. The American people do pretty well by us, very frankly. I am doing well enough. I paid a little bit of Alternative Minimum Tax this year. It shocked me, but my accountant pointed out that I did. So we are doing pretty well.

But there are a whole lot of people that are not doing nearly as well as we are doing, and we are not helping them at all by simply giving away revenue that we could spend on the education of their kids and the defense of their

country, which we are borrowing for, of course, so that their kids will pay the debts.

Mr. Speaker, under current law, the Joint Economic Committee estimates that only 7,500 estates, in a Nation of 290 million people where some 3 million people die every year, 7,500 estates out of the 3 million people that die would have any estate tax liability in 2009. However, the permanent switch to carryover basis rules, rules that are used to calculate cap gains, would impact an estimated 71,000 additional estates, and many of those estates would face capital gains tax increases.

Now even as this bill increases the capital gains tax on many farm estates and small businesses, I tell my friend, it still adheres to what seems to be the Republican Party's core economic principle: fiscal irresponsibility.

The gentleman says this tax, that tax, and he is right. There are a lot of taxes on all of us, and we have a lot of services in this country. And, frankly, for the most part, as the gentleman knows, particularly if you take the industrialized nations, our tax structure at the Federal level is lower. But, still, they are high, and we would like to see them reduced.

But the fact of the matter is, I have three children, three daughters, they are wonderful people, and they provided me with three grandchildren. And I am buying stuff. I am buying defense against terrorists, I am buying stabilizing Iraq, I am buying education, I am buying health care, I am buying roads. All of us are buying that.

I do not want to have to say to my grandchildren, look, I am going to use it, but you pay for it. That is an immoral policy as well as a fiscally irresponsible one, an unwillingness to pay our bills.

Now, this is \$290 billion. Just \$29 billion a year over 10 years. No sweat. Shoot, we are borrowing all the Social Security money right now that the Republicans said they were not going to spend a nickel of. They are going to spend \$170 billion of Social Security money this year alone. How do we do that? We borrowed \$118 billion last February, from foreigners mostly, which we are putting our kids deeply in hock to China, to Japan, to Germany.

At a time of record budget deficits of nearly half a trillion dollars, this Republican bill would cost nearly \$1 trillion over the first 10 years of full repeal. It would irresponsibly drive our Nation even further into debt and immorally force our children to continue to be liable for our bills.

In sharp contrast, I tell my friend from Missouri, and I wish there were more people on this floor, but it is only giving away, you know, \$250 billion to \$1 trillion. What do we care? We have given away trillions of dollars over the last 4 years as we go trillions of dollars into debt. As a matter of fact, \$9 trillion into debt.

The substitute offered by the gentleman from North Dakota (Mr. POMEROY) is excellent. It costs less than

one-third of this Republican bill. It would permanently increase the current exclusion amounts to \$3.5 million per individual and \$7 million for couples. Three-tenths of the estates would be left in 2009 and, as a result, exempt 99.7 percent of all estates from estate tax liability.

Mr. Speaker, I congratulate the gentleman from North Dakota (Mr. POMEROY) for this alternative. It solves the problems of small farmers, it solves the problems of small businesses, it solves the problems of pretty significant but nevertheless smaller estates, to make sure that the hard work of mom and dad can be passed along to their daughter and their son and their son's and daughter's families.

□ 1545

We agree with the gentleman from Missouri (Mr. HULSHOF) that that is a good objective, but we also agree that we ought to have fiscally responsible policies.

Mr. POMEROY. Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, just a quick comment for whatever time I may consume before yielding to the gentleman from South Carolina (Mr. BARRETT).

Did I hear the last speaker correctly, that we have given away, whose money is that? It would be the American taxpayers' money, who are probably, even as we speak, trying to grapple with those forms as they have tax day coming, as the income tax payers of America that provide for the comfortable living that he and I enjoy.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. HULSHOF. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I ask my friend, whose debt is it?

Mr. HULSHOF. Mr. Speaker, I would say to my friend, and of course, as we have had a lot of unforeseen circumstances that have occurred, as was mentioned earlier, Iraq and Afghanistan. And let us hope and pray that as permanent repeal occurs, if it occurs, in the outyears that we will not be in that war on terrorism. But I would say to my friend, and I appreciate the question, but he also mentioned the Department of Agriculture, and lest, Mr. Speaker, anyone wonder who those agricultural groups are that represent farm families across America, I would place into the RECORD a letter from said groups.

In essence, the letter reads as follows: The groups listed below support permanent estate tax repeal, ask for this body to vote for H.R. 8, and the letter goes on to say, individuals and families own virtually all of the farms and ranches that dot America's rural landscape. Death taxes threaten the transfer of these operations to the next generation of food and fiber producers. Sincerely, Alabama Farmers Federation, American Farm Bureau Federation, American Sheep Industry Association,

the American Soybean Association, Farm Credit Council, National Association of Wheat Growers; to my friend from North Dakota, National Cattlemen's Beef Association, National Corn Growers Association, National Cotton Council, National Grain Sorghum Producers, National Milk Producers Federation, National Potato Council, USA Rice Producers Federation, U.S. Rice Producers Association, and the Western Peanut Growers Association.

APRIL 13, 2005.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: The groups listed below support permanent estate tax repeal and ask you to vote for H.R. 8, the Death Tax Repeal Permanency Act of 2005.

Individuals and families own virtually all of the farms and ranches that dot America's rural landscape. Death taxes threaten the transfer of these operations to the next generation of food and fiber producers.

In 2001, Congress recognized the harm that death taxes cause family businesses and voted to repeal this onerous tax. Unfortunately, repeal scheduled for 2010 is temporary and sunsets after only one year.

Congress should act now to make death tax repeal permanent. Please show your support for permanent death tax repeal by voting for H.R. 8 when the bill reaches the House floor this week.

Sincerely,

Alabama Farmers Federation, American Farm Bureau Federation, American Sheep Industry Association, American Soybean Association, Farm Credit Council, National Association of Wheat Growers, National Cattlemen's Beef Association, National Corn Growers Association, National Cotton Council, National Grain Sorghum Producers, National Milk Producers Federation, National Potato Council, USA Rice Federation, US Rice Producers Association, Western Peanut Growers Association.

Mr. Speaker, to my friend from South Carolina, I am not sure if any of those groups happen to represent farm families in his district, but I yield 2 minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Speaker, I thank the gentleman for yielding me this time. And, yes, I say to the gentleman, they are from South Carolina, and I see them every day.

Mr. Speaker, I rise today against the Pomeroy substitute and in full support of H.R. 8, the Death Tax Repeal Permanency Act of 2005.

The death tax defies common sense and is fundamentally unfair, Mr. Speaker. Prior to 2001, the top death tax rate was 55 percent. Today, the top rate is 47 percent, and these are unbelievably high tax rates, especially when the tax is imposed after a lifetime of hard work.

The death tax is also a job killer, Mr. Speaker. Resources that could be used to expand businesses and hire new employees are instead used inefficiently to plan for the impact of the death tax. The Joint Economic Committee noted that the death tax reduces the stock in the economy, listen to this now, approximately one-half of \$1 trillion.

Mr. Speaker, the permanent repeal of the death tax will not only ensure that small businesses and family farms are not subject to these unfair rates of taxation, but also simplify the tax law and facilitate long-term financial planning. The 2010 sunset date for the death tax repeal makes it nearly impossible for taxpayers to make long-term financial decisions as they relate to the tax. Enactment of the Death Tax Repeal Permanency Act promotes fairness and simplification by giving taxpayers the certainty they deserve.

Mr. Speaker, I strongly support H.R. 8, the Death Tax Repeal Permanency Act of 2005, and I urge my colleagues to vote "no" on the Pomeroy substitute amendment.

Mr. POMEROY. Mr. Speaker, I yield 4 minutes to the gentleman from Oregon (Mr. BLUMENAUER), the other member of the Earl Caucus of this House.

Mr. BLUMENAUER. Mr. Speaker, I appreciate my namesake's courtesy in permitting me to speak on his substitute. I appreciate his hard work and clarity in dealing with this issue and a step forward to stop a cynical game that I have watched be played here in this Congress since I was first elected 9 years ago.

There is today, and there has been throughout these 9 years, a consensus to make adjustments to the inheritance tax, to make it less steeply graduated, to raise the exemptions, to be able to do fine-tuning, to deal with the legitimate problems of small, closely held businesses and farms. And if the Republican majority would have permitted a fair and honest debate on this floor of the inheritance tax, we would have enacted significant permanent adjustments that would have solved the vast majority of the problems for 99.9 percent, I dare say. But that is not to be.

Instead, we have been involved with a cynical process that we are seeing played out here today. Nobody expects over the long haul that we are, in fact, going to eliminate in its entirety the inheritance tax. Our Republican friends have been involved with a roller coaster of a 10-year phase-out, and then insanely reinstating it in its entirety. As a result nobody has been able to plan thoughtfully for the last 5 years.

My friend from Missouri says, well, on the one hand, it is only 1.5 percent of Federal revenues; but that is half of the problem of Social Security that has driven some people into a frenzy. It is not an insignificant number, in the neighborhood of \$1.5 to \$2 trillion over the period of time we are talking about.

But my Republican friends do not want to allow the legislative process to work, and have a permanent solution that will stop the ambiguity and that will solve the problem for closely held businesses and yet, not allow vast amounts of wealth, wealth that is so significant that Bill Gates's own father does not think that it should eliminate

the inheritance tax and has even written a book about it.

The gentleman from North Dakota has proposed not that we game the system. The gentleman from Missouri (Mr. HULSHOF) found out that his parents, like 99 percent of the people, are not subjected to the inheritance tax.

The Pomeroy amendment would immediately raise that threshold to \$6 million, with further adjustments to \$7 million in 4 or 5 years from now, I forget the exact period of time; he will correct me, I am sure. This brings it up so that 99.7 percent of the American public are exempt, and it does it today. Not with games, not with promises but by solving the problem. I think this is so important as I think of the millions of Americans today that are struggling with the 1040 form, the 2.9 million Americans subjected to the alternative minimum tax, soon to be 16 million families next year. Not enough money, not enough time to solve that yet we are going to be involved with this cynical game of the inheritance tax.

I strongly urge the adoption of the Pomeroy substitute, which will solve the problem once and for all for the vast majority of the family farms, the small businesses, and, in fact, a number of people of significant wealth; and it will provide resources so that we can solve problems like Social Security and the alternative minimum tax and be about our business.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman just indicated that the Pomeroy substitute solves the problem once and for all, and I have listened to a number of individuals on the other side during the course of this discussion that this is only going to affect the superwealthy and that really there are no family businesses that are affected by the estate tax. It has been interesting, because some of those comments have come from colleagues of mine on the Committee on Ways and Means.

Mr. Speaker, we have had a number of hearings going back to at least, from my memory, 1997. So I will mention some of these folks who have come and testified in front of the Committee on Ways and Means.

Martin Whalen testified about his family-owned and -operated company, Etline Foods Corporation, a distributor of food service products in York, Pennsylvania. When they purchased the business, 48 employees; in 1997, 105 employees. Rhetorically, I would say to my friend from North Dakota, will this solve their problem?

Wayne Nelson, a farmer from Winner, South Dakota. His father farmed until his father's death in 1993. Their estate planning was inadequate. Several parcels of land in South Dakota were liquidated in order to pay the Federal tax. Will the substitute rectify that situation?

What about Roger Hannay of Hannay Reels, Incorporated, a small manufacturer in the foothills of the Catskill

Mountains about 25 miles from Albany, New York, a small manufacturer employing 150 employees?

What about Richard Forrestal, Jr., a principal in Cold Spring Construction, a firm specializing in highway and bridge construction?

What about Douglas Stinson, a tree farmer from Toledo, Washington, that runs the Cowlitz Ridge Tree Farm? Each of these testified, Mr. Speaker, that they were impacted negatively by the existence of the death tax.

What about Carol Loop, Jr., president of Luke's Nursery and Greenhouses, a wholesale plant nursery operation in Jacksonville, Florida? He started his business with a \$1,500 loan and a borrowed truck. Would the problem be solved with the Pomeroy substitute?

Or Christopher and Kimberly Clements of Golden Eagle Distributors in Tucson, Arizona. They lost their father unexpectedly after a valiant bout with cancer. He lost his life at the age of 58.

Or Jeannine Mizell, a third-generation owner of Mizell Lumber and Hardware Company of Kensington, Maryland.

What about Robert Sakata, a vegetable farmer from Brighton, Colorado, or Jean Stinson, a railroad track manufacturing company in Barto, Florida, running the R. W. Summers Railroad Contractors? Their family had to shut down a facility in North Carolina, laying off two-thirds of the 110 employees to pay the estate tax.

Or Jack Cakebread, founder of Cakebread Cellars in Napa Valley, California. Would each of these individuals be solved or their estate problems solved by the substitute?

It is a rhetorical question, and the gentleman from North Dakota (Mr. POMEROY) knows it, and I do not mean to put him on the spot, but he cannot answer the question because when we draw a line, an arbitrary line, wherever we draw that line, we still are going to have those entrepreneurs that have been willing to invest in their businesses, hire employees, build local communities; and as long as the death tax remains in existence, they are going to have to do some sort of estate planning.

I think it is much the better course to completely and finally permanently repeal the tax.

Mr. Speaker, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, it is a privilege to carry this debate today on behalf of the minority, and a privilege to participate with the gentleman from Missouri, who is one of my favorite Members of the House. He has presented his side very well.

He asked relative to a number of estates, would they be covered under the Pomeroy substitute? Well, I believe that a number of them would have their estate tax problems completely

eliminated, because we take the exemption and we double it. We go from today, a joint estate at \$3 million, and we say, if you have a joint estate of \$6 million, no estate tax. We, like 2009, take that up to \$7 million in a joint estate circumstance.

So as to the question he asked, I do not know the particulars of those cases, but I expect that a number, if not all of them are covered, because 99.7 percent of the estates in this country are under that amount.

But there is a feature of the majority proposal that is not represented in our substitute, and I want to talk about it right now, and this involves the imposition of capital gains liability at the handling of an estate under the majority bill.

I can just imagine Members in the majority, some of them that might have signed that "no new tax" pledge that was going around last Congress, just wringing their hands because they are about to vote for a tax increase, a tax increase in the form of capital gains taxation on estates. Section 541 of the bill that the majority proposal would make permanent reads this way: termination of step-up in basis at death. Tax legalese, but what does it mean? It means new capital gains and capital gains if you have an estate that exceeds that 1.3 gross value. You have a reporting commitment that attaches at 1.3 gross value for estate.

□ 1600

You know, it is the darndest tax bill I ever saw. Because, while they talk about tax relief, they are hurting more than they are helping.

I direct you to this chart. Number of estates today with capital gains issue, zero; and that is because the taxable basis in the property is established at time of transfer in an estate. No capital gains.

What happens under their proposal? Well, we know that there are 71,000 estates in the year 2011 that are likely to have reportable amounts, in other words, gross valuation over \$1.3 million. Some will have a capital gains issue they have to pay. Some will not. But they are all going to have to report with the IRS.

And this report is something else. It means going back in and trying to establish what the value of the property was at the time mom and dad acquired it. It is a nightmare. And that is well-established in the CONGRESSIONAL RECORD. Because I have here the hearing, I have here the Ways and Means record at the time the committee considered testimony to repeal the carryover basis, the very provision they want to re-establish in tax law.

You see, it passed once before, in 1976. It was delayed from implementation and then repealed retroactively because of its consequences.

Here is what some very interesting participants had to bring to the committee. Carryover basis fosters an insidious bias against farmers and ranchers. Carryover basis calculations for

land, buildings, machinery, livestock and timber have been described as, at best, potential nightmares. Trying to establish what the taxable basis on this is, which their law would require, is a nightmare. So says the American Farm Bureau in their 1979 testimony.

The Cattlemen's Association, one touted as one of these that want to re-establish capital gains on estates, they say, because of its complexity, carry-over base is impossible to comply with. It will increase the tax burden and compound the illiquidity of estates of farmers, ranchers and other family business operators who sell inherited property in the normal course of business, and I quote, and find it in the record from the National Cattlemen's Association.

NFIB also states, I strongly urge you, as an individual and as a taxpayer and as one who professionally and through an association represents small business people, repeal the carryover basis. So says the National Federation of Independent Business, the very group that they have cited as trying to re-establish carryover basis in the Tax Code and put capital gains back on estates.

We have been here before. We do not want to do it again. Do you not understand, voting for the repeal bill brings a new bill, a capital gains bill, and a capital gains bill to thousands that have no estate tax consequence?

So if you want to cast a vote this afternoon for a tax relief proposal, vote the Pomeroy substitute. No capital gains in the Pomeroy substitute.

Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

As the gentleman from North Dakota recognizes; and, again, I do not think he meant to misspeak, but the underlying bill, H.R. 8, does provide a step up in basis of \$3 million for the surviving spouse and a \$1.3 million step up in basis for surviving heirs.

Mr. Speaker, many have worked on the death tax repeal and going back even to the, I think, Family Heritage Preservation Act of 1993. The gentleman from California introduced that bill and I think had 29 cosponsors. Now, of course, we are over 200 on permanent repeal.

Mr. Speaker, I yield 4½ minutes to the gentleman from California (Mr. Cox).

Mr. COX. Mr. Speaker, the preceding speaker just told us that he does not like the carryover basis. And I will tell you what. If his amendment got rid of any aspect of carryover basis in death tax I would vote for it. But this is a give-with-the-right-hand, take-away-with-the-left-hand operation that he is proposing, because what he is also doing is he is bringing back the 47 percent death tax.

We are trying to repeal the death tax, not bring it back; and you cannot tell us that capital gains at 15 percent is worse than the death tax at 47 percent.

And as the gentleman from North Dakota just mentioned, we do not have a carryover basis in its entirety. We have simply a step up in basis for both the spouse and for the children.

I wish we could get rid of the carry-over basis. I would be thrilled with that. But the Pomeroy substitute gives us the death tax back full strength at 47 percent tax rate, and it arbitrarily says that a small business that is worth \$3 million is going to have to deal with this.

Now you have to ask yourself, in advance of your death, do you know what the assets and inventory of your business is going to be 10 years, 20 years, 30 years down the road? The answer is no. Of course not. You are going to have to do that tax compliance year in and year out.

Tax compliance, the cost of actual accountants and lawyers and life insurance and all the other things that you have to do to deal with the death tax year in and year out is \$20 billion a year.

This tax, the death tax, kills between 170,000 and a quarter million jobs each year, according to the Nonprofit Center For Data Analysis. The death tax is a job killer. It is destroying family farms and businesses. It is a drag on economic growth, and it is the greatest disincentive to invest additional capital in family businesses in America.

But the authors of this amendment still want to pry lots of cash out of the cold dead fingers of America's deceased entrepreneurs. So they rewrite the language of the Tax Code so we can keep all 88 pages of complexity of the death tax and all the thousands of pages of regulation and the hundreds of thousands of pages of case law that go with it. This is the most complex part of one of the most complex tax systems in the world, and it is time to drive a stake through its heart. It is time for the death tax to die.

This is not the time to redefine the death tax or add legislative language so that tax lawyers and accountants can have more to play with. It is time to kill it. And that is why we must vote against this amendment and in favor of the total repeal of the death tax.

Here is the message that this amendment, were it to be adopted, sends to American workers: Do not work for a small- or medium-sized American family business. Do not work for a large family owned business. To be safe, do not work for any small businesses that are growing quickly or picking up new customers or introducing new products. Because the Federal Government has decided that the family businesses can grow without the destructive burden of the death tax but only until some IRS bureaucrat decides that these businesses are worth \$3.5 million dollars. Then the businesses will be subject to huge new tax burdens. And guess what? You will not know until it is too late whether you are on one side or the other side of that threshold.

I have to tell you, it sounds like \$3 million is a lot of money. And it is if you or I had it in our pocket. But for a business, counting its real estate, its assets, its inventory, its trucks, that is a tiny business indeed. And if you are trying to employ some people, you have 10, 11, 12 people that work for that business, what are you going to say to them when they lose their jobs because the family business has to be liquidated on the death of the entrepreneur in order to come up with the actual cash to pay for it?

The IRS is not going to accept shares of stock in the family business in payment of the death tax. They are going to say, go sell those shares, go liquidate the business, go sell the assets in order to pay off the tax plan.

To the supporters of this amendment I say we agree with you that the death tax destroys family farms and businesses. Obviously, that is your presumption if you are trying to have a threshold below which people will not pay it. We agree with you that the death tax destroys family farms and businesses, that it kills jobs and reduces economic growth. So why do you want to keep this monster alive?

Please join with us and kill the death tax once and for all.

Mr. POMEROY. Mr. Speaker, I yield myself 90 seconds.

You know, anyone in the accountant or tax-planning profession worrying about losing business because of the estate tax is going to be smiling broadly at the end of tonight when we pass this re-creation of capital gains tax and estates.

In fact, the ABA Task Force report devotes almost 70 pages to discussing the problems that exist with the new carryover basis rules in their legislation. The problems identified in the report include unequal treatment of capital losses, difficulty in applying basis adjustments to property sold during the administration of the estate, treatment of property with debt and excessive basis, treatment of installment loans, unequal treatment of pension assets, administrative problems with allocation to spousal property, discrimination in favor of spouses in community property states. Even a cursory examination of that report leads to a conclusion that serious problems exist with the new rules and that their surface simplicity is quite misleading.

Let us just walk through some of the titles, some of the titles of the new capital gains law that they are going to have: Basis increase for certain property; limit increased by unused built-in losses and carryovers; spousal property basis increases; qualified terminable interest property; definitions and special rules for application of subsections (b) and (c); fair market value limitation; coordination with Section 691; information returns, et cetera.

And to think that for every one taxpayer getting relief under their proposal, an additional ten are now going to face this nightmare. It is a funny way to give tax relief.

Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I thank the gentleman from North Dakota for yielding me this time and perhaps for mentioning what I see as the only good part of this bill. You see, I am a CPA and tax lawyer by training, and this bill is the full employment act for both my CPA friends and my tax lawyer friends.

Republican after Republican has come to that microphone and talked about the electrical tax, the sales tax, the telephone tax, the payroll tax, the income tax, the marriage tax, the cable tax and the fuel tax.

And what is their solution? To eliminate a tax that applies to only ¼ of 1 percent of America's families. Yes, that is right. They want to keep the electrical tax, the sales tax, telephone tax, payroll tax, the income tax, marriage tax, cable tax and the fuel tax.

They want to vote for a bill that takes \$290 billion out of the Treasury in its first 4 plus years and about \$70 billion a year thereafter and make it impossible for the Federal Government to ever give any relief for those other taxes. It is a bill to shaft 99 and ¾ percent of all American families.

But that does not stop there. Republican after Republican has come up here and boasted how the passage of this bill will slash charitable giving. So it is not just a loss to the Federal Treasury, it is a loss to our hospitals and a loss to our universities, who are strangely silent on this bill because they are afraid of angering ¼ of 1 percent of the families in the United States who happen to be a huge chunk of their donors.

Let us look at the substitute. It is more fiscally responsible, costs about ¼ as much, but it provides more tax relief for middle-class families.

Let us look at this from the standpoint of a widow, a surviving spouse. Under current law and under the Pomeroy substitute, no estate tax, no capital gains tax and little or no compliance work. Under their bill, more compliance work and sharp restrictions on the step up in basis.

So this bill is an attack on working families, an attack on the middle class, and an attack on widows. They have lost their spouse, and now you want them to lose their step up in basis as well. These are people who pay zero estate tax and get zero benefit from this bill. They have lost a spouse, and that is the folks you go after. \$290 billion in the first 4 plus years. It is part of an overall Republican tax package.

I am on the International Relations Committee. We are waging a war on terrorism. We turn to our men and women in uniform and say, stand ready to make the ultimate sacrifice; and we turn to the richest families in America and say, you should make a zero sacrifice.

Now these Republican tax policies have caused the President of the

United States to call into question our intent and ability to pay U.S. government bonds.

□ 1615

It calls into question our ability to pay our bonds.

Now, the President will not warn the Chinese investors. He wants them to buy the bonds, but he has warned every Social Security recipient that we may dishonor the U.S. Government bonds held by the Social Security trustees.

This bill is part of an overall plan that keeps in effect the electrical tax, the sales tax, the telephone tax, the income tax, the payroll tax, the marriage tax, the cable tax, and the fuel tax. And it is part of an overall plan that, well, I ought to write a commercial because there is a lot of public policy commercials out there, and I ought to write them for them.

Allowing corporations to avoid American taxes just by renting a hotel room in the Bahamas, \$8 billion. Allowing millionaires to pay virtually nothing on dividend income, \$80 billion. Eliminating the estate tax even on the richest estates, \$290 billion. Telling our soldiers in the field that it is the billionaire families who are the ones who have sacrificed too much for America, priceless.

And the Republi-card, accepted everywhere. The very wealthy want their taxes released.

And do not forget the Deficit Express Card, now with a new \$12 trillion credit limit.

Mr. HULSHOF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, notwithstanding the gentleman's props, I would commend to him for his reading leisurely "The Economics of the Estate Tax: An Update," a Joint Economic Committee study dated June 2003 which in essence states the estate tax raises very little, if any, net revenue because of distortionary effects of the estate resulting in income tax losses roughly the same size as the revenue collected. Secondly, estate taxes force the development of environmentally sensitive land. Through 2001, 2.6 million acres of forest land were harvested and 1.3 million acres were sold every year to raise funds to pay the estate tax.

Regarding his criticism on philanthropy, the estate tax according to the Joint Economic Committee study, the estate tax may actually be one of the greatest obstacles to charitable giving as estate taxes crowd out charitable bequests.

Mr. Speaker, I yield two minutes to the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, it is fascinating if you would think if there was a proposal in the substitute to eliminate the whole list of taxes that the gentleman referred to, but I have never heard one case where they have talked about eliminating any tax, only increasing

taxes. So it is quite an interesting debate.

Let me just say, I come to this as someone who grew up in a family farm operation, a family small business. I can tell you firsthand from real life, honest experience the effect that the death tax has on families and creating jobs and opportunities and being able to continue what I believe is the American Dream, and that is to have an opportunity for your children and your grandchildren to continue a life that you love and cherish. Nothing stands in the way more for families and small businesses to be successful, to continue, than the death tax.

We spend thousands and thousands of dollars every year as a way to try and avoid what the death tax will do to us. It is morally wrong that the day you die, your heirs should not only see the undertaker but have to go see the tax man to see how much the Federal Government is going to take away from a lifetime of work.

The idea, while the gentleman from North Dakota (Mr. POMEROY), I have the greatest respect for him, but the idea of continuing an immoral tax that destroys family, destroys family businesses, I have seen neighbors who have lost everything they have, lost generations of work on a family farm because of the death tax. It is a fact that nothing is more harmful, nothing is more hurtful than a tax that takes away the hope of the American Dream.

This country is based on farms, on small businesses. That is the lifeblood of this Nation, and nothing destroys it more than the death tax; and that is why we have to kill this death tax to make sure that we can experience the American Dream in this country.

Mr. POMEROY. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. DAVIS).

(Mr. DAVIS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Tennessee. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise today in strong support of the Pomeroy substitute to House Resolution 8. And I argue that anyone in this body who is currently concerned about our ballooning national debt should vote in favor of the substitute.

The Pomeroy substitute is fair, and it covers those who need tax exemption now, America's small businessmen and America's farmers.

It is clear from the debate today that the majority of Members in this body believe that our farmers and small businessmen and -women need relief from the estate tax, and I will do all I can to ensure that these hardworking Americans get their due tax relief. In my opinion, the Pomeroy substitute does this by increasing the estate tax exemption level in 2006 by \$3 million for individuals and \$6 million for couples. Additionally, from 2009 forward, the tax exemption level would be \$3.5

million for individuals and \$7 million for couples. This will fully cover 99.8 percent, 99.8 percent of all the estates in this country. Only two out of every 1,000 would not be totally covered.

I know my friends on the other side of the aisle desperately want to make sure that the Paris Hiltons of America are fully covered, but they have done pretty good the last 100 years; and I am sure under the Pomeroy bill in the future they will continue to do pretty good.

Additionally, the substitute bill eliminates the liability for tax on gains accrued before death. This is incredibly important to those children who may decide to sell the small farms and businesses they have just inherited. By using the stepped-up basis to calculate the value on an estate at a time of death, the substitute bill is actually making the Tax Code simpler and less cumbersome. It seems to me that this is important to us. It is important to the President, and it is important to many of us in Congress.

I will do all that I need to do in order to support estate tax relief for farmers and small business owners in my district. But would it not be a great message to send to the Senate and to the American people by providing them with the estate tax relief they want and need without breaking the bank? It seems to me that it is the fiscally conservative thing to do. I truly believe we have got to stop this liberal policy of borrowing and spending.

To my friends on the right who believe that any estate tax is so vile that you took your polling advice and decided to start calling it the death tax, you should read Leviticus 25 containing God's message to Moses that every 50 years, called the Jubilee, all possessions must be returned to the original owners. I invite you to read that scripture.

You had a chance in 2002 to increase the benefits by giving the tax relief to the estates of all Americans. Why did you not? It clearly was not to keep the budget balanced. Was it political? Every year around tax time and every 2 years around election time, you come back with permanent tax repeal. I think now is the time to do it. Let us get it done.

The Pomeroy substitute bill is a bill we need to send to the Senate. It is a fair bill. It is fiscally responsible. It should be the House's bill.

Mr. POMEROY. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from North Dakota (Mr. POMEROY) has 4½ minutes remaining. The gentleman from Missouri (Mr. HULSHOF) has 14½ minutes remaining.

Mr. POMEROY. Mr. Speaker, I reserve the balance of my time.

Mr. HULSHOF. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. PRICE).

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentleman for yielding me

time. I thank the gentleman for his leadership on this issue.

I think it is important that we spend a moment or two and talk about how we got here, why do we have a death tax and what is its consequence; what is the fundamental we are talking about.

The death tax began in 1916 in order to fund World War I, a noble cause but a cause that has long since passed. It remained through the 1920s and 1930s under the rationale that we should prevent the accumulation of wealth, an issue more than addressed with our current anti-trust laws.

The death tax has become a harmful relic of previous times. It survives through the inertia of government and now has the consequence of punishing hard work and success. It harms families, and it kills small businesses.

Families should not have to visit the undertaker and the tax collector on the very same day.

The death tax is fundamentally unfair and violates what should be our principle of freedom and liberty and the imperative of personal property rights.

Freedom and liberty demand that hard-working Americans be able to leave their children and their grandchildren the results of their diligence and their success and not have Washington get a windfall.

I urge all of my colleagues to act positively today on behalf of all Americans and let the death tax die for good.

Mr. POMEROY. Mr. Speaker, in light of the imbalance of time, I would be happy to have my friend from Missouri burn up a little more of his time, unless he has no further speakers.

Mr. HULSHOF. Mr. Speaker, I have no further requests for time, and I can assure my friend I will not use the entire 14 minutes to close.

Mr. Speaker, who has the right to close?

The SPEAKER pro tempore. The gentleman from Missouri (Mr. HULSHOF) has the right to close.

Mr. HULSHOF. Mr. Speaker, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I rise in opposition to H.R. 8, which continues, in my view, the policies by the majority of three tax cuts, in 4 years, with four straight record-breaking deficits that have added \$2 trillion in 4 years to the Nation's debt. And here again the majority offers \$850 billion of tax cuts to the wealthiest families in this country.

When you get in a hole that is \$2 trillion deep, rule one, stop digging. If you cannot figure that out, you cannot produce any more when it comes to economic growth for this country or jobs or resolving the health care crisis or the educational crisis we have in the country. My view is repeating the same mistake and expecting a different result is a sign that you have lost your bearings.

This bill will do nothing to stimulate the economic growth or savings, which is what we should be focused on, rather than further shifting the tax burden from wealth to work.

We could be debating and using this time on simplifying the code. Just 2 weeks ago there was a report out by the IRS and others showing that \$350 billion a year goes unreported in taxes where people are not complying and cheating.

We have a Tax Code that rewards and initiates a culture of cheating and penalizes those who abide by the rules. That is where we should be focusing, on simplifying the code and taking away the incentive to cheat, which is what we have today in our code.

With all the economic challenges we are facing today in the area of health care, energy, education, eliminating the estate tax, fully eliminating, should be the last of our priorities. But the Republicans will soldier on and continue to fight until taxes are eliminated for the very last multimillionaire. Instead of helping the wealthy avoid taxes, we should be helping middle-class families save for their retirement.

That is a true deficit we have in this country, a retirement and savings deficit. The savings rate is at its lowest level since the 1930s, lower than any other industrialized nation. Millions of families are financially unprepared for retirement.

Given this reality, why are we debating the elimination of the estate tax instead of real tax reform and a savings agenda for the middle class.

Are holding the interests of the wealthy and special interests above the hopes and dreams of the middle-class families the kind of values we want our Tax Code to reflect?

As late former Supreme Court Justice Louis Brandeis once said, "We can have democracy in this country or we can have great wealth concentrated in the hands of a few, but we cannot have both."

Mr. Speaker, there is no doubt which one this bill will achieve.

Mr. HULSHOF. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Miss MCMORRIS), a newly elected Member from the State of Washington.

Miss MCMORRIS. Mr. Speaker, I appreciate the opportunity to address the House today on this very important piece of legislation, the repeal of the death tax and making it permanent.

The repeal of the death tax is one of the first bills that I was honored to place my name on as a cosponsor.

Growing up on a family farm in eastern Washington, I have seen firsthand the negative impacts the death tax has on our families and our businesses.

One of my top priorities in Congress is to grow jobs and expand the economy in the Pacific Northwest.

□ 1630

I believe that the repeal of the death tax will help accomplish this goal, especially for the farmers and small businesses in my district.

The death tax costs thousands of jobs each year; and by repealing this unnecessary tax, jobs will be created and many small business owners will be able to add workers to their payrolls.

As a Member who represents a significant farming sector, I have seen the death tax destroy some family farms. Without a doubt, death taxes hurt our farmers and our ranchers by forcing family farms to sell land, buildings or equipment needed to operate their business in order to pay for this excessive tax. Some family farmers have had to take out a second mortgage on their home to pay for the tax.

When farms and ranches shut down, so do the businesses they support, leaving many out of work and leading to a depressed rural economy.

The time is now to end the death tax. I support the passage of H.R. 8 in order to end this unjust, unfair, and inefficient tax burden on our families, businesses and especially our farming communities.

Mr. POMEROY. Mr. Speaker, I believe we are at the end of our time, and I yield myself the balance of the time to close our side.

Mr. Speaker, I am feeling a bit like the man in the middle as we approach this debate. There has been some on our side that suggests the Pomeroy substitute provides too much estate tax relief. Indeed, the amounts are higher than acceptable. Obviously, we have heard from the other side they believe this is too low, but I would say to my friends in the majority, and listen to this carefully, those who approach this issue with an all-or-nothing mentality are likely to get nothing.

We cannot tell what is going to happen in the year 2010. None of us know. Except there is one thing we know, and look at this chart, the national debt is going to exceed \$10 trillion, \$10 trillion, 36 percent above where we are at today, and this is based upon established budget projections.

Do we really believe that that future Congress is going to sit blithely by and let this become implemented? There is not a nickel's worth of certainty in that. And we all know, because as damaging as this is to the budget in the first 10 years, with \$290 billion of revenue loss, debt service added, this is a \$326 billion hit to the budget in the first 10 years, look what happens in the second 10 years: \$1.3 trillion impact in the second 10 years when we count the value of the debt service.

Do any of us think that we are really going to allow this to happen in the future years?

That is why I have advanced a very different alternative, entitled certain and immediate estate tax relief, because it is certain and it is immediate, and it deals by taking the estate tax to \$6 million per couple, \$7 million per

couple by the time we get to 2009. It deals with the estate tax issues of 99.7 percent of the population.

Those of my colleagues looking at this chart may not be able to see this tiny red line, because that is what three-tenths of 1 percent represent with looking at the total population, three out of 1,000, and we know that on average those estates are going to average \$15 million.

So for three-tenths of 1 percent we offer an alternative that has no capital gains, that is one-quarter of the cost, that immediately phases in estate tax relief and is far and away the superior way to go. All or nothing gets us nothing. Vote Pomeroy, immediate and certain estate tax relief.

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

Mr. HULSHOF. Mr. Speaker, I yield myself the balance of the time.

Let me first say, Mr. Speaker, how much I appreciate my friend from North Dakota as we have done this in a number of sessions of Congress, and I appreciate the tone, and he is a friend of mine, and I have a lot of respect for him and the intent with which he comes to this debate.

Let me answer a couple of points that have been raised in particular, first of all, about the tax simplification. Tax day is 2 days away, and I am sure taxpayers, in particular small businesses and family farmers, would appreciate anything that we can do to simplify our tax laws, and I would submit that permanent repeal of the death tax does just that.

In fact, H.R. 8 is one simple paragraph, and it reads as follows: "Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to title V of such Act." Basically, we repeal the sunset.

Now, again, the gentleman from North Dakota's (Mr. POMEROY) substitute, I counted, and I hope I am counting correctly, but 40 subparagraphs and directing accountants and the like to this subparagraph or that particular paragraph.

The reason that we are here is because of complicated and arcane Senate budget rules, called the Byrd rule, that we phase out the death tax for one single year. In 2010, it magically disappears, and then on January 1 of 2011 it springs back to life, and the uncertainty, how would one as an estate planner advise a client when the tax is gone today and comes back again in the very next year? By making death tax repeal permanent, we give taxpayers the certainty they need to make those long-term financial decisions.

The form itself, the blank form I am holding here, Form 706, is 40 pages in length for the estate tax return, 40 pages in length, and it comes with a handy dandy 30-page instruction booklet. So when one is talking about simplification, what better simplification would there be than ripping these pages dealing with the estate tax completely out of the Internal Revenue Code?

Lastly, when it comes down to the nuts and bolts of it, whether or not the Pomeroy substitute, and again, in the effort to pursue the American dream, whether those businesses are going to be shielded by the Pomeroy substitute or not shielded, the fact is that as long as the tax is on the books, as long as Congress draws some line in the sand, and that is all we are doing with the substitute, is just some arbitrary line, we are still going to have those family businesses that are going to be taking some of their resources and these convoluted schemes, legal, but efforts to avoid the tax.

Again, we hear a lot about these very high-profile individuals who have been successful. I mean, this is the land of opportunity, is it not? I would submit to my colleagues that the billionaires and the top of the Fortune 500 lists, those folks have a stable full of lawyers and accountants to create this intricate estate plan to thwart the estate tax.

Not so, and I go back to the original discussion, that small family in Columbia, Missouri, the Eiffert family who spends \$52,000 a year just to buy term life insurance because they might have to face the estate tax. Under the current law, or probably even under the gentleman from North Dakota's (Mr. POMEROY) substitute, there is no certainty for families like the Eiffert family.

So I salute my colleague.

The gentleman from Illinois (Mr. EMANUEL), again a colleague of mine on the Committee on Ways and Means, said, why are not we debating real reform? Interestingly, there is a lot of discussion. I am not here to advocate one particular tax reform proposal because we have got this blue ribbon panel that is happening and looking at various options. There is a lot of talk about the consumption tax, and yet it is notable that, while there may be support for the idea of a general consumption tax, the death tax, by contrast, is a tax on nonconsumption.

We talk a lot, too, about sin taxes. Why can we not put taxes on alcohol or on cigarettes and the like and whether or not that generates support among certain groups. This death tax is a tax on virtue. In other words, if you work hard, you play by the rules, if you scrape together your savings, and, again, we as an industrialized Nation, not only do we have even under the Pomeroy substitute a 47 percent death tax rate which would be the second highest in the world, but the fact is that we are not very good at savings and investments. In fact, if you are looking at your 1040 right now, look at line eight because it says if you have been thrifty and you are able to generate a little interest income, guess what, Uncle Sam says put this amount here because we are going to take our bite of the apple.

Permanent repeal of the death tax actually rewards virtue.

Let me just paraphrase a column recently, actually it was some years ago

but I think republished recently by Professor Edward J. McCaffery. He is a professor who says this: "As a committed liberal myself, I used to believe that the gift and estate tax was essential to a just society. But as a former estate planner and a scholar in both law and economics, I confess that I was mistaken. The gift and estate tax is quite simply a bad tax, even, and maybe especially, when viewed from a liberal perspective."

Professor McCaffrey goes on and says, "This is not a supply-side argument but a moral one. People who die with large amounts of wealth have done three good things for society. They have exercised their talents, rather than living a life of leisure. They have saved, contributing to a common pool of capital whose benefits manifest, for example, in lower interest rates, inure to all. And they have refrained from spending all of their wealth on themselves."

In fact, Professor McCaffrey across the Capitol some years ago I think before the Senate Finance Committee said, to paraphrase Scripture, the reason he changed his mind, I was blind but now I see.

If this comes from an unrequited liberal that the estate tax, the death tax, is a bad tax, then I would suggest to all of my colleagues here that it is time to permanently and completely repeal the tax.

Finally, I would say to my friend again, because there has been some discussion about creating a new tax, as the gentleman knows, the intent of H.R. 8, the underlying bill, is to help make it easier to pass a family business from one generation to the next. As we have heard from nonpartisan groups, 70 percent of family businesses do not make it to a second generation, 87 percent of family businesses do not make it to a third generation, and often the reason cited is because of this very confiscatory punitive tax called the death tax.

The fact is that under H.R. 8, if it were to pass and become the law of the land, the tax rate imposed at death on a lifetime of work and thrift is zero percent. Under my friend's substitute amendment, the rate imposed would be locked in at 47 percent.

Now I mentioned my personal experience, and I am running our family farm. If a surviving heir chooses not to farm and then makes the conscious decision to dispose of assets, then that is a taxable event, but that is a purposeful decision made by the heirs of that family business owner. It is not the Federal Government requiring the death of a family member to be a taxable event.

So I would simply say to all of my colleagues that death should not be a taxable event, period. Under the underlying bill of H.R. 8, it would no longer be a taxable event. Under the substitute from my friend, individuals above an arbitrary line drawn by this body, death would continue to be an

event that triggers the Federal death tax. That is why prominent organizations such as the Chamber of Commerce, National Federation of Independent Business, American Farm Bureau Federation and a host of other small business coalition members, representing the interest of small businesses and family farms across the country, support H.R. 8 and oppose my friend from North Dakota's substitute.

I urge a "no" on the substitute and a "yes" on the underlying bill.

Mr. KIND. Mr. Speaker, I rise today in strong support of making estate tax relief permanent so that family-owned farms and businesses can be passed down from generation to generation. The estate tax should be updated and modernized to reflect both the economic growth many Americans have experienced in recent years, and the hard work of millions of entrepreneurs and those just trying to make a living. These businesses should not be punished for being successful or for simply having their owners pass away.

The United States is the land of opportunity, encouraging free enterprise and rewarding entrepreneurs. The estate tax should be modified to protect family-owned small businesses and family farms from the threat of having to be sold just to pay the tax.

But, Mr. Speaker, H.R. 8 would fully repeal the estate tax for all Americans at a time when the administration is running record deficits that threaten the futures of our children's children. As we all know, the estate tax applies to fewer than 2 percent of all estates, about 50,000 a year. This bill would initially cost the Nation's treasury \$290 billion over 10 years.

This year alone, our budget deficit will exceed \$400 billion. This administration has turned a projected \$5.6 trillion surplus over ten years into deficits totalling \$2.6 trillion. However, even with these record deficits, we are debating yet another tax cut.

With the majority's policies leading our Nation toward a fiscal train wreck, we should not be talking about totally repealing the death tax and instead talk about doing something about the debt tax, which falls upon all Americans.

Therefore, I am supporting the substitute being offered by my good friend Mr. POMEROY. His legislation will immediately help the small businesses and family farms by increasing the estate tax exemption to \$3 million for individuals and \$6 million for couples. This meaningful, common-sense bill will exempt 99.7 percent of all estates from the estate tax. Under current law, the tax basis for inherited property is "stepped up" to its value at transfer through 2009, which helps farmers and small business owners who inherit property by reducing the amount of capital gains taxes to which the property is subject. Under current law, in 2010, "carry-over" basis rules (with a \$1.3 million exemption) replace the "stepped-up" basis rules, creating burdensome new requirements and increasing the tax liability for many of these property-owners. H.R. 8 makes this switch permanent and creates more losers than winners. The Pomeroy substitute, however, will retain the "step-up" rules rather than the "carry-over" rules.

Mr. Speaker, it is our responsibility to avoid towering deficits and reduce the debt future generations will inherit. We must give them the capability and flexibility to meet whatever problems or needs they face. I cannot, in good

faith, support legislation that will put our country further into deficit spending with a tax cut that will hurt future generations for the unforeseeable future.

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

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 202, the previous question is ordered on the bill and on the amendment in the nature of a substitute offered by the gentleman from North Dakota (Mr. POMEROY).

The question is on the amendment in the nature of a substitute by the gentleman from North Dakota (Mr. POMEROY).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. POMEROY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 194, noes 238, not voting 2, as follows:

[Roll No. 101]

AYES—194

Ackerman	Filner	Menendez
Allen	Ford	Michaud
Andrews	Frank (MA)	Millender-
Baca	Gonzalez	McDonald
Baird	Green, Al	Miller (NC)
Baldwin	Green, Gene	Miller, George
Barrow	Grijalva	Mollohan
Becerra	Gutierrez	Moore (KS)
Berkley	Harman	Moore (WI)
Berman	Hastings (FL)	Moran (VA)
Berry	Herseth	Nadler
Bishop (GA)	Higgins	Napolitano
Bishop (NY)	Hinchev	Neal (MA)
Blumenauer	Hinojosa	Oberstar
Boren	Holden	Obey
Boswell	Holt	Ortiz
Boucher	Honda	Owens
Boyd	Hoolley	Pallone
Brown (OH)	Hoyer	Pascrell
Brown, Corrine	Inslee	Payne
Butterfield	Israel	Pelosi
Capps	Jackson (IL)	Peterson (MN)
Capuano	Jackson-Lee	Pomeroy
Cardin	(TX)	Price (NC)
Cardoza	Jefferson	Rahall
Carnahan	Johnson, E. B.	Rangel
Carson	Jones (OH)	Reyes
Case	Kanjorski	Ross
Castle	Kaptur	Rothman
Chandler	Kennedy (RI)	Roybal-Allard
Clay	Kildee	Ruppersberger
Cleaver	Kilpatrick (MI)	Rush
Clyburn	Kind	Ryan (OH)
Conyers	Kucinich	Sabo
Cooper	Langevin	Salazar
Costa	Lantos	Sánchez, Linda
Costello	Larsen (WA)	T.
Crowley	Larson (CT)	Sanchez, Loretta
Cuellar	Lee	Schakowsky
Cummings	Levin	Schiff
Davis (AL)	Lewis (GA)	Schwartz (PA)
Davis (CA)	Lipinski	Scott (GA)
Davis (FL)	Lofgren, Zoe	Scott (VA)
Davis (IL)	Lowey	Serrano
Davis (TN)	Lynch	Sherman
DeFazio	Maloney	Skelton
DeGette	Markey	Slaughter
Delahunt	Marshall	Smith (WA)
DeLauro	Matheson	Snyder
Dicks	Matsui	Solis
Dingell	McCarthy	Spratt
Doggett	McCollum (MN)	Stark
Doyle	McDermott	Strickland
Edwards	McGovern	Stupak
Emanuel	McIntyre	Tauscher
Engel	McKinney	Taylor (MS)
Eshoo	McNulty	Thompson (CA)
Etheridge	Meehan	Thompson (MS)
Evans	Meek (FL)	Tierney
Farr	Meeks (NY)	Towns
Fattah	Melancon	Udall (CO)

Udall (NM) Waters
 Van Hollen Watson
 Velázquez Watt
 Visclosky Waxman
 Wasserman Weiner
 Schultz Wexler

Woolsey
 Wu
 Wynn

NOES—238

Abercrombie Gibbons
 Aderholt Gilchrist
 Akin Gingrey
 Alexander Gohmert
 Bachus Goode
 Baker Goodlatte
 Barrett (SC) Gordon
 Bartlett (MD) Granger
 Barton (TX) Graves
 Bass Green (WI)
 Bean Gutknecht
 Beauprez Hall
 Biggart Harris
 Bilirakis Hart
 Bishop (UT) Hastings (WA)
 Blackburn Hayes
 Blunt Hayworth
 Boehlert Hefley
 Boehner Hensarling
 Bonilla Herger
 Bonner Putnam
 Bono Hoekstra
 Boozman Hostettler
 Boustany Hulshof
 Bradley (NH) Hunter
 Brady (PA) Hyde
 Brady (TX) Inglis (SC)
 Brown (SC) Issa
 Brown-Waite, Istook
 Ginny Jenkins
 Burgess Johnson (CT)
 Burton (IN) Johnson (IL)
 Buyer Johnson, Sam
 Calvert Jones (NC)
 Camp Keller
 Cannon Kelly
 Cantor Kennedy (MN)
 Capito King (IA)
 Carter King (NY)
 Chabot Kingston
 Chocola Kirk
 Coble Kline
 Cole (OK) Knollenberg
 Conaway Kolbe
 Cox Kuhl (NY)
 Cramer LaHood
 Crenshaw Latham
 Cubin LaTourette
 Culberson Leach
 Cunningham Lewis (CA)
 Davis (KY) Lewis (KY)
 Davis, Jo Ann Linder
 Davis, Tom LoBiondo
 Deal (GA) Lucas
 DeLay Lungren, Daniel
 Dent E.
 Diaz-Balart, L. Mack
 Diaz-Balart, M. Manzullo
 Doolittle Marchant
 Drake McCaul (TX)
 Dreier McCotter
 Duncan McCreery
 Ehlers McHenry
 Emerson McHugh
 English (PA) McKeon
 Everett McMorris
 Feeney Mica
 Ferguson Miller (FL)
 Fitzpatrick (PA) Miller (MI)
 Flake Miller, Gary
 Foley Moran (KS)
 Forbes Murphy
 Fortenberry Murtha
 Fossella Musgrave
 Foxx Myrick
 Franks (AZ) Neugebauer
 Frelinghuysen Ney
 Gallegly Northup
 Garrett (NJ) Norwood
 Gerlach Nunes

NOT VOTING—2

Gillmor Jindal
 □ 1711

Ms. GINNY BROWN-WAITE of Florida, Ms. HARRIS, Mrs. DRAKE, and Messrs. COX, FORTENBERRY, TERRY and GARY G. MILLER of California changed their vote from “aye” to “no.”

Messrs. OBEY, MEEHAN and TOWNS changed their vote from “no” to “aye.” So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated against:
 Mr. JINDAHL. Mr. Speaker, on rollcall No. 101 I was inadvertently detained. Had I been present, I would have voted “no”.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SABO. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered. The vote was taken by electronic device, and there were—ayes 272, noes 162, not voting 1, as follows:

[Roll No. 102]

AYES—272

Aderholt Cuellar
 Akin Culberson
 Alexander Cunningham
 Bachus Davis (KY)
 Baker Davis (TN)
 Barrett (SC) Davis, Jo Ann
 Barrow Davis, Tom
 Bartlett (MD) Deal (GA)
 Barton (TX) DeLay
 Bass Dent
 Bean Diaz-Balart, L.
 Beauprez Diaz-Balart, M.
 Berkley Doolittle
 Berry Drake
 Biggart Dreier
 Bilirakis Duncan
 Bishop (GA) Edwards
 Bishop (UT) Ehlers
 Blackburn Emerson
 Blunt English (PA)
 Boehlert Everett
 Boehner Farr
 Bonilla Feeney
 Bonner Ferguson
 Bono Filner
 Boozman Fitzpatrick (PA)
 Boren Flake
 Boswell Foley
 Boucher Forbes
 Boustany Fortenberry
 Bradley (NH) Fossella
 Brady (TX) Foxx
 Brown (SC) Franks (AZ)
 Brown-Waite, Frelinghuysen
 Ginny Gallegly
 Burgess Garrett (NJ)
 Burton (IN) Gerlach
 Butterfield Gibbons
 Buyer Gilchrist
 Calvert Gingrey
 Camp Gohmert
 Cannon Goode
 Cantor Goodlatte
 Capito Gordon
 Cardoza Granger
 Carter Graves
 Castle Green (WI)
 Chabot Gutknecht
 Chandler Hall
 Chocola Harris
 Clay Hart
 Coble Hastert
 Cole (OK) Hastings (WA)
 Conaway Hayes
 Costa Hayworth
 Costello Hefley
 Cox Hensarling
 Cramer Herger
 Crenshaw Hinojosa
 Cubin Hobson

Murphy
 Musgrave
 Myrick
 Neugebauer
 Ney
 Northup
 Norwood
 Nunes
 Nussle
 Osborne
 Otter
 Oxley
 Paul
 Pearce
 Pence
 Peterson (MN)
 Peterson (PA)
 Petri
 Pickering
 Pitts
 Platts
 Poe
 Pombo
 Porter
 Portman
 Price (GA)
 Pryce (OH)
 Putnam
 Radanovich
 Rahall
 Ramstad
 Regula

Rehberg
 Reichert
 Renzi
 Reynolds
 Rogers (AL)
 Rogers (KY)
 Rogers (MI)
 Rohrabacher
 Ros-Lehtinen
 Ross
 Royce
 Rumpersberger
 Ryan (OH)
 Ryan (WI)
 Ryun (KS)
 Salazar
 Sanchez, Loretta
 Saxton
 Schwarz (MI)
 Scott (GA)
 Sensenbrenner
 Sessions
 Shadegg
 Shaw
 Shays
 Sherwood
 Shimkus
 Shuster
 Simmons
 Simpson
 Skelton
 Smith (NJ)

Smith (TX)
 Sodrel
 Souder
 Stearns
 Sullivan
 Sweeney
 Tancredo
 Taylor (NC)
 Terry
 Thomas
 Thornberry
 Tiahrt
 Tiberi
 Towns
 Turner
 Upton
 Walden (OR)
 Walsh
 Wamp
 Weldon (FL)
 Weldon (PA)
 Weller
 Westmoreland
 Whitfield
 Wicker
 Wilson (NM)
 Wilson (SC)
 Wolf
 Wynn
 Young (AK)
 Young (FL)

NOES—162

Abercrombie
 Ackerman
 Allen
 Andrews
 Baca
 Baird
 Baldwin
 Becerra
 Berman
 Bishop (NY)
 Blumenauer
 Boyd
 Brady (PA)
 Brown (OH)
 Brown, Corrine
 Capps
 Capuano
 Cardin
 Carnahan
 Carson
 Case
 Cleaver
 Clyburn
 Conyers
 Cooper
 Crowley
 Cummings
 Davis (AL)
 Davis (CA)
 Davis (FL)
 Davis (IL)
 DeFazio
 DeGette
 Delahunt
 DeLauro
 Dicks
 Dingell
 Doggett
 Doyle
 Emanuel
 Etheridge
 Evans
 Fattah
 Ford
 Frank (MA)
 Gonzalez
 Green, Al
 Green, Gene
 Grijalva
 Gutierrez
 Harman
 Hastings (FL)
 Herseth

Higgins
 Hinchey
 Holden
 Holt
 Honda
 Hoyer
 Insole
 Jackson (IL)
 Johnson, E. B.
 Jones (OH)
 Kanjorski
 Kaptur
 Kennedy (RI)
 Kildee
 Kilpatrick (MI)
 Kind
 Kucinich
 Langevin
 Lantos
 Larson (CT)
 Leach
 Lee
 Levin
 Lewis (GA)
 Lipinski
 Lofgren, Zoe
 Lowey
 Lynch
 Maloney
 Markey
 Marshall
 Matsui
 McCollum (MN)
 McDermott
 McGovern
 McKinney
 McNulty
 Meehan
 Meek (FL)
 Meeks (NY)
 Menendez
 Michaud
 Millender
 McDonald
 Miller (NC)
 Miller, George
 Mollohan
 Moore (KS)
 Moore (WI)
 Moran (VA)
 Murtha
 Nadler
 Napolitano
 Neal (MA)
 Oberstar

Obey
 Oliver
 Ortiz
 Owens
 Pallone
 Pascrell
 Pastor
 Payne
 Pelosi
 Pomeroy
 Price (NC)
 Rangel
 Reyes
 Rothman
 Roybal-Allard
 Rush
 Sabo
 Sánchez, Linda
 T.
 Sanders
 Schakowsky
 Schiff
 Schwartz (PA)
 Scott (VA)
 Serrano
 Sherman
 Slaughter
 Smith (WA)
 Snyder
 Solis
 Spratt
 Stark
 Strickland
 Stupak
 Tanner
 Tauscher
 Taylor (MS)
 Thompson (CA)
 Thompson (MS)
 Tierney
 Udall (CO)
 Udall (NM)
 Van Hollen
 Velázquez
 Visclosky
 Wasserman
 Schultz
 Waters
 Watt
 Waxman
 Weiner
 Wexler
 Woolsey
 Wu

NOT VOTING—1

Gillmor

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
 The SPEAKER pro tempore (Mr. SIMPSON) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1727

Mr. RUSH changed his vote from "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 256, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005

Mr. GINGREY, from the Committee on Rules, submitted a privileged report (Rept. No. 109-43) on the resolution (H. Res. 211) providing for consideration of the Senate bill (S. 256) to amend title 11 of the United States Code, and for other purposes, which was referred to the House Calendar and ordered to be printed.

FLOODING OF THE DELAWARE RIVER

(Mr. DENT asked and was given permission to address the House for 1 minute.)

Mr. DENT. Mr. Speaker, I rise today to bring to this body's attention the terrible natural disaster that has recently occurred in my district in Pennsylvania. On April 2, heavy rains triggered substantial flooding of the Delaware River. The river overflowed in various local municipalities. Hardest hit were the small borough of Portland in Northampton county and the city of Easton, also in Northampton County.

I was back in my district at the time of the flooding. I toured the water-damaged areas extensively, visited with local residents, and was horrified by the destruction and heartbreak that this disaster has induced. Keep in mind all this occurred less than 1 year suffered from the devastating effects of Hurricane Ivan.

On April 9, in response to what I had seen, I wrote a letter to the President, asking him to declare the 15th district a Federal disaster area. The Governor of Pennsylvania also requested this relief, and I supported him in that request. I also keep in regular contact with our State and Federal Emergency Management officials in order to coordinate relief efforts.

I urge my colleagues to keep the citizens devastated by this natural disaster in their prayers.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ABORTION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from Florida (Ms. ROS-LEHTINEN) is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Mr. Speaker, in a country that espouses the importance of protecting the inherent rights of every person, abortion denies the rights of our most innocent and vulnerable members, our children.

As legislators, we have the great responsibility to strive to uphold the truths upon which our great country was founded, especially that every individual is entitled to life, liberty, and the pursuit of happiness.

Abortion is not a sign that women are "free to choose." It is a sign that women have been abandoned.

□ 1730

They have not had the support and care that they so desperately need. Rather, abortion is the only option offered.

Abortion is one of the greatest scourges of our time. It is a sign that we have not met the needs of women. Women deserve better than abortion. It is a crime against humanity which not only takes the innocent life of a child but also profoundly alters the life of the mother. Women possess dignity and intrinsic beauty, and abortion tears them apart at the very core of their being.

I am proud to have had the opportunity to join with such dynamic pro-life women as Patricia Heaton, the co-star of the TV show *Everybody Loves Raymond*. She is an outspoken advocate for women and for the protection of the rights of the unborn. This past week, I met with Patricia while she was in Washington meeting with Members of Congress and staff members discussing the crucial need that we have as a society to strive to address the real challenges facing pregnant women and promoting women-centered solutions to significantly reduce abortion and protect women's health.

I am pleased to be associated with organizations that work to increase public awareness of the devastation that abortion brings to women, men and their families. These organizations ensure that the emotional and physical pain of abortion will no longer be shrouded in secrecy and silence but rather exposed and healed.

This past year, the pro-life movement has enjoyed many major victories in Congress. We have seen the passage of legislation protecting the sanctity of life and addressing the critical needs of women. The Partial Birth Abortion Ban was signed into law by President Bush. The Unborn Victims of Violence Act also passed the House.

I have worked together with my colleagues here in Congress and with President Bush to defend the intrinsic rights of all citizens, especially the most defenseless. I am pleased to note that today the House Committee on the Judiciary held a markup of my bill, H.R. 748, the Child Interstate Abortion Notification Act, CIANA. It was referred favorably as amended out of

committee by a 20 to 13 margin and should be brought to the floor for a vote soon.

This critical legislation makes it a Federal offense to knowingly transport a minor across a State line with the intent that she obtain an abortion in circumvention of a State's parental consent or parental notification law. CIANA also requires that a parent or, if necessary, a legal guardian be notified pursuant to a default Federal parental notification rule when a minor crosses State lines to obtain an abortion, unless one of several carefully drawn exceptions is met.

A minor who is forbidden to drink alcohol, to stay past a certain hour or to get her ears pierced without parental consent is certainly not prepared to make a life-altering, hazardous and potentially fatal decision such as obtaining an abortion without the consultation or the consent of at least one parent.

My legislation will close a loophole that allows adults not only to help minors break State laws by obtaining an abortion without parental consent but is also, unfortunately, contributing to ending the life of an innocent child. We will close that loophole.

I am hopeful that in this 109th session of Congress we will be successful in securing the rights of parents once and for all, and I encourage my colleagues to vote in favor of this bill.

We have a great responsibility as a Nation to maintain a true reverence for vulnerable human life and to continue to build a culture of life. I will continue to work to ensure that the precious gift of life and the dignity of womanhood are promoted and protected at every level.

RECORD TRADE DEFICITS CONTINUE

The SPEAKER pro tempore (Mr. DENT). Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, well, congratulations to the Bush-Cheney administration. They set another record yesterday, but it is one I am certain they will soon eclipse. The United States of America ran the largest 1-month trade deficit in our history, \$61 billion. Tens of thousands of jobs were lost in order to achieve that record. Whole industries were exported to China and other cheap wage countries in order to set that record.

Congratulations to the administration. Their trade policy is a tremendous success for those few multinational corporations who are profiting hand-over-fist with these policies, while tens of thousands of Americans lose their job and we lose our industrial base here at home.

In the first 2 months of the year, a \$29 billion trade deficit with Communist China. We are on a par, the Bush administration is on a path, to beat their record trade deficit with

Communist China that they set just last year, a \$162 billion trade deficit with Communist China last year; a country which pirates products from small businesses across America, including a number in my district, both hi-tech, furniture and others; a country that does not observe international laws; a country that the Bush-Cheney administration told us, "Oh, please, give us permanent most-favored-nation status for those Chinese, and then they will clean up their act. Put them in the World Trade Organization and we will use the force of law against them."

Well, they have only chosen to file one complaints against the tens of billions of dollars of products pirated by the Chinese from American firms, and that was for one of the drug companies, of course. Who else would they go to bat for? Not the small businesses, not the hi-tech business in my district, not the furniture business in my district, not the other businesses across America. Yet their trade policy is working just great.

Now they say two things. Well, if the dollar just drops a little bit, everything will be fine. Well, the dollar has dropped a lot, and everything is not fine, and the dollar is on the verge of dropping one whole heck of a lot more. Even when it gets down to the value of an Indian rupee, it still is not going to solve the trade problem. Because the classic economic theory is, well, if your currency is devalued, then your manufacturers will crank things up and your goods will be bought overseas. That will not happen for two reasons:

One, we do not make things anymore, and many of our companies have moved their industrial base to China and many more are contemplating doing that or being forced to do that, or to Mexico or to other countries where they can exploit labor better. So, for that reason, it is not going to happen.

Second, because the Chinese will not allow our goods in, and they have illegally pegged their currency to ours, so their currency is artificially cheap. It falls with the dollar, so we can never catch up with the Chinese. And the Bush administration has refused to do anything about those illegal actions by the Chinese, the illegal pirating of U.S. goods, theft of jobs, illegal currency manipulations by the Chinese.

The Bush administration will not do anything because a few big companies and contributors are doing very well over there. It is just to the detriment of the majority of the workers and people here at home in the United States of America.

They say there is another reason why the trade deficit is so big, because our economy is growing so fast, faster than other economies. That is why we got a big trade deficit.

Well, that is an interesting argument. So we are borrowing a bunch of money from the Chinese, they are now our second largest international creditor, soon to be our largest, the Japa-

nese are number one, and we use that money which we borrow from them to buy goods that used to be produced in the United States of America. And since those are produced nominally by American corporations, that shows growth here at home.

In the meantime, here at home people are unemployed, running up their credit cards, they have lost their jobs to unfair Chinese competition, and that shows what a robust and growing economy we have.

What a disaster this is for the working people of this country. What a disaster this is for the future industrial might of the United States of America, for our productive capacity. What a disaster it is going to be when the dollar tanks and oil goes up even more because the dollar will have been devalued so much.

There are so many things wrong with this laissez faire trade policy it is hard to know where to start, but the Bush administration thinks it is working just fine because they set a new record yesterday, the largest 1-month trade deficit in the history of the United States of America, and they are hoping they beat it every month this year and beat last year's record trade deficit, because that means jobs are exported, and, in the words of the President's former economic adviser, that is a good thing when we export jobs. It makes the country more efficient.

IN SUPPORT OF LT. ILARIO PANTANO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, I spoke last night about a marine that I have in my prayers each and every night, Second Lieutenant Ilario Pantano. Lieutenant Pantano has served this Nation in great honor in both the first and second Gulf wars. From my personal experience with him, I know that he is a dedicated family man and a man who loves the Corps.

During his service in Iraq last year, Lieutenant Pantano was faced with a very difficult situation that caused him to make a split-second decision to defend his life. He felt threatened by the actions of two insurgents under his watch and, in an act of self-defense, he had to resort to force.

Two and one half months later, a sergeant under his command, who never saw the shooting, accused him of murder. Lieutenant Pantano now faces charges of two counts of murder.

Mr. Speaker, what is happening to this young man is an injustice. In a combat fitness report, his superiors praised his leadership and talent, and he was by all accounts an exceptional marine.

Mona Charen, a respected Washington journalist, wrote the following about this case: "Obviously, the United

States cannot turn a blind eye to war crimes. If a soldier lines up civilians in front of a pit, My Lai style, and massacres them, he would richly deserve, and every self-respecting American would demand, a court martial." She further states, "But, good Lord, by what possible standard can this be called murder? Pantano was in the middle of a war zone, not a vacation on the Riviera. He had been dodging ambushes and booby traps for weeks. He had seen his comrades killed and maimed. Perhaps," according to Ms. Charen, "he acted too hastily in shooting those Iraqis. But a murder charge? Has the Marine Corps gone PC," politically correct?

The Washington Times even wrote an editorial on Lieutenant Pantano. They said: "Lieutenant Pantano is straight out of some romanticized war story. The 33-year-old Hell's Kitchen native left a six-figure salary in New York City to serve his country. His mother says of him, 'If he has a fault, it is that he is too idealistic and puts moral responsibility and duty to his country and his men before anything else.' For that," further quoting, "Lieutenant Pantano faces criminal charges that could result in death.

"At a time when the military is being stretched, the Pantano case sends all the wrong signals to servicemen. Finding a few good men will only get harder and harder if overzealous lawyers are permitted to intimidate the troops. In an army, that is a losing formula."

That a quote from the Washington Times.

Mr. Speaker, I have put in a resolution, House Resolution 167, to support Lieutenant Pantano as he faces these allegations. I hope that my colleagues in the House will take some time to read my resolution and look into this situation for themselves. Lieutenant Pantano's mother has a Web site that I am encouraging people to visit. The address is www.defendthedefenders.org.

Mr. Speaker, I hope and pray that when Lieutenant Pantano faces his Article 32 hearing on April 25, he will be exonerated for all the charges. Because, Mr. Speaker, to put doubt in the minds of our soldiers is to condemn them to death.

Mr. Speaker, I close by asking the good Lord to please bless our men and women in uniform, to please bless their families, to bless the families who have given a child dying for freedom, and I ask the good Lord to please help Lieutenant Pantano as he faces these charges.

I have written the President of the United States and asked him to please look into this matter. I did get a courtesy response back, but no more than that.

I do say as I close, please, God, continue to bless our men and women in uniform.

PEACEFUL CREATION OF
DEMOCRACY IS POSSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, last week Victor Yushchenko, the new president of Ukraine, spoke to a joint session of Congress. We were lucky to have received such a distinguished speaker, one who has done so much to encourage democracy over the last year, even overcoming a vicious poison attack by those who opposed his calls for democratic reform in the Ukraine.

Mr. Yushchenko led the people of Ukraine through what is called the Orange Revolution. Ukrainian protestors bravely rejected an illegal and predetermined presidential election and demanded a new one.

Since he took office after winning the second election, Ukrainians have been getting serious about fighting corruption, promoting fair competition and demanding transparent government business relations. Peaceful creation of democracy is possible.

□ 1745

As I listened to President Yushchenko, I could not help but note the irony that a man who has encouraged democracy through such peaceful and nonviolent means had been invited to speak to a joint session of the U.S. Congress, which is still working with the White House to create a democracy in Iraq through the barrel of a gun. The irony is that Ukraine, an Eastern European holdover from the Soviet Union's Communist bloc, understands the inner workings of democracy better than the President and Congress of the United States.

I believe that the war in Iraq flies in the very face of democratic governance. Instead of upholding the tenets of democracy, the war in Iraq has violated democracy's core principles to a degree unimaginable when the U.S. declared war in March 2003. In January 2005, the Iraqi people held their first election in over 50 years, and I congratulate them for their bravery in accomplishing this feat. But the ends do not justify the means. From the very beginning, the President's case for invading Iraq was based on false premises and manipulations of the truth, hardly the stuff democracies are made of.

We know now, and many of us knew back in 2003, that Saddam Hussein did not pose a threat to the United States. He never possessed ties to al Qaeda's terrorist network, and no weapons of mass destruction have ever turned up in Iraq. In fact, earlier this year, President Bush officially called off the search for the missing weapons of mass destruction. These are shameful and truthless grounds for fighting a war that has, so far, cost the lives of more than 1,500 American troops and tens of thousands of innocent Iraqi civilians, not to mention more than 12,000 American soldiers who have been severely and permanently wounded in the war.

The cost to our Nation's treasury has been just as staggering. After Congress puts the finishing touches on the latest supplemental appropriations bill, this war's total cost will amount to more than \$200 billion in just over 2 years. Mr. Speaker, \$200 billion in 2 years. Just think about that amount. Adjusted to inflation, the combined costs of the Korean War, the Vietnam War, and the first Gulf War are easily eclipsed by the war in Iraq.

Sadly, a vicious insurgency still plagues the Iraqi people and America's brave soldiers on a daily basis. Yet President Bush seems to think that everything in the Middle East is going just fine. Yesterday, the President stated, and I quote him, "More than 150,000 Iraqi security forces have been trained and equipped and, for the first time, the Iraqi Army, police, and security forces now outnumber U.S. forces in Iraq." Well, then, here is the question: Why do our young men and women continue to remain in Iraq if the Iraqi people are prepared to handle their own security? Why do our young men and women continue to die in staggering numbers if the Iraqi Army, police, and security forces are trained and equipped?

The flip side of the President's boasts is that the American military presence is not helping matters. That is why, with the support of 30 of my House colleagues, I have introduced H. Con. Res. 35, legislation that calls for the U.S. to withdraw its military forces from Iraq. Let me be clear: the U.S. should not abandon the country it voluntarily invaded; but instead of maintaining a military presence in Iraq, we must invest in humanitarian and developmental aid that is so crucial in the peaceful advancement of a young democracy.

Mr. Speaker, it is time to change direction in Iraq. We must begin to bring our troops home. It is time to give Iraq back to the Iraqis. If we need some guidance, I recommend taking a page out of the Ukrainian playbook on building a democracy. Because when it comes to advancing democracy, Ukraine seems to understand what many Members of the U.S. House of Representatives do not.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 513

Mr. BISHOP of New York. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 513.

The SPEAKER pro tempore (Mr. DENT). Is there objection to the request of the gentleman from New York?

There was no objection.

THE PHARMACEUTICAL MARKET
ACCESS ACT OF 2005

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise again tonight to talk about the high cost of prescription drugs here in the United States relative to what the rest of the people in the industrialized world pay for the same drugs.

Recently there was an article in The Wall Street Journal which talked about how much name-brand prescription drugs have gone up just in the last year; and I think in that article they said over the last 5 years prescription drugs have gone up more than twice the rate of inflation. In fact, I think it is more like three times the rate of inflation. These are drugs that have been on the market for a long period of time, and the research costs were paid for a long time ago.

Recently, I got some research together from some pharmacies in three cities of five of the most commonly prescribed drugs in the United States. First, Lipitor, which is a drug which is made in Ireland. Every single tablet is made in Ireland, and it is exported around the world. The price of a 30-day supply of Lipitor in London, England, was \$40.88. That same drug in Athens, Greece, was \$55.65; and in the United States, \$76.41.

The next drug here is Nexium, the new purple pill: 30 tablets, twenty milligrams, London, \$42.23; Athens, \$57.09; the United States, \$138.06.

We compared the prices of Previcet, Zolof, and Zyrtec. If you add them up, the price of those five drugs in London, \$195.95; in Athens, those same five drugs, \$231.04; but here in the United States, \$507.96.

Why is this important? Well, this year, according to the head of pharmacology at the University of Minnesota, Dr. Steve Schondelmeyer, according to him, this year, Americans will spend \$200 billion on prescription drugs. And if you compare what Americans pay for the same name-brand drugs compared to the industrialized countries around the rest of the world, we are paying at least 30 percent more. In fact, I think it may be more like 50 to 75 percent more, but let us take 30 percent. Thirty percent of \$200 billion is \$60 billion.

I believe if we treated prescription drugs the way we treat every other product and allowed Americans to have access to those drugs and those products as we do with other products, you would see prices in the United States drop dramatically.

That is why I have reintroduced a bill that has passed several times; in fact, we have improved it this year, made it even safer, the Pharmaceutical Market Access Act of 2005. I hope Members will go to my Web site at gil.house.gov, get the facts, take a look at these charts, get a copy of the bill, and decide to become a cosponsor. It is important, because we need to send a message that Americans deserve to have world-class access to world-class drugs at world-market prices, and when we do, we will see the prices here in the United States reflect more what is the average among the industrialized world.

So I hope my colleagues will join me. Go to my Web site at gil.house.gov; there is a lot of information there. We have about 70 sponsors right now; we would like to get that to 220. Please join me in the Pharmaceutical Market Access Act of 2005.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Ms. CORRINE BROWN of Florida. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PRIORITIES: VETERANS, BANKRUPTCY, AND THE ESTATE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

Ms. CORRINE BROWN of Florida. Mr. Speaker, I rise today to comment on the Republicans' priorities. Many of them talk about protecting veterans and making sure that veterans have the support they need when they return from protecting this country's freedom in Iraq.

Today the House passed H.R. 8 to make permanent the repeal of the estate tax. This bill will cost the American taxpayers \$295 billion over the next 10 years. The cost on the first 2 years could go as high as \$1 trillion.

This bill gives a tax break to the wealthiest three-tenths of 1 percent of estates, while imposing a new capital gains tax on most of us, including small business owners and farmers. At the same time, the Republicans passed a budget that calls for \$800 million in cuts to the VA over the next 5 years.

Clearly, the Republicans are attempting to balance the budget on the backs of the veterans.

Tomorrow, this same House will vote on bankruptcy legislation that does not protect our veterans. Many of our servicemembers, especially the citizen soldiers of the Guard and the Reserve forces, face terrible financial problems because they do not qualify for a narrow protection of debt incurred while on duty if S. 256 becomes law.

Since 9/11, approximately half a million Reservists and Guardsmen have been called to active duty, some more than once. Hundreds of thousands of Reservists and National Guardsmen are currently activated in support of the ongoing military operations. According to the National Guard, four out of 10 members of the National Guard and Reservist forces lose income when they

leave their civilian jobs for active duty.

The people of this country need to see what policies the Republicans actually vote for. They talk the talk very well, but they do not walk the walk or roll the roll for our veterans who have sacrificed their bodies for this Nation.

Today, the gentleman from Illinois (Mr. EVANS), our ranking member, filed a bill for mental health for our veterans. It is clear that they are slipping through the cracks, and we need to focus our attention on how to assist veterans returning from the war, whether it is economic, whether it is health care, or whether it is to make sure that they have their jobs and have a seamless transition.

We need to do more than talk the talk. We need to make sure that our money follows all of this rhetoric we have on the floor constantly about how we support the veterans. It should not be just talk, but it should be our actions.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. BOUSTANY. Mr. Speaker, I ask unanimous consent to give my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TOUGH ISSUES FACING LOUISIANA FARMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. BOUSTANY) is recognized for 5 minutes.

Mr. BOUSTANY. Mr. Speaker, I rise today on behalf of the farming community of southwest Louisiana. During the March district work period, I held community meetings in all eight parishes of my district to discuss issues facing my constituents. At each meeting, farmers and their families filled the rooms to ask for help.

Farming in Louisiana is not just a job for these men and women, Mr. Speaker. They love the land that they work, and they want to ensure that their livelihood is preserved for generations to come, but they are struggling to survive. Unless Congress can come to their aid, these farmers may not be in business by the end of the year.

Let me give some examples. Steve Broussard is a banker in my district and Steve works with farm loans for local growers, and he told me four rice farmers in our district have been forced to quit already this year. By the end of

this season, eight more could be out of business. For a rural community, farms are the foundation of a local economy. The closure of a single farm means the loss of a customer for many local businesses and a reduction of revenue for schools, public utilities, and hospitals in these communities.

Cindy Lahaye works in a hospital in Mamou, Louisiana; and Cindy told me that in this town of 3,500, they are feeling the ripple effect at their rural hospital because the surrounding farming community cannot afford health care at this time. This is a problem that begins with our farmers and affects every one of us.

In my recent conversations, I asked my constituents for input and suggestions on what could be done to provide relief for our farming community. First and foremost, Mr. Speaker, we must reopen important markets that have been closed for various political reasons. I had a farmer in Ville Platte, Louisiana, who told me, I have bins full of rice, but I am broke. Bumper crops in the past few years have caused prices to drop, and with a new crop going into the field, there is no place to move the surpluses from the past 2 years. Iraq, Iran, and Cuba were all some of the largest importers of U.S. rice, and all three of these export markets remain restricted.

Cuba, for example, had resumed importing agricultural commodities from U.S. farmers because of the provisions in the Trade Sanctions Reform and Export Enhancement Act of 2000. A recent ruling by the Office of Foreign Assets Control threatens to derail this re-emerging market. My colleague from Missouri has introduced a bill that could provide immediate relief for the rice farmers of my district. H.R. 1339 amends the Trade Sanctions Reform and Export Enhancement Act of 2000 to clarify allowable payment terms for sales of agricultural commodities and products to Cuba.

□ 1800

I am proud to cosponsor this bill, and I pledge my support for this legislation.

Secondly, taxpayer dollars dedicated to the United States Agency for International Development and the PL 480 program should be used to purchase U.S. commodities and not foreign food. The program serves two purposes. One, it provides emergency and non-emergency food aid to countries in need; and, secondly, the program helps American farmers since the money is used to purchase American agricultural products.

Wynn Watkins of Jefferson Davis Parish, Mr. Speaker, told me this. Congressman BOUSTANY, he said, all we have here is rice. It is the busiest time of the year for us, and we all came out of our fields to hear you speak today. We are being asked to send our boys to Iraq and Iraq cannot take our rice. Where is the justice in that? I agree with Wynn Watkins, Mr. Speaker.

USAID's budget proposal would transfer \$300 million of the agency's \$1.2 billion of food aid funding for 2006, and the transferred funds would be used to purchase foreign food for emergency relief. As a member of the Committee on Agriculture, I am opposed to this transfer.

Third, we need to improve the counter cyclical payment process. A higher-than-expected final price for rice in 2004 significantly reduced last year's payments. Many farmers mistakenly based their budgets and capital investments on information found on the National Agriculture Statistics Service Web site. The number had not been adjusted for 3 months, and the USDA and the NASS need to reform their calculation and communication strategies to avoid future such incidents. I have asked Secretary Johanns to look into this, and I urge him to be flexible with the farmers who must repay these advances.

Fourth, rising fuel prices and the surging cost of fertilizer have nearly doubled the cost of production for the farmers in my district. We must pass a long-term, comprehensive energy policy. Abundant, affordable and reliable energy is critical, critical to the success of our agriculture industry.

And, finally, we must honor the promises made to our farmers in the 2002 farm bill. Larry Sarver, from Crowley, Louisiana, told me that in 2002 he had a 6-year agreement with the Federal Government and he made budget and capital investment decisions. We need to protect this farm bill.

RISING PHARMACEUTICAL PRICES

The SPEAKER pro tempore (Mr. DENT). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, my colleague, the gentleman from Minnesota (Mr. GUTKNECHT) was up here a moment ago talking about the price of pharmaceutical products and how they have been rising and increasing and ever going up, three, four times the rate of inflation.

There was this report done by AARP the other day that was covered in USA Today and on the news about how pharmaceutical prices had in the last year gone up close to about three times the rate of inflation.

The truth is, over the last 5 or 6 years pharmaceutical products have gone up somewhere close to four times, three times the rate of inflation. And every one of us know people in our district who go to get their prescriptions filled. They got them last month or they got them 2 months ago, same pills, same amount of dosage, nothing different, and the price is up 40 bucks. And there is nothing to explain how that went up \$40. And senior citizens who are on a fixed income, families who are on a fixed income and they have a sick child cannot afford a health

care cost that is rising close to three times or four times the rate of inflation.

Now, last Congress, Democrats and Republicans came together, not because it was a Democratic idea or not because it was a Republican idea, because it was the right idea, to offer reimportation of pharmaceutical products, allowing people to go to Canada and go to Europe to buy pharmaceutical products that are 50 percent cheaper than they are here in the United States, or go to England, go to Ireland.

All over Europe and Canada the same drugs that we find on our shelves at our local pharmacy are 50 or 40 percent or 60 percent, depending on what you want, cheaper than they are here. I have on my Web site in my congressional office a Costco in Chicago and a Costco in Toronto. And the same Costco, we compared the same pharmaceutical products most used by senior citizens for arthritis, blood pressure, other types of medications they need. And the Costco in Canada offers, on average, 52 percent savings for the same products that you could buy at Costco in Chicago.

We are separated by a little over 200 miles. But they saved 50 percent on their needs of their medications, whether it is Lipitor or other type of products. And why? Because it is the only product in this country that is a closed market, forcing American consumers to pay a 50 percent premium for the products that their dollars spent paid for the research.

We developed those drugs here in this country. We gave a tax credit to these companies to develop those pharmaceutical products, and we have the dubious honor to pay a 50 percent premium over Canada and Europe. So what has happened is that the American senior citizens, the American taxpayers, are subsidizing the poor, starving French and German and Swiss and Dutch. We have got to come to an end to this and allow people to have the access to the free market.

We are going to negotiate and discuss China trade, other types of trade deals where everybody here is going to talk about free trade except for one product. What? Pharmaceutical products, the product on which the United States pays more than it does on television, more than it does on consumer electronics, more than it does on food, more than it does in other areas. Why? Because we have a closed market.

What we are trying to do, Democrats and Republicans are trying to allow the principles of the free market to work, bringing competition and choice to bear. If you did that, then the American consumer and taxpayers would see a dramatic drop in their prices. And we are not being allowed to vote on that. Why? Because the pharmaceutical industry is giving you the best government they can buy. They have stopped us and the ability to bring that vote. If we did, we would pass that vote here. We would pass it in the Senate.

But the American people are on to what is happening. They know that we need to deal with this because we cannot continue to subsidize the rest of the world, both on the research side and on the price side; and that is what is happening.

We know it is safe because over a million seniors a year go over the border to Canada. We turn them into illegal drug runners. Go over the border to Canada and a billion dollars worth of trade and get their pharmaceutical products, and not one of them has ever gotten sick.

But what we are talking about is bringing Canadian cattle that we know is tainted, some of it, with mad cow disease. Now that we allow in. Accessing pharmaceutical products in Canada, Lipitor, other drugs on the Canadian market that is 50 percent cheaper, that is against the law. That policy has been brought to you by the United States government.

It is time to allow Democrats and Republicans to come together to bring common sense policies and the principles in government to work. Principles in business, businesses always allow competition. They find the cheapest price they can. We can get cheap prices and stop having the taxpayer subsidize too high a price.

My colleague, the gentleman from Minnesota (Mr. GUTKNECHT), and I have introduced this legislation. Other Democrats and Republicans are on it. And, again, it is not about politics. It is not about partisanship. In the last Congress, 88 Republicans and 153 Democrats came together, passed it, not once, not twice but three times. We will do it against this year.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

(Mr. BURGESS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent to take my special order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

IN RECOGNITION OF HERMANN A. GRUNDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

Mrs. BIGGERT. Mr. Speaker, I rise today to honor a man whose spirit and dedication to the world of science inspired him to give more than four decades of tireless service to the Nation as a scientist, administrator and a leader.

This week Dr. Hermann A. Grunder will retire as Director of Argonne National Laboratory, a leading Department of Energy science laboratory that I am proud to say is located in my congressional district in Illinois. I have had the privilege of working closely with Dr. Grunder over the course of the last 5 years during his tenure at Argonne, and so I speak with personal knowledge and affection when I say that Hermann has left an indelible stamp on Argonne, the quality of life in my district, the DOE complex and the Nation.

There is no doubt that he has created a positive and lasting legacy, both nationally and internationally, and I would like to take this time to pay tribute to his many achievements and wish him well on the occasion of his retirement.

Dr. Grunder first entered the DOE system in 1959 at Lawrence Berkeley Laboratory in California. After a short break to complete his Ph.D at the University of Basel in Switzerland, he returned to Berkeley as a physicist in 1964 and has served the Nation ever since. At Berkeley, his scientific excellence, vision and leadership earned him executive positions of increasing responsibility.

In 1985, he left Berkeley to become the first Director of the Thomas Jefferson National Accelerator facility in Virginia, which he helped to build from the ground up literally. Today, the Jefferson lab is one of the Nation's leading accelerator laboratories.

In 2000, Dr. Grunder became Director of Argonne. The first thing I noticed when I met Hermann was his energy and enthusiasm for science. It is infectious. As a long-time member of the Committee on Science and chairman of its Subcommittee on Energy, I have had the good fortune of meeting many of the Nation's most talented scientists; and I can say without a doubt that Hermann's passion for science and his dedication to DOE's system of national laboratories stands out among the crowd.

As Argonne's 10th Director, Dr. Grunder strengthened the laboratory by renewing senior management at the highest level and grooming the laboratory's next generation of leaders. Through his active efforts to encourage strong research ties between Argonne and regional universities and Fermilab, Dr. Grunder greatly enhanced the Midwest's reputation as a world center of advanced scientific research and development. These collaborations are expected to trigger new scientific, technological and economic benefits for Illinois and the Nation, while providing students from Illinois and around the world with a greater role in research at Argonne.

While at Argonne, Dr. Grunder emerged as an international advocate for safe, proliferation-free nuclear energy, a strong steward of DOE's unique user facilities at our national labs, and a keen supporter of biosciences and technology's role in homeland security.

Under his leadership, Argonne reviewed ongoing research in the aftermath of September 11 and identified many potential ways this research could improve our homeland security. Since then, Argonne has contributed to hundreds of research initiatives designed to anticipate, detect and counter terrorist acts.

It came as no surprise in 2004 when Energy Secretary Spencer Abraham chose to honor Dr. Grunder's career with the DOE laboratory system by presenting him with the Secretary of Energy's Gold Award in recognition of his tireless engagement on issues of national importance, including nuclear energy, national security and international user facilities.

The DOE and the Office of Science recognized how extremely lucky they were to have a true champion like Dr. Grunder on their team for so long; and we in Illinois were very, very lucky to have had such an outstanding professional at the helm of one of our two outstanding labs for the last 5 years.

Mr. Speaker, Dr. Hermann Grunder has contributed greatly to the DOE laboratory complex, my district, and the State of Illinois and our Nation. His commitment and industrious efforts as a public servant serve as an inspiration to us all. I know that his presence at Argonne will be greatly missed, but I am confident that with his abundant energy and zeal for science he will continue to do great things in the scientific community for years to come.

Today I congratulate Dr. Grunder on his retirement and wish him all the best in his many future endeavors.

SENTENCED TO SERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, I rise to alert the American people to the case of Emiliano Santiago. His case, his plight should be known and feared by every high school junior and senior across the country, as well as every parent and every guardian.

Emiliano Santiago is a 26-year-old soldier from Seattle who proudly and bravely served his country for 8 years immediately following high school. His 8-year commitment to the United States military was up a few months ago, or at least so he thought. That is when Emiliano Santiago discovered that Secretary Rumsfeld's secret back door draft existed. Despite 8 years in the military, despite fulfilling his commitment to his country, Emiliano cannot leave the military. Emiliano Santiago cannot leave the military this week, this month or any year in the future for some time to come. Emiliano Santiago cannot leave the military this decade or the next decade.

The ugly little secret in the Pentagon is that Emiliano Santiago's vol-

untary service is involuntary. He has been sentenced to serve. The ugly truth of the matter is simply this: He is forced to serve at the whim of Rumsfeld potentially until Christmas Eve in the year 2031. Emiliano Santiago signed up in 1996. He has been sentenced to 35 years of service under Mr. Rumsfeld.

□ 1815

He is now subject to the whim of Mr. Rumsfeld. He will be in his fifties before he can escape from Mr. Rumsfeld's grasp.

Do you think anyone told Emiliano what he was getting into? Not a chance. Welcome to the myth of the voluntary military service under Donald Rumsfeld. He cannot find enough soldiers so the Pentagon is forcing those already in service to stay whether they want to or not, whether they have jobs, family, or plans of their own.

Emiliano is owned by Mr. Rumsfeld. Welcome to the volunteer Army. They call it stop-loss. It is an involuntary military service. Just ask Emiliano and 50,000 other U.S. soldiers. Yes, 50,000 soldiers who signed up in what they thought was a voluntary military cannot now voluntarily leave the military at the end of their commitment.

Stop-loss is Rumsfeld's legalese for a backdoor draft. It is legal, real; and do not let anyone, especially military recruiters, tell you otherwise.

A recruiter signed up Emiliano. The recruiter was saying, Sign up here for 8 years. He never explained to me of the possibility of stop-loss. No one told Emiliano of the backdoor draft. And Americans are just finding out about the recruiter provision found in the No Child Left Behind Act. Or as I call it, No Child Left Un-recruited. High schools must turn over high school student contact information or lose funding. Now, there is the makings of the voluntary Army.

Rumsfeld has unlimited power to keep you in the military, and the military now has unlimited access to your son and daughter. Forget about any right to privacy. This is America under Republican leadership. If you are in high school right now, the military has your name, your address, and your phone number. If you are in Rumsfeld's military, he has you for decades. It is the new Republican definition of family planning. Ask Rumsfeld what you are doing for the rest of your life.

It is wrong and it is not working. Recruitment in the Army National Guard plunged 31 percent in February and another 12 percent in March. The word is spreading. America's all-voluntary military has been replaced by Rumsfeld's sentence-to-life military.

I served my country as an officer in the United States Navy. I am proud of my military service and proud of anyone who serves America in the military. But today's honor and duty are being distorted into recruiter mandates to find more bodies. The National

Guard is adding another 1,400 recruiters.

I want to be clear about this. Do not blame the recruiters. It is not their fault. They are doing what good soldiers do: follow orders. Being a recruiter used to be a plum job, reserved for only the best of the best. They were soldiers who were models for American military pride. But Rumsfeld has turned them into overworked, overstressed, overzealous representatives with quotas to fill and truth to stretch.

I want the U.S. military at its finest. I want recruiters back to what they can be: role models for America whether someone chooses to join the military or whether decides instead to be proud of the military.

We are not doing that today. We are taking names of literally every high school student in America. Demand that the No Child Left Behind Act apply only to education and not to recruiting. Until then, get the paperwork and opt out, either for yourself or your kid. You can find it at www.militaryfreezone.org. Let me give it again: www.militaryfreezone.org.

Take back your right to the personal privacy that used to be guaranteed by your government. Emiliano Santiago is looking forward to Christmas Eve 2031. That is when he is finally out of Rumsfeld's grasp. We used to have a voluntary military. Now we have Rumsfeld's military. It is a sentence to serve.

ILLINOIS TENTH DISTRICT STUDENTS AID TSUNAMI VICTIMS

The SPEAKER pro tempore (Mr. DENT). Under a previous order of the House, the gentleman from Illinois (Mr. KIRK) is recognized for 5 minutes.

Mr. KIRK. Mr. Speaker, I rise today to recognize the efforts of schools in the Tenth Congressional District of Illinois who together raised over \$600,000 for tsunami victims halfway around the world.

Student councils, community service clubs, entire students bodies from all around our district have held fundraising events and collections in ongoing efforts to benefit the American Red Cross, UNICEF and countless other relief organizations.

I want to highlight the work of Dan Klein, who attends St. Viator High School in Arlington Heights, Illinois, who set out modest goals for his work. Daniel took \$300 of his own money and with some help from his parents ordered 1,000 red rubber bracelets with "Students for Relief" embedded on them. Thinking he could send a small donation to the battered region from bracelet sales, Daniel's efforts led to anything but small. He has sold over 450,000 bracelets via his Web site, www.studentsforrelief.com, and raised over \$500,000 for tsunami victims.

Many other young people across my district exemplify American generosity. Prospect High School students in Prospect Heights raised over \$500,000

to help rebuild Nagapattinam, a small shoreline town in Southeast Asia where their school custodian is from.

Students at Loyola Academy and Regina Dominican High School in Wilmette raised a combination of \$14,000 for their relief efforts.

Deerfield High School students raised \$3,500 for the American Red Cross through bracelet sales.

Student council and Model U.N. organizations at Fremd High School in Palatine raised over \$500 for UNICEF.

Highland Park High School's Key Club and Transitional Program of Instruction raised \$570 for UNICEF.

Students organizations from Glenbrook North High School in Northbrook organized a 2-day fundraising drive that raised \$10,000 for the American Red Cross.

Students from Glenbrook South High School in Glenview raised over \$8,000 for the American Red Cross.

The Service Over Self Club at John Hersey High School in Arlington Heights raised \$1,500 for the Red Cross.

The student council and Red Cross Club at Lake Forest High School organized homeroom competitions and a number of themed events and dances raising \$5,000 for the Red Cross.

The Student Council at Libertyville High School raised nearly \$5,400 for Oxfam USA/International.

New Trier High School in Winnetka initiated a bracelet, pizza and bake sale, along with a study-a-thon netting over \$10,000 for relief efforts.

At Rolling Meadows High School the student council, National Honors Society, and Students Of Service raised \$2,000 for the Red Cross during their 2-week fund raising effort and also collected clothes, blankets, and other essentials.

In Lincolnshire Stevenson High School, they had a Penny Wars competition among freshmen, sophomore, junior, and seniors classes who collected \$5,300 for the American Red Cross.

Vernon Hill High School raised \$3,500 for efforts with Best Buy matching their donation with \$7,000 more.

In Gurnee, Warren Township High School's student council sponsored two fundraisers netting \$400 for the Cooperative for Assistance and Relief Everywhere, CARE International.

Elementary school children in my district also made substantial contributions.

First through eighth graders at Holy Cross School in Deerfield raised \$2,000 for tsunami relief efforts in conjunction with Catholic Charities Week.

Ariana Michel and Gabrielle Feldman of South Park Elementary School in Deerfield raised \$2,000 themselves in just 2 days selling bracelets.

In Northbrook, Westmoor, Greenbriar and Meadowbrook elementary schools raised over \$2,000 for the Red Cross.

Northbrook Junior High School students raised \$5,000 for the tsunami efforts.

Students at Wescott School in Northbrook raised \$2,700 for UNICEF.

Countryside Montessori School in Northbrook raised \$1,200 for the American Red Cross through a coffee and bake sale.

Eighth grade classes at Field School in Northbrook raised \$1,000 for the American Red Cross.

Elm Place School in Highland Park collected school supplies to fill 166 bags sent to students in Phuket, Thailand.

Fifth graders at Lincoln School in Highland Park organized a bake sale netting \$900 for the relief effort.

Jefferson School in Hoffman Estates raised \$2,200 from a wristband sale for tsunami victims.

In Libertyville, Copeland, Highland, Adler, Butterfield and Rockland elementary schools raised \$1,500 for relief efforts.

Winkleman Elementary School in Glenview raised \$2,000 through a rummage sale that will go to Heifer International. In addition, third grade classes at the school raised \$780 for the American Red Cross and made 45 fleece blankets for orphanages.

Kindergarten, first, and second grade classes at Lyons School in Glenview collected \$3,200 for the American Red Cross.

Students at Hawthorn Schools in Vernon Hills organized a district-wide bracelet sale raising \$12,000 for tsunami victims.

Deerpath Middle School in Lake Forest raised over \$1,600 for the American Red Cross.

The Lake Forest Country Day School held a dance marathon raising \$6,000 for the tsunami relief.

In addition, students Ian and Lane Mankoff of Lake Forest raised \$15,000 for the relief effort through a hot chocolate fundraiser.

St. Theresa School in Palatine raised \$6,400 for tsunami victims.

Mr. Speaker, the schools and students I mentioned have taken up the challenge of service with honor while representing their communities with distinction. I am honored to represent these schools that have shown the desire to make a difference in the lives of those ravaged by the tsunami. They not only represent the best of our communities, but they are what makes our country strong. Thank you for the opportunity to recognize these outstanding student and schools of the 10th district of Illinois.

All of these efforts I think exemplify the best that is in the American spirit. And it is so heartening to see the youngest Americans giving the most, showing people across the world that they have never met what Americans can do.

HONORING ULYSSES BRADSHAW KINSEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WATSON) is recognized for 5 minutes.

Ms. WATSON. Mr. Speaker, I rise to pay tribute to a recently deceased great American, Ulysses Bradshaw Kinsey.

As a boy, Mr. Kinsey grew up on a large farm where he shared responsibilities with his older siblings. Mr. Kinsey's values of fairness, compassion, and personal integrity were learned from his father and mother. He closely observed and admired his beloved father's fair treatment of people regardless of race and stature. He also admired his mother for her kindness and compassion towards others. This strong foundation would become the basis for Mr. Kinsey's personal and professional values.

While attending Florida A&M, he met and married his wife of 63 years. With their children they were loving and unflinching in their devotion. Mr. Kinsey believed that the best way to love his children was to love their mother. He encouraged independence of action and attitude while loyally supporting them and allowing them to develop in directions of their own choosing.

At the same time, he set well-defined limits that were firm and consistent. Mr. Kinsey's focus on the individual development and welfare of each child was transferred to his professional life in a long distinguished career as an educator. In 1941, he began his career as a social studies and history teacher at his high school alma mater. By 1943, he became assistant principal and also served as school treasurer, junior class sponsor, and athletic director.

In September of 1950, at the birth of his sixth child, Mr. Kinsey became principal of Palmview Elementary School, formerly an industrial high school. And by 1953, he had earned his masters degree in education and supervision from Florida A&M college. He also attended Lincoln University Law School in St. Louis, Missouri, during his summer vacations and completed his legal education.

Although Mr. Kinsey decided to become an educator partly because of the financial demands of a growing family, he never regretted that decision; and that decision was a fortunate one for the thousands of children who passed through Palmview's doors during Mr. Kinsey's long tenure as a principal.

As a leader, he focused on two rudiments of education, one, critical thinking through the development of reading and writing skills, and quantitative reasoning. His emphasis on these educational basics may explain why Palmview Elementary School, an institution located in an inner-city community with an 86 percent African American student population, was so hotly pursued by suburban parents during the early turbulent days of integration in the South.

Palmview, an educational oasis, was distinguished from other schools by its clean, safe environment, intensive extra-curricular activities in art and music and computers in the classrooms.

With a calm, careful demeanor, Mr. Kinsey led the way academically, not only for African American children but

also for all children in West Palm Beach County.

His impact on his community also influenced many others beyond the children who became part of the Palmview family. His work as a community organizer and leader began in the early 1940s. U.B., along with other African American educators, employed Thurgood Marshall and he was successful in bringing integration of the teachers and giving them the back pay they deserved.

His contributions are countless to education and he serves as a role model for others and leaves a very rich legacy.

POSITIVE IRAQ WAR EFFORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. OSBORNE) is recognized for 5 minutes.

Mr. OSBORNE. Mr. Speaker, so often when we hear of events in the Middle East the reports are negative, sometimes even the discussion on the floor reflects a great deal of negativism.

□ 1830

Recently, I led a delegation to Jordan and Iraq and later to Germany. Matter of fact, we just returned yesterday. And I thought I would report on what I saw there because so often soldiers say we really wish you would go back and tell the American people the war we are fighting and not the one that they see on television or in the newspapers.

So, on previous trips, I had been amazed at how positive the morale was. Everyplace that I went, soldiers seemed to be rather upbeat, pulled together, seemed to have a sense of mission.

As we flew into the Al Asad, which is a somewhat remote base about 90 miles west of Baghdad out in the desert, extreme cold, no vegetation, no trees, no grass, as we landed there in the dust and the sand, I thought, this is the place where we are going to see some people who are really pretty negative about what is going on, and I was really surprised.

There were 180 Nebraskans from my home State there. That is why I went there. They had not had a CODEL there for at least 9 months, maybe never there. And again I saw the same thing, a sense of accomplishment, a real sense of pride in what they were doing. I pressed them, and I talked to them, and I still got no negative comments and no major complaints.

We went on down to Baghdad, and we talked to General Petraeus, who is in charge of training the Iraqi soldiers, and General Casey, who is in charge of the overall command there. General Casey made the point that the infrastructure still needs improving. Obviously, the electricity is better, but it is still not working all the time. Sewage at times is not what it should be; and, at times, their oil pipelines are getting

blown up. But, again, there is general improvement, but they both said the January 30 elections were truly a watershed event. Since that time, there has been a definite qualitative shift in what is happening in Iraq.

I thought I would just point out some of the things that we were told and some of the things that we observed.

General Casey said, and General Petraeus as well, that by the end of the year Iraqi troops should be out in front in all concentrations in Iraq. They would have, in many cases, U.S. backup, but there are right now several areas of Iraq that are totally controlled, with no U.S. backup, by Iraqi forces. So the training of the Iraqis has been excellent.

The Iraqi intelligence is improving. Many Iraqis are now coming forward with information regarding insurgents that were not coming forward before. The attacks have been reduced, and the Iraqis are certainly much more confident of their future.

Apparently, many of the Sunnis are regretting not having participated in the elections, and at this point they are beginning to volunteer for the army, for the police, which was something that was unheard of a few months ago, and the Sunnis are pressing to get a place at the table in the new government.

There is no shortage of Iraqi recruits apparent at the present time. There are roughly 100 battalions of army Iraqis, 152,000 total have been trained and equipped, 85,000 police, 67,000 members of the army. The Iraqis have been provided with up-armored vehicles, body armor, about 130,000 sets. So they are well over halfway to their goal of 270,000 Iraqi soldiers trained.

Also, the Iraqis are performing much better, whether they are policemen or soldiers. The recent instigation or uprising in downtown Baghdad by al Sadr, where we have several thousands of his supporters demonstrating, it was well-orchestrated, but the thing that we did not hear was that whole situation was controlled by Iraqi police, with no U.S. backup, and so we find that they are much in control of the situation.

We also had a chance to talk to Mr. al Jafari, the prime minister. When we asked him what he wanted to say to the American people, he had just been installed as prime minister the day before we saw him, he said, the thing I would like to say is we owe a debt of gratitude to the United States and particularly for the loss of soldiers. He said, when you sent your soldiers over here and the sacrifices they made, it is something we can never forget, and that we will always be grateful for.

We asked him if he would have an inclusive government, if he would include the Kurds and Sunnis and Shiites. He said he would, and that remains to be seen, because he is linked with a very conservative Islamic Shiite party that has some ties to Iran. So I guess the proof will be in the pudding,

and we will see what he does. He was very cordial, nice and intelligent; and, of course, they have a President at the present time, a Kurd named Talabani.

We also were heartened by the progress women had made in Iraq, because at the present time every third name on the ballot last January 30 was a female name. So we will have about 80 representatives of the 275 member delegates to the constitutional convention.

So, all in all, Mr. Speaker, we think things are better. They are not perfect, but it is heartening to see the progress that has been made.

GUN LIABILITY LEGISLATION

The SPEAKER pro tempore (Mr. DENT). Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

Mrs. MCCARTHY. Mr. Speaker, yesterday I talked about no fly. In other words, terrorists in this country cannot get onto a plane, but they can certainly go into a gun store and be able to buy a gun. Today, I would like to talk about gun liability, which is going to be out on the floor in the next week or so.

The leadership of Congress is constantly preaching about personal responsibility: Individuals should accept the consequences of their actions. I agree with that. Unfortunately, this culture of responsibility does not extend to the gun industry and negligent gun sellers.

Both the Senate and the House have bills granting the gun industry unprecedented immunity from litigation and other legal actions, legal actions that many of us that have suffered from gun violence were able to take advantage of in the courts. Under this legislation, dealers and manufacturers of guns would receive immunity from any legal action.

Sellers and makers of nearly every other consumer product must face the consequences of their negligence and their misjudgments. Manufacturers and sellers of toy guns are more liable for their products than the makers and sellers of assault weapons and handguns.

The NRA has named this issue as their number one legislative priority this year. They said this will end frivolous lawsuits, but not a single suit against the gun industry has ever been deemed frivolous by a court of law.

This legislation is not about protecting an honest gun dealer who illegally sells a gun to someone who later commits a crime. This legislation protects cases of gross negligence which has led to the deaths of unsuspecting victims.

For example, I think the majority of us remember the incident here in the D.C. area. The owner of the Bull's Eye Shooter Supply Store in Washington State was sued because he could not account for 239 guns in his inventory.

One of these guns was the Bushmaster used in the D.C. sniper cases. The D.C. sniper killers were allowed to get their hands on a gun because of this store's negligence, but this legislation would get Bull's Eye Shooter Supply off the hook from any legal action. By the way, the victims were able to sue Bull's Eye and win a court judgment.

Fortunately, there was a lawsuit against Bull's Eye and Bushmaster, and part of the settlement was Bushmaster agreeing to work with its dealer to promote safer sales practices to prevent incidents of negligence. That is one of the tools of being allowed to sue, to make manufacturers, to make people responsible for their products.

This legislation would have required the immediate dismissal of the lawsuit against Bull's Eye.

The gun industry must be subject to the same laws that govern every other American business. Courthouse doors must remain open to those injured or who have lost loved ones because of the gun industry's negligence.

This bill would allow gun dealers to knowingly sell large quantity of guns to a single customer intending to traffic the guns to criminals without any legal repercussions.

Stripping away the threat of legal action would seriously jeopardize any opportunity to make guns safer. Without the threat of lawsuits, the gun industry will not have any incentives to incorporate gun locks, safety triggers and smart gun technology into their products. Had this law been in place 40 years ago, the auto industry certainly would not have made the cars we are driving any safer than what we are in today.

Instead of giving the gun industry never-before levels of protection, I support giving the gun industry Federal research and development money. This money would be used to develop reasonable safety measures for their products.

But Congress has not been responding to the threat of gun violence. Let me speak in a language the Congress leadership understands, dollars and cents.

The secret that most people do not understand is the gun violence in this country is costing millions and billions of dollars. People do not understand that the Centers for Disease Control at one time was able to study the economical impact of gun violence in this country. By an act here in Congress we are not allowed to do that anymore, so that data does not come out.

Years ago, independent studies have shown gun violence costs our health care system over \$100 billion every single year, \$100 billion. The \$100 billion a year cost includes premiums paid for private health insurance and tax dollars used to pay for Medicaid, Medicaid in our States that are having such a hard time, Medicaid that is going to be cut here in the House and the Senate. These costs often are not reimbursed and cost the States vital health care money.

Victims who survive suffer years of rehabilitation costing hundreds of thousands of dollars. My son was injured 11 years ago and is still going under physical therapy to be able to keep what he has.

The average cost of each firearm fatality, including medical care, police services and lost productivity is almost \$1 million a year. This Nation has to start looking at the gun violence. We can do this without the right of gun owners being taken away. Wake up, America.

TRADE IS THE WAVE OF THE FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DREIER) is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, first, let me express my appreciation to my friend the gentleman from Tennessee (Mr. DUNCAN).

Mr. Speaker, I had the opportunity a couple of weeks ago to join with my colleagues, the gentleman from Florida (Mr. HASTINGS), the gentleman from Washington (Mr. HASTINGS), the gentleman from Georgia (Mr. GINGREY) and the gentleman from Florida (Mr. CRENSHAW) to meet with leaders in the European Union and the European Commission. One of the things that I found from meeting with them and from discussions that I had with our great ambassador to the European Union, Rockwell Schnabel, is that trade is obviously the wave of the future.

We have one of the most important trade relationships between the 25 member European Union and the United States of America on the face of the earth. In fact, trade between the EU and the United States is just short of \$1 trillion a year. It is \$966 billion, in fact, last year.

I think it is important for us to note that we have dealt with more than a few problems with the European Union. We have lots of great challenges, and I happen to believe that one of the best ways to deal with those challenges is for us to enhance that trade relationship.

We are in the midst of discussing the establishment of our first bilateral trade agreement in a long period of time as we in the not-too-distant future are going to be addressing the Central American Free Trade Agreement, which will include the Dominican Republic. As my colleagues know, Mr. Speaker, we have put together a wide range of bilateral agreements over the past several years.

I today met with the ambassador from the United Arab Emirates, one of our great allies in the global war on terror, and we hope very much we are going to be able to put together a free trade agreement with the United Arab Emirates.

I think it is also important for us to note that in dealing with the European

Union one of the best ways for us to address many of the disputes and challenges we have would be to embark upon a U.S.-EU free trade agreement. That is why today I have introduced H. Con. Res. 131, and I would encourage my colleagues to join in cosponsoring this very important measure. It is just a vehicle to begin the discussion, the prospects of negotiating for a U.S.-EU FTA.

Mr. Speaker, let us look at some of the disputes that we have right now with the European Union.

We all know that agriculture subsidies within the EU are many, many, many times greater than the agriculture subsidies that are provided for U.S. farmers. In fact, as we negotiated and worked on the farm bill, I voted against it at the end of the day, the farm bill, because I was concerned about the level of subsidization for U.S. agriculture.

But one of the things that some of the leaders who were supportive of that measure here in the House said was that if we can see a diminution of the level of subsidization that the European Union provides to its agriculture sector of the economy we will not have to have the agriculture subsidies that we have in the United States. So, obviously, embarking on negotiations for a U.S.-EU free trade agreement would allow us to really begin to boldly address the issue of agriculture subsidies that are so great within the European Union.

□ 1845

Another dispute that we have is this struggle between Airbus and Boeing. We know that within the European Union there are tremendous subsidies for Airbus, and I believe we should do everything that we can to diminish those so we can have, in fact, a level playing field as we address the issue in the aerospace industry.

And we have several other very important issues that need to be addressed in the area of privacy, in the area of e-commerce.

Mr. Speaker, I believe that this step which we have taken today to begin the discussion of a U.S.-EU free trade agreement will be very beneficial in enhancing the standard of living of the American people, the people in the European Union, and the people around the world.

AMERICA AT WAR

The SPEAKER pro tempore (Mr. DENT). Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, tomorrow a funeral will be held for Staff Sergeant Stephen Kennedy, the second soldier killed in Iraq who was a member of an Army National Guard unit headquartered in my hometown of Knoxville.

Both of these young men who were killed were from just outside my dis-

trict; but I was able to attend the funeral for the first, Sergeant Paul Thomason, as we were not in session in Congress at the time.

Both of these men leave wives and each had four small children and many other relatives. I admire and respect their service. There are many ways one can serve this country, but certainly one of the most honorable is by serving in our Nation's Armed Forces.

I am pro-military and believe we should have a strong national defense, but I emphasize the word national. It goes against every traditional conservative belief for the U.S. to try to be the policemen of the world and to place all of the burden and cost of enforcing U.N. resolutions on our military and our taxpayers.

It is no criticism of anyone in the military to say that the war in Iraq was a very unnecessary war. The more than 1,500 soldiers who have died there were simply doing their duty in the best way they could, probably hoping to come home as soon as they could, but certainly hoping to come home safely rather than in a body bag.

Now this past Saturday we saw headlines about anti-American demonstrations all over Iraq. One wire service story said more than 300,000 demonstrated in Baghdad.

Last year, our own government took a poll and found that 92 percent of Iraqis regarded us as occupiers rather than liberators. An earlier poll had a similar, but slightly lower, figure of 82 percent; and these were polls taken by us, or at least by the Coalition Provisional Authority, which is 95 percent U.S.

Obviously, the great majority of people in Iraq do not appreciate what we have done there and do not want us there. They do want our money, and that is the only reason some will say good things about us being there because we do still have several hundred thousand Iraqis on the U.S. payroll.

This is a nation that Newsweek said had a GDP of only \$65 billion the year before the war. By the end of this year, we will have spent \$300 billion in just 3 years in Iraq and Afghanistan, but mostly in Iraq. Iraq had a total military budget of just a little over two-tenths of 1 percent of our military budget in the year before we attacked. They were no threat to us whatsoever. Just a few weeks ago, a report came out saying our prewar intelligence was dead wrong. At that time, Richard Perle, one of the main architects of this war, appeared before the House Committee on Armed Services to say that everyone at that time thought there was a threat. This was not correct.

Just before the House voted to authorize the war in October 2002, I was asked to come to the White House for a briefing with Condoleezza Rice, George Tenet, and John McLaughlin. I asked at that time how much Hussein's military budget was in comparison to ours and was told the two-tenths of 1

percent figure I mentioned a few minutes ago. I asked was there any evidence of imminent threat. I said one man cannot conduct a war by himself, it would have to involve many others, was there any movement toward war. I was told there was none. George Tenet later confirmed there was no imminent threat in his speech at Georgetown University just after he resigned as head of the CIA.

There were just five other Members at that briefing, so we got to ask a lot of questions. I asked about former economic adviser Lawrence Lindsey's prediction that the war would cost 100 to \$200 billion. Ms. Rice said the war would not cost nearly as much. Now we know that Mr. Lindsey's prediction was far too low. Most of what we have spent and are spending in Iraq is pure foreign aid, megabillions to provide free health care and rebuild Iraqi roads, schools, water and power plants, airports and railroads, and provide law enforcement, among many other things.

At the White House briefing, I said most conservatives have always been against massive foreign aid and huge deficit spending. The war in Iraq has led to foreign aid and deficit spending on unprecedented scales.

There is nothing conservative about the war in Iraq, and many conservative columnists and activists have now realized this. Columnist Georgie Ann Geyer wrote in 2003, "Critics of the war against Iraq have said since the beginning of the conflict that Americans, still strangely complacent about overseas wars being waged by minorities in their name will inevitably come to a point where they will see they have to have a government that provides services at home or one that seeks empire across the globe."

The first obligation of the U.S. Congress should be to our own citizens, not the citizens of Iraq. In 1998 when Saddam Hussein was not even in the news, I voted to give \$100 million to the Iraqi opposition to help them begin the effort to remove Saddam Hussein. We should have let Iraqis fight this war instead of sending our kids over there to fight and die and be maimed, and the sooner we bring our troops home the better. I hope we have learned that we should never be anxious to go to war and should do so only when we are forced to do so and there is no other reasonable alternative.

SOCIAL SECURITY REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from North Carolina (Mr. MCHENRY) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCHENRY. Mr. Speaker, this evening I have requested an hour to speak about a pertinent issue for our Nation and a large issue for all generations in our country, and that is Social Security. As a Nation, we have to recognize that we have a problem that we

are facing with a system that we have had in place for 70 years. It is a problem that we must address, and it is an issue that we must ensure that we fix for future generations while at the same time maintaining our commitment to those that are at or near retirement age.

This is a large issue that we need to take on as a Congress. It is a large issue that we need to take on here in Washington, D.C. so that all Americans in all walks of life have the safety and security of their retirement savings.

So this evening many of my colleagues will join me to speak about the need for reform of Social Security and to maintain our commitment to those that are at or near retirement age while allowing younger workers a better opportunity and system to operate in.

To that end, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) is in her second term here in Washington, D.C. representing her constituents of Florida very well. We both serve on two committees together, Committee on Government Reform as well as the Committee on Financial Services. I am proud to call her a colleague. She also shares another distinction: she goes home every weekend, just as I do. She does that in order to maintain her sanity, just as I do.

Mr. Speaker, I yield to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE).

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, another day in the Fifth Congressional District means that again my seniors received calls trying to frighten them about Social Security. This is the sixth set of calls that have gone into my district. The majority of the responses I receive is stop, stop, stop those calls. We trust you; we know you will do what is right.

As the American public knows, the long-term future of Social Security is problematic at best. We have all heard the facts that in the year 2017 the Social Security trust fund will begin paying out more than what it takes in and that if Congress does nothing, the program will face at least a 25 percent guaranteed cut in benefits in 2041. So if we do nothing, there will be future cuts. These are the facts, and they are indisputable.

What I am here to share with Members this evening is about the dangerous double talk from the opponents of any kind of reform of Social Security. I would like to read some interesting quotes from Washington politicians about Social Security. The first one is: "If you do not do anything, one of two things will happen: Either it will go broke and you won't ever get it. Or if we wait too long to fix it, the burden on society of taking care of our generation's Social Security obligations will lower your income and lower your ability to take care of your children."

Or how about the following: "This fiscal crisis in Social Security affects every generation."

Or how about this gem of a quote: "This is the time to straighten Social Security for the future. We can and must accomplish this critical goal for the American people."

Members may be asking themselves what right wing Member of Congress said that Social Security was in a crisis and which reformer said the program would go broke if we do nothing to fix the problem. Guess what, these are quotes from none other than former Democrat President Bill Clinton. Leaders of our country from both parties have known that Social Security needs reform. What bothers me today is when we finally have a President and a Congress that is brave enough to grab what is often termed the third rail of politics, partisan obstructionists are unwilling to even come to the table and debate reform honestly and with some substance.

I represent the congressional district with the most Social Security recipients, 47 percent of my voting age population receives Social Security, a quarter of a million people on Social Security. Politically the easiest thing for me to do is to throw up my hands and oppose reform. But instead of sticking my head in the sand like the Democrats are doing and refusing to admit we have a problem, even though their former President did, I am working to find a permanent solution.

If Democrats, the AARP, and the unaccountable 527 groups would be honest with themselves and with the American public, they would acknowledge the truth of President Clinton's statement that "this fiscal crisis in Social Security affects every generation."

Instead, what do we hear? We hear scare tactics from the liberal left about Republican efforts to privatize the system, to force our parents to eat dog food, and take away the only future our seniors have.

Mr. Speaker, the time has come for them to come to the table and do what President Clinton suggested. It is time to engage intellectually dishonest partisan politicians who refuse to debate the issue on its merits.

How, the American public should ask, can Congress expect to solve a substantive policy matter like Social Security when one side refuses to debate seriously.

If the Democrats want to have any relevance in the lives of our seniors, it clearly is time for them to come to the table. The discussion should begin with the simple question: Does Social Security face a problem?

I believe every American believes that Social Security does face a problem.

"Legislators whose answer to that problem is 'no' should probably go ahead and cosponsor a bipartisan bill to do nothing in the 109th Congress and go on to other issues." Who said that? Well, how about former Democrat Congressmen Tim Penny and Charlie Stenholm. Congressmen Penny and Stenholm know something needs to be

done. Why will they not bring their former colleagues to the table.

Let me tell a story about one of the town hall meetings I had in my district. Before I began a discussion with my constituents and listening to their suggestions, I held up a 10-page packet of questions and talking points that were sent out by MoveOn.org. I told my constituents that I was there to listen to their genuine concerns and questions, not to hear canned questions from a bussed in MoveOn.org member or to read off their cheat sheet. What do you know, about 2 minutes into the question and answer period, I got question number 3 right off the MoveOn.org cheat sheet. This is a perfect example of the left wing partisans stacking events at town hall meetings that are intended to benefit our constituents. I am sure other Members experienced the same phenomenon.

Getting back to the obstructionism of Washington politicians, here is another quote: "Because of the retirement of the baby boomers by the year 2013, the surpluses built up in Social Security start to dwindle down, and sometime around the year 2032, Social Security faces a serious crisis." Guess who said that? It was actually former Vice President Al Gore.

So the American public clearly can see that Washington Democrats are very good about talking out of both sides of their mouth if it furthers their partisan goals.

□ 1900

Al Gore talked a good game, but where is he today when it comes to presenting a plan or encouraging his members to guarantee the solvency of Social Security for future generations?

We have all read news accounts where President Clinton proposed that government directly invest a portion of Social Security money in the financial markets to capture a higher rate of return, rather than the dismal rate that it receives now.

Where, the public has to ask, were the liberal opposition groups back then? They supported a Democrat President who proposed this, but they oppose a Republican one. President Bush has proposed allowing workers to invest 4 percent of their payroll taxes into personal, safe and secure accounts. To many, this is a safer route than putting our Social Security taxes straight into the stock market like President Clinton wanted.

Where is the AARP with a plan of their own? We met with them in our office; and, quite honestly, all they said was, no, no, no. They did not have a plan of their own. All I have seen from them so far is a statement that personal accounts are unacceptable to their leadership.

But if you think about it, Social Security is already somewhat personalized. When you get home, I challenge people to check their yearly statement from the Social Security Administration. Your future benefits are there

calculated for you, not for the general public but for you. It already is somewhat personalized. Why do you not ask AARP why their leadership promotes stock and bond investing by selling mutual funds to its members or why they offer risky investment choices like a Latin American stock fund and even a junk bond fund? I personally find it very appalling the AARP sponsors trips to casinos where seniors literally gamble away their retirement.

Why do we not change the subject slightly and talk about the unions that are opposed to any change? They also said, no, sir, no way, to personal accounts. But when you ask union leaders where they invest their union pension funds, once again we hear double talk. They invest them, guess where, in the stock market. Why is it good enough for union leadership but not their members? I guess so much for risky schemes. The unions, AARP and others on the liberal left already have them.

Tonight I hope that I have made clear that there is one side and one side only that is honestly engaged in the debate over the future of Social Security. All the other side has thus far is fear, fear, and another hearty helping of fear. Quit trying to scare our seniors. The 527s are the ones making the calls as well as the opposition party. I want to speak to any senior listening tonight and I want to make it perfectly clear, I will not change your Social Security benefits in any way. The President has clearly said those who are 55 and above will be under the traditional plan as we know it.

So I challenge the opposition to join us, and I challenge the people who may be watching this evening, help us save Social Security for your children and grandchildren. We have stepped up to the plate and made it clear that we are willing to work toward a permanent solution that benefits all Americans.

Mr. Speaker, I hope that as we continue to debate this issue on the floor, back in our districts and around the kitchen table, we will all remember that it is our constituency we are working for and it is not partisan political groups.

Mr. MCHENRY. I certainly appreciate the sentiments of the gentleman from Florida. I am certain that her constituents appreciate her passion on this issue to ensure that Social Security does not harm those that are at or near retirement age. I appreciate her boldness on this issue and telling many of us things that we do not want to hear oftentimes. Her independence of mind, the independence of her agenda, it is certainly respected here in the halls of Congress. I am proud to call her a colleague.

Mr. Speaker, I am here to talk about Social Security, which in my mind is the most important domestic issue facing America today, not just for seniors but for those seniors' children and grandchildren. It is a vital program that we need to reform to ensure that

we can continue with this program for generations to come. I am so grateful to be part of a political party that is taking this problem on. We in the majority in the House, we in the majority in the Senate, along with our President, and I am so thankful we have a great President, are taking on this issue. Whether you like President Bush or not, he has guts and you have to respect that.

They called Social Security the third rail of American politics. If you touched it, you got fried. Well, things have changed. This is an issue that Americans are beginning to realize needs to be fixed in order to make sure it can be vibrant for future generations. And George Bush showed us all that we can and should tackle this issue, for our seniors and for our grandchildren. We in Congress are serious about taking this on. We are serious about a bipartisan approach, and we are serious about transforming this system into one that will thrive throughout the 21st century and beyond.

We want to transform it with three principles in mind, and these are important.

First, no reform that will pass this House will dare change the benefits of those that are at or near retirement age. For those that are currently drawing Social Security checks right now, none of the plans we debate will affect your Social Security check. But it will affect your children and grandchildren. So it is definitely important to you to consider those things.

Number two, no reform should raise taxes. You will hear a lot about raising taxes or raising the tax cap and say that that will fix the system. It will not. Tax hikes just postpone the problems we will face with Social Security, and tax hikes are not real reform.

The third issue is that we must make sure that these are voluntary personal accounts.

I will further talk about these issues as my time goes on, but I am proud at this point to recognize one of my favorite colleagues, my majority leader, our Republican leader in this U.S. House, a leader that not only shares our values but works and fights every day to see that we not only just talk about these values but we enact them into law, a man who has won close vote after close vote to even the ire and fire and fury of the minority but a man who has led our House in a great direction over the 10 years we have been in the majority, a man I am proud to call my Republican leader and will continue to call my Republican leader, Mr. TOM DELAY from Texas.

Mr. DELAY. I thank the gentleman from North Carolina for yielding to me, and I appreciate those words more than you know. I really appreciate you having this Special Order on an incredibly important issue that is important to all of us. You are fighting along with the gentleman from Texas (Mr. HENSARLING) the fight that makes sure

that we have retirement security for our seniors, for all of us, for our young today, providing retirement security for them.

Mr. Speaker, for all the rhetoric being thrown at the Social Security debate these days, four facts rise above the opinions.

Fact number one: The ratio of workers to retirees is shrinking. In 1945, there were 42 workers for every retiree. Today, there are three. And when my daughter retires, there will only be two.

Fact number two: The average rate of return for Social Security money is 1.6 percent. In other words, Americans could do better just putting their money into a simple savings account.

Fact number three: In just 3 years, the first of the baby boomers will start to retire, and in just over a decade, the Social Security system will start to pay out more money than it takes in.

Fact number four: Seniors are living longer and living more active lives than they were when Social Security was first created. Average life expectancy has increased 15 years since the 1930s, yet the system is still making 20th century assumptions.

These facts are not in dispute. Social Security is in trouble. The trouble is not as bad as it will be 10 years down the road if we do nothing, but it is serious trouble nonetheless. The question is not whether Social Security needs fixing. The question is when, how and by whom.

When? As soon as possible, Mr. Speaker. With each passing day, fewer and fewer workers are paying more and more benefits to support an ever-increasing population of retirees. The four facts I mentioned before all lead to a fifth fact, that every year that we wait to strengthen and improve Social Security, the problem gets \$600 billion bigger. If we wait until after the next election, that is \$1.2 trillion more we will eventually have to come up with. We have an opportunity to act this year, and we must seize it.

How? Permanently and comprehensively, Mr. Speaker. Every 15 years or so since its creation, Congress has gone in and treated a symptom of Social Security's more fundamental fiscal problems. But this time, thanks to the leadership of President Bush, we are committed to solving the problem itself, permanently. We need a solution to the fundamental challenges facing Americans' retirement security beyond just altering a formula here or there. We need a solution that goes beyond mere tax increases or benefit tweaks. We need to acknowledge 21st century realities and develop solutions around them.

One of those solutions, or, rather, a part of any such solution, is the establishment of personal retirement accounts within the Social Security system that will enable younger workers to build their own retirement nest eggs that they can pass on to their children and that the government can never

take away. Personal retirement accounts are an exciting, innovative and secure way for younger workers to save for their retirements and prepare for their own futures their own way.

Finally, Mr. Speaker, by whom? By us, Mr. Speaker. The fiscal crisis that now threatens the Social Security system has been looming since the baby boom exploded after the end of World War II.

Mr. Speaker, we are running out of time. Regrettable as it is that national Democrats have decided to put their heads in the sand and pretend that Social Security is perfectly sound, action still needs taking. Seniors are living longer, more independent lives; the boomers, the most affluent generation in history, are preparing for retirement; and younger workers who have their own families to raise and needs to meet are counting on us to protect Social Security not only for current and near retirees but for themselves and their children, too. We have a chance this year with the leadership and vision of President Bush to come together to strengthen and preserve Social Security.

Mr. Speaker, if our oaths of office mean anything, it is a chance that we must take. I thank the gentleman from North Carolina for bringing this Special Order, and I appreciate the commitment and the willingness to constantly talk about this issue so eventually the American people know, number one, there is a problem and, number two, there are solutions out there to fix that problem.

Mr. MCHENRY. I thank the majority leader for taking time out of his busy schedule in order to be a part of this special order. I certainly appreciate the passion he brings to his service in the House and his effectiveness as well.

Mr. Speaker, as I said, we have three issues that we need to make central to this reform of Social Security. First, no benefit cuts for those that are at or near retirement age. No changes. Second, no reforms should raise taxes. No reforms should raise taxes. And, number three, we must have voluntary personal retirement accounts that allow individual ownership. We want to move to a modern system that is tied to a better approach, with people having ownership and actually having control over their investments and having control over their retirement.

□ 1915

So the gentleman from the great State of Texas (Mr. HENSARLING), another one of my good colleagues, represents the Dallas area. He is in his second term here in the Congress; and from the get-go in 2003, when he first entered this place, he was recognized as a leader. And he is, indeed, a leader. He has led the fight for conservative budgets. He is a man who is passionate about representing his constituents in Texas well, including his wife and two kids; and he is a man who wants to talk about the family budget, not just

about our Federal budget, because politicians oftentimes come to Washington and want to represent government rather than absolutely representing the people that they were elected to represent, and that is the families, those families across America who have to live within their budget in order to make ends meet.

So with that, Mr. Speaker, I yield to the gentleman from Texas (Mr. HENSARLING), whom I am proud to call a leader and proud to call a friend.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding to me, and I certainly appreciate his leadership on this vital issue to the future of many Americans, not only seniors but younger Americans. So I think it is especially apt that the youngest Member of the House of Representatives would help bring this issue to the national consciousness tonight.

I am also especially honored that I could follow the esteemed majority leader to the floor. But for his leadership we would not be having this discussion now. And due to his leadership and his courage and his commitment to principle, this House is trying to make a stand, not just for the next election but for the next generation, because I think as more Americans become familiar with the challenges in Social Security, they will soon realize that if this House does not act and act now that Social Security as we know it will not be there for future generations. And, Mr. Speaker, we cannot look ourselves in the mirror and let that happen.

And I not only speak for myself tonight, but I probably speak for many other Members of this body in saying that Social Security is more than just a run-of-the-mill congressional debate. It is something that is very personal to me because, Mr. Speaker, I have two parents who are in their 70s. Social Security is part of their retirement. My father worked all of his life paying into the system, and I feel a moral obligation not just as a Member of Congress but as a son to make sure that my parents receive every single penny of Social Security benefits that they paid for.

So as we have this discussion about what can we do for future generations, every Member of this Congress I believe is committed to the proposition that for anybody who is receiving Social Security today, or will soon be receiving Social Security, nothing in the system is going to change. That is a matter of fairness. That is a matter of commitment that this Nation has made to its seniors. But not only do I feel a moral commitment to my parents; I have a moral commitment to two other people. And that happens to be my daughter, Claire, who is 3 years old; and my son, Travis, who is 18 months old. And again my wife, Melissa, and I realize that if this body does not do something that the retirement security that my parents enjoy will not be there for our children; and that is simply not fair, Mr. Speaker.

Let me say that Social Security has indeed been a very important program in the history of America, and it has helped alleviate poverty for a number of seniors. It has given a lot of seniors peace of mind, but it is not a system that is based upon savings and investment. It is a system that takes funds from current workers to transfer to current retirees. That is a system that works well if we have a whole lot of workers and only a few retirees. And when Social Security was first created back in the 1930s, we had over 40 workers paying into a system to benefit every one retiree. As recently as 1950, that figure was down to only 16 workers paying into a system to benefit every one retiree. Today we are down to only 3.3 workers paying into a system for every one retiree. And today's younger workers are quickly on a road to see only two, two workers paying into a system for every one retiree. That presents incredible financial challenges to our Social Security system.

And there is another challenge we have. There is another demographic trend that is great for seniors, but not so great for the Social Security system, and that is when Social Security was first created, the life span of an average American worker was 60 years of age. Due to the marvels of modern medicine and better technology, today the average life span of a worker has increased to 77. So again we have fewer and fewer workers supporting more and more retirees, and these retirees are living longer and longer. The system cannot keep pace.

So what has Congress done in the past? In many respects it has started to take the security out of Social Security. As time has gone by, taxes have increased. Many benefits have been cut. So as time goes by, we start to lose the security in Social Security. Social Security was a great deal for my grandparents, who were born in roughly 1900. When we look at what they put into the system versus what they took out, they received a 12 percent rate of return on their Social Security. That is great retirement security, Mr. Speaker. That is great retirement security.

My parents who were born, my dad in the late 1920s, my mother in the early 1930s, they are receiving roughly a 4 percent rate of return on their Social Security. Not good, but not bad.

My generation, represented by those born around 1960, we are going to receive only about a 2.5 percent rate of return. That is barely keeping pace with inflation, Mr. Speaker. And my children, represented by those who were born approximately in the year 2000, they could receive a negative rate of return. In other words, they may be putting more money into the system than they take out. That, Mr. Speaker, is when we lose the security that is in Social Security.

So all of these financial pressures, where is this leading us? Unfortunately, it is soon going to lead us to a sea of red ink.

There is some good news. The good news is as of today, Social Security is still running a surplus. But for those who can see the top of this chart here, just 3 years away, the surpluses in Social Security begin to decline. And in just 12 years, in the year 2017, we go from having surpluses to having deficits. In other words, in the year 2017, Social Security begins to go bankrupt. And as the years go by, the sea of red ink only gets larger and larger and larger and larger. And, Mr. Speaker, that is indeed a large sea of red ink.

How large? The trustees of the Social Security trust fund tell us that is a \$10.4 trillion sea of red ink that will simply drown the system, drown our children and grandchildren, if we do not act today.

Mr. Speaker, we often hear large numbers tossed around in the Nation's capital and \$10.4 trillion is a very large number. But let me try to relate that to a number that we can all understand. In other words, what the Social Security trustees are telling us is that if we wanted to balance the system and ensure that our children and grandchildren have the same retirement security that current retirees have, every man, woman, and child in America would have to write a check today to the Federal Government for over \$34,000. That is almost a \$150,000 check from a family of four to try to balance this system. Mr. Speaker, my guess is not many Americans would want to write out that \$34,000 check tonight. So we are going to look at some other options.

What are the options if we do not write out that check tonight to balance the system since we know we have fewer workers, more retirees, and they are living longer? If we do nothing, younger workers today who have just recently entered the workforce, those in their 20s, by the time they retire, they will have their Social Security benefits cut by a full third. How many seniors today could afford to have their Social Security benefits cut by a full third? So many seniors rely upon that Social Security. It is unconscionable. Is that the future we are going to leave our children and grandchildren?

Mr. MCHENRY. Mr. Speaker, reclaiming my time, how much is that per year that we delay reform? The numbers I have are that it is about \$600 billion a year.

Mr. HENSARLING. Mr. Speaker, indeed, I appreciate the gentleman for bringing up that point because not only do we have a huge dollar amount to solve the problem today, every year that we turn our backs on this as a Congress, as a Nation, that mountain gets \$600 billion higher each year of inaction. So, indeed, the cost of inaction is great.

Mr. MCHENRY. Absolutely. And reclaiming my time, Mr. Speaker, the numbers are about \$4,500 for every American in the workforce; \$9,000 for a married couple. These numbers are so staggering, and so I think it is a moral imperative for Congress to act.

And with that, Mr. Speaker, I further yield to the gentleman.

Mr. HENSARLING. Mr. Speaker, if for whatever reason we choose not to reduce benefits when we can use the least creative approach that has ever come out of Washington, D.C., and that is increase taxes, if we decide to try to solve this sea of red ink by raising taxes again, younger workers today will see their payroll taxes increase by 43 percent. I mean 43 percent, what a staggering tax increase on young families. I mean, what is that going to do for people who are trying to buy a home or start a family, and what is that going to do to job creation in America? It would be a crushing tax burden.

But at the end of the day, there are only three options if we are going to save Social Security as we know it for future generations. We are either looking at a massive tax increase, we are looking at a massive benefit cut, or we are looking at something else that the President is leading on, and that is having something called a personal retirement account, something that is going to have real assets in it that people own, that families can create a nest egg with, their own nest egg that will grow over time, and using something that Albert Einstein once called the greatest discovery he ever made in his life, and that was compound interest. And I believe that that is the option that we should begin to look at as a Nation, personal saving accounts.

And again I want to reiterate a couple of principles. No one is talking about changing Social Security. For those who are on Social Security tonight, those who are about to be on Social Security, we have a moral commitment to make sure that the system they worked on is there. But I hope, Mr. Speaker, that as time goes by and more Americans will listen to this debate, I do not know of any grandparent in America who wants to deny their grandchildren equal retirement security and equal retirement opportunity that they have enjoyed.

So I think it is critical that we turn to personal accounts so that younger workers on a voluntary basis, a total voluntary basis, will be able to put some money aside in an account that can grow over time. And I think what we are doing, Mr. Speaker, is we are adding the best elements of Social Security to the best elements of a company pension plan. We are going to keep the government backing. Nobody is ever going to lose all their retirement security. The government backing, the social safety net, will always be there. We are going to have guaranteed lifetime benefits. We are going to have progressive benefits for lower-income workers. But to that we are going to add worker ownership so that workers can actually own a part of their Social Security. They will be invested in the length and breadth of the American economy, not in their brother-in-law's real estate deal or in 100 shares of

Enron, but we are talking about pension-grade investments that over time have proven to be safe and yield a retirement security better than Social Security promises and cannot deliver.

Some tonight would say, That sounds great but it sounds a little risky to me. The real risk is leaving one's retirement security in Washington because already Washington has raided the Social Security trust fund over 59 times, and they have spent that money for \$75 million indoor rain forests, and they have spent it on \$800,000 outhouses that do not even work and studies about how college students decorate their dorms. They spend it on a lot of things besides retirement security. There have been over 20 tax increases. And we started out taking 1 out of \$50 for Social Security, now 1 out of 8. There have been multiple benefit cuts, declining rates of return, and no ownership rights.

□ 1930

Mr. Speaker, the real risk in Social Security is leaving America's seniors' retirement security in the hands of Washington. Because of that, I want to applaud my colleague from North Carolina, who has made a great impact as a freshman Member, I want to applaud him for his leadership and speaking out not only for the current generation of retirees but future generations of retirees, represented by my children.

Mr. MCHENRY. Mr. Speaker, reclaiming my time, I thank the gentleman. I certainly appreciate his passion on this issue and his devotion to our conservative philosophy and to our great Nation.

Mr. Speaker, if I may, I think with the earlier speakers you have heard there is a problem with Social Security. It is a problem we must tackle. I believe we have a moral obligation to step forward and to solve this problem before it results in a doubling or tripling of taxes or 30 percent cuts in benefits, these massive, devastating changes that can really hurt our Nation and hurt communities and hurt seniors. So we have a moral obligation to step forward and come up with a better plan.

I want to tell you, the longer we wait, the tougher it becomes to fix the problem and the more expensive it becomes. As I said earlier, \$600 billion a year we waste by not fixing the problem. That roughly equates to about \$4,500 per person, per working person.

Some would say, why do we not just tax more? And there is this concept of raising the Social Security tax cap. I want to tell you, it is not that simple. When you are talking about a \$600 billion a year payment we have to make in order to not solve the problem, it is hard to tax enough in order to meet that obligation. Beyond that, even if you take the cap off of the income subject to Social Security, that would only buy about 2 years, about 2 years, of further solvency in the system.

So it is not a fix. It is delaying the problem, delaying the pain. And because our Nation is changing, because

of the demographics of our Nation and the fact that we are going to have fewer people working per each retiree, we have to change the system in order to make it solvent for future generations.

With the baby boomers beginning to retire in 2008 and 2009, baby boomers were born between 1946 and 1964, so the first half of the baby boomers will begin to retire in 2008 and 2009. As they begin to retire, we are going to have to pay out more and more and more in the Social Security system. Certainly we have made that obligation as a great Nation, but I think we need to take on this problem of our change in population and the giant bubble that the baby boomers represent in terms of the population of our Nation and take on this issue to fix it.

So the problem is clear. Our demographics have changed in this Nation over the 70 years of the Social Security program, and Social Security is broken. It was designed in 1935 before television, before commercial aviation, before computers, and it needs to be redesigned. We do not drive 1935 automobiles anymore, do we? So what we need is a vehicle for retirement savings that is in keeping with our times.

That solution, Mr. Speaker, is personal accounts, personal retirement savings accounts. Personal accounts will eliminate the long-term liabilities of the Social Security system, that long-term liability that the gentleman from Texas (Mr. HENSARLING) spoke of, that \$11 trillion unfunded liability.

We as a Congress need to take on this challenge. But why is that? Why is it that Social Security retirement accounts, personal savings accounts, fix the system? It is because when workers put their own money into personal accounts for Social Security instead of the old system of Social Security, they lessen their own future pull on the system.

You see, by having your own accounts, just like IRAs, they accumulate money, they accumulate interest, and interest upon interest, interest upon interest upon interest. That is the power of investments, and that is what is going to allow personal retirement savings accounts to give a better rate of return than our current Social Security system.

Money into personal accounts means less of a pull on the system later. Remember, these accounts, as the President has spoken of, these personal retirement accounts, they are voluntary, so there will be no changes if you are at or near retirement age. For those 55 and older, no changes. For those that are younger, they will have the option, the opportunity to choose a personal retirement account for their own Social Security benefits. No effects on seniors currently. They are voluntary for younger workers. It is a wonderful opportunity for us to have this debate about personal ownership.

Beyond that, some say, how does this work? How do personal retirement accounts work?

Well, first of all, you cannot take the money to Las Vegas. You cannot go and bet your money. You cannot throw it in your brother-in-law's business. You would have to use widely diversified securities, savings accounts, certificates of deposit, bond funds, municipal bonds, bond and stock fund mix, these type of options, well-regulated, very diversified.

Some say, well, this seems sort of foreign to me. Currently, in America we have personal retirement accounts all across this Nation.

It brings about a story that occurred to me back in my district in Western North Carolina, Mr. Speaker, in the Tenth District of North Carolina. I went out and was out at church one day, at a new church visiting, and I met a fellow there named Dave Roland. Dave Roland works for the Foothills Area Mental Health Developmental Disabilities and Substance Abuse Authority located in Western North Carolina, in Burke and Caldwell Counties.

These folks that are out there serving those with mental health issues, they have personal accounts. Wait a second. How does that happen, some are saying. This seems very odd to me. But they have personal accounts.

I will not get into the arcane nature of tax law changes and everything else, but between 1935 and 1983 different entities had the ability to opt out of Social Security. They had the ability to provide their own type of retirement plans, many personal savings accounts like we are trying to implement. So some of these governmental entities still have them today.

Unfortunately, that option was closed in 1983. Since then, no organization can opt out of Social Security, no governmental entity can opt out of Social Security. But for the groups who opted out beforehand, before 1983, if they wanted to remain outside the system, they could, and many still remain outside the system.

Fully 4 percent of the American workforce is outside of the Social Security system. They have some type of personal savings accounts. That is over 5 million people. They work for organizations that have opted out over the preceding years.

Just so you know, there is a big myth out there, Congress has not opted out of the system. We are still in the Social Security system. I, along with my staff and all Members here in Congress and on Capitol Hill, pay into Social Security. So we have a good interest in making sure this program continues, because we do pay in.

Now, not all the opted-out plans are the same. They are very different. But I found out about the Foothills program because I was lucky enough to meet David Roland. He works at the Foothills Mental Health Authority, as I said, and is one of my constituents.

I am trying to find out about other programs like David has, so I ask those, Mr. Speaker, those that hear my voice or see my face to shoot me an e-

mail if you know of anyone who has an opted-out system, whether they work for a governmental entity, in any State in the Nation, not just my own constituents in North Carolina. So they can e-mail me at patrick.mchenry@mail.house.gov. That is patrick.mchenry@mail.house.gov. Please let me know. I want to know your story about a system where you have opted out. I want to know the kind of returns you have gotten, whether you like them or not.

But everyone I have talked to loves their personal retirement accounts, including David Roland. They are optional at Foothills Mental Health Authority. They are optional. An employee can make the choice to stay in the current Social Security system or have this system of personal retirement accounts.

At Foothills, they have the option of paying their portion of Social Security, their 6.2 percent of FICA tax, into a 403(b) annuity plan. It is just like an IRA, very similar to that.

Dave Roland told me this. He lives in Morganton, and he is one of the folks that opted out. He has been working at Foothills for 7 years, since March of 1998. He is 34 years old. He is responsible for all the yearly regulatory training at Foothills for all these mental health service providers.

He could not be happier with the system. He is not a slick Wall Street investor. No, he is a man that likes spending time with his children, is devoted to his church and works hard every day. He is a regular guy, just like you and me. I want to tell you what he says. I want to quote from him right now.

"I am a common worker. I have the benefit of a plan along the lines of what the President has proposed. In 7 years I have accumulated over \$50,000. I control the amount of risk that I want, and it is far better than what I could have gotten from the Social Security plan. I cannot imagine that I would have the same amount had I been in Social Security."

I am not going to tell you what Dave makes. In fact, I would not ask that question of him. But he is a man that is much like millions of Americans across this Nation. In 7 short years, he has a personal retirement account like we are proposing here in Congress, and in 7 short years he has accumulated over \$50,000 of retirement savings.

Now that is an amazing feat, if you consider the fact that he began investing in the late nineties and there were ups and downs in the stock market just in the last 7 years, and he has \$50,000 in savings. That is a staggering number in a short period of time.

But those are the type of benefits that we are talking about. He could buy an annuity when he retires. If he continues to get a similar rate of return, he could buy an annuity and get far more than what the Social Security system could give him. Benefits for Social Security are capped at about \$2,000 a month.

So a regular guy from my district has a personal retirement account. That is why I am so optimistic about what we are trying to do here in Congress, the type of reforms that we are trying to achieve, with personal ownership, a new retirement system that enables people personal ownership and allows them to pass on to their heirs if they do not spend all the money, to pass on to their heirs if they do not make the retirement age. These are wonderful opportunities for us to give to all Americans, all walks of life.

Mr. Speaker, do you know what? When Dave Roland makes his money and gets his check at the end of the week or the end of the month, it is his money. It is his money. Thankfully, he has a personal retirement account that he still controls and still owns, because it is his money.

That is what we are trying to do with personal retirement accounts, to give personal ownership, that level of inheritability to pass onto your heirs, that personal freedom, while at the same time having it well-regulated, operating very similar to the way Social Security does today, meaning the money is taken out of your check, you are obligated to be a part of the Social Security system, and that the investments will be well-regulated, the risks minimized.

What is fascinating, though, is there have been studies done on the stock market. There are some left-wing liberals that will tell you we should not invest in the stock market. I think we have gotten great rates of return in the stock market. We have gotten a better rate of return certainly than any government program can give.

Certainly I would like to be concerned about the rising tide in our Nation, to make sure that all Americans have that same ability to improve their life, to have personal ownership, personal savings and be a part of our marketplace, be a part of our marketplace.

I will tell you this: Some say the stock market is risky.

□ 1945

Over the last 200 years, the average rate of return in the stock market has been 7 percent. Now, that is over three times the best rate of return for Social Security. In any 20-year period in American history, the stock market has never gone down. Even during the Great Depression in the 1930s and the 1940s, the stock market did not go down. It had a positive return.

So we want to give all Americans, Mr. Speaker, that opportunity. We have a moral obligation as a Congress to take on this issue, to solve this problem, not just for a few years, not just push the problem back to another Congress another day; but we have a moral obligation to do what is right for our constituents and do what is right for all Americans, and allow them to have a better system to operate for their retirement savings, not just for

the next couple of years, but for generations to come. And with personal accounts, without raising taxes, and while maintaining our commitment to those who are at or near retirement age, we can do this as Americans.

We are not going to let those on the other side of the aisle just deny that there is a problem. That, in fact, is denying reality. And do not believe, Mr. Speaker, and do not allow the American people to believe that there is not a problem. This is an issue we have to take on as a Nation, and we are going to take it on. It is going to be the Republican Congress that takes this on. We are hopeful that some Democrats will come to the reality that there is a problem and that the right thing to do is to tackle it now instead of pushing it off to another day.

I appreciate this time to speak about this need for Social Security reform.

THE NEED FOR TAX REFORM

The SPEAKER pro tempore (Mr. GOHMERT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Maryland (Mr. HOYER) is recognized for 60 minutes as the designee of the minority leader.

Mr. HOYER. Mr. Speaker, I rise to speak about tax reform and tax simplification, but one of our newest Members has had the opportunity to have the floor for the previous hour and talk about Social Security. I know that he is very worried about Social Security and, as a result, has been addressing that. But I am constrained to say that he talked about personal accounts with reference to Social Security. Of course, what he did not say is that Social Security has nothing to do with the solvency of Social Security. He talked about a moral responsibility. The President of the United States and his party indicated they were not going to spend any money of Social Security. In fact, in the last 4 years, they have spent and continue to spend every nickel of Social Security. I am sure my young friend will acknowledge that point at some point in time, but that is not the subject tonight of our Special Order.

Mr. Speaker, the one thing that millions of Americans will not be saying at the end of this week is, TGIF, thank goodness it is Friday. Friday is the day, of course, April 15, the annual deadline for filing Federal income tax returns, a duty of citizenship that provokes anxiety, confusion, and, yes, even anger in many taxpayers every year. Without question, the Internal Revenue Code has become a maze of complexity that confounds millions of Americans, including, I think, all of us who will speak. It treats many taxpayers unfairly; and it creates an opportunity, some would say an incentive, for those who would exploit its complexity to avoid compliance, thus placing an unfair share on others.

As Nina Olson, Mr. Speaker, said, the National Taxpayer Advocate stated in

December in her annual report to Congress: "The most serious problem facing taxpayers and the IRS alike is the complexity of the Internal Revenue Code. The only meaningful way to reduce these compliance burdens is to simplify the Tax Code enormously." So said Nina Olson, the National Taxpayer Advocate.

All of us, of course, bear some responsibility for the complexity of our Tax Code, Democrats and Republicans and every American who believes that the tax preferences that he or she utilizes are worthwhile. Considered individually, the tax preferences that clutter the code certainly can be rationalized and explained. Collectively, however, they are a jumble of confusion that have a corrosive effect on our democracy.

As Paul O'Neill, the former Secretary of the Treasury said, "One of the unseen consequences of the Tax Code's complexity is the sense it leaves taxpayers that the system is unfair, and that others pay less tax because of special advantages." Almost every American, I think, feels that, including those who take special advantage.

A few facts illustrate the scope of the problem, Mr. Speaker. In 1913, the Tax Code was a mere 500 pages in length. Today, the code and regulations total more than 60,000 pages. Four common forms, form 1040 and schedules A, B, and D, take an estimated 28 hours and 30 minutes to prepare. Think of that. They are relatively simple forms. When the IRS started tracking this information in 1988, the average paperwork burden was 17 hours and 7 minutes, about 11 hours less. Even the simplest form in the IRS inventory, a 1040 EZ, perhaps misnamed, now requires 3 hours and 43 minutes for the average taxpayer to prepare, up from 1 hour and 31 minutes in 1988.

Complexity costs more than \$100 billion. That cost is in accounting fees and the value of taxpayers' time to complete their returns. This is roughly equivalent to what we spend to run the Department of Education, Homeland Security, and State. Think of it: the cost of complexity for our taxpayers, \$100 billion more than we spend on the Department of Education, Homeland Security, and the Department of State. Not surprisingly, Mr. Speaker, more Americans than ever rely on tax professionals. I know I do. Nearly 60 percent rely on tax professionals today compared to 48 percent in 1990.

If the administrative burden does not convince you that reform is crucial, the crisis in noncompliance should. The IRS has estimated there is a \$311 billion annual tax gap due to underreporting, underpayment, and nonfiling. Think of that, \$311 billion. The bad news is that the budget deficits we are running up under this administration and the Republican leadership this coming year will be over \$400 billion. So even if we collected every nickel of that that was due and owing, we still would not solve our budget deficit, but it would help.

Now, leaders in the Republican Party have repeatedly proclaimed their commitment to tax reform and simplification. We have heard that. The party that wants to bring down taxes wants to simplify the code. Both of us can share that objective. However, let us look at the facts.

The gentleman from Texas (Mr. DELAY), the House majority leader, stated in April of 2001, "We are pushing forward with our campaign to reform the Tax Code. We are making it fairer, flatter, simpler, and less burdensome to the American people." That is what the gentleman from Texas (Mr. DELAY) said in 2001, that they were making the Tax Code fairer, flatter, simpler, and less burdensome. But the facts, unfortunately, and no one should glory in these facts, but, unfortunately, the facts say otherwise. Republican tax bills during the last 4 years have added, added more than 10,000 pages to the code and regulations. In fact, during the 108th Congress, the Republicans orchestrated nearly 900 changes in the Tax Code.

Now, those of us that have been here as long as the gentleman from Massachusetts (Mr. NEAL) and I will remember passing a tax reform package which was designed to protect the taxpayer. And a report of our colleague, our Republican colleague, the gentleman from Ohio (Mr. PORTMAN), who is now going to be our trade negotiator, that report said that one of the things that Congress had to stop doing if the IRS was going to be able to efficiently and effectively administer the Tax Code was to stop changing it every year. We have changed it every 4 years of this administration. And, of course, today on the floor of the House of Representatives, we changed it again. We made it more complex. In fact, many of us argued that what we did was really raise the taxes on really thousands of farmers and small business people as a result of the change we made.

Just one bill, the Republicans' so-called American Jobs Creation Act, resulted in 561 changes to the Tax Code, requiring more than 250 pages of tax law changes. Is it any wonder why it takes Americans so long to fill out their forms? The Joint Economic Committee notes how this one new law will require more than 10 percent of all small businesses to keep additional records, result in more disputes with the IRS, increase tax preparation costs, and require additional complex calculations.

Clearly, our tax system must be made simpler, fairer, and more efficient for the sake of every American, for every family.

Now, there are some people, frankly, who are wealthy and can afford unlimited accounting services to make sure that they take every advantage of the Tax Code, but the overwhelming majority of Americans are not in that position. Because of that, it is incumbent upon the Congress of the United States and each one of us individually to en-

sure that the Tax Code is fairer, simpler, and more efficient and that Americans can understand it and take much less time to fulfill their obligations to their country.

I think President Bush has taken an important first step in this effort by appointing the bipartisan Advisory Panel on Federal Tax Reform. I applaud him for doing that. It is chaired by former Senators Connie Mack, who served in this body as well; and John Breaux, who also served in the House of Representatives.

The panel, in my opinion, must present options for reforming the Internal Revenue Code. The requirement to do so is prior to July 31. I am hopeful that Congress can act on this important issue during the 109th Congress. I believe there is an increasing momentum, Mr. Speaker, among taxpayers for real reform; and Democrats intend to join and lead this fight. Democrats want to see reform to the Tax Code. Democrats are committed to a fairer, simpler, more efficient Tax Code.

For example, we need to diffuse the middle-class time bomb, the alternative minimum tax. Now, the alternative minimum tax was adopted for people who were making hundreds of millions of dollars, corporations making hundreds of millions of dollars, maybe billions, but were paying no taxes at all. So what the Congress said some decade and a half ago, was that, look, everybody in our country needs to contribute to its defense and its support. Therefore, we will have an alternative minimum tax.

That was never intended to adversely impact middle-income earners, not in the million dollar category, but far less than that. It was not intended for them. But Americans are now finding, two-earner families doing reasonably well, but just making their college tuition payments for their child, paying for their cars so that they can get to and from work, and paying for their mortgage payment because maybe they had to get a new house and housing prices have gone up; they are not having an easy time, and what they are finding now is they are getting caught in the web.

We should have fixed this 4 years ago. We should have fixed it 3 years ago. We should have fixed it 2 years ago. We should have fixed it last year. We should fix it this year. We are not going to. The President has not proposed fixing it, and the Republicans do not want to fix it either. Why? Because it is a secret stealth tax increase on middle-income and upper-middle income Americans.

□ 2000

That is why we do not fix it, so that the majority party can posture that they are cutting taxes while at the same time raising taxes. The AMT, or the Alternative Minimum Tax, will hit an estimated three million taxpayers this year, requiring them to pay \$6,000

or more on average than they would otherwise owe, and which, when this was adopted, was not intended to have any effect on them. And the number of taxpayers subject to this tax will explode.

Listen to this, my friends. All of our constituents ought to know this. It will go from the three million who are adversely affected today to 35 million taxpayers.

Now let us say, just for the sake of argument, that there are only 15 million families there. So 50 million families, in other words, 35 million taxpayers who have a wife and children, so maybe as many as 50 or 60 million people, 35 million taxpayers will be included in the provisions of the Alternative Minimum Tax by 2010.

Furthermore, Mr. Speaker, because the AMT was not indexed for inflation, that is the way we could have protected the middle-income folks, we did not do it. We should be doing it now. We should have done it in 2001, we should have done it in 2002, we should have done it in 2003, we should have done it in 2004, and we should have done it this year. We are not doing it. It ensnares more and more middle-income taxpayers because it was not indexed.

We also, Mr. Speaker, need to take a hard look at moving toward a return-free income tax system, a system that would say to most taxpayers, you do not have to get involved in paperwork. Here is the deal. You can file very easily because the tax system will be much simpler and much fairer.

Think how much better Americans would feel, not that they are going to feel great about paying their taxes. None of us feel great about paying our taxes. But all of us understand, as a democracy, that it is necessary if we are going to have a national defense and if we are going to have other services in this country.

We need to simplify, Mr. Speaker, as well tax rules for small businesses. No reason small businesses ought to be under a mountain of rules and regulations and tax requirements. We ought to stop individuals and corporations, however, from gaming the system, which means that small businesses and individuals have to pay more than their fair share. We need to consider overhauling the corporate income tax and focus on eliminating tax breaks that actually encourage American companies to move jobs overseas.

The gentleman from Massachusetts (Mr. NEAL) has been very involved in this entire issue, and perhaps he will discuss it when I yield to him. Overseas, rather than giving tax incentives to corporations and businesses, to create and keep jobs here in America for Americans.

The American people are acutely aware of the unnecessary complexity and dire need for real tax reform in America today. The Republican party has not led on this issue. And the President can call a commission together, but for 5 years they have taken

no action. The American people need and deserve a tax system that is simpler, fairer and efficient.

I would like to yield now to some of my colleagues who are here. The gentleman from Georgia (Mr. SCOTT) has been here for a long time waiting to speak, and I thank him for being here. I yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. Mr. Speaker, I want to just, first of all, thank our distinguished Minority Whip, the gentleman from Maryland (Mr. HOYER) for the distinguished leadership that he has been providing on this issue.

Mr. Speaker, I rise today to discuss what is one of the what I call tragic burdens, one of the greatest tragic burdens on the American family, and this is the costly, complex Tax Code. This Friday, April 15, is tax day for millions of Americans who will spend countless hours this week trying to comply with our unbelievably complex tax laws.

At the outset, I want to make something very clear, Mr. Speaker, to the American people tonight. Let me make it clear that it is Democrats who you will see tonight who are taking the leadership. It will be Democrats on this floor of the Congress tonight who are taking the leadership to make our tax system fairer, less complicated, and simpler.

Now we all know that over the last 4 years this government has been getting bigger under the Republicans. The deficits have soared under the Republicans. Social Security is coming under direct attack and attempting to be dismantled and privatized by the Republicans. And our tax system has gotten more complicated, more unfair and complex under the Republicans.

There has been a growing unfairness in the Tax Code and an astronomically exploding national debt, trillions upon trillions of dollars, and growing each year.

But, Mr. Speaker, it is Democrats who are here tonight providing the leadership for tax fairness, for tax relief, for tax simplification and, most importantly, for reducing taxes on working American families.

Americans are double-taxed by the time and expense that it takes to do their taxes. For example, individuals, businesses, tax-exempt public and private entities spend nearly 6 billion hours complying with the Tax Code.

Nearly 60 percent of taxpayers currently use a tax professional to prepare their taxes, compared to only 40 percent in 1990. A typical taxpayer knows that a competent tax professional does not work for free, so it is costing taxpayers an estimated \$100 billion each year in accounting fees and the value of their time to complete their tax returns.

Now, Mr. Speaker, I am reading a very interesting book by Thomas Friedman, and it is called "The World is Flat". And in this book, he talks about a phenomenal situation that takes place largely because of the paperwork and the complexity of our tax returns and preparing them.

He points out very clearly in a chapter called "While I Was Sleeping" that over in India a burgeoning industry is taking place, preparing Americans' taxes, outsourcing jobs. In 2001, it was 50,000; 2002, it was 100,000; 2003, it was 400,000; and 2005 it is projected to be over one million. Not just jobs, but our precious preparation of our taxes being outsourced.

I am here to tell you that our failure to simplify our Tax Code is causing a major transformation of our accounting profession. Taxpayers are losing money due to the complexities of the system.

The Government Accountability Office estimates that Americans overpay their taxes by an estimated \$1 billion a year because they fail to claim deductions. About a quarter of Americans who are eligible for the Earned Income Tax Credit fail to claim it due to complexities.

Mr. Speaker, this is terrible. It is a tragedy, and we must make our Tax Code easier for the American people, make it easier for them to figure it out.

As an entrepreneur who started a successful small business, I was not surprised to learn that the IRS estimates that the average self-employed taxpayer has the greatest compliance burden of almost 60 hours to prepare his or her taxes. It is no wonder that small business owners overpaid their taxes by \$18 billion in 2000 and 2001, according to the GAO.

This is unacceptable, Mr. Speaker. We do not need to take this any further. Considering these statistics, is it any wonder why 70 percent of Americans recently polled believed their Federal taxes are too complicated?

In that same Associated Press poll, about half of the respondents would prefer to visit the dentist than prepare their taxes.

Another tax problem that Americans will discover is, as our distinguished leader, the gentleman from Maryland (Mr. HOYER), pointed out, that the Alternative Minimum Tax which will have to be paid by nearly 3 million taxpayers this year, that number will explode to 30 million by 2010 according to the Congressional Budget Office. By 2010, the AMT will ensnare one-third of all households and 97 percent of families with two children and incomes between 75,000 and 100,000, according to the Brookings Institute.

Now, in January our distinguished President announced the establishment of a bipartisan panel to provide alternatives to simplify the Tax Code, which I certainly join with my leader in commending him. This advisory panel will submit to the Secretary of the Treasury a report of its recommendations by July 31, 2005; and I hope that the advisory panel will consider tax fairness as well as tax simplification. And let us all work together. The current Tax Code is riddled with special advantages for various subgroups of business people.

Mr. Speaker, I serve on the Financial Services Committee, and I am deeply worried about the finances of our country. A simplified Tax Code would reduce tax cheaters and cut down on compliance expenses for all taxpayers. I believe that it is time for Congress to clean up this Tax Code and provide some relief to families and small businesses.

Yes, we Democrats are taking the leadership on this as you see tonight. But this is bipartisan. The American people are looking for Democrats and Republicans to join together and make our tax preparation simple, easy to understand. The American people deserve this, and the American people are going to get it with us working together to bring tax relief, to bring tax simplification of the Tax Code to the American people.

Mr. HOYER. I thank the gentleman from Georgia for his remarks and for his restating the commitment the Democrats have to ensuring that Americans get a fairer, simpler and more efficient tax system that treats them fairly and treats everybody else fairly as well.

Now it is my great pleasure, Mr. Speaker, to introduce or to yield to one of the senior members of the House of Representatives, the distinguished gentleman from Massachusetts, mayor of his town before he came here, and as a member of the Ways and Means Committee has been in the leadership of opposing complicating the Tax Code, opposing making it less fair and opposing tax legislation which sent jobs overseas. He has been a true giant in the leadership on this effort, and I am pleased to join with him in this effort that we join tonight. I yield to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I want to congratulate the gentleman from Maryland (Mr. HOYER) and thank the other members of the team that have assembled tonight for the purpose of discussing what we can do to simplify the Tax Code for the American people.

Mr. Speaker, we argue frequently in this institution about tax cuts. In fact, this afternoon we came up with an estate tax cut that only further complicates the tax system. And indeed we ought to be called the House of Lords here for what we did today. We have created a system of peerage now. You can pass on money in this instance, vast sums, without any qualms. We can take care of Paris Hilton, we can take care of the idle rich, but we cannot address the issue in a forthright manner about Social Security or we cannot make sure that those Humvees arrive in time for our young men and women who serve us with great honor every day in Iraq and Afghanistan or to make sure that they have the necessary equipment. And as they return home we are asking now for a copay on veterans services at Veterans hospitals.

But what is striking about this, in a town that often talks about tax cuts,

we could quite easily, Republicans and Democrats working together, do something that everybody in America desires, and that is a simplification of our Tax Code.

People really have to believe in their tax system. They have to believe that there is an equitable distribution of the burden, but there is also an important investment based upon the potential achievements that come from us paying our taxes.

Now, I notice that the first two speakers were very bipartisan in their commentary about how we might get to the starting line. But let me be just a little bit more discerning, offer a little bit more scrutiny of what has happened here during the last 10 years.

Now, if you recall, when the Republicans came to majority status here, they promised, and the former chairman of the Ways and Means Committee very clearly stated, and I quote, they were going to pull the Tax Code up by its roots.

□ 2015

They were going to rip the Tax Code up by its roots. We were all going to a long funeral for the Tax Code. And they were going to give us a flat tax. They were going to give us a consumption tax. We are no closer to a flat tax or a consumption tax than we were when they started. In fact, the reality is that they have not backed up their words with action.

The Tax Code today is more complicated than ever, and the very people on the Republican side who denounce the Tax Code's complexity are the ones that put together what they now call a convoluted monstrosity. They put it into effect.

The law that Republicans criticize today was part of their 2001 tax bill that a Republican-controlled White House sent to a Republican-controlled House and then to a Republican-controlled Senate. So the Republicans controlled the conference committee. They negotiated the final version of the bill. They provided almost all of the votes for the plan, and now there is even a Republican administration that administers the Internal Revenue Service, and we are no closer to simplification.

That is one of the reasons that we voted against the tax bill on our side, but let me tell you what the 2001 law did. It added 214 million hours to the paperwork burden for United States taxpayers in 2001 alone. It led to an explosive growth of the Tax Code. The Tax Code has expanded from 500 pages in 1913 to 45,662 pages in 2001 to 60,044 pages today.

Think of it: 60,000 pages and almost 15 percent, one quarter of those 60,000 pages have come into effect during these last 4 years. Think about that: 15,000 new pages of tax laws from the same people who rail against tax complexity. It is breathtaking in its audacity.

But do we have time in this institution to address the Bermuda tax issue?

No, we do not. I remind the American people tonight that for the cost of \$27,000 you can open a post office box on the island of Bermuda, declare that you are a corporate citizen of Bermuda while those 146,000 soldiers are in Iraq and say that your citizenship belongs to Bermuda, thereby escaping the responsibility and obligations that we have in America to those young men and women in uniform.

Well, they have controlled this Congress for 10 years, 10 years; they said they were going to do something about the Tax Code.

Well, let us talk about alternative minimum tax. They have done nothing about alternative minimum tax. It is creeping up across the board on the American people. I have asked for hearings time and again on alternative minimum tax.

Let me announce this to the American people tonight one of the best things about this debate, as a Democrat from Massachusetts, I have proposed eliminating, getting rid of the alternative minimum tax. I want to congratulate the Republicans for one thing. Seldom have I ever been part of any legislation where I got more pats on the back on their side or words of encouragement and fewer votes. Fewer votes. They will encourage me, say keep up the battle. Stay with it. Stay after it. And then I will say, let us have an up-or-down vote on getting rid of AMT, alternative minimum tax.

If you are watching tonight and you take advantage of the Hope tax credit or the child tax credit, you bump into a whole new category of taxation. When that individual finds out what is about to happen on Friday or if they picked up their taxes during the last few days or weeks, they are going to be pretty upset with the notion of alternative minimum tax.

I filed a very good simplification bill here. It is almost revenue neutral, and it will achieve all the ends and strip pages from the Tax Code. But again, I want to hearken back to what I spoke of when I started.

We should stop arguing about tax cuts in this town. After all, we have had five tax cuts while we are fighting two wars. But we could do something that all members of the American family are in favor of and that is simplifying the Tax Code, changing the Tax Code, getting rid of the complexity instead of what has happened during these 10 years from a party that promised to take the Tax Code and tear it out by its roots. We now have a Tax Code that has roughly 15,000 more pages. It is wild in its complexity with what has happened.

I want to thank the gentleman from Maryland (Mr. HOYER) and the gentleman from Georgia (Mr. SCOTT) and the others that will participate in this discussion. But hearken back to that notion I have raised, and that is let us simplify the Tax Code for the American people as Democrats have promised to do.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. NEAL). That is our pledge. The Democrats are going to work. We are going to work hard, and we will work with the President if the President wants to work, and we will work with the other side of the aisle to make this a fair, simpler, more efficient tax system. We owe that to the American public. We want to be the party of reforming our tax system so that Americans will say, I understand it, nobody likes to pay taxes but I am paying a fair share.

I thank the gentleman from Massachusetts (Mr. NEAL). It is now my honor to yield to my good friend, the distinguished gentlewoman from Cleveland, Ohio (Mrs. JONES), who has done such an extraordinary job during her tenure here and is now a member of the Committee on Ways and Means.

Mrs. JONES of Ohio. Mr. Speaker, I want to thank the gentleman from Maryland (Mr. HOYER) for his support for the years I have here in Congress and his support for my appointment to the Committee on Ways and Means. I am happy to be on the committee that is going to have the opportunity to review the Tax Code, and I want to thank him for his leadership on this issue.

Public distrust, that is the main reason why we urgently need fundamental tax reform. More and more Americans distrust the current tax system because they perceive it as unfair. Are they wrong? No.

Lower- and middle-income Americans bear a disproportionate tax burden. Small businesses bear a great compliance burden. That is unfair.

Does fairness in our tax system matter? Of course it does. It matters because tax collection depends on voluntary compliance. And in a democracy like ours, people contribute private resources to provide the public goods and services we deem appropriate as a community, including helping those not able to fend for themselves.

In America, paying taxes embodies a civic relationship of mutual responsibility, and people's obligation to pay them is as legitimate as any other public duty. So I am glad that we are discussing comprehensive tax reform, an issue that will only become more important for us in this Congress.

Let me offer five short points to consider as we discuss the important issue. First, fundamental tax reform is a necessity. The current system is complicated, inefficient, and unfair. Its unpopularity is warranted, and that is a problem because that breeds distrust.

The Tax Code must be simplified in order to eliminate the disproportionate amount of time and money currently spent on compliance. For example, the average taxpayer with a self-employed status has the greatest compliance burden in terms of tax preparation, 59 hours. In 2002 taxpayers spent more than \$90 billion in compliance. I know somebody has already talked about that, so I will move on.

Second, simplification can occur only with fundamental tax reform. This is clear after decades of incrementalism. We know that tax reform cannot be done in a piecemeal fashion. The current system is flawed at its roots. Hard-working, middle-income, and lower-income people bear the largest burden in our current tax system.

Third, fundamental tax reform must focus on the tax base. Our tax base is derived from total income. However, this is complicated by the bewildering array of adjustments, deductions, credits, omissions, and mismeasurements. This undermines the fairness of our tax system. Therefore, fundamental tax reform must focus on the issue of tax base in order to achieve equity, efficiency, simplicity, and accountability.

Fourth, the Tax Code must encourage entrepreneurship. Small businesses provide our economy's foundation. They need a tax system that frees resources for investment and ensures affordable capital. We must support small business and American entrepreneurship which make up the backbone of our economy.

Fifth, fundamental tax reform is possible. Tax reform is not an easy task. However, the American public demands it. They see our tax system is unfair, and they are right. As it was in the mid-eighties, the time is right to begin taking serious steps towards achieving fundamental tax reform. We must listen to our constituents and be up to the task of implementing a fair tax system.

I want to close with this: this is a letter from one of my constituents. And I will not read it all, but I will read a portion of it.

It is dated March 22, 2005. It is from 2484 Stratford Road, Cleveland Heights, Ohio, 44118, to Congresswoman TUBBS JONES:

"Dear STEPHANIE, When we worked in the Cuyahoga County Prosecutor's Office, we prosecuted matters deemed criminal by statute. For how it will potentially decimate our district and others, the alternative minimum tax ought to be considered criminal.

"The AMT increased my Federal tax liability by over \$13,000. This increase did not result so much from my income level but rather was directly related to the fact that Cleveland Heights has among the highest property tax rates in the State and the State of Ohio is among the States with the highest income tax rates.

"The AMT was enacted in response to individuals earning over \$200,000 a year who reduced or eliminated tax liabilities through various tax shelters. Because the AMT has not been adjusted for inflation and tax cuts, households with children earning over \$50,000 will be subject to the AMT. Those residing in high-tax districts like Cleveland Heights will also be hit the hardest.

"I have no fancy tax shelters. Ninety percent of those subject to AMT, including me, face this tax solely on ac-

count of paying high income property taxes and having children. Without immediate changes to the AMT and our outrageous high property taxes, people will continue to move out of Cleveland Heights with consequential loss of an income tax base, decline in property values, and a loss of diversity.

"In my neighborhood alone there are over 20 homes for sale, the majority leaving on account of the taxes. The AMT exacerbates the problem as a significant proportion of these high taxes can no longer be deducted to reduce taxable income. This double whammy will affect Cleveland Heights residents as well as those in other inner ring suburbs proportionally more so than others."

He suggests two changes. AMT should not consider any income earned or taxed in one city or State of residence or any real estate tax on one's principal residence in order to increase taxable income.

Secondly, he suggested that school funding cannot rely so heavily on real estate taxes.

It is signed by Tony Mastroianni. He is a young doctor and young lawyer. And I just wanted to submit it for the RECORD so he knew I presented this information for my colleagues for review with regard to AMT.

I thank the gentleman for the opportunity to speak.

CLEVELAND HTS., OH, MARCH 22, 2005.
HON. STEPHANIE TUBBS JONES,
Longworth House Office Building,
Washington, DC.

DEAR STEPHANIE: When we worked in the Cuyahoga County Prosecutor's Office we prosecuted matters deemed criminal by statute. For how it will potentially decimate our district and others, the alternative minimum tax (AMT) ought to be considered criminal.

The AMT increased my federal tax liability by over \$13,000. This increase did not result so much from any income level but rather was directly related to the fact that Cleveland Heights has among the highest property tax rates in the state and the state of Ohio is among the states with the highest income tax rates.

The AMT was enacted in response to individuals earning over \$200,000/yr who reduced/eliminated tax liability through various tax shelters. Because the AMT has not been adjusted for inflation and tax cuts, households with children earning over \$50,000 will be subject to the AMT. Those residing in high tax districts like Cleveland Heights will be hit the hardest.

I have no fancy tax shelters, 90% of those subject to AMT, including me, face this tax solely on account of paying high income/property taxes and having children.

Without immediate changes to the AMT (and outrageously high property taxes), people will continue to move out of Cleveland Heights with consequential loss of an income tax base, decline in property values and loss of diversity. In my neighborhood alone, there are over 20 homes for sale; the majority leaving on account of the taxes. The AMT exacerbates the problem as a significant proportion of these high taxes can no longer be deducted to reduce taxable income. This 'double whammy' will affect Cleveland Heights residents as well as those in other inner ring suburbs proportionately more so than others.

Allow me to propose two suggestions: AMT should not consider any income earned/taxed

in one's city/state of residence or any real estate tax on one's principal residence in order to increase taxable income. Itemized deductions are already limited based on income level; there is no need to further penalize individuals for buying a single residence and having children: we need kids (and to feed them) to grow up and pay into social security! Go after real tax shelters; School funding cannot rely so heavily on real estate taxes. Real estate taxes in Cleveland Heights are among the highest in the state and Cleveland Heights is fourth in spending per pupil in Cuyahoga County. Ed Kelley and other inner ring suburb mayors have been meeting to determine ways of equitable school funding so that people do not flee Cleveland Heights on account of obscene property taxes. As mentioned above, not being able to deduct such taxes is adding insult to injury.

The AMT is a national problem that clearly exacerbates an ongoing problem in Cleveland Heights. I hope that you and your colleagues can remedy this soon. If you need additional information or would just like to listen to me complain, I may be reached at work (440) 743-4749, or at home (216) 932-4748.

Thank you.

Sincerely,

TONY MASTROIANNI.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for her comments. I think her reading of the letter is an example of all that we are hearing from Americans: Congressman, this Tax Code I cannot understand. Congressman, this Tax Code costs me a lot of money and a lot of time to comply. And I want to comply and I want to be honest and help my country but, golly day, I am having trouble figuring it out. Will you please make it fair? Will you please make it simpler and just make it work better for me, for my family, and for the country.

Mr. Speaker, I yield to someone who is working very hard to do just that for his constituents and all Americans, the newest member of the Committee on Ways and Means, the gentleman from Illinois (Mr. EMANUEL), who does an extraordinary job.

Mr. EMANUEL. Mr. Speaker, I would like to pick up on a point the gentleman made of what we hear from our constituents. That is this notion that people are just trying to be honest and just trying to do something that is honest.

The fact is we all know the sense of frustration that we are hearing from our constituents is that the Tax Code has created a culture that has rewarded cheating and penalizes those who play by the rules.

□ 2030

That is what we have today, and that is a problem, that is a frustration that we hear from people.

When we were on Easter recess, there was a report by the IRS showing that there goes about \$350 billion of unreported income, which would wipe the deficit off by three-quarters of this country. People who are hiding income, playing games, not reporting it, forcing the middle class to pay an ever-increasing amount of money, they are basically cheating. We know it is going on. They think the \$350 billion is a low number.

It is getting worse as the tax code has gotten worse, and yet we are putting middle class families further behind on health care bills, college costs, trying to figure out how to save for their retirement and a tax burden and a tax code that does not do justice to what they are trying to do as parents and as a family.

So we have a code that rewards cheating. It promotes a culture of cheating and a code that on the other end is the middle class family. It penalizes those who play by the rules and try to do the right thing by their family.

Everybody has got something that they have proposed so I do not want to be outdone. I have also done something to that effect, but I not only have done it by legislation, I do it in my office.

One little story. I run a tax assistance program clinic in my congressional office every Saturday. We have the big four accounting firms, the accountants from the banks. It is called a tax assistance program. It is run as an entity. We house it in my congressional office. We advertise about it.

Every Saturday from 8:30 to 11:30, we actually help people fill out their taxes. We do it for two-and-a-half to three months a year. This last year we did about 1,132 taxes for individuals with families, returning on average \$1,900 in earned income tax credit deductions, tax deductions they would not have gotten because nobody else would have filled it out. I say, if you can fill out the EITC tax code, you can go to graduate school. You do not need to do it. It is the most complicated form. By comparison, I want you to know, if you are a corporation and try to get the export-import loan agreement, it is 12 questions, but for the earned income tax credit, it is over 200 questions. We fill it out.

We also do college assistance, and we have back in my district about \$10 million in different deductions and credits that exist in the code they would not have gotten, and after three months in a row every Saturday 45 different families show up. We turn on average away 15 families because we cannot help do them, and we make them first in line the next Saturday. But we do that every Saturday for three months. We did our last one last Saturday. We run these clinics so we know firsthand how these go besides the one I do for myself.

Second, I have introduced legislation called the simplified family credit. It takes the earned income tax credit, the per child deduction and the dependent care and takes 200 pages of the code and 2,000 additional pages down to 12 questions. It collapses all of those deductions that exist for families earning somewhere between \$15,000 to \$50,000 down to 12 questions. It would save a huge amount of money that ends up because of waste and abuse in the code because it is too complicated.

There are estimates of about \$6 billion dollars, and if you simplified it,

not only would you save money, but for people who have chosen to work and do right by their children, you have a tax code that was on their side, not on the side of folks who are trying to get lawyers and accountants to try to figure out how to basically game the system.

Any reform should understand that people are in the moderate income, \$50,000 and less, should have a code that is simple for them to use.

So I have introduced what I call the simplified family credit that takes those three credits, the earned income tax credit, the per child and the dependent care and puts it down to 12 questions.

We run the clinic in my office to help families fill out their taxes and the tax forms, the 1040, and get them the type of deductions that we are talking about.

I want to stress, every one of us, we have people hit by the AMT. People come around and it is going to be Friday, they are going to be all in downtown Chicago and the neighborhoods and around the State and around the country. Their heads will be shaking because they know this code was not designed with them or their families in mind. It was designed for those who can afford lawyers, accountants and lobbyists. Those are the people that are benefiting by this code, and this code does injustice to people who are trying to do right by their families.

We need a code that not only understands the trials and the challenges of the middle class family but finally reflects what they are trying to do for their kids rather than what the lobbyists are trying to do for their interests. That is what we have to do when we reform this code is put it back on the working class and middle class families who are trying to do right for their families.

I want to thank the gentleman for this time and organizing this, especially as Friday looms in people's eyes and they have to face literally around the kitchen table all those bills. It is not meant for nine hours of unpleasant time trying to fill that out. We can do better.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his comments, and I congratulate him for those clinics. I think that is a wonderful idea. I think very frankly we ought to have similar clinics and cooperate with a number of the people in our communities who could help people, particularly the EITC is difficult to understand for Members, much less those who it is designed for, to make sure people at the very poor end of the income scale have enough resources to support their kids. That is what it is all about, and this is what we think ought to be done.

So I thank the gentleman. I also want to thank him for the simplification of all the child tax credits that are now available because if we can get that just one item, as you pointed out, down from those 200-plus questions down to 10 or 12 questions, we are going

to save a lot of money, a lot of time and a lot of mistakes, a lot of mistakes. The EITC is complicated, but there are a lot of mistakes made, not by people who want to commit fraud but who simply make mistakes.

I am glad that we are joined now by, in my view, one of the real stars of the new class in the Congress. She has been sent to us from south Florida, an area where I used to live, and she is doing an extraordinary job. I yield to the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ).

Ms. WASSERMAN SCHULTZ. Mr. Speaker, I thank the gentleman from Maryland (Mr. HOYER) very much for yielding and thank him so much for giving us this opportunity to talk to the American people about what is essentially a startling contrast between our vision and our view on what tax reform should entail and what the majority's vision is.

I think that is really what we should ask people to take a look at, because the perception that is out there in America is not what it should be, and really what I would like to spend some time talking about is how the majority talks about making taxes simpler. As we can see, they have plenty of rhetoric that they have thrown around over the years as far back as 1997 and even for the years before that. Yet their actions do not match the rhetoric.

That is really what it boils down to, and I am a person that is all about action. That is what our caucus is about, and I think you have to walk the walk when you talk the talk, and that is not happening with this administration. It is not happening with the leadership of this body.

It is critical that the American people understand the consequences of the years, and I know that they do. Every working family sitting around their kitchen table understands the consequence of the complexities and the carving up of the tax code by the Republican majority here. I mean, that is what they have continued to do, in spite of the fact that they go out in America and talk about how complex it is. Well, it is time that something gets done about it. The time for talking needs to stop.

Their tax policies clearly favor some citizens over others. They pick and choose. They pick winners and loser among businesses and industries, and they do it all under the guise and cloak of tax reform.

One of the most important consequences is that the Federal Government and State and local governments, they do not have adequate resources to pay for the day-to-day services that our constituents need. That is a direct consequence of not having tax reform. There are real needs that are not being addressed because our local governments cannot provide the services because of the tax system as it is currently constructed. That squeeze is being felt all across this country, and particularly in the towns and cities in

my district and in the districts of many of our colleagues.

That is because the debt burden faced by the Federal Government is going to dramatically worsen in the future if the administration's tax cuts are made permanent. If the Bush tax cuts are made permanent, this problem is only going to get worse.

The Government Accountability Office projects that interest on the national debt would nearly equal all of the Federal taxes, including income and payroll taxes that we generate in 2040, not now but the taxes that we generate in 2040, if the recent tax cuts are made permanent.

Current and proposed debt and the rising level of interest that we pay on that debt, which is soon to average about \$300 billion a year, which is more than we spend on Medicaid to help make people understand what that means, we weaken Social Security and threaten benefits for today's seniors, for disabled workers and their survivors, much of which affects women disproportionately which I want to address in a moment.

The amount merely required to pay interest on the national debt ultimately will be almost twice the amount that is paid out to all Americans in Social Security benefits. That is unbelievable. The interest on the national debt will be more than twice what we pay out in Social Security benefits.

Unlike interest on the national debt, Social Security has its own dedicated taxes, and the President fails to acknowledge that these costs crowd out resources for other priorities that affect people of all ages, people over 55 and younger people as well, in health care, in education and in homeland security. I want to take a minute and just talk about the impact on women of the Bush administration's policy decisions as it relates to tax cuts and the lack of tax reform.

There are programs serving women and families that are really bearing the burden of deficit reduction. The President's budget now in front of us slashes funding for countless domestic programs.

The administration itself in child care calculates 300,000 additional children could lose assistance by 2009 from the continued freeze in funding. Between 2003 and 2004, 200,000 children have lost child care help.

In Medicaid, the administration would cut \$7.6 billion over 5 years, and the House even more.

Education and training: Investment in high school vocational education programs that can help train women and girls for higher paying, nontraditional jobs is totally eliminated.

Supplemental nutrition for women, infants and children: The cut of \$658 million could mean 660,000 fewer pregnant women, infants and children receiving WIC assistance in 2010.

I want to boil this down for another few seconds. Millionaires' average tax

cut in 2004 was \$123,592, which is more than five times the annual income of a typical single mother with children, whose median income is \$22,637. That is what their policy translates into for regular, everyday people.

More than one-quarter of single-parent families, who are overwhelmingly headed by women, get nothing from the 2001 and 2003 tax cuts.

These tax cuts, the bottom line, and the budget simply makes the wrong choices for women, for their families and for all Americans.

Mr. Speaker, I want to again thank the gentleman from Maryland (Mr. HOYER) so much for this opportunity for us to help the American people understand that it is Democrats that are committed both in action, deed and rhetoric, and our actions will match our words when it comes to tax reform.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman and she left me a beautiful segue into the closing of our action matching our words. That is what ought to happen, and when that does not happen, people get pretty cynical. Let me refer to some words.

In 1996, Newt Gingrich was the Speaker of this House and he said, "The current system is indefensible," referring to the tax code. He was right. "It is riddled with special interest tax breaks. Today's tax code is so complex that many Americans despair that only someone with an advanced degree in rocket science could figure it out. They are wrong. Even a certified genius such as Albert Einstein needed help in figuring out this Form 1040." In 1996, 8 years ago, the Republicans were in charge of this House, and Mr. Gingrich was our Speaker.

A year later, Mr. Gingrich said this as the Speaker of the House, "So we want to move towards a simpler tax code that takes less time to fill out, that is easier for the American people," 1997.

In the last 7 years, the Speaker's party, the Republican party, has made the tax code 25 percent more complicated than it was in 1997, moving in exactly the opposite direction.

In 2001, 4 years later, 2001, President Bush said, Americans want our tax code to be reasonable and simple and fair. He was absolutely right. That is what I want. That is what every American wants. These are goals that have shaped my plan. What plan? No plan, no plan here, no plan in the Committee on Ways and Means, no plan from the White House.

□ 2045

And then in 2004, fast forward 3 years, just last year: "The administration has made tax simplification a priority, and we look forward to working with Congress to achieve it. A simpler code is something we owe honest taxpayers, and the worst thing of all for the tax cheat."

Mr. Speaker, we agree with the President, but what did we do today? This very day, we made the Tax Code more

complicated, not to mention costing many small farmers and small businessmen more money than they otherwise would have paid with existing policy.

Mr. Speaker, my Republican friends, my Democratic friends, on behalf of the Democratic Party, I pledge that we are going to fight to reform a system that is complicated, that is unfair, and that is inefficient so that Americans will say, as painful as April 15 may be, at least it was easier to fill out, at least I think it was fair, and at least I think it will be handled in an efficient way.

Democrats are committed to reforming this Tax Code so it will be simpler, fairer, and more efficient.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. MCCARTHY) to revise and extend their remarks and include extraneous material:)

Mr. DEFAZIO, for 5 minutes, today.
Ms. WOOLSEY, for 5 minutes, today.
Mr. BROWN of Ohio, for 5 minutes, today.

Mr. EMANUEL, for 5 minutes, today.
Mr. MCDERMOTT, for 5 minutes, today.

Ms. WATSON, for 5 minutes, today.
Mrs. MCCARTHY, for 5 minutes, today.
Ms. CORRINE BROWN of Florida, for 5 minutes, today.

(The following Members (at the request of Mrs. BIGGERT) to revise and extend their remarks and include extraneous material:)

Mrs. BIGGERT, for 5 minutes, today.
Mr. KIRK, for 5 minutes, today.
Mr. OSBORNE, for 5 minutes, today.
Mr. DREIER, for 5 minutes, April 14.
Mr. DUNCAN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DREIER, for 5 minutes, today.

ADJOURNMENT

Mr. HOYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Thursday, April 14, 2005, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1521. A letter from the Secretary, Department of Agriculture, transmitting the annual assessment of the cattle and hog industries, pursuant to Public Law 106-472 7 U.S.C. 181, et seq; to the Committee on Agriculture.

1522. A letter from the Acting Administrator, AMS, Department of Agriculture,

transmitting the Department's final rule — Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches [Docket No. FV05-916-1 IFR] received April 1, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1523. A letter from the Director, Regulatory Review Group, FSA, Department of Agriculture, transmitting the Department's final rule — Tobacco Transition Assessments (RIN: 0560-AH31) received February 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1524. A letter from the Comptroller, Department of Defense, transmitting a report of a violation of the Antideficiency Act by the Department of the Navy, Case Number 04-04, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1525. A letter from the Acting Under Secretary for Acquisition, Technology and Logistics, Department of Defense, transmitting the Selected Acquisition Reports (SARs) for the quarter ending December 31, 2003, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

1526. A letter from the Acting Under Secretary for Acquisition, Technology, and Logistics, Department of Defense, transmitting two reports, the first is the "Department of Defense (DoD) Chemical and Biological Defense Program (CBDP) Annual Report to Congress," and the "Department of Defense (DoD) Chemical and Biological Defense Program (CBDP) Performance Plan for Fiscal Years 2004-2006," pursuant to 50 U.S.C. 1523; to the Committee on Armed Services.

1527. A letter from the Acting Under Secretary for Acquisition, Technology, and Logistics, Department of Defense, transmitting a report identifying, for each of the armed forces (other than the Coast Guard) and each Defense Agency, the percentage of funds that were expended during the preceding two fiscal years for performance of depot-level maintenance and repair workloads by the public and private sectors, pursuant to 10 U.S.C. 2466(d)(1); to the Committee on Armed Services.

1528. A letter from the Assistant Secretary for Reserve Affairs, Department of Defense, transmitting the National Guard Challenge Program Annual Report for Fiscal Year 2004, pursuant to 32 U.S.C. 509(k); to the Committee on Armed Services.

1529. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Resolving Tax Problems [DFARS Case 2003-D032] received February 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

1530. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Tax Procedures for Overseas Contracts [DFARS Case 2003-D031] received February 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

1531. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's 2004 Annual Report, pursuant to 12 U.S.C. 3305; to the Committee on Financial Services.

1532. A letter from the Secretary, Department of Health and Human Services, transmitting a report on the Status and Condition of Head Start Facilities used by the American Indian and Alaska Native Programs, as required by Section 650(b) of the Head Start Act; to the Committee on Education and the Workforce.

1533. A letter from the Deputy Assistant Secretary for Export Administration, De-

partment of Commerce, transmitting the Department's final rule — Amendments Affecting the Country Scope of the End-User/End-Use Controls in Section 744.4 of the Export Administration Regulations (EAR) [Docket No. 040615184-4184-01] (RIN: 0694-AD15) received April 5, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1534. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report describing, to the extent practicable, any involvement of a foreign military or defense ministry civilian that have participated in the International Military Education and Training (IMET) program, and have been identified in the Country Reports on Human Rights Practices for 2004 as violating internationally recognized human rights subsequent to such training, pursuant to Section 549 of the Foreign Assistance Act, as amended; to the Committee on International Relations.

1535. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on "Overseas Surplus Property," pursuant to Public Law 105-277, section 2215; to the Committee on International Relations.

1536. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report mandated in the Participation of Taiwan in the World Health Organization Act, 2004 (Pub. L. 108-235), Section 1(c); to the Committee on International Relations.

1537. A letter from the Attorney Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1538. A letter from the Attorney Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1539. A letter from the Attorney Advisor, Department of Transportation, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1540. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting the Program Performance Report for FY 2004, as required by the Government Performance and Results Act; to the Committee on Government Reform.

1541. A letter from the Chief Administrative Officer, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period January 1, 2005 through March 31, 2005 as compiled by the Chief Administrative Officer, pursuant to 2 U.S.C. 104a Public Law 88-454; (H. Doc. No. 109-19); to the Committee on House Administration and ordered to be printed.

1542. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Economic Exclusive Zone Off Alaska; Deep-Water Species Fishery by Vessels Using Trawl Gear in the Gulf of Alaska [Docket No. 041126333-5040-02; I.D. 032205C] received April 1, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1543. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-8 Airplanes [Docket No. FAA-2004-19541; Directorate Identifier 2004-NM-129-AD; Amendment 39-14013; AD 2005-06-05] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1544. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes [Docket No. FAA-05-20399; Directorate Identifier 2005-CE-02-AD; Amendment 39-13988; AD 2005-04-16] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1545. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 767-200 and -300 Series Airplanes [Docket No. FAA-2004-19446; Directorate Identifier 2004-NM-130-AD; Amendment 39-13967; AD 2005-03-11] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1546. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Honeywell International Inc. TFE731-2 and -3 Series Turbofan Engines [Docket No. FAA-2004-18019; Directorate Identifier 2003-NE-65-AD; Amendment 39-14004; AD 2005-05-15] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1547. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-200B, 747-200C, 747-200F, 747-300, and 747SR Series Airplanes Equipped With General Electric (GE) CF6-45 or -50 Series Engines [Docket No. FAA-2004-19945; Directorate Identifier 2004-NM-22-AD; Amendment 39-14017; AD 2005-06-09] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1548. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A330, A340-200, and A340-300 Series Airplanes [Docket No. 2003-NM-256-AD; Amendment 39-13968; AD 2005-03-12] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1549. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; General Electric Company (GE) CF6-80C2 Turbofan Engines; Correction [Docket No. 2003-NE-43-AD; Amendment 39-13835; AD 2004-22-07] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1550. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A300 B4-622R and A300 F4-622R Airplanes [Docket No. FAA-2004-19542; Directorate Identifier 2003-NM-282-AD; Amendment 39-14005; AD 2005-05-16] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1551. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A319, A320, and A231 Series Airplanes [Docket No. FAA-2004-19264; Directorate Identifier 2004-NM-90-AD; Amendment 39-14014; AD 2005-06-06] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1552. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-100B SUD, -200B, -200C, -200F, and -300 Series Airplanes [Docket No. FAA-2005-20431; Directorate Identifier 2005-NM-040-AD; Amendment 39-13995; AD 2005-04-51] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1553. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A300 B2 and B4 Series Airplanes; A300 B4-600, B4-600R, and B4-600R Series Airplanes, and Model C4-605R Variant F Airplanes (Collectively Called A300-600); and A310 Series Airplanes [Docket No. FAA-2004-19451; Directorate Identifier 2002-NM-138-AD; Amendment 39-13983; AD 2005-04-11] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1554. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Dassault Model Falcon 2000EX and 900EX Series Airplanes [Docket No. FAA-2005-20425; Directorate Identifier 2005-NM-014; AD; Amendment 39-13987; AD 2005-04-15] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1555. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 757 Series Airplanes [Docket No. FAA-2004-19202; Directorate Identifier 2004-NM-95-AD; Amendment 39-13989; AD 2005-05-01] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1556. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model MD-90-30 Airplanes [Docket No. FAA-2004-19768; Directorate Identifier 2004-NM-184-AD; Amendment 39-13990; AD 2005-05-02] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1557. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; BAE Systems (Operations) Limited Model BAe 146 and Avro 146-RJ Series Airplanes [Docket No. FAA-2004-18678; Directorate Identifier 2001-NM-312-AD; Amendment 39-13991; AD 2005-05-03] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1558. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Aerospaciale Model ATR 42-200, -300, and -320 Series Airplanes [Docket No. FAA-2004-19562; Directorate Identifier 2004-NM-73-AD; Amendment 39-13992; AD 2005-05-04] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1559. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Rolls-Royce plc Models RB211 Trent 768-60, Trent 772-60, and Trent 772B-60 Turbofan Engines [Docket No. 2003-NE-28-AD; Amendment 39-13994; AD 2005-05-06] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1560. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pratt & Whitney JT9D-59A, -70A, -7Q, and -7Q3 Turbofan Engines [Docket No. 2001-NE-27-AD; Amendment 39-14002; AD 2005-05-13] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1561. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eagle Aircraft (Malaysia) Sdn. Bhd. Model Eagle 150B Airplanes [Docket No. FAA-2004-19897; Directorate Identifier 2004-CE-45-AD; Amendment 39-14003; AD 2005-05-14] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1562. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. (EMBRAER) Model EMB-135 and -145 Series Airplanes [Docket No. 2003-NM-34-AD; Amendment 39-13998; AD 2005-05-09] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1563. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 757-200, 757-200CB, and 757-200PF Series Airplanes Equipped with Rolls Royce Model RB211 Engines [Docket No. FAA-2005-20424; Directorate Identifier 2004-NM-268-AD; Amendment 39-13986; AD 2005-04-14] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1564. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-100, -100B, -100B SUD, -200B, -200C, -200F, and -300 Series Airplanes; and Model 747SP and 747SR Series Airplanes; Equipped with Pratt and Whitney Model JT 9D-3 or -7 (except -70) Series Engines [Docket No. FAA-2004-19812; Directorate Identifier 2003-NM-197-AD; Amendment 39-13996; AD 2005-05-07] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1565. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 727 Airplanes [Docket No. FAA-2004-19530; Directorate Identifier 2002-NM-274-AD; Amendment 39-14008; AD 2005-05-19] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1566. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; BAE Systems (Operations) Limited (Jetstream) Model 4101 Airplanes [Docket No. FAA-2004-19751; Directorate Identifier 2002-NM-59-AD; Amendment 39-14001; AD 2005-05-12] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1567. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A300 B4-600, B4-600R, and F4-600R Series Airplanes, and Model C4-605R Variant F Airplanes (Collectively Called A300-600); and Model A310 Series Airplanes; Equipped with Certain Honeywell Inertial Reference Units (IRU)

[Docket No. FAA-2004-19537; Directorate Identifier 2004-NM-145-AD; Amendment 39-13993; AD 2005-05-05] (RIN: 2120-AA64) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1568. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment of Class D, E2 and E4 Airspace; Columbus Lawson AAF, GA, and Class E5 Airspace; Columbus, GA; Correction [Docket No. FAA-2003-16596; Airspace Docket No. 03-ASO-20] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1569. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Cape Town Treaty Implementation [Docket No. FAA-2004-19944; Amendment Nos. 47-27 and 49-10] (RIN: 2120-AI48) received March 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1570. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Proposed Establishment of Class E2 Airspace; and Modification of Class E5 Airspace; Newton, KS [Docket No. FAA-2004-19579; Airspace Docket No. 04-ACE-69] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1571. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Redesignation of Mountainous Areas in Alaska [Docket No. FAA-2004-19532; Amendment No. 95-340] (RIN: 2120-AI44) received March 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1572. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E2 Airspace; and Modification of Class E5 Airspace; Ames, IA [Docket No. FAA-2004-19580; Airspace Docket No. 04-ACE-70] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1573. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Carrying Candidates in Elections [Docket No. FAA-2005-20168] (RIN: 2120-AI12) received March 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1574. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of E2 Airspace; and Modification of Class E5 Airspace; Ankeny, IA [Docket No. FAA-2004-19581; Airspace Docket No. 04-ACE-71] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1575. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Mifflintown, PA [Docket No. FAA-2004-19458; Airspace Docket No. 04-AEA-11] (RIN: 2120-AA66) received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1576. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Mount Comfort, IN [Docket No. FAA-2004-18948; Airspace Docket No. 04-AGL-18] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1577. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment to Class E Airspace; Presque Isle, ME [Docket No. FAA-2005-20388; Airspace Docket No. 05-AEA-04] (RIN: 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1578. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Angoon, AK [Docket No. FAA-2004-19414; Airspace Docket No. 04-AAL-16] received March 30, 2005; to the Committee on Transportation and Infrastructure.

1579. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Hibbing, MN [Docket No. FAA-2004-18534; Airspace Docket No. 04-AGL-17] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1580. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Coffeyville, KS. [Docket No. FAA-2004-19583; Airspace Docket No. 04-ACE-73] (RIN: 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1581. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Mountain Grove, MO [Docket No. FAA-2005-20064; Airspace Docket No. 05-ACE-6] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1582. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Rolla/Vichy, MO. [Docket No. FAA-2005-20059; Airspace Docket No. 05-ACE-1] (RIN No. 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1583. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E2 Airspace; and Modification of Class E5 Airspace; Newton, IA [Docket No. FAA-2004-19582; Airspace Docket No. 04-ACE-72], pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1584. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Rolla/Vichy, MO. [Docket No. FAA-2005-20059; Airspace Docket No. 05-ACE-1] (RIN: 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1585. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Mena, AR [Docket No. FAA-2004-19405; Airspace Docket No. 2004-ASW-14] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1586. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Beluga AK [Docket No. FAA-2004-19696; Airspace Docket No. 04-AAL-24] received March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1587. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Neosho, MO. [Docket No. FAA-2005-20063; Airspace Docket No. 05-ACE-5] (RIN: 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1588. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Macon, MO. [Docket No. FAA-2005-20066; Airspace Docket No. 05-ACE-8] (RIN: 2120-AA66) received on March 30, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1589. A letter from the Secretary, Department of Health and Human Services, transmitting a letter containing the initial estimate for the applicable percentage increase in Medicare's hospital inpatient prospective payment system (IPPS) rates for Federal fiscal year (FY) 2006; to the Committee on Ways and Means.

1590. A letter from the Commissioner, Social Security Administration, transmitting a report providing notice that the Commissioner has completed the five year nationwide demonstration project to extend fee withholding and direct payment of authorized fees under Titles II and XVI of the Social Security Act to certain non-attorney representatives providing that they meet certain prerequisites, pursuant to Public Law 108—206, section 303; to the Committee on Ways and Means.

1591. A letter from the Secretary, Department of Veterans Affairs, transmitting the biennial report describing the administration of the Montgomery GI Bill education assistance program, covering the program through September 30, 2004, pursuant to 38 U.S.C. 3036; jointly to the Committees on Armed Services and Veterans' Affairs.

1592. A letter from the Secretary, Department of State, transmitting the 2004 Annual Report on United Nations voting practices, pursuant to 22 U.S.C. 2414a; jointly to the Committees on International Relations and Appropriations.

1593. A letter from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a report required by the Foreign Intelligence Surveillance Act of 1978, pursuant to 50 U.S.C. 1807; jointly to the Committees on the Judiciary and Intelligence (Permanent Select).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. H.R. 902. A bill to improve circulation of the \$1 coin, create a new bullion coin, and for other purposes; with amendments (Rept. 109-39). Referred to the Committee of the Whole House on the State of the Union.

Mr. OXLEY: Committee on Financial Services. H.R. 458. A bill to prevent the sale of abusive insurance and investment products to military personnel (Rept. 109-40). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOEHNER: Committee on Education and the Workforce. H.R. 525. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees (Rept. 109-41). Referred to the

Committee of the Whole House on the State of the Union.

Mr. BOEHLERT: Committee on Science. H.R. 798. A bill to provide for a research program for remediation of closed methamphetamine production laboratories, and for other purposes; with an amendment (Rept. 109-42). Referred to the Committee on the Whole House on the State of the Union.

Mr. GINGREY: Committee on Rules. House Resolution 211. Resolution providing for consideration of the bill (S. 256) to amend title II of the United States Code, and for other purposes (Rept. 109-43). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TANCREDO (for himself, Mr. JONES of North Carolina, Mr. COBLE, and Mr. GARRETT of New Jersey):

H.R. 1587. A bill to match willing United States workers with employers, to increase and fairly apportion H-2B visas, and to ensure that H-2B visas serve their intended purpose; to the Committee on the Judiciary.

By Mr. EVANS (for himself, Mr. FILNER, Mr. GUTIERREZ, Ms. CORRINE BROWN of Florida, Mr. MICHAUD, Ms. HERSETH, Mr. STRICKLAND, Ms. BERKLEY, Mr. UDALL of New Mexico, Mrs. DAVIS of California, Mr. BISHOP of Georgia, Mr. DEFAZIO, Mr. LYNCH, Ms. DELAURO, Mr. GRJALVA, Mr. VAN HOLLEN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCDERMOTT, Mr. SCHIFF, Mr. ABERCROMBIE, Mr. CASE, Mr. MCGOVERN, Mr. PETERSON of Minnesota, Mrs. JONES of Ohio, Ms. BORDALLO, Mr. ORTIZ, Mr. GEORGE MILLER of California, Mr. ANDREWS, Mr. BAIRD, Mr. KENNEDY of Rhode Island, Mr. LANGEVIN, Mr. KUCINICH, Mr. EMANUEL, and Mr. TAYLOR of Mississippi):

H.R. 1588. A bill to improve programs for the identification and treatment of post-deployment mental health conditions, including post-traumatic stress disorder, in veterans and members of the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WOOLSEY (for herself, Mr. GEORGE MILLER of California, Ms. DELAURO, Mr. OWENS, Mr. KILDEE, Mr. WEXLER, Ms. MILLENDER-MCDONALD, Mr. KUCINICH, Ms. CARSON, Mr. FILNER, Mr. SANDERS, Mr. WAXMAN, Mr. LANTOS, Mr. BLUMENAUER, Mr. DAVIS of Illinois, Mr. RUSH, Ms. PELOSI, Mrs. MCCARTHY, Ms. CORRINE BROWN of Florida, Mrs. CHRISTENSEN, Ms. JACKSON-LEE of Texas, Mr. HINOJOSA, Mr. PAYNE, Mrs. JONES of Ohio, Mr. MCDERMOTT, Ms. MATSUI, Ms. WASSERMAN SCHULTZ, Ms. SOLIS, Mrs. CAPPAS, Ms. KILPATRICK of Michigan, Mr. BROWN of Ohio, Mr. JACKSON of Illinois, Ms. LEE, Ms. LINDA T. SANCHEZ of California, Mrs. DAVIS of California, Mr. GRJALVA, Ms. MCKINNEY, Mr. FARR, Mr. LEWIS of Georgia, Ms. WATSON, and Mr. DOGGETT):

H.R. 1589. A bill to improve the lives of working families by providing family and medical need assistance, child care assistance, in-school and afterschool assistance, family care assistance, and encouraging the

establishment of family-friendly workplaces; to the Committee on Education and the Workforce, and in addition to the Committees on House Administration, Government Reform, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KIND (for himself and Mr. FLAKE):

H.R. 1590. A bill to amend the Food Security Act of 1985 to restore integrity to, and strengthen payment limitation rules for, commodity payments and benefits; to the Committee on Agriculture.

By Mr. GILCHREST (for himself, Mr. EHLERS, Mr. KIRK, Mr. BLUMENAUER, and Mr. DEFAZIO):

H.R. 1591. A bill to amend the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to reauthorize and improve that Act; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EHLERS (for himself, Mr. GILCHREST, Mr. BOEHLERT, Mr. BAIRD, Mr. HONDA, and Mr. KIRK):

H.R. 1592. A bill to establish marine and freshwater research, development, and demonstration programs to support efforts to prevent, control, and eradicate invasive species, as well as to educate citizens and stakeholders and restore ecosystems; to the Committee on Science, and in addition to the Committees on Transportation and Infrastructure, Resources, and House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EHLERS:

H.R. 1593. A bill to establish the National Invasive Species Council, and for other purposes; to the Committee on Resources.

By Mr. BRADLEY of New Hampshire (for himself and Mr. MEEHAN):

H.R. 1594. A bill to require the Secretary of Defense to develop and implement a plan to provide chiropractic health care services and benefits as part of the TRICARE program; to the Committee on Armed Services.

By Ms. BORDALLO (for herself, Mr. RAHALL, Mr. SENSENBRENNER, Mr. CONYERS, Mr. YOUNG of Alaska, Mr. SKELTON, Mr. BURTON of Indiana, Mr. LANTOS, Mr. JONES of North Carolina, Mr. HONDA, Mr. FLAKE, Mr. EVANS, Mr. RENZI, Ms. VELZQUEZ, Mr. FORTUÑO, Mr. GEORGE MILLER of California, Mr. ISSA, Mr. SCOTT of Virginia, Mr. MILLER of Florida, Ms. ZOE LOFGREN of California, Mr. FALCOMAVALGA, Mr. ABERCROMBIE, Mr. WILSON of South Carolina, Mr. ORTIZ, Mr. ALEXANDER, Mrs. CHRISTENSEN, Mr. REHBERG, Mr. KIND, Mrs. NAPOLITANO, Mr. UDALL of New Mexico, Mr. GRIJALVA, Mr. CARDOZA, Mr. TOWNS, Mr. PAYNE, Ms. NORTON, Mr. BECERRA, Mr. HASTINGS of Florida, Mr. HOLDEN, Ms. BERKLEY, Mr. CROWLEY, Ms. SCHAKOWSKY, Mr. LANGEVIN, Ms. SOLIS, Mr. WU, Ms. WATSON, Mr. CASE, Mr. SCOTT of Georgia, and Ms. MATSUI):

H.R. 1595. A bill to implement the recommendations of the Guam War Claims Review Commission; to the Committee on Resources.

By Mr. ALEXANDER (for himself, Mr. BAKER, Mr. JINDAL, Mr. JEFFERSON, Mr. BOUSTANY, Mr. MCCREERY, and Mr. MELANCON):

H.R. 1596. A bill to amend the Outer Continental Shelf Lands Act to promote uses on the Outer Continental Shelf; to the Committee on Resources.

By Ms. BALDWIN (for herself, Mr. BROWN of Ohio, Mr. KUCINICH, Mr. CHABOT, Mr. GONZALEZ, and Mr. SENSENBRENNER):

H.R. 1597. A bill to amend the Internal Revenue Code of 1986 to increase the age limit for the child tax credit; to the Committee on Ways and Means.

By Mr. BILIRAKIS (for himself, Mr. EVANS, Mr. FILNER, Ms. HART, Mr. FOLEY, Mr. FOSSELLA, and Mr. WHITFIELD):

H.R. 1598. A bill to amend title 38, United States Code, to provide improved benefits for veterans who are former prisoners of war; to the Committee on Veterans' Affairs.

By Mr. BRADLEY of New Hampshire:

H.R. 1599. A bill to amend the Internal Revenue Code of 1986 to extend for two years the higher exemption amounts under the alternative minimum tax for individuals and to adjust the exemption amounts and phaseout thresholds in the alternative minimum tax for inflation; to the Committee on Ways and Means.

By Mrs. CUBIN (for herself, Mr. RAHALL, Mr. SHIMKUS, Mr. COSTELLO, and Mr. NEY):

H.R. 1600. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize and reform the Abandoned Mine Reclamation Program, and for other purposes; to the Committee on Resources.

By Mr. FATTAH:

H.R. 1601. A bill to require a study and comprehensive analytical report on transforming America by reforming the Federal tax code through elimination of all Federal taxes on individuals and corporations and replacing the Federal tax code with a transaction fee-based system; to the Committee on Ways and Means.

By Mr. GALLEGLY:

H.R. 1602. A bill to provide grants for prosecutions of cases cleared through use of DNA backlog clearance funds; to the Committee on the Judiciary.

By Mr. GINGREY:

H.R. 1603. A bill to require the Bureau of Alcohol, Tobacco, Firearms, and Explosives to make video recordings of the examination and testing of firearms and ammunition, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. GRANGER:

H.R. 1604. A bill to amend title 10, United States Code, to provide for the inclusion of hazardous duty pay and diving pay in the computation of military retired pay for members of the Armed Forces with extensive hazardous duty experience, to require a Comptroller General study on the need for a tax credit for businesses that employ members of the National Guard and Reserve, and to require a report by the Secretary of Defense on the expansion of the Junior ROTC and similar military programs for young people; to the Committee on Armed Services.

By Mr. HENSARLING:

H.R. 1605. A bill to amend the Federal Election Campaign Act of 1971 to exclude communications over the Internet from the definition of public communication; to the Committee on House Administration.

By Mr. HENSARLING:

H.R. 1606. A bill to amend the Federal Election Campaign Act of 1971 to exclude communications over the Internet from the definition of public communication; to the Committee on House Administration.

By Mr. HERGER (for himself and Mr. POMEROY):

H.R. 1607. A bill to amend the Internal Revenue Code of 1986 to allow tax-free distributions from individual retirement accounts for charitable purposes; to the Committee on Ways and Means.

By Ms. HERSETH (for herself, Mr. OSBORNE, Mr. PETERSON of Minnesota, Mr. KING of Iowa, Mr. BERRY, Mr. POMEROY, Mr. GRAVES, Mr. BOSWELL, Ms. MCCOLLUM of Minnesota, Mr. SKELTON, Mr. KENNEDY of Minnesota, Ms. KAPTUR, Mr. MCHUGH, Mr. FORTENBERRY, Mr. MORAN of Kansas, Mr. LEACH, Mr. RYUN of Kansas, Mr. STRICKLAND, Mr. LATHAM, Mr. LAHOOD, Ms. CARSON, Mr. PENCE, Mr. NUSSLE, Mr. TERRY, and Mr. CHANDLER):

H.R. 1608. A bill to amend the Clean Air Act to increase production and use of renewable fuel and to increase the energy independence of the United States, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HOLT:

H.R. 1609. A bill to reduce until December 31, 2008, the duty on potassium sorbate; to the Committee on Ways and Means.

By Mr. HOLT:

H.R. 1610. A bill to reduce until December 31, 2008, the duty on sorbic acid; to the Committee on Ways and Means.

By Ms. HOOLEY:

H.R. 1611. A bill to modify the calculation of back pay for persons who were approved for promotion as members of the Navy and Marine Corps while interned as prisoners of war during World War II to take into account changes in the Consumer Price Index; to the Committee on Armed Services.

By Ms. KAPTUR:

H.R. 1612. A bill to establish ethanol and biodiesel fuel requirements for the Federal fleet; to the Committee on Government Reform.

By Mr. KENNEDY of Rhode Island (for himself, Mr. FRANK of Massachusetts, Mr. HINCHEY, Ms. MILLENDER-MCDONALD, Ms. LEE, Ms. JACKSON-LEE of Texas, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Mr. GRIJALVA, Ms. LINDA T. SANCHEZ of California, Mr. OWENS, Ms. WOOLSEY, Mr. KUCINICH, Mr. PLATTS, Mr. ABERCROMBIE, Mr. WEXLER, Mrs. LOWEY, Mr. HIGGINS, Mr. HINOJOSA, and Mr. SERRANO):

H.R. 1613. A bill to amend the Public Health Service Act to authorize formula grants to States to provide access to affordable health insurance for certain child care providers and staff, and for other purposes; to the Committee on Energy and Commerce.

By Mrs. LOWEY:

H.R. 1614. A bill to amend the Internal Revenue Code of 1986 to reduce estate tax rates by 20 percent, to increase the unified credit against estate and gift taxes to the equivalent of a \$3,000,000 exclusion and to provide an inflation adjustment of such amount, and for other purposes; to the Committee on Ways and Means.

By Mr. MCDERMOTT (for himself, Mr. PETRI, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEACH, Mr. FARR, Mr. SHAYS, Mr. PALLONE, Mr. RAMSTAD, Mr. KILDEE, Mr. JOHNSON of Illinois, Mr. SPRATT, Mr. WALSH, Mrs. TAUSCHER, Mr. BOEHLERT, and Mr. GEORGE MILLER of California):

H.R. 1615. A bill to ensure that proper planning is undertaken to secure the preservation and recovery of the salmon and steelhead of the Columbia River basin and the maintenance of reasonably priced, reliable power, to direct the Secretary of Commerce to seek scientific analysis of Federal

efforts to restore salmon and steelhead listed under the Endangered Species Act of 1973, and for other purposes; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCHENRY (for himself, Mr. GRAVES, Mr. KENNEDY of Minnesota, Mr. SOUDER, Mr. BURTON of Indiana, Mr. WALDEN of Oregon, Ms. FOX, Miss MCMORRIS, and Mr. BOOZMAN):

H.R. 1616. A bill to amend the Controlled Substances Act to provide an increased penalty for endangering the life of a child while illegally manufacturing a controlled substance; to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PETRI:

H.R. 1617. A bill to allow borrowers consolidating student loans to choose a variable or fixed interest rate, and for other purposes; to the Committee on Education and the Workforce.

By Mr. RENZI (for himself, Mr. SMITH of New Jersey, Mr. HAYWORTH, and Mr. JONES of North Carolina):

H.R. 1618. A bill to amend title 38, United States Code, to establish a group disability insurance benefit for members of the Armed Forces who incur certain severe disabilities; to the Committee on Veterans' Affairs.

By Mr. SANDERS (for himself, Mr. WEINER, Mr. OWENS, Ms. JACKSON-LEE of Texas, Mr. CONYERS, Mr. KUCINICH, Mr. GEORGE MILLER of California, Ms. LEE, Mr. EVANS, Mr. JACKSON of Illinois, Mr. GRIJALVA, Ms. KILPATRICK of Michigan, Ms. WOOLSEY, Mr. TIERNEY, Mr. STARK, Mr. CUMMINGS, Ms. SCHAKOWSKY, Mr. MCGOVERN, and Mr. LANTOS):

H.R. 1619. A bill to amend the Truth in Lending Act to protect consumers from usury and unreasonable fees, and for other purposes; to the Committee on Financial Services.

By Mr. SHERMAN (for himself and Mr. SMITH of Texas):

H.R. 1620. A bill to establish the Commission on Freedom of Information Act Processing Delays; to the Committee on Government Reform.

By Mr. SIMMONS (for himself, Mr. VAN HOLLEN, Mrs. CAPITO, Mr. FERGUSON, Mr. ROGERS of Michigan, Mr. WILSON of South Carolina, Mr. HOEKSTRA, Mrs. MILLER of Michigan, Mr. GERLACH, Mr. MCCOTTER, Mr. MCHUGH, Mr. SHIMKUS, Mr. DAVIS of Kentucky, Mr. SMITH of New Jersey, Mr. PITTS, Mr. LOBIONDO, Mr. HAYES, Mr. HOYER, Mr. MORAN of Virginia, Ms. KILPATRICK of Michigan, Ms. ROYBAL-ALLARD, Ms. LINDA T. SÁNCHEZ of California, Mr. CARDIN, Ms. NORTON, Mr. BISHOP of New York, Mr. PRICE of North Carolina, Mr. COOPER, Mr. TIBERI, Mr. HOLT, Mr. RANGEL, Mr. FRANK of Massachusetts, Ms. FOX, and Mr. LATOURETTE):

H.R. 1621. A bill to amend the Internal Revenue Code of 1986 to repeal the authority of the Secretary of the Treasury to enter into private tax collection contracts; to the Committee on Ways and Means.

By Mr. STEARNS:

H.R. 1622. A bill to amend the Communications Act of 1934 to reduce restrictions on media ownership, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STRICKLAND:

H.R. 1623. A bill to recognize the organization known as the National Academies of Practice; to the Committee on the Judiciary.

By Mr. THOMPSON of California (for himself, Mr. BOSWELL, Mr. SALAZAR, Mr. CRAMER, Mr. BISHOP of Georgia, Ms. HERSETH, Mr. CHANDLER, Mrs. TAUSCHER, Mr. COSTA, Mr. ISRAEL, Mr. CARDOZA, Mr. BERRY, Mrs. MCCARTHY, and Ms. HOOLEY):

H.R. 1624. A bill to amend the Internal Revenue Code of 1986 to provide for the immediate and permanent repeal of the estate tax on family-owned businesses and farms, and for other purposes; to the Committee on Ways and Means.

By Mr. VISCLOSKEY:

H.R. 1625. A bill to amend the Act entitled "An Act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes" to clarify the authority of the Secretary of the Interior to accept donations of lands that are contiguous to the Indiana Dunes National Lakeshore, and for other purposes; to the Committee on Resources.

By Mr. WU:

H.R. 1626. A bill to amend part D of title XVIII of the Social Security Act to authorize the Secretary of Health and Human Services to negotiate for lower prices for Medicare prescription drugs and to eliminate the gap in coverage of Medicare prescription drug benefits, to authorize the Secretary of Health and Human Services to promulgate regulations for the reimportation of prescription drugs, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WU:

H.R. 1627. A bill to amend title XVIII of the Social Security Act to provide geographic equity in fee-for-service reimbursement for providers under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOLEY (for himself, Mr. SHAYS, and Ms. FOX):

H.J. Res. 41. A joint resolution proposing an amendment to the Constitution of the United States to provide that no person born in the United States will be a United States citizen unless a parent is a United States citizen, or is lawfully admitted for permanent residence in the United States, at the time of the birth; to the Committee on the Judiciary.

By Mr. DREIER:

H. Con. Res. 131. Concurrent resolution expressing the sense of Congress relating to a free trade agreement between the United States and the European Union (EU); to the Committee on Ways and Means.

By Mr. MORAN of Virginia (for himself, Mr. MEEHAN, Mr. ISSA, Mr. GRIJALVA, Mrs. DAVIS of California, Mr. LARSEN of Washington, Mr. RYAN of Ohio, Mr. SMITH of Washington, Mr. BARTLETT of Maryland, Mr. REYES, Mr. MCINTYRE, Mr. JONES of North Carolina, Mrs. JONES of Ohio, Mr. ABERCROMBIE, Mr. SKELTON, Mr. SNYDER, Mr. SPRATT, Mr. SHIMKUS, Mrs. MCCARTHY, Mr. HAYES, Mrs. DRAKE, Ms. KAPTUR, Mr. TAYLOR of Mississippi, and Mr. NEUGEBAUER):

H. Res. 212. A resolution honoring military children during "National Month of the Mili-

tary Child"; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. GUTIERREZ introduced A bill (H.R. 1628) for the relief of Elvira Arellano; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under Clause 7 of Rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mrs. NORTHUP, Mr. ISSA, and Mr. GALLEGLY.

H.R. 13: Mr. LAHOOD.

H.R. 22: Mr. DUNCAN, Mr. BRADLEY of New Hampshire, Mr. LATOURETTE, and Mr. TURNER.

H.R. 25: Mr. GRAVES.

H.R. 49: Mr. MCDERMOTT.

H.R. 69: Mr. MCCAUL of Texas.

H.R. 97: Mr. EDWARDS and Mrs. DRAKE.

H.R. 147: Ms. HART.

H.R. 266: Mr. BOUSTANY.

H.R. 269: Mr. CARDOZA.

H.R. 304: Mr. CARDOZA.

H.R. 311: Mr. BARROW, Mr. KIRK, Mr. MCGOVERN, Mr. MEEK of Florida, Mr. MORAN of Virginia, Mr. MCNULTY, Mr. NADLER, Mr. LANTOS, Mr. NEAL of Massachusetts, Mr. HASTINGS of Florida, Ms. BORDALLO, Mr. ETHERIDGE, Mr. ROSS, Mr. WU, Mr. TOWNS, Mr. JEFFERSON, and Mr. WEINER.

H.R. 312: Ms. ROS-LEHTINEN.

H.R. 339: Mr. SENSENBRENNER.

H.R. 371: Ms. HERSETH, Mr. NORWOOD, Mr. BERRY, Mr. ANDREWS, and Mr. HOLT.

H.R. 466: Mr. GREEN of Wisconsin.

H.R. 523: Mr. HENSARLING.

H.R. 525: Mr. MARIO DIAZ-BALART of Florida, Ms. LEE, Mr. SMITH of Texas, and Mr. BURGESS.

H.R. 527: Ms. ZOE LOFGREN of California, Mr. MURTHA, and Mr. CASE.

H.R. 535: Mr. GEORGE MILLER of California, Ms. HARMAN, Mr. RANGEL, and Ms. ESHOO.

H.R. 556: Mr. LANTOS, Mr. OLVER, and Ms. SCHWARTZ of Pennsylvania.

H.R. 558: Mr. CARDOZA.

H.R. 602: Mr. RANGEL, Mr. SHAW, Mrs. JONES of Ohio, Mrs. KELLY, Mrs. BONO, Mr. CRAMER, Ms. SCHWARTZ of Pennsylvania, and Mr. RAHALL.

H.R. 624: Mr. GOODLATTE.

H.R. 625: Mr. LANTOS.

H.R. 651: Mr. SKELTON.

H.R. 653: Mr. WU, Mr. CARNAHAN, Mrs. NAPOLITANO, Mr. MEEKS of New York, Ms. HERSETH, Mr. MCGOVERN, and Mr. CHANDLER.

H.R. 669: Mr. WALSH.

H.R. 676: Mr. OLVER.

H.R. 712: Mr. WAMP.

H.R. 719: Mr. EVERETT, Mr. BERRY, Mr. HINCHEY, Mr. SNYDER, Mr. THOMPSON of Mississippi, Mr. FARR, Mr. GORDON, and Mr. LAHOOD.

H.R. 758: Ms. GRANGER.

H.R. 762: Mr. RYAN of Ohio.

H.R. 763: Mr. RYAN of Ohio.

H.R. 772: Mr. SCOTT of Georgia, Mr. GRIJALVA, Mr. MENENDEZ, and Mr. GENE GREEN of Texas.

H.R. 780: Ms. WATSON, Mrs. CHRISTENSEN, Mr. INSLEE, Mr. ETHERIDGE, and Mr. MOORE of Kansas.

H.R. 787: Mr. DANIEL E. LUNGREN of California, Mr. MCKEON, Ms. HARMAN, and Mr. CUNNINGHAM.

H.R. 798: Mr. LEWIS of Kentucky.

H.R. 808: Mr. ABERCROMBIE, Mr. BOYD, Mr. BUTTERFIELD, Mrs. JO ANN DAVIS of Virginia,

Mr. FORTUÑO, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Ms. HERSETH, Mr. HOLDEN, Mr. KIND, Mr. NEAL of Massachusetts, Mr. PAUL, Mr. VAN HOLLEN, Mr. MURPHY, Mr. CONAWAY, Mr. MICHAUD, Mr. LATOURETTE, Mr. GRIJALVA, Ms. LEE, Mr. BAKER, Mr. BERRY, Mr. HEFLEY, Mr. SERRANO, Mr. ALEXANDER, and Mr. ORTIZ.

H.R. 809: Mr. HOSTETTLER, Mr. ROYCE, Mr. TURNER, Mr. GREEN of Wisconsin, Mr. SESSIONS, and Mr. CULBERSON.

H.R. 819: Mr. JOHNSON of Illinois, Mrs. KELLY, Mr. PETERSON of Minnesota, Ms. ROSLEHTINEN, and Mr. GUTKNECHT.

H.R. 827: Mr. CAMP.

H.R. 867: Mr. CUELLAR.

H.R. 869: Mr. FRANK of Massachusetts.

H.R. 881: Mr. SHAW.

H.R. 908: Mr. TOWNS.

H.R. 913: Mr. MILLER of Florida, Mr. MCGOVERN, Mr. DAVIS of Alabama, Mr. BOUCHER, Mr. FEENEY, Mr. FLAKE, and Ms. HOOLEY.

H.R. 923: Mr. TIERNEY and Mr. LIPINSKI.

H.R. 939: Mr. MEEK of Florida, Mr. FARR, Mrs. DAVIS of California, Mr. NADLER, Mr. SERRANO, and Mr. STARK.

H.R. 946: Ms. WOOLSEY.

H.R. 986: Mr. FILNER.

H.R. 995: Mr. MCGOVERN.

H.R. 1029: Mr. LEWIS of Georgia and Mr. MICHAUD.

H.R. 1073: Mr. FORTUÑO.

H.R. 1074: Mr. FORTUÑO.

H.R. 1075: Mr. FORTUÑO.

H.R. 1079: Mr. PETRI.

H.R. 1095: Mr. RANGEL.

H.R. 1103: Ms. MCCOLLUM of Minnesota and Mr. JOHNSON of Illinois.

H.R. 1106: Mr. ALLEN and Mr. MURPHY.

H.R. 1107: Mr. LANTOS.

H.R. 1108: Ms. LEE and Mr. WAXMAN.

H.R. 1114: Mr. POMBO.

H.R. 1131: Mr. GUTIERREZ.

H.R. 1133: Ms. ROS-LEHTINEN, Mr. BERMAN, Mr. BLUMENAUER, Mr. KENNEDY of Rhode Island, Mr. KENNEDY of Minnesota, Mr. PALLONE, Mr. SCHIFF, Mr. TANCREDO, and Mr. KUHL of New York.

H.R. 1140: Mr. PAUL.

H.R. 1175: Ms. MOORE of Wisconsin.

H.R. 1194: Mr. GRIJALVA.

H.R. 1214: Mr. UDALL of Colorado.

H.R. 1219: Mr. UPTON, Mr. SHADEGG, Mrs. DRAKE, Mr. DEAL of Georgia, and Mr. MCCAUL of Texas.

H.R. 1227: Mr. SABO, Mr. TIERNEY, Mr. STARK, and Mr. SNYDER.

H.R. 1239: Mr. GOODE, Mr. NEAL of Massachusetts, Mr. SPRATT, Mr. PETRI, Mrs. MYRICK, Mr. MILLER of Florida, Mr. ALEXANDER, Mr. INGLIS of South Carolina, Mr. PASCRELL, Mr. LATHAM, Mr. HOSTETTLER, and Mr. MCCOTTER.

H.R. 1258: Mr. PAYNE and Mr. CUMMINGS.

H.R. 1259: Mr. KILDEE.

H.R. 1262: Mr. FITZPATRICK of Pennsylvania, Mr. BOOZMAN, Mr. BERMAN, Mr. MANZULLO, Mr. ALLEN, and Mr. GRIJALVA.

H.R. 1273: Mr. GUTKNECHT, Mr. KENNEDY of Minnesota, and Mr. GREEN of Wisconsin.

H.R. 1279: Mr. GALLEGLY.

H.R. 1281: Mr. RANGEL and Mr. JEFFERSON.

H.R. 1309: Mr. GRIJALVA and Mr. RANGEL.

H.R. 1316: Mr. PAUL, Mr. DOOLITTLE, Mr. SESSIONS, Mr. COLE of Oklahoma, and Mr. MILLER of Florida.

H.R. 1317: Mr. WAXMAN.

H.R. 1329: Mr. NADLER, Mr. BOSWELL, Mr. BROWN of Ohio, Mr. MORAN of Virginia, and Mr. MCDERMOTT.

H.R. 1337: Mr. CULBERSON, Mr. GOODE, Mr. CANTOR, Mr. CONAWAY, Mr. COLE of Oklahoma, Mr. GINGREY, Mr. CARTER, Mr. MARCHANT, Mr. COX, Mr. RYAN of Wisconsin, Mr. SAM JOHNSON of Texas, Mr. HENSARLING, Mr. TANCREDO, Mr. DOOLITTLE, Mr. POE, Mr. PRICE of Georgia, Mr. BARRETT of South Carolina, and Mr. SODREL.

H.R. 1339: Mr. LAHOOD, Mr. REHBERG, Mr. BOOZMAN, and Mr. GRAVES.

H.R. 1355: Ms. FOX, Mr. WELDON of Florida, Mr. MCHENRY, Mr. JONES of North Carolina, Mr. GUTKNECHT, Mr. HENSARLING, Mr. GOHMERT, Mr. CUELLAR, Mr. FORTENBERRY, Mr. MARIO DIAZ-BALART of Florida, and Ms. WASSERMAN SCHULTZ.

H.R. 1356: Mr. TAYLOR of Mississippi.

H.R. 1357: Mr. RAHALL.

H.R. 1358: Ms. Ms. BORDALLO, Mr. MCGOVERN, Mr. EVANS, Mr. BARROW, Ms. HARRIS, Mr. SPRATT, Mr. TAYLOR of Mississippi, Mr. GORDON, and Mr. DEFazio.

H.R. 1362: Mr. PAYNE.

H.R. 1376: Mr. MEEHAN, Mr. COX, Mr. SMITH of New Jersey, Mr. MARKEY, Mr. DAVIS of Illinois, Mr. CUMMINGS, Mr. WEINER, Mr. ACKERMAN, Mr. FRANK of Massachusetts, Ms. SCHAKOWSKY, Mr. MICHAUD, and Mr. BOEHLERT.

H.R. 1384: Mr. SHUSTER, Mr. KUHL of New York, Mrs. DRAKE, Ms. FOX, Mr. SAM JOHNSON of Texas, Mr. TANCREDO, Mr. JONES of North Carolina, Mr. DOOLITTLE, Mr. GOODE, Mr. CONAWAY, Mr. PENCE, Mr. CULBERSON, Mr. COLE of Oklahoma, and Mr. GARRETT of New Jersey.

H.R. 1401: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. ISRAEL, and Mr. STARK.

H.R. 1402: Ms. KAPTUR.

H.R. 1406: Ms. BORDALLO.

H.R. 1410: Ms. WOOLSEY.

H.R. 1421: Mr. TERRY, Mr. UPTON, and Mr. GILLMOR.

H.R. 1425: Mr. LANTOS.

H.R. 1445: Mr. WEXLER, Mr. PITTS, Mr. ALEXANDER, and Mr. BARTLETT of Maryland.

H.R. 1446: Mr. COLE of Oklahoma, Mr. OSBORNE, Mr. MCHENRY, Mr. TERRY, Ms. GINNY BROWN-WAITE of Florida, and Mr. BOOZMAN.

H.R. 1449: Mr. BOUSTANY, Mr. PITTS, and Mr. SESSIONS.

H.R. 1471: Mr. BRADLEY of New Hampshire, Mrs. JOHNSON of Connecticut, Mr. UPTON, Ms. DELAURO, and Mr. RENZI.

H.R. 1500: Mr. MILLER of Florida.

H.R. 1520: Mr. SNYDER.

H.R. 1521: Mr. BRADY of Pennsylvania.

H.R. 1540: Mr. ROHRBACHER.

H.R. 1554: Mr. WALDEN of Oregon.

H.R. 1565: Ms. DEGETTE and Mr. Lipinski.

H.R. 1578: Mr. WAMP, Mr. SENSENBRENNER, and Mr. CANNON.

H.J. Res. 23: Mr. WU, Mr. EVANS, Mr. WEINER, Mr. SERRANO, and Mr. KENNEDY of Rhode Island.

H.J. Res. 27: Mr. SENSENBRENNER.

H.J. Res. 28: Ms. MOORE of Wisconsin, Mr. FILNER, Ms. LINDA T. SANCHEZ of California, and Mr. GRIJALVA.

H.J. Res. 29: Mr. DAVIS of Illinois, Mr. PAYNE, Mr. GRIJALVA, and Mr. BISHOP of Georgia.

H.J. Res. 30: Mr. HINCHEY, Mr. LEWIS of Georgia, Ms. WOOLSEY, Mr. DAVIS of Illinois, Mr. GRIJALVA, and Mr. SANDERS.

H. Con. Res. 24: Mr. INSLEE, Mr. FALCOMA, Mr. GERLACH, Mr. DELAHUNT, Mr. MARKEY, Mr. SIMMONS, Mr. STRICKLAND, Mr. VAN HOLLEN, Mr. BACA, Ms. LINDA T. SANCHEZ of California, Mr. FARR, Mr. FILNER, Mr. BUTTERFIELD, Mr. SERRANO, Mr. BRADY of Pennsylvania, Mr. HOLDEN, Mr. KUCINICH, Ms. LORETTA SANCHEZ of California, Mr. LARSEN of Washington, Ms. SCHAKOWSKY, Ms. WOOLSEY, Mr. MCGOVERN, Mr. BROWN of Ohio, Mr. KILDEE, Mr. GRIJALVA, Mr. RYAN of Ohio, and Mr. STUPAK.

H. Con. Res. 71: Mr. THOMPSON of Mississippi and Mr. BURTON of Indiana.

H. Con. Res. 87: Mr. GRIJALVA.

H. Con. Res. 89: Mr. SMITH of New Jersey, Mr. CHANDLER, Mr. CHABOT, Mr. BERMAN, Mr. PENCE, Mr. FALCOMA, and Ms. LEE.

H. Con. Res. 90: Ms. WOOLSEY, Mr. HONDA, Mr. FILNER, Mr. RANGEL, Ms. BALDWIN, Mr. TANCREDO, Mr. HOBSON, Mr. KUCINICH, Mr. SMITH of New Jersey, and Ms. ESHOO.

H. Con. Res. 102: Mr. FALCOMA and Mr. HOLT.

H. Con. Res. 107: Ms. EDDIE BERNICE JOHNSON of Texas.

H. Res. 14: Mr. GILLMOR, Mr. PUTNAM, and Mr. ENGLISH of Pennsylvania.

H. Res. 85: Mr. MEEHAN.

H. Res. 137: Mrs. EMERSON, Mr. BOSWELL, Mr. CASE, and Mr. BONNER.

H. Res. 175: Mr. MEEHAN and Mr. MCDERMOTT.

H. Res. 185: Mrs. CHRISTENSEN.

H. Res. 197: Mr. FILNER, Mr. GENE GREEN of Texas, Mr. LANGEVIN, Mr. HONDA, Ms. SLAUGHTER, Mr. BLUMENAUER, Mr. GORDON, Ms. SCHAKOWSKY, Mrs. LOWEY, Mr. CLYBURN, Mr. CARNAHAN, Mr. PASCRELL, and Mr. DOGGETT.

H. Res. 208: Mr. WILSON of South Carolina, Mr. SABO, Mr. MURTHA, Mr. TERRY, Mrs. WILSON of New Mexico, Mr. WALDEN of Oregon, Mr. OTTER, and Mr. MCGOVERN.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 513: Mr. BISHOP of New York.

H.R. 525: Mr. TOWNS.