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House of Representatives

The House met at 10 a.m.

Commander Maurice S. Kaprow, Chaplain Corps, U.S. Naval Reserve, Norfolk, Virginia, offered the following prayer:

Eternal God, today as we gather in this historic and august chamber, we pause to thank You for the many blessings You have bestowed upon our Nation, our constituents, and ourselves. Thank You for making us the strongest, most democratic and compassionate Nation in this wonderful, yet troubled world.

As we meet here in the safety of this House of Representatives, let us remember the many members of our Armed Forces, especially those serving far from home in the midst of danger, at the tip of the spear, bringing the hope of democracy where tyranny once ruled, and the specter of peace to those who for years cowered in terror and lived in tumult.

We pray for the safe return of those deployed to the four corners of the Earth, sailors and Marines, soldiers, airmen, and Coast Guardsmen. Guard their families and give them strength to endure until their service members return to their homes to welcoming arms and the warm embrace of those they love.

Grant us all life and peace, courage and wisdom, as we act today and everyday in the best interests of the citizens of these United States, while being ever mindful of those throughout the world community. And let us, say, Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Colorado (Mrs. MUSGRAVE) come forward and lead the House in the Pledge of Allegiance.

Mrs. MUSGRAVE 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.

INVESTIGATION NEEDED OF OIL FOR FOOD PROGRAM

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

Mr. FOLEY. Mr. Speaker, 7 years ago the United Nations established an Oil for Food program intended for humanitarian relief. Oil was sold to finance the purchase of food, medicine and other relief necessities for the Iraqi people.

The General Accounting Office estimates that more than $10 billion was stolen from the Oil For Food program. Money that was to help the Iraqi people went to pay off politicians and executives, build a $20 million Olympic sport facility for Uday Hussein, and spent over $50 million for promotion for the Husseins' propaganda. They may have even financed weapons that are now being used against our troops.

Oil for Food was the largest UN program in the world at one time. The Iraqi people are owed an explanation for the exploitation of their resources. And if the United Nations is to be treated credibly, they must assist in the investigation of where this money went to; $10 billion stolen from the Iraqi people. The U.N. needs to come clean on this issue and share with the people where these dollars went.

EDUCATION IN AMERICA

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

Mr. ROSS. Mr. Speaker, as the proud son of public school educators and a father of two children attending public school, I am concerned about the state of education in America.

Education is one of America's most fundamental building blocks. A solid education system is what drives our Nation's prosperity and paves the way to a brighter future for our great country. Yet, our President, for the third year in a row, wants to cut funding for our public education system. Though the President promised to support our teachers, he tried to cut teacher quality programs by $268 million in the 2004 budget.

Our President has repeatedly slashed funding for the Pell grants, which allows thousands of deserving students the opportunity to go to college. And his proposed budget for 2005 slashes funding for the No Child Left Behind program which the President has repeatedly identified as one of his top priorities by $8 billion.

Our children deserve a real education system that provides them with a solid, quality education.

WIRELESS PHONES AND 911 CALLS

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

Mr. SHIMKUS. Mr. Speaker, not long ago, all 911 calls were local calls made on wireline phones. Today, it is estimated that nearly 130 million wireless phones are in use, generating an average of 150,000 calls to 911 each day. However, few people realize that most wireless 911 calls do not go to the nearest public safety answering point, do

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not provide the caller's call-back number, nor do they provide the caller's location.

In some areas, wireless callers get an automated voice instead of help when they dial 911.

The House passed legislation earlier this year which I introduced with my colleague, the gentlewoman from California (Ms. ESHOO), that attempts to solve these problems by enhancing the coordination of E–911 implementation in each State, discouraging the raiding of E–911 funds, and giving local PSAPs additional funding to help them finally achieve and enhance 911 capability.

It is my hope we can get this legislation to the President before the end of the year so local communities can begin upgrading their 911 systems and help first responders locate those in need as quickly as possible.

HONORING NATHAN BRUCKENTHAL

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

Mr. ISRAEL. Mr. Speaker, on April 24, Nathan Bruckenthal became the first member of the Coast Guard to die in battle since Vietnam. His bravery and sacrifice shines a light on the often overlooked sacrifices made by the Coast Guard in our Nation's defense.

Nathan is survived by a proud father in Northport, New York, village police chief Rick Bruckenthal and his wife, Patricia, a loving mother, Laurie Bullock of Ashburn, Virginia. Nate is also the brother of Matthew, Michael and Noa Beth, and the husband of Patricia in Florida.

When I called Rick Bruckenthal, he simply said, ''My son served his country.'' He did serve and he did sacrifice. And now we have an eternal debt to his memory and his family, to support our troops when we send them into dangerous places, to support their families back home, to support our veterans, to do these things in our hearts, in our budgets, and in our prayers which are with the family of Nathan Bruckenthal, the police department of Northport Village, the United States Coast Guard and Bates Neck Station, today and all days.

God bless the Bruckenthal family and God bless America.

COMBATING CARGO THEFT

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

Mr. STEARNS. Mr. Speaker, I would like to talk today about a little known crime that has an enormous impact on all of our congressional districts.

Every day our country loses millions of dollars to interstate cargo theft, a crime that is occurring on highways across our country. Any crime that threatens this flow of goods should be dealt with quickly.

The fact that cargo theft is now being tied to the funding of terror makes it critical that we address this crime on the Federal level. I have introduced a bill, the Cargo Theft Prevention Act, which seeks to bring this crime out of the shadows and to finally hold criminals accountable.

With stricter criminal penalties and better information sharing, this bill will finally give both lawmakers and law enforcement officials the tools they need to combat this growing crime. With support from the American Trucking Association and multiple law enforcement groups, I hope all of you will join me in cosponsoring H.R. 3563, The Cargo Theft Prevention Act.

UNANSWERED QUESTIONS

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

Mr. EMANUEL. Mr. Speaker, President Kennedy once said, ''An error does not become a mistake until you refuse to correct it. Without debate, without criticism no administration and no country can succeed and no republic can survive.

Today, Members of this House and this Chamber have refused and said it is not time to have hearings in this Congress over what we have seen recently in Iraq. The men and women over there serving their country, our country, our friends, our neighbors, our constituents, are making us proud. This Congress has an obligation to ask questions of how and why this occurred, no matter where the criticism leads.

Our troops should not be used as scapegoats. Our civilian leaders need to be asked the questions, the Congress, all of us who got elected, all of us who take a pledge have a requirement to ask questions and seek the answers that our constituents sent us here.

NEW PRESCRIPTION DRUG COVERAGE

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

Mr. REHBERG. There is an old adage, the louder your opponents protest, the more you know you are successful with what you are doing.

That is exactly what is happening with Medicare's new prescription drug coverage. Those who voted against the new prescription drug benefit are protesting what we have done because they do not think seniors are smart enough or capable enough to choose the prescription drug plan that is best for them. They want the program to fail for preliminary reasons.

All these protests are designed to draw attention away from the fact that for the first time more than 7 million low income seniors and younger people with disabilities are now eligible for much needed assistance.

According to the National Council on Aging, a national voluntary network of organizations and individuals dedicated to improving health and independence of our seniors, low income Medicare beneficiaries should absolutely apply for a new Medicare approved drug discount card and its $600 annual transition assistance benefit.

Despite the shrill protests of those who voted against it and want it to fail, the power to save on prescription drugs is now in the hands of the seniors, and Republicans will help.

CINCO DE MAYO

(Ms. LINDA T. SÁNCHEZ of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, today we celebrate a day that represents the importance of freedom, liberty and determination for the people of Mexico and for Mexican Americans.

On May 5, 1862, untrained, out-numbered and out-gunned Mexican forces determined to protect their land, successfully defended the town of Puebla against the French.

Against overwhelming odds, they managed to drive back the French Army, achieving a total victory over soldiers that were deemed the best trained and equipped in the world.

For Mexico, this days represents a symbol of unity and patriotism.

In this country, Cinco de Mayo is also a celebration of the rich cultural heritage Mexican-Americans and all Latinos have brought to the United States. Unfortunately, Latinos do not have much to celebrate this year.

This past month the Latino unemployment rate has remained an alarmingly high 7.4 percent. This is 28 percent higher than when President Bush took office and it is significantly higher than the national average.

This administration's misguided policies continue to create economic uncertainty for all working families.

Do not be fooled by the Marachis and pinatas at the White House today. This pomp and circumstance gives no relief to the 1.4 million unemployed Latinos.

COMMENDING THE SERVICE OF THE ARMED FORCES FOUNDATION

(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. Mr. Speaker, this weekend I had the honor of joining the nonprofit Armed Forces Foundation in Columbia, South Carolina, for Military Appreciation Day. There I met with hundreds of military and family members who gather to enjoy a day of recreation, fishing and appreciation for their service.

Led by President Patricia Driscoll, along with fundraiser Wyatt Smith and founded by Jim Gorab, the Armed

Services Foundation works to support the American military community. President Driscoll knows personally the sacrifice these men and women make, as her husband is on active duty in Iraq today, fighting to protect American families in the war on terror.

Along with military appreciation events held throughout the United States, the Armed Forces Foundation coordinates care packages for troops deployed and offers travel assistance for families visiting wounded soldiers. Additionally, they give away thousands of turkeys every year for Thanksgiving and gift certificates for military children at Christmas time.

I ask all of my colleagues to join me in thanking the Armed Forces Foundation for their service to those who defend freedom.

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

MISSING COMMANDER-IN-CHIEF

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

Mr. MEEKS of New York. Mr. Speaker, I rise this morning wondering where is the Commander in Chief?

Our wartime President is missing in action. Our troops are being killed because of a lack of proper planning; and as one of the worst scandals involving our military is uncovered, George W. Bush is in Ohio flipping pancakes, and in Michigan, of all places, riding in a $1 million bus made in Canada.

Where is our leadership from our President? It is AWOL.

As the Bush campaign smear machine continues to attack and distort JOHN KERRY's decorated Vietnam service record, which includes a Silver Star, a Bronze Star, and three Purple Hearts, George Bush wants the American people to believe that he actually has a military record to be proud of. That is as believable as when the Commander in Chief landed on the deck of an aircraft carrier pretending to be a soldier.

Perhaps the President's smear machine can explain where George Bush was the year he was missing during his military service, and his clear absence of leadership as a President, instead of cooking up phoney attacks on a decorated war hero like JOHN KERRY.

□ 1015

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KOLBE). The Chair would remind Members to avoid personal references to the President of the United States.

UPHOLD THE REPUTATION OF THE GREAT AMERICAN FIGHTING MAN

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

Mr. PENCE. Mr. Speaker, what happened at Abu Ghraib prison in Baghdad was a disgrace, and it grieved the heart of every American who saw it, grief for the families of the Iraqis incarcerated who had endured the indignities and grief for the American soldiers, not those involved. Those involved must and will be held to the strictest account.

It grieved me to hear, as someone who has traveled to Operation Iraqi Freedom twice, I have been at Camp Victory in Baghdad. I have been at Talil Air Base in southern Iraq. I have walked among our soldiers on aircraft carriers and on the ground. They are honorable men and women who each and every day put their lives on the line in a dignified and respectful way as American soldiers ever and always have.

It is for their reputation that I grieve today and why I call on this administration and our own military to put our house in order, hold those to account, uphold the great reputation of the American fighting man.

CONGRATULATING 2004 NATIONAL CHESS CHAMPS

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

Mr. WEINER. Mr. Speaker, Edward R. Murrow High School is known for a great many things, not the least of which is producing the only two truly talented members of the Weiner family, my brothers Jason and Seth; but this year they are also known as the 2004 national chess champs, defeating over 150 schools, 300,000 student. This goes with their dynasty-building wins in 1992, 1993 and 1994, under the excellent coaching of Eliot Weiss.

We have to recognize they do belong in the pantheon of dynasties, as they defeated every school in the country and are soon going to be taking on those in this world. And as soon as NASA makes it possible, I am sure they will defeat teams from other planets.

Let me read the roll call of this great team: Salvijus Bercys, Dimitry Minevich, Olga Novikova, Alex Lidnerman, Ilya Kotlyanskiy, Oscar Santana, Willy Edgard, and Niles Smith. There is a reason they call this team the Brooklyn Kings. We offer them our congratulations.

THOMAS FARIA: MORE THAN THREE DECADES OF SERVICE TO THE RIGHT TO WORK CAUSE

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

Mrs. MUSGRAVE. Mr. Speaker, Mr. Thomas Faria was a Connecticut businessman who contributed to the efforts of the National Right to Work Committee. In 1977, he sent a letter to committee president Reed Larson offering his services as a member of the board of directors.

He wrote: ''Although I have supported the National Right to Work Committee for a number of years because of my strong belief in individual freedom, I did not really appreciate the clout of union political power until I worked on trying to close loopholes in Connecticut's unemployment compensation law. I would like the opportunity to do more in the area of right to work as I feel America's future depends upon it.''

Fortunately, Reed Larson took up Mr. Faria on his offer. Mr. Faria joined the board of directors of the National Right to Work Legal Defense Foundation shortly thereafter.

The right to work principle, the guiding concept of the National Right to Work Legal Defense Foundation and one of the guiding principles of Thomas Faria's work, affirms the right of every American to work for a living without being compelled to belong to a union. The National Right to Work Legal Defense Foundation gives legal assistance to employees who have been victimized.

I rise today to applaud Mr. Faria's efforts and the National Right to Work Committee with whom he served.

CINCO DE MAYO 2004

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

Mr. RODRIGUEZ. Mr. Speaker, today is Cinco de Mayo. We celebrate the tenacity and the perseverance of the untrained and outnumbered Mexican forces that successfully fought for independence against the sophisticated French Army of Maximilian in 1862.

Across the Nation, we will be celebrating the turning points of this particular war as Mexican Americans in this country, and it is important for us to look at in this country the importance of this particular war to this country.

The writings of Harry Carr in the 1930s talk about the fact that during that particular time in 1860, during our own Civil War in this country, Maximilian had gone into Mexico with the intent of not only taking Mexico but moving on to the north. We are pleased also to indicate for those of my colleagues in this country to also know that the one who won the battle in Puebla was a Texan, was Ignacio Zaragoza Seguin who came out of Goliad, Texas, and was able to be victorious there in that battle in Puebla.

So as we celebrate the Cinco de Mayo, we are proud to have that interwoven with this country and Mexico.

MEDICARE PRESCRIPTION DRUG DISCOUNT CARD

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

Mr. FRELINGHUYSEN. Mr. Speaker, this week nearly 15.4 million seniors across the Nation are eligible to apply for a Medicare-approved prescription drug discount card. This is good news for older Americans, especially for those in my home State of New Jersey.

With the new discount card, over 300,000 more seniors in my State alone will be able to receive immediate medicine assistance. Most of the beneficiaries will save an average of between 10 and 25 percent off the retail price of their prescription drugs while low-income seniors will receive an additional $600 of Federal credit towards the purchase of their medicines.

With the passage of this new Medicare law last November, we ensured that New Jersey and other States were not penalized, especially for having a preexisting drug assistance program that, quite frankly, is one of the most comprehensive and generous in the country. As a result of our efforts, not only will seniors save on their prescription medicines as promised, but our State of New Jersey will save an estimated $4 billion over the next 10 years.

CONGRESS FAILS TO AGGRESSIVELY TAKE SERIOUS OVERSIGHT RESPONSIBILITIES

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

Mr. BLUMENAUER. Mr. Speaker, recent revelations about the abuses in Iraq illustrate problems not just with United States policy but with how Congress deals with its responsibilities.

Yes, there are problems with the Department of Defense, starting with Secretary of Defense Rumsfeld who is either out of the loop, who either does not know or places a low priority on these problems, things known for months and issues lingering for over a year.

Yes, there are problems with contracting out to private companies functions, fundamental core government activities, at great cost without accountability. But we should be concerned that Congress fails to aggressively take seriously our oversight responsibilities instead waiting for a pending article in The New Yorker to cut loose an avalanche of other news accounts.

There are at least a half dozen committees in this House that could be taking action. The American public, the Iraqi people, and our men and women in uniform deserve better.

TREATMENT OF IRAQI PRISONERS

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

Mr. PITTS. Mr. Speaker, as a military veteran, I was saddened and outraged to hear the stories this past week of physical and psychological abuse of Iraqi prisoners at the hands of U.S. soldiers.

This outrageous behavior goes against everything America stands for. It is a serious breach of military discipline. It is a disgusting and a shameful violation of human rights. It is un-American, and it jeopardizes the future freedom in Iraq and the Middle East, and it is sad that the 99.9 percent of the U.S. military which has conducted themselves honorably will now be defamed because of the actions of a few.

In a war for hearts and minds, these actions do not help, and those responsible should be held accountable; but let us remember the terrorists we are fighting.

In Saudi Arabia this weekend, terrorist extremists murdered five Western oil workers, tied one body to a car and drove around with it like a hood ornament. One terrorist murdered a pregnant woman and her four daughters, and then put a bullet in her stomach to make sure the job was complete. We remember the scenes from Iraq of the bodies of aid workers drug through the streets recently.

I have no doubt the U.S. will exact justice on our soldiers. If we could only get the terrorist extremists and their leaders to do the same.

HONORING ENRIQUE, JESUS, AND JULIO ZAPATA

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

Mr. GRIJALVA. Mr. Speaker, I rise today in honor of Enrique, Jesus and Julio Zapata, and in particular, their honorable service in the Vietnam War. I am proud to say these three brothers, who gave so much to our country, were born and raised in my district in the city of Nogales, Arizona.

During the Vietnam era, Enrique, Jesus and Julio made the courageous decision to enlist in the United States military.

Jesus Zapata served his tour of duty in Vietnam from June 4, 1965, to July 4, 1966. Enrique Zapata served two 6-month tours of duty in Vietnam with the United States Navy, enlisting July 20, 1964. Julio Zapata served in Vietnam from April 30, 1967, to April 30, 1968.

Our country owes a debt of gratitude to these fine citizens and the countless Vietnam veterans who have not been accorded the full respect and appreciation they deserve from our country. As I speak today, they sit in the gallery of the House of Representatives. I hope those of my colleagues who meet them will thank them and extend their appreciation from all of us for the service they gave this country.

On Cinco de Mayo, when we celebrate and acknowledge our diversity, let us also acknowledge the shared sacrifice that all Americans have made for this country.

LIMITING FLOW OF LEGAL IMMIGRATION

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

Mr. BARRETT of South Carolina. Mr. Speaker, while I believe that illegal immigration must be stopped, there is nothing wrong with allowing a moderate level of legal immigration. Immigrants have contributed greatly over the years to our Nation and our economy, and society should accommodate several hundred thousand new legal immigrants annually.

However, we can never realistically accept but a tiny fraction of the tens of millions who would love to migrate here each year, and we can no longer allow a million new legal immigrants to come and work here.

For starters, I believe that we need to reduce legal admission numbers by ending the visa lottery and the so-called extended family categories that fuel foreign worker inflow by chain immigration. A positive first step at reforming our outdated immigration laws would be to pass H.R. 775, the Goodlatte bill that repeals the visa lottery.

As a cosponsor of that bill, I urge the House of Representatives leadership and Committee on the Judiciary to act to bring the bill before the full House for action and to advance other legislation to cut down legal foreign worker inflows to more moderate levels.

MEDICARE PRESCRIPTION DRUG DISCOUNT CARDS

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

Ms. BERKLEY. Mr. Speaker, when Congress passed the Medicare prescription drug bill, seniors expected real prescription drug coverage. Instead, seniors are receiving a sham discount card that guarantees no savings and will not lower drug costs.

Many seniors already use a drug discount card available at their pharmacies which provides savings up to 25 percent. Seniors are able to use as many cards as they need.

The Medicare discount card will limit the options available to our seniors. Seniors will be allowed only one card, and drug prices can vary week to week. In fact, drug companies are already starting to increase drug prices so they will not lose any money.

Democrats are committed to not only fighting for a prescription drug benefit for our seniors but for lower drug prices and giving seniors real choices.

The administration's drug benefit will mask inflated prices and give huge

subsidies to drug companies. I am disappointed, as a matter of fact I am heartsick, that many seniors who desperately need our help will not save one dime on their medication bills under this administration's program.

ADMINISTRATION HAS FAILED EDUCATION

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

Mr. MCDERMOTT. Mr. Speaker, when it comes to education, the administration's rhetoric is there, but it masks the reality. The administration waves a lot of papers and makes a lot of speeches, but they have failed education in America; and it is a required course.

Here are their test courses. The administration has an Education Secretary who calls the teachers' union ''terrorists.'' The administration left every child behind when it grossly underfunded that essential education in the United States.

Today, we are celebrating and they are celebrating Cinco de Mayo, while they hide from the Hispanic community the fact that they have cut programs to promote staying in school, knowing that the high school dropout rate for Hispanics is four times higher than white students.

Come November we are going to enroll the President and the administration in a remedial rhetoric course to learn how to tell the truth.

□ 1030

HONORING GENERAL ZARAGOZA

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

Mr. HINOJOSA. Mr. Speaker, I rise today to honor a true hero who gave his life to free his country from foreign oppression. Ignacio Zaragoza Segun was born in 1829 near what is now Goliad, Texas, in my 15th Congressional District.

In 1862, French troops began to march to capture Mexico City. They met the Mexican forces at the city of Puebla in a battle that lasted the entire day of May 5, 1862. Under General Zaragoza's leadership, the vastly outnumbered Mexican Army forced the withdrawal of Napoleon III's Army, the premier army in the world at that time. French losses were heavy, but Mexican casualties were few. The costly delay in Puebla helped shorten the French intervention. It also helped preserve the American union, as it kept the French Army too busy to directly aid the Confederacy with troops during the U.S. Civil War.

General Zaragoza received a hero's welcome in Mexico City. While visiting his sick troops, he contacted typhoid fever and he died September 8, 1862, at the age of 33. On September 11, 1862, President Juarez declared May 5, Cinco de Mayo, a national holiday.

Today, Cinco de Mayo is celebrated throughout Mexico and around the world, but I hope that as we celebrate this holiday, we remember the courage and sacrifice of this true hero.

EVENTS OF THE DAY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, let me acknowledge the heros of Cinco de Mayo Day, and all of my constituents and friends who are celebrating this day.

Mr. Speaker, I also want to acknowledge this is the national day to prevent teenage pregnancy, and to be able to say that from 1990 to 2000, the decrease in teenage pregnancy is seen at 28 percent.

Let me also congratulate the family of Mr. Hamill, who is now celebrating his return, and I acknowledge that because many of his friends and coworkers are in my congressional district. To them I say, what a celebration, but we pray for other hostages.

But I am so sorry that I stand here today really to challenge the tragedy of what has happened in the Iraqi prisons, not because those line soldiers, who I know have done a disgraceful act, are the only ones now being chastised, but because this administration believes that cameo appearances on the television are the solution to the tragedy of what happened, that that will correct the face of America in front of the million of Muslims and Iraqi people.

Mr. Speaker, it is time for the administration to come to this Congress and that there be full exposure to what happened, not in the back rooms of the Permanent Select Committee on Intelligence or some other committee, but in an open hearing of this Congress. Shame on this Congress if we do not demand a full briefing of what happened. It should not be behind the closed doors of the Permanent Select Committee on Intelligence.

EDUCATION IN AMERICA

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

Mr. RUSH. Mr. Speaker, as we approach the 50th anniversary of Brown v. Board of Education, it is crucial that we examine the progress America's public school systems have made.

It seems to me although we live in different times, many fundamental challenges still remain. I, along with my Democratic colleagues, believe education is vital for students, parents and for our country. America needs strong leadership in education, one that will make up for 50 years of broken promises and unfinished business. Broken promises, such as the President's failure to increase funding for schools that remain $9 billion short, broken promises such as the President's failure to increase Pell grants for our college students while Pell grants remain the same for a third year in a row.

Mr. Speaker, when it comes to education, the President shows up for photo-ops, he stands next to children and to teachers for a picture, but he does not show up nor does he stand up with them when it comes to improving schools in our Nation.

It is time for the President to be held accountable for promises made and promises broken. As we commemorate the 50th anniversary of Brown v. Board of Education, it is time to stop leaving millions of our children behind.

DO NOT OVERLOOK TRUE MEANING OF CINCO DE MAYO DAY

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

Mr. BACA. Mr. Speaker, I rise today to pay tribute to the Mexican patriots who gave their lives fighting valiantly and successfully against an overwhelming French army on May 5, 1862.

Celebrated as Cinco de Mayo, the true meaning of this holiday has been too often overlooked. Many celebrate with festivals, singing and dancing, but it is more than a party, it is about a proud heritage, cultural tradition and the freedom that was won. We as Americans and Hispanics celebrated Cinco de Mayo not just to honor the courage of those fighting for freedom, but also for its significance to the American ideal of self-determination, respect, justice and equality for all individuals.

Today, the struggle continues on, but we must come together as one Nation and one unit to respect each and every one of us. I yield back the balance of my time as we celebrate Cinco de Mayo, all coming together as one Nation and one country.

MIDDLE-CLASS ALTERNATIVE MINIMUM TAX RELIEF ACT OF 2004

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 619

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4227) to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to index such relief for inflation. The bill shall be considered as read for amendment. 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 Rangel of New York 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 (Mr. KOLBE). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS), 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. Speaker, H. Res. 619 is a modified, closed rule that provides for the consideration of H.R. 4227, the Middle-Class Alternative Minimum Tax Relief Act of 2004.

It provides for one hour of debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

H. Res. 619 also provides for the consideration of the amendment in the nature of a substitute printed in the Committee on Rules report accompanying this resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent.

It waives all points of order against the amendment printed in the report and provides for one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair and traditional rule for the consideration of legislation amending the Internal Revenue Code, and I hope that the House will approve the rule in order to have the opportunity to consider the merits of the underlying consideration.

The Alternative Minimum Tax was originally conceived as a means of ensuring that the wealthy ''paid their fair share of taxes'' in 1969. But, as has happened so many times in the past, the law of unintended consequences has meant that the AMT has produced a very different result.

Because the AMT is not currently indexed to the inflation rate, the number of taxpayers falling into the ''AMT trap'' is growing larger and larger every year. In 1970, 19,000 people paid the AMT. Today, this number has risen to over 3 million taxpayers. According to some estimates, approximately 35 million taxpayers will come under the AMT's procedures in the next 6 years.

These taxpayers are not wealthy by any stretch of the imagination. Increasingly, the AMT is punishing hard-working, middle class families.

With this in mind, I wanted to commend the gentleman from Connecticut (Mr. SIMMONS) for bringing H.R. 4227 to the floor today. This bill extends for 1 year the current limits on income exceptions from the AMT that Congress and President Bush enacted in 2001 and 2003. Notably, H.R. 4227 also indexes the limits for inflation, thereby precluding the AMT from taking an even bigger bite out of most moderate-income families' paychecks.

President Clinton's 1993 tax raise increased the AMT tax rate without adjusting the AMT exemption amount for inflation. Since then, however, the Republican majority in the Congress has repeatedly delivered AMT relief to taxpayers.

The Economic Growth and Tax Relief Reconciliation Act of 2001 increased the AMT exemption amounts, and the Jobs and Growth Tax Relief Reconciliation Act of 2003 further increased the AMT exemption amounts. These steps provided some relief to families, but for procedural reasons, the current law's AMT relief will expire next year if we do not enact H.R. 4227. While H.R. 4227 is a good proposal that deserves our support today because it will help provide much-needed AMT relief to workers, it is increasingly clear to me that the current income Tax Code is fatally flawed and in dire need of a fundamental overall.

To that end, I have introduced legislation, H.R. 25, that moves the Federal Government from an income tax-based system to a personal consumption system by abolishing all Federal income taxes and the IRS and replacing the Tax Code with a national retail sales tax on consumers buying new goods and services. Enacting the Fair Tax would, as just one example, solve the AMT problem for all families in the United States.

Mr. Speaker, I urge my colleagues to join me in supporting this rule so we may proceed with the debate on the underlying legislation.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for the time, and I rise today in opposition to the underlying bill and the closed rule providing for its consideration.

Once again, my friends on the Republican side have come to this floor in a restrictive manner stifling debate before it is even allowed to begin. The majority preaches fairness and inclusiveness while practicing and maintaining an agenda that divides and obstructs.

The gentleman from Georgia (Mr. LINDER) previously suggested it is a fair rule because it allows for a Democratic substitute. With all due respect to the gentleman, this rule is anything but fair, and it is far from open. The rule does make in order an amendment offered by the gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means. The Rangel substitute is far more encompassing than the Republican proposal, easier to understand, and most importantly, it pays for itself.

Despite making this amendment in order, the rule blocks the gentleman from Washington (Mr. BAIRD) from offering an amendment dealing with the deductibility of State income taxes or State sales taxes. Yesterday evening, the Baird measure came to the Committee on Rules. The gentleman from Washington asked that his amendment be made in order under the rule. In typical fashion, Republicans are blocking what they may not be able to defeat. Just like Shakespeare wrote, a rose by any other name would smell as sweet; a closed rule will always stink, and not even dozens of roses could blanket this stench.

The so-called Middle-Class Alternative Minimum Tax Relief Act that the House will consider later today is just another example of the majority's recklessly irresponsible tax agenda, not to mention creative naming practices. Even at first glance, this bill fails America's middle class. Folks, it raises taxes on the middle class. I do not know about the rest of my colleagues, but I have a pretty tough time making the argument in the district that I am proud to represent that a household income between $100,000 and $200,000 is middle class because in the district I represent, the average household income is barely $31,000.

In that district that I am proud to represent, $100,000 in household income is upper class by any definition; yet this is the income level that the majority continues to use as an example when making the case to eliminate the AMT.

□ 1045

The majority maintains that extending AMT exemptions help the middle class. I say it neglects America's real middle class. It raises their taxes. If Congress is serious about helping middle-class families, then it ought to use the $18 billion we are spending on the AMT extension this year alone and invest in the public schools which middle-class children attend. Congress should use the $18 billion and invest in health insurance for the 8.1 million uninsured middle-class Americans. Furthermore, 1-year fixes do not solve our problems. Over a 10-year period, this really will cost us $559 billion. It would be easier to eliminate the entire income tax. It would cost us less than what the Republicans are proposing under the AMT provisions that they offer.

Or if we really want to make a statement about our priorities, Congress should dedicate this $18 billion to the transportation reauthorization bill, a bill that a colleague of ours noted last week is currently stuck in a Republican legislative traffic jam. If we take this $18 billion and add it to the nearly $96 billion that we spent last week in eliminating the marriage tax, we have got ourselves more than 110 billion in

new dollars to invest in America's transportation and infrastructure. At the same time, we would be creating some 4.6 million new jobs. Congress could have the $375 billion transportation bill that America needs without any increase in the gas tax and avoiding a Presidential veto. Instead, the majority chooses to cut taxes at the expense of our national priorities.

Mr. Speaker, I do not know any tax cuts that can teach high school algebra. I certainly cannot recall ever meeting a tax cut that could build a road. But I do know the Bush administration tax cuts, that 3 years of those have stalemated this body to the point that we are unable to adequately address long-term unemployment, an increasing number of uninsured people, escalating costs for health care, the uncertainty of an aging Social Security program, and an inadequate transportation system in this great country of ours. Three years of the Bush administration tax cuts have resulted in the largest deficit in the history of America, the greatest decline in household income in nearly 40 years, and an economy that is showing no immediate signs of recovery to help the more than 8 million unemployed Americans. Most important, tax cuts affect our ability to provide for America's military.

Let me send a message to President Bush and his minions. We cannot have guns and butter and ice cream as they propose. Our country has serious needs. Mr. Speaker, the underlying resolution neglects all of them. For that reason and that reason alone, Members should stand up against the interests of a few at the expense of all. I urge my colleagues to oppose this closed rule and reject the underlying resolution.

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

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume to comment on the gentleman's opening statement. The gentleman from Washington did not show up at the committee to pursue his proposed amendment. And it is regular order for the Committee on Rules not to allow an open amendment process in bills that come out of the Committee on Ways and Means.

Lastly, let me just applaud the gentleman for saying we should get rid of the IRS. I welcome him as a cosponsor on H.R. 25.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Most respectfully, my friend from Georgia has misspoken. If he reads my comment, he will understand that I said the Baird measure was proposed before the Committee on Rules last night. I was there like the gentleman from Georgia was. I do know, as a matter of fact, the gentleman from New York (Mr. ISRAEL) presented the measure, and it was not accepted by us.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST), the ranking member of the Committee on Rules.

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

Mr. FROST. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

The alternative minimum tax was originally intended to provide fairness for all taxpayers by requiring wealthy individuals to pay their fair share of taxes. Unfortunately, the alternative minimum tax is affecting more and more middle-class families. Middle-class families clearly should not be subject to the AMT, and I am glad we are looking at solutions to end this unfairness today.

But there is another tax issue that affects millions of Americans and that I think deserves the chance to be debated today, the issue of State sales tax deductibility. Since the sales tax deduction was eliminated in 1986, citizens from States that do not have State income taxes, such as my home State of Texas, have been unfairly punished. While taxpayers living in States that impose an income tax are entitled to deduct their State income taxes from their Federal tax bill, those living in States without income taxes do not receive an equivalent deduction for the sales tax. The result is that citizens of States like Texas, Florida, Washington State, and Tennessee are paying more to the IRS than are citizens of other States.

I do not think this is fair, Mr. Speaker. All taxpayers should be treated equally regardless of their State's tax system. A number of Members from both sides of the aisle have introduced measures to reinstate the sales tax deduction, and I think it is high time that this House consider their proposals.

Last night in the Committee on Rules, I offered an amendment to the rule brought forth by the gentleman from Washington (Mr. BAIRD). His amendment would restore fairness to the Federal tax system by allowing taxpayers who have no State income taxes to instead deduct their State and local sales taxes. Unfortunately, the Rules Committee majority defeated my amendment. Mr. Speaker, I do not think that is right. This House has debated dozens of other tax bills, but the Republican leadership will not allow this House to debate an issue that penalizes millions of American taxpayers.

Mr. Speaker, this is not a partisan issue. It is a matter of fairness. If this House is to be presented the tax bill of the week for the foreseeable future, I cannot understand why the Republican leadership will not allow the House to even consider an issue that will provide equity for the people of my State and six others. I think the American people deserve a full and honest debate on this matter.

Consequently, so that the House might be allowed to consider the sales tax deduction, we will attempt to defeat the previous question. If the previous question is defeated, we will offer an amendment to the rule allowing for the consideration of the gentleman from Washington's proposal to reinstate the State sales tax deduction for those States that do not have a State income tax. This may well be the only chance Members have to take a stand on this issue.

I urge my colleagues to vote ''no'' on the previous question so that this House may consider reinstating the sales tax deduction and so our constituents know where we stand on the issue of reinstating this deduction.

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

Mr. HASTINGS of Florida. Mr. Speaker, I note that all of my Republican colleagues who have such great interest in this AMT are just showing up in great numbers to speak on this measure.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. COOPER).

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

Mr. COOPER. Mr. Speaker, I would urge all of our Members who are from Texas, Washington, Florida, South Dakota, Tennessee, Nevada, or Wyoming to pay close attention. This may be your best time, it may be your only time in your congressional career to get basic Federal income tax fairness for your State. Let me repeat. If you are from Texas or Florida or Wyoming or South Dakota or Tennessee or Washington, this may be your only chance to get basic tax fairness for the citizens of your State. This is not a partisan issue. This is an issue of basic unfairness that has existed in this country since 1986 when the tax laws changed to deprive the citizens of our States basic tax fairness.

The citizens of those States I just named, Texas, Florida, Tennessee, Washington, South Dakota, Nevada, Wyoming, pay more Federal income tax per capita than citizens equally positioned in other States. Why? Because our basic tax mechanisms are the sales tax, not the State income tax, and we cannot deduct the State sales tax from our Federal income. So this is your best chance, this is your only chance, and you must vote against the previous question. That idea is anathema to some of our colleagues, but I think we need to rise above the petty proceduralisms of this House, rise above what your House leadership may be telling you or not telling you; and this is a choice to stand up with your people back home or to obey the rules of Washington.

Let us stand up for our people back home. Let us get basic tax fairness to our citizens. To do that, you have to vote against the previous question. This is not an ordinary vote on a regular Wednesday in Washington, D.C. This is your best chance, this is your

only chance to get tax fairness for your people back home.

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

Mr. HASTINGS of Florida. Mr. Speaker, I would urge our colleagues who are back in their offices and committees to come on down here and explain to the middle class in America why this AMT is not a tax increase on them.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DAVIS).

Mr. DAVIS of Tennessee. Mr. Speaker, I compliment my colleague from Tennessee for the remarks he has just made. Having served in the Tennessee State legislature in both the House and the Senate, one of the issues that was debated and discussed so often in both of those chambers, in both the House and Senate in Tennessee, is how can we bring tax fairness from the Federal level to those of us who live in States that only fund education through a sales-tax-based revenue stream. Our Speaker of the Senate was so fond of saying, ''Uncle Sam taxes taxes.'' In fact, that is exactly what this Congress and what this Federal tax structure does to States who choose not to have an income tax. We tax taxes. That is certainly not what we intend, but that is the fact. We allow States who impose an income tax, either local or on the State level, on individuals who live in those States a deduction for the tax that they pay in State taxes to be deducted from the Federal income tax, but we do not allow those of us who live in States such as Tennessee who choose to manage their governments better, perhaps, than most by not imposing a tax on income.

In this Nation, we tax assets, a person's home. We tax purchases of food and clothing in the State that I live in and nonprescription drugs. Other States tax income. We have chosen not to do that. As a result of the tax bill that passed in 1986, you are imposing a tax on tax for those of us who choose to manage our States better, perhaps, than other States. I ask my colleagues to vote against the previous question.

Mr. LINDER. Mr. Speaker, I would like to just take enough time to remind the gentleman that the 1986 tax act was called the Bradley-Gephardt bill.

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

Mr. HASTINGS of Florida. The name of the bill, Mr. Speaker, does not make it any more correct. The problem still exists.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. Mr. Speaker, I also want to say it does not matter what you call it. If it is inequity, it is inequity. If it is not fair, it is not fair. That is what I want to talk about this morning in this debate. We have lost the issue of a simple matter of equity and fairness.

I spent 19 years as a property tax collector in the State of Texas. My whole goal in assessing value to property was to make sure that no property owner, no taxpayer paid an unfair burden in comparison to the others. Our Tax Code unfairly penalizes those who live in States where there is no local or State income tax, which includes my State of Texas. Just as I cannot accept discrimination on how our government treats individuals, I do not want to accept discrimination in how our government taxes our citizens across the board. My colleague from Washington State knows this all too well, and that is why his proposed amendment is so important and timely, because it restores sales tax deductibility for residents of States with no local or State income taxes.

As current law stands, residents in States with local or State income taxes can deduct those amounts from their Federal taxes. So I ask you, where is the fairness for our hardworking, taxpaying citizens? Texas is one of nine States with no income tax; and as a result of the 1986 Federal tax reform law, regardless of who wrote it and who voted for it, that does not matter. That happened then, today is today. Sales taxes are not deductible. As a result, we are not treating all taxpayers in this country equally. Consider this: if Texans could deduct what they pay in State and local sales taxes, they could keep more than $700 million. That is a lot of money. That is money that the hardworking citizens of southeast Texas and the gulf coast region in my district could use to care for their senior citizens, pay their daily bills, use for unexpected emergencies, or even help offset our rising cost of school property taxes at home.

□ 1100

My colleague from Washington's proposed amendment offers a smart and simple fix and lets us remedy one part of our tax code so we can focus on reforming the rest of it. This money belongs to the residents of Texas, and by golly, if all other Americans get to deduct part of their taxes, then Texans should get to keep it as well. Let us vote against this previous question.

And this amendment would be limited to just one year, so it is not a permanent measure—I cannot think of anything more reasonable for us to consider.

After all, that's what equity is all about, and since it seems lately that all we are considering are tax bills, well then we might as well consider this one too.

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

Mr. HASTINGS of Florida. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Florida (Mr. HASTINGS) has 14 minutes remaining, and the gentleman from Georgia (Mr. LINDER) has 26 minutes remaining.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Twenty-six minutes for those people who believe in this measure to come down here and prove to America that their provision on the AMT is not a tax increase on middle class America, yet they are not using that time.

Mr. Speaker, I yield three minutes to the gentleman from Texas (Mr. STENHOLM), my good friend and good student of this process.

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

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to the previous question so the House might be able to consider the Baird amendment restoring the deduction for sales tax, State sales taxes.

This is one of those issues that I wish the Committee on Ways and Means would have brought to the floor of the House 2 years ago. The AMT question is a very serious question of which there is a lot of concern about. But this is not the way to handle it in the bill today and the tax cut of the week, and obviously the lack of participation by my friends on the majority side shows how political this is and how substance is being thrown away.

But I want to talk about the State sales tax deduction which was eliminated in 1986. Citizens from States that do not have State income taxes such as my home State of Texas have been unfairly penalized. While taxpayers living in States that have an income tax are entitled to deduct their State sales taxes from federal taxes, folks living in States without income taxes do not receive an equivalent deduction. And my State is now in the process of increasing the sales tax on all citizens of Texas, which will compound the problem that we are talking about today. The result is that citizens of States like my State of Texas are paying more taxes than are citizens in other States with identical incomes, and I do not understand why the Committee on Ways and Means does not take up the question of tax fairness.

The Baird amendment would restore fairness to the Federal tax system by allowing taxpayers who have no State income taxes to, instead, deduct their State and local taxes. Why not? What is wrong with that? Why not have a discussion of that on the floor instead of the tax cut of the week, which is purely for political purposes that will show up in campaign ads all over the United States as evidenced by the lack of participation in the substance of that which we are talking about today?

I also believe that the fundamental bill, if we are going to have to, on the floor, ought to be paid for. I agree that this exemption of State sales taxes will cost an estimate of $1.2 billion, but it ought to be paid for and it should be paid for in the interest of fairness. States should be able to decide for themselves whether or not they want to adopt an income tax instead of being pressured to do so because the Tax Code is biased in favor of a State income tax instead of a State sales tax.

What is wrong with that picture? Why can we not have a serious debate

on this floor about tax reform? Instead of just talking about it in campaign slogans, which we do, flat tax, et cetera, a fundamental question, why can the Committee on Ways and Means not take up the bill that they bring to the floor today and have a serious discussion of that within the committee? Why not let Members in a bipartisan way participate in these issues? Instead, it is a campaign issue. If they want a campaign issue, this is a campaign issue.

In Texas, the inability of Texans to deduct sales taxes should be an issue on the hearts and minds of every single Texan, and the vote on the previous question will clearly identify in this body who is in favor of fairness and who is not.

Vote against the previous question. Allow fairness to be discussed on the House floor.

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

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by continuing the exemption for another year, 1 year, Republicans are incrementally trying to postpone the day of reckoning with the AMT. At some point a decision will have to be made to, number one, repeal some of President Bush's tax cuts or, number two, index the AMT for inflation at a cost of roughly $370 billion or, number three, eliminate the AMT altogether at a cost of $600 billion without the Bush tax cuts, or $900 billion if President Bush's tax cuts remain beyond 2010.

What I just said is a part of inside baseball that at best we could feed to the goats the language that we employ here. The mythical Ms. Johnson and Jane and Joe Lunch Bucket understand only one thing and one thing only, that we need to have a debate on how it affects them. No one comes into my office talking about an AMT. But people come into my office talking about health care. People come into the office of our all of us talking about education. People come to our offices to talk about supporting the military in an adequate fashion. And countless, thousands, of Americans come to us talking about either being uninsured or needing to have incentives for small businesses. And yet we find ourselves unable to have a discussion in this House of Representatives that is meaningful as far as economics are concerned. What we get are campaign gimmicks and fancy names of things that do not become the law.

This measures has passed the House of Representatives before. If the American people wanted it to be law, they would be in our offices saying they want this to be the law. We cannot get ten people in most of our communities to write a decent paragraph on what the alternative minimum tax really is. I dare say we could not get a whole lot of Members of the House to do likewise.

With that in mind, it is a confusing set of circumstances that is a 1-year fix. If you think so much of it, why did you stay in your offices and not come down here and explain to the American public why the middle class will not experience a tax increase over the haul of 10 years? What you do is you reduce the income taxes, then you eliminate the AMT on one hand and you take from the right hand and give to the left hand.

To correct my friend from Georgia, who will have the last word on this subject, correctly so, because he and his Members are in the majority, let me give him a summary of the motion that he brought to the House of Representatives. It says ''Providing for Consideration of H.R. 4227, Middle-Class Alternative Minimum Tax Relief Act of 2004, Mr. LINDER, from the Committee on Rules, submitted the following.''

I shall not read the entire report, but since he took it upon himself to say that the Baird measure was not before us, I shall only refer to the language of the motion offered by the gentleman from Texas (Mr. FROST) last night when the gentleman from Georgia (Mr. LINDER) and I were in the Committee on Rules.

''Summary of motion: To make in order and provide the appropriate waivers for the amendment offered by Representative BAIRD.'' Do not challenge me when I say that that was what was brought to us. That measure was defeated six to five by the majority, and I say today we have a chance to remedy that problem if Members, particularly those from Florida, were to see my Republican colleagues from Florida come down here and say that this is not a sound measure when all we have is a sales tax and right up the street somebody else with an income tax can deduct it from their Federal tax offering and we are unable to do this so. Fair is fair. This measure is not fair.

Mr. Speaker, I will be asking Members to vote ''no'' on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will allow the House to vote on the Baird sales tax equity amendment that was offered in the Committee on Rules last night but not allowed by the Republican leadership. I think Members deserve an opportunity to vote on this important amendment. I want to point out that this is not a partisan amendment. It has support from both sides of the aisle as was demonstrated in the Committee on Rules vote yesterday.

The Baird amendment would allow taxpayers who itemize their deductions the option to deduct their State income tax or sales taxes paid in a given year. The option for deduction of sales taxes was available to taxpayers until 1986 when it was eliminated. The gentleman from Georgia (Mr. LINDER) said that the gentleman from Missouri's (Mr. GEPHARDT) name was on that. I remind him that it was signed by President Ronald Reagan. However, taxpayers in those States with a State income tax still retain the ability to deduct those taxes. The loss of the State sales tax option was particularly tough for taxpayers in States with no income tax like my own State of Florida.

As a result, people in my State and others similarly situated pay more taxes than people with identical taxable incomes in States that have a State income tax. It is very important that we equalize the tax relief for citizens in those States without the State income taxes.

Let me emphasize that a ''no'' vote on the previous question will not stop consideration of H.R. 4227, the Middle-Class Alternative Minimum Tax Relief bill. But it will allow the House to vote on reinstating the sales tax deduction option and correct the current tax inequity. But a ''yes'' vote will block Members from an up or down vote on this important tax relief.

Again, I urge a ''no'' vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately prior to the vote on the previous question.

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

There was no objection.

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

The material previously referred to by Mr. HASTINGS of Florida is as follows:

In the resolution strike ''and (3)'' and insert the following:

''(3) the amendment printed in Sec. 2 of this resolution if offered by Representative Baird of Washington or a designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall separately debatable for 30 minutes equally divided and controlled by the proponent and an opponent; and (4)''

SEC. 2. The amendment referred to in (3) follows:

At the end of the bill insert the following new section:

SEC. 3. DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by adding at the end the following:

''(5) GENERAL SALES TAXES.—In the case of taxable years beginning during 2004, for purposes of subsection (a)—

''(A) ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.—

''(i) IN GENERAL.—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

''(I) without regard to the reference to State and local income taxes,

''(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

''(III) without regard to the last sentence.

''(B) DEFINITION OF GENERAL SALES TAX.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

''(C) SPECIAL RULES FOR FOOD, ETC.—In the case of items of food, clothing, medical supplies, and motor vehicles—

''(i) the fact that the tax does not apply with respect to some or all of such items shall not be taken into account in determining whether the tax applies with respect to a broad range of classes of items, and

''(ii) the fact that the rate of tax applicable with respect to some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

''(D) ITEMS TAXED AT DIFFERENT RATES.—Except in the case of a lower rate of tax applicable with respect to an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed with respect to an item at a rate other than the general rate of tax.

''(E) COMPENSATING USE TAXES.—A compensating use tax with respect to an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term 'compensating use tax' means, with respect to any item, a tax which—

''(i) is imposed on the use, storage, or consumption of such item, and

''(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph with respect to items sold at retail in the taxing jurisdiction which are similar to such item.

''(F) SPECIAL RULE FOR MOTOR VEHICLES.—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

''(G) SEPARATELY STATED GENERAL SALES TAXES.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (other than in connection with the consumer's trade or business) to the seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

''(H) AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.—

''(i) IN GENERAL.—The amount of the deduction allowed under this paragraph shall be determined under tables prescribed by the Secretary.

''(ii) REQUIREMENTS FOR TABLES.—The tables prescribed under clause (i)—

''(I) shall reflect the provisions of this paragraph,

''(II) shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation, and

''(III) need only be determined with respect to adjusted gross incomes up to the applicable amount (as determined under section 68(b)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

Amend the title so as to read: ''A bill to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to allow a temporary election to deduct State and local general sales taxes in lieu of deducting State and local income taxes.''.

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

I merely point out that the majority party will be here to discuss the merits of the bill. The last debate has been on the rule, irrespective of the debate we heard from the other side, which was neither on the rule nor on anything in the rule nor on the merits of the bill. So I will urge my colleagues to come and pass the previous question, pass the rule, and get on with the debate on the bill, which is the extension of the AMT exclusion.

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

The SPEAKER pro tempore. 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. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 220, nays 201, not voting 12, as follows:

[Roll No. 142]

YEAS—220

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
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Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
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Green (WI)
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Hastings (WA)
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Hulshof
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Hyde
Isakson
Issa
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Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
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Kennedy (MN)
King (IA)
King (NY)
Kingston
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Knollenberg
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Lewis (CA)
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LoBiondo
Lucas (OK)
Manzullo
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McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
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Neugebauer
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Norwood
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Osborne
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Radanovich
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Ros-Lehtinen
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Ryan (WI)
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Sessions
Shadegg
Shaw
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Sherwood
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Simmons
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Smith (MI)
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Taylor (NC)
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Upton
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Walden (OR)
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Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NAYS—201

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
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Frank (MA)
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Gordon
Green (TX)
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Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—12

Ballance
Barton (TX)
Bono
Boyd
DeMint
Filner
Greenwood
Kaptur
Reynolds
Solis
Tauzin
Walsh

□ 1139

Messrs. MARKEY, RAHALL, DELAHUNT, HOEFFEL, SPRATT,

MOLLOHAN, THOMPSON of Mississippi, and OBEY, and Ms. CARSON of Indiana and Mrs. JONES of Ohio changed their vote from ''yea'' to ''nay.''

Mrs. CUBIN changed her vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

Stated against:

Mr. FILNER. Mr. Speaker, on rollcall No. 142, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted "nay."

Mr. BALLANCE. Mr. Speaker, I was not present for rollcall vote No. 142. Had I been present, I would have voted "nay."

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 142 on previous question on H. Res. 619, I was unavoidably detained. Had I been present, I would have voted "no."

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

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ENGLISH. Mr. Speaker, pursuant to House Resolution 619, I call up the bill (H.R. 4227) to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to index such relief for inflation, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 619, the bill is considered read for amendment.

The text of H.R. 4227 is as follows:

H.R. 4227

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 at the ''Middle-Class Alternative Minimum Tax Relief Act of 2004''.

SEC. 2. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF TO 2005.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 55(d)(1) of the Internal Revenue Code of 1986 are each amended by striking ''and 2004'' and inserting '', 2004, and 2005''.

(b) INFLATION ADJUSTMENT.—Subsection (d) of section 55 of such Code is amended by inserting after paragraph (3) the following new paragraph:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in calendar year 2005, the $58,000 amount contained in paragraph (1)(A) and the $40,250 amount contained in paragraph (1)(B) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2003' for '1992' in subparagraph (B) thereof.

''(B) ROUNDING.—Any increase determined under subparagraph (A) which is not a multiple of $50 shall be rounded to the next lowest multiple of $50.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider an amendment in the nature of a substitute printed in House Report 108–477, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

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

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

Mr. Speaker, today the House will consider one of the most important bills from the standpoint of tax equity that we will consider this year, the Middle-Class Alternative Minimum Tax Relief Act, a bill to make sure that the tax cuts which allowed middle-class families to keep more of their income over the past 3 years will not be undermined by the Alternative Minimum Tax.

There is little dispute, certainly none outside of this Chamber, that the Republican tax cuts helped families cope with economic uncertainties and played a significant role in stimulating the economic growth that we are seeing today. But if we do not act now to give the taxpayers another year of reprieve, the AMT will suddenly reappear and 11 million taxpayers will be hit with an average tax increase of $1,520.

Mr. Speaker, by preventing middle-class Americans from claiming their rightful exceptions from tax liability, the AMT punishes families with children or those who live in high tax localities. If we do not act, married couples will see their AMT exceptions snap back from a threshold of $58,000 to $45,000. Single individuals will see their AMT exception drop from $40,250 to $33,750.

Mr. Speaker, let us be clear about this. These are not wealthy people. These are middle-class Americans who would be slapped with a steep tax hike that they would not know about until tax day, when they learn that the tax exemptions that they thought they could take, the same tax exemptions we intended for them to take and told them we were giving them, would no longer apply.

For example, a family of four with a household income of $58,000 would, in 2005, be hit with the AMT. I am sure that no one here would seriously argue that that family is wealthy.

Today, the House has the opportunity, indeed, the duty, to extend AMT relief for 1 year and to ensure that middle-class Americans are not faced with an increase in their tax liability; and we must do this without raising taxes someplace else and stifling growth and killing jobs.

Mr. Speaker, this is an important measure to buy us time to truly reform the AMT and, as I hope, to repeal this regressive tax entirely. I have taken it upon myself to work with a number of colleagues, including the gentleman from Louisiana (Mr. MCCRERY), a fellow member of the Committee on Ways and Means, to form a Zero AMT Caucus. We will have our day; but in order to get there, we need to pass this bill today on behalf of working families.

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

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

Mr. Speaker, let me join in with the gentleman from Pennsylvania in trying to work to eliminate this burden that has been placed on people that it was never intended to penalize. But, Mr. Speaker, before we can work together on this issue, the issue has to come before our committee. Is that not a novel idea, a tax bill coming before the Committee on Ways and Means?

□ 1145

Why is it that we yield our authority, our jurisdiction to the Committee on Rules? Is this not something that should not be a partisan issue? Is this bill, this AMT, not adversely affecting Democrats and Republicans and liberals and conservatives? Why do we have to, in the middle of the night, shift this over to the Committee on Rules and then come to the House floor and say we want to spend $167 billion to go into debt but we only want to do it for 1 year? That is truly unfair.

Why do you give away tax relief for the marriage penalty and then take it back away with the alternative minimum tax? Why do we have this sloppy way to develop a Tax Code that is so complicated that it takes hours for people to try to get the benefits that we say we are giving to them?

So what I am saying to my friend from Pennsylvania, please do not tell us how you have got to struggle to make this permanent. Tell us how we can get the jurisdiction back in the Committee on Ways and Means.

It would be wonderful if you were saying that we were going to schedule hearings on this so witnesses can come forward. And while you are doing that, would you please tell the American people whether they are providing this tax relief at the expense of the debt that they are giving their children and grandchildren.

Would it not be good to know how you intend to pay for this? Where do we get the $17 billion? Do we take it away from DOD as we fight in Iraq? Do we take it away from homeland security or do we borrow it so the Chinese can buy our debt?

I do not know. I am 74 so it may not be my problem, but it may be the problem of our children and our grandchildren, as we give relief, which we should give on a permanent basis in one hand, and then we take it back from our children and our grandchildren. This is no place to legislate this complex legislation.

I just hope that no matter what happens at the end of this year, that somebody has the guts to say that tax legislation should come from the Committee on Ways and Means and not the distinguished Committee on Rules.

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

Mr. Speaker, I ask unanimous consent that the gentleman from Washington (Mr. MCDERMOTT) be allowed to control the remainder of my time.

The SPEAKER pro tempore (Mr. KOLBE). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ENGLISH. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I note that this issue has come up repeatedly before the Committee on Ways and Means. The Committee on Ways and Means has repeatedly worked its will on this issue and it has made very clear that it is committed to this kind of exemption. The Committee on Ways and Means is clearly in the loop in this.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CRANE), a distinguished member of the Committee on Ways and Means.

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

Mr. Speaker, in 1969 Congress enacted the individual alternative minimum tax, AMT. The purpose of this tax was to require that all taxpayers pay some tax on their income. We can have a debate about the merits, or lack thereof, of the AMT and I hope that in time we will.

Many of the provisions of the Tax Code that gave rise to the AMT do not exist today and have not existed for many years. However, today a more immediate issue confronts us. Mr. Speaker, the Clinton tax increase of 1993 increased the AMT tax rate but failed to adjust the exemption numbers for inflation. As a result of this tax increase, millions of American families, middle income families are forced to pay the AMT each year.

President Bush's 2001 and 2003 tax relief bills increase the AMT exemption amount from $45,000 to $58,000 for married couples and from $33,750 to $40,250 for single individuals. These increases ensure that the AMT is the result of the tax relief provided in the 2001 and 2003 tax relief laws do not hit middle income families. However, if we do not act now, this relief will expire at the end of this year. As time goes on and as inflation and costs increase, the number of taxpayers subject to the AMT increases.

If we do not act, over one million single filers and seven million married filers will be caught up in the AMT. The legislation before us today will extend the 2003 tax relief through 2005 and will adjust the exemption amount for inflation. Single filers earning up to $40,900 and married couples earning up to $58,950 will be exempt from the AMT.

Mr. Speaker, millions of middle class Americans run the small businesses that are the backbone of our economy. It is private citizens, not the Federal Government, that create this Nation's wealth and pay this Nation's taxes. If we do not act today, nearly eight million middle class taxpayers will suffer from our inaction. That is unconscionable and I urge my colleagues to support this legislation.

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

Mr. Speaker, this is one of those days when we come out here and try to fix a problem the Republicans created for themselves. Ever since you have been in charge of this place, you did not want to have regular order. You wanted to run bills through the committees without having any witnesses come in and talk about them. You would not listen to what people said to you. And now you have a big problem on your hands and you want to come out again today and put one more Band-Aid on a program that you put a Band-Aid on last year, and you will be back next year and next year and next year because you never understood what you were doing.

Now, when this bill went into effect in 1987, it was designed to tax those people who made lots of money and paid not one penny. That is what it was about. It affected .1 percent of the payers in this country. And the same was true even with the adjustments that we made in 1993 when I was here. The numbers were essentially the same, around .2 percent of taxpayers. Today we are looking at 25 percent of the people in this country are having to figure their taxes twice, because the Republicans made all those tax cuts in 1997 and paid absolutely no attention to what was going on.

If you live in a high tax State like New York or like California or like a lot of the progressive States in this country, and you have a couple of kids, you cannot deduct the money you pay in State taxes. You cannot deduct the money you pay in local taxes. You cannot deduct the deductions for your children. That is why it is sweeping down into the middle class. Half of the households who will be paying this tax are making less than $100,000 a year and over a third of them will be paying between 50 and $75,000.

Now, consider we made these great big tax cuts, we gave $112,000 to people making more than a million and we gave $676 to people in the average income range in this country. And then we turn around and slap them with the AMT tax. Most Americans do not know what the AMT is. It is called, for those of you watching this on television including somebody at the White House maybe, alternative minimum tax. It means if you are not paying enough income tax, then you have to pay this alternative.

Now, what has happened because the Republicans messed it up so badly, they have now swept up about a quarter of the taxpayers in the country with it rising to a third if they do not do something about it, and they have done that while they were busily helping their friends at the top who were not paying taxes anyway.

Now, this bill is another, as I say, Band-Aid. We have an alternative which will be offered by one of my colleagues from Massachusetts which solves the problem in a much more reasonable way and gets the middle class out of this tax trap.

Mr. Speaker, the following is an article from the Seattle Post-Intelligencer which describes this whole program.

[From the Seattle Post-Intelligencer, Jan. 17, 2004]

GET READY FOR THE ALTERNATIVE MINIMUM TAX

(By Mary Deibel)

Few Americans have heard of the alternative minimum tax, but many taxpayers are about to find out that it's the biggest financial setback they face, an IRS taxpayer advocate says.

''Although the AMT was originally enacted to prevent wealthy taxpayers from avoiding tax liability through the use of tax avoidance techniques, it now affects substantial numbers of middle-income taxpayers and will, absent a change of law, affect more than 30 million taxpayers by 2010,'' taxpayer advocate Nina Olson said in her 508-page annual report naming this parallel tax system taxpayer enemy No. 1.

Olson should know: State and local taxes pushed her into the alternative minimum tax last year so now it is personal as well as professional for her.

And it's about to get personal for lots of other taxpayers, too. Absent action by Congress and President Bush, one in four households will owe the alternative minimum tax by 2010.

Some 52 percent of them will be families making $100,000 or less a year, including 73 percent of households making $75,000 to $100,000 and 37 percent making $50,000 to $75,000.

Married couples—especially couples with lots of children—are most apt to be hit by the alternative minimum tax, which prohibits deductions for dependents along with write-offs for mortgage interest, state and local taxes, medical expenses and the like.

''It's a class tax that became a mass tax,'' says Urban Institute economist Len Burman, who co-authored the study projecting the future growth of the alternative minimum tax unless the tax code is changed.

Congress enacted the tax in 1969 after being flooded with mail protesting reports that 155 ultra-rich Americans gamed the system to avoid paying a penny toward income tax.

The alternative tax has been on the books since then, never indexed to inflation the way regular income taxes have been since 1981.

The tax breaks President Bush and Congress enacted since 2001 expanding child tax credits, ''marriage penalty'' relief and the like make it more likely taxpayers who try to claim these write-offs will owe the alternative minimum tax.

The 2003 tax cut contains a temporary provision that will help many families avoid the alternative minimum tax for just one year.

Repealing the tax through 2010 would cost the Treasury $600 billion in revenue, according to the non-partisan Tax Policy Center, a Washington think tank.

Meanwhile, taxpayer advocate Olson says taxpayers who might owe the alternative minimum tax can expect to pay a higher tax bill and spend an extra 12 hours preparing their 2003 taxes.

Many won't owe it, but they still must spend the extra half-day on the paperwork, she says.

Mr. Speaker, the average citizen in this country is not aware what is happening; and the Republicans are out here today, the reason they do not want to have hearings in the committee is it might get on CSPAN. Some people might find out what was really going on in the tax structure. But, no, we have to come out here, take it up to the Committee on Rules in the middle of the night, slip it down on the floor; and slam, bam, thank you, ma'am, it is out of here in an hour so that people will not know how badly you have messed it up for the middle class.

You have got to put these commercials on that say the middle class have benefited immensely from our tax cuts, and then you run out here to take the pain away that you are creating for them. And in my view, it could all be stopped if you simply would follow the regular order and allow this to be a debate in this House and about the issues that you are changing. To go from .1 percent of the taxpayers to 25 percent of the taxpayers, including people making between 50 and $75,000 without letting people ever, their representatives in the Congress, to have an opportunity to explain that to the American people, is absolutely unacceptable.

We will all vote for this bill, but it is another Band-Aid; and you will be back here next year. I bet you a month of my salary on that.

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

Mr. ENGLISH. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida (Mr. SHAW), a member of the Committee on Ways and Means.

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

To listen to the gentleman from Washington (Mr. MCDERMOTT) you would think that the Republicans are the ones that invented this tax. This was put in in the 1980s and under a Democrat Congress.

Also, I would like to remind the gentleman from Washington (Mr. MCDERMOTT) that in 1993, I believe without a single Republican vote, the rate was increased. We are trying now to roll some of this back. Is it enough? No, it is not enough. We need to do more. In fact, we need to kill this thing entirely, but until we can find the revenue, at least this would get to the middle class people, people that it was never intended to get, and to stop the bracket creep and the problem that they are having.

These are folks that are struggling to educate their kids, to buy groceries and pay their mortgages. They do not need an alternative minimum tax. It has got to be done away with. It should be done away with all the American taxpayers. This is a small step but it is a meaningful step. And I would predict that we would get a unanimous or near unanimous decision out of this House.

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I rise today on behalf of the more than 2 million taxpayers who are unfairly burdened by the alternative minimum tax. As we know and it was explained today, it was designed in 1969 to ensure that the wealthiest Americans would still pay a fair share of taxes. The AMT now ensnares many middle income Americans in what was once envisioned as an alternative minimum tax has become nothing short of a mandatory maximum tax. And those it sought to protect have become its greatest victims.

Let us be clear on what the AMT is not. It is not a technicality of significance to only a few bureaucrats and the tax intelligentsia. It is not a mere glitch, the repair of which would only help a handful of disproportionately rich individuals. It is a system that affects 2.4 million families this year. A system that, if left unchecked, will affect nearly 75 percent of families making $75,000 to $100,000. It is a system that, in my district, can cost an individual making a good living, but not a lavish living and taking itemized deductions, thousands of dollars more in taxes each year.

In 2008, a family making over $50,000 with three children would be affected. Any family with one child or more, 60,000 would be affected.

□ 1200

Although I am pleased to see bipartisan support to act to ameliorate the AMT, these temporary remedies will only be as valuable as the permanent solutions developed in the interim. These measures have the potential to help millions of families this year, but we must work together to crack the system that protects all hardworking Americans going forward.

I support the fiscally responsible Rangel substitute and urge my colleagues to help put an end to the inequities of the alternative minimum tax.

Mr. ENGLISH. Mr. Speaker, it is a great privilege for me to yield 4 minutes to the gentleman from Connecticut (Mr. SIMMONS), the prime sponsor of this legislation and a real advocate for middle-class taxpayers.

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

Mr. SIMMONS. Mr. Speaker, I thank my friend from Pennsylvania for yielding me the time.

I rise today in support of the Middle-Class Alternative Minimum Tax Relief Act of 2004, a bill that will prevent millions of middle-class, middle-income Americans from paying higher taxes next year.

Mr. Speaker, when the IRS's national taxpayer advocate Nina Olsen presented her annual report to Congress at the end of last year, she deemed the AMT, or the alternative minimum tax, as ''the biggest problem taxpayers face today.'' She did not say upper-income taxpayers. She did not say top tax brackets. She did not say wealthy taxpayers, but simply taxpayers. In fact, middle-class families with children are becoming increasingly liable to come under the AMT for several reasons.

First, the baseline exemptions in this tax were never exempted for inflation. So as more and more Americans have entered into the middle class over the past 25 or 30 years, they have outrun the exemption and, therefore, fallen into the AMT trap.

Secondly, the AMT has begun to fall especially hard on middle-class families with children, the very people we in this body have aimed to help, not hurt, with our tax laws. These Americans work hard, they play by the rules, they pay their taxes year after year and are now sending more of their earnings to the Federal Government because this tax does not allow them to take the standard deduction for married couples, and it does not allow them to enjoy individual exemptions for themselves and their children.

What is more, as my colleague from New York has indicated, high-tax States such as New York and Connecticut are much more likely to be caught because the State, local, and personal property taxes are not deductible. Connecticut is the most taxed State in the Nation; and this year, around April 15, I heard from many of my constituents about the AMT tax.

Just last week, on a radio call-in show, I heard from a constituent, Rose Curran. She called in to complain about the AMT. Rose and her husband, Dan, did not have to pay it this year, but they anticipate that if we do not act they will pay it in the next couple of years.

Rose is a retired State employee whose only income is Social Security. Dan is a Vietnam veteran, disabled, a retired sailor from the U.S. Navy who now works as a civilian at the submarine base in Groton. I do not consider Rose and Dan Curran what I would call wealthy or rich people. They do not either, and yet they are concerned that if Dan keeps working at the submarine base they will fall into this trap.

This is one of the reasons why I introduced the Middle-Class Alternative Minimum Tax Relief Act of 2004, to extend through 2005 the AMT relief provided in the 2003 law. This measure will ensure that taxpayers who are currently exempt from the AMT will continue to be protected because AMT will be indexed for inflation over the next year.

If this legislation is not enacted, Mr. Speaker, the number of working families affected by the AMT will increase from over 3 million this year to over 11 million in 2005. Here is a chart that illustrates what will happen. We will go from 3 million to 11 million. If we enact this legislation, we will remain at the 3 million.

Mr. Speaker, I urge all of my colleagues to join me today in support of middle-class Americans like Dan and

Rose Curran of Norwich, Connecticut. I urge their support for this legislation.

Mr. Speaker, I rise today to support my ''Middle-Class Alternative Minimum Tax Relief Act of 2004,'' a bill that will prevent millions of middle-class Americans from paying higher taxes next year.

In 1969, the Treasury Secretary testified before Congress that 155 individual taxpayers with incomes above $200,000 paid no Federal income tax on their 1967 tax returns by taking advantage of the many exemptions and deductions in the tax code. This revelation sparked an immediate backlash from the American people. That year Congress received more constituent letters regarding those 155 taxpayers than on the Vietnam War.

Following this outburst from taxpaying constituents, legislation was passed that created a minimum tax designed to ensure that wealthy individuals could not escape income tax liability. It was termed the alternative minimum tax or ''AMT,'' for short.

The AMT is a parallel tax system. You calculate your taxes under the normal tax system and again under the AMT. Whichever one yields a higher tax is the one you pay. The difference is that when calculating the AMT you cannot take the standard deduction, child exemptions, or deduct state, local, and personal property taxes. Without these important deductions, the AMT often carries the higher price tag of the two. Over three million American families discovered this just last month when calculating their taxes. For them, the AMT became their income tax.

Mr. Speaker, when the IRS's national taxpayer advocate, Nina Olsen, presented her annual report to Congress at the end of last year, she deemed the AMT to be the ''biggest problem taxpayers face today.''

I would urge my colleagues to note that Ms. Olsen said ''taxpayers.'' Not upper-income, not top bracket, not wealthy taxpayers, but simply taxpayers. In fact, middle-class families with children are increasingly liable to come under the AMT for several reasons.

First, the baseline exemptions in this tax were never indexed for inflation. So as more Americans have entered the middle-class over the past 30 years, they have ''outrun'' the exemption and therefore fallen into the AMT trap.

Second, the AMT has begun to fall especially hard on middle-class families with children—the very people who we in this body have aimed to help not hurt with our tax laws. These Aemricans—who have worked hard, played by the rules, and paid their taxes year after year—are now sending more of their earnings to the Federal government because this tax does not allow them to take the standard deduction for married couples and it does not allow them to enjoy individual exemptions for themselves and their children. The more children a family has, the more likely they will be forced into the AMT.

What's more, if families hail from high-tax States like Connecticut they are much more likely to be snared, as State, local, and personal property taxes are not deductible under the AMT. I represent the most-taxed state in the nation. This time of year I am hearing more and more about the AMT.

Just last week while participating on a call-in radio program I heard from a constituent of mine from Norwich, Connecticut. Rose Curran and her husband, Dan, did not have to pay the AMT this year, but they did owe Federal taxes for the first time in years. In going over their return, they discovered the AMT and were curious about what it was. Upon learning more about its current exemption levels, they realized that this supposed ''tax for the rich'' may well affect them in future years.

Rose is a retired State employee whose only income is social security. Dan is a disabled Vietnam veteran and retired sailor who works now as a civilian at the Subase in Groton. Mr. Speaker, I don't think Dan and Rose Curran would call themselves ''rich.'' But they are concerned that if Dan keeps working at the base they will fall into this tax trap. During my conversation with Rose I urged her to follow up with office and I promised that I would look into this matter.

When I did I was stunned. As one publication put it, this problem is ''growing like the monster from the tax lagoon.''

Today, the AMT exemption amount for a married couple is $58,000. However, this relief is scheduled to expire at the end of the year. Without action, the exemption amount will drop from $58,000 to $45,000 in 2005—raisinig taxes on millions of hard-working, middle-income families beginning next year. The exemption for individual payers will drop from $40,250 to $33,750 with the same result.

Therefore I have introduced the ''Middle-Class Alternative Minimum Tax Relief Act of 2004,'' to extend through 2005 the AMT relief provided in the 2003 law. This measure will also ensure that those taxpayers that are currently exempt from the AMT will continue to be protected from the AMT because it will be indexed for inflation over the next year.

If my legislation is not enacted, Mr. Speaker, the number of working families affected by the AMT will increase from over 3 million this year to over 11 million in 2005. Let me repeat that—over 11 million Americans will face this surtax next year without action on my bill today. What's more, the 8 million new families paying the AMT will face an average tax increase of $1,520 according to the Joint Committee on Taxation.

I'm sure that many of my friends here today will say that this won't solve the greater structural problems of this tax and that this is just a temporary fax. There is some truth to that. Thanks in part to the diligent work of people like my colleague from just next door, the gentleman from Massachusetts, Mr. NEAL, we all recognize the seriousness of this issue and the need for a long-term solution. But lets not get so mired in debating how to address the long-range consequences of this problem that we fail to provide this critical extension.

Mr. Speaker, what began as a way to make sure that high-income Americans payed their fair share has today become little more than an unfair surcharge on people who choose to get married, have children and work their way into the middle class. My friends, the fireman and the teacher making around $65,000 together are not rich. They work hard every day to put food on the table, pay the mortgage, and save for their children's education. They cannot afford high-priced accountants to help them reduce their tax bill. But if this couple has three children and takes the standard deduction, they WILL—according to CRS—pay the AMT next year if we don't act. Lets make sure—with this legislation—that next April people like Rose and Dan Curran do not pay the considerable price of the alternative minimum tax because we failed to act on their behalf today.

Mr. Speaker, I urge all of my colleagues to join me in support of middle-class Americans like Dan and Rose Curran of Norwich, Connecticut and support the ''Middle-Class Alternative Minimum Tax Relief Act of 2004.''

Mr. MCDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, my friend from Connecticut has spoken somewhat of the truth, but the anecdotal stories that have been presented on the floor are only an indication of all of the things that are happening throughout the United States, and if we really care about shifting the burden of the alternative minimum tax right now up the scale rather than trying to burden the middle class, then we should do this and be honest with the American people and tell us what the effects are of all the taxes, because we are giving with one hand and we are taking back with the other hand.

Today presents us with yet another cynical ploy of gimmicks and illusions masquerading as long-term tax policy. Indeed, despite the widespread acknowledgment of the urgency for preventing large swaths of the middle class from being sucked into the alternative minimum tax over the next decade, neither the administration nor the leaders in the House or the Senate are willing to propose permanent relief.

Why is that? Is it because some of my friends do not want to acknowledge the overall cost of the AMT? Is it because some of my friends want to make our tragic budget situation seem less grim? Was the decision to provide AMT relief for only 1 year designed to understate the cost of other tax cuts enacted, as well as various pending tax cut proposals, including those to make 2001 and 2003 tax cuts permanent?

I think we all know the answers to the questions. We should. It is unfortunate. For over 3 years, this body has employed deceptive budget stratagems to force through politically infused tax cuts that threaten our Nation's long-term fiscal health, and so it continues.

We should all vote for the Rangel substitute. We should all say enough burden on the middle class. This bill is reported to cost a relatively modest $17 million, but if we extend it as expected, its actual long-term costs are much higher. Why do we not tell the American public what it will cost, since we want to stretch out the permanent tax cuts for another 10 years? Why do we not tell them what it is going to cost? We do not want to do that because folks are going to ring back and say, oh, my God, that is a lot of money.

Indeed, by proposing a 1-year fix to a perpetual problem, H.R. 4227 purposely obscures not just the long-term costs but also the other tax cuts recently enacted.

Mr. ENGLISH. Mr. Speaker, I yield myself 15 seconds just to say to the gentleman what is fairly clear and Chairman Greenspan recently indicated to us before the Joint Economic

Committee that the tax cuts are working as a tonic for the economy. Clearly they are helping us to expand our tax base and move back toward a balanced budget, and that is fairly clear.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, the AMT is a sneaky tax. It is a parallel tax system where normal rules of income and deductions do not apply. You lose most of your deductions and your children become a liability.

The bill we are debating today will keep this sneaky tax from taking away the benefit of many of the 2001 tax cuts. However, we are just holding back the tide of the AMT that in 2008 will swamp the tax system and actually collect more money than the rest of the income tax system combined.

Yes, it is going to be cheaper to repeal the entire income tax system than to repeal the AMT. I think this sneaky, destructive tax will finally cause the income tax system to implode.

This bill today will buy us some more time so we can get on with building a consensus on replacing the income tax system. We need to replace our income tax system that is, as my colleagues know, economically destructive, impossibly complex, and overly intrusive. It has impeded our ability to create jobs, encourage savings and investment, and realize the American dream.

When I speak with constituents, the biggest applause line I get is about abolishing the IRS. I think that the system, any replacement, any new system, should reduce the role of the Federal Government, encourage savings and investment, be simple, and most of all, it must be fair. AMT does none of this, and we must repeal it; but until we can repeal it, we must hold harmless those Americans whose taxes are being raised in the next year.

One additional interim step we need to take is to help those trapped in AMT through exercise of incentive stock options or ISOS. In this instance, the AMT requires people who exercise options on their employer's stock to pay tax on phantom profits. Many people stuck in AMT owe tens of thousands or hundreds of thousands of dollars in AMT on phantom profits never realized because the bottom fell out of the market. We cannot justify a tax system where taxes are owed when no gain was ever realized.

I hope we will also be able to fix this inequity as this bill moves through the process; but for sure, we need to get rid of this sneaky tax now.

Mr. MCDERMOTT. Mr. Speaker, I yield myself 15 seconds.

The gentleman from Texas talks about this being a sneaky tax sneaking up on people. It is only sneaky because my colleagues would not have hearings. If they would have listened to us when they were passing these tax bills in 1997 and 1998 and 1999 and 2000, we told them over and over again, we offered these changes that were necessary then and it all happens now. They say we snuck up on them.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding time to me; and I, too, rise in strong support of the alternative minimum tax reform. In fact, I would go so far as to say, if there was one tax that should be permanently reformed, it would be this one.

First of all, as everyone has mentioned, many middle-income people find themselves caught with this tax. They have plenty of deductions, but they are not allowed to deduct it because they have met the threshold, and it certainly is regressive and should be changed.

In 1969, the tax was put into effect. It has not been modified since it makes no sense whatsoever not to have it indexed to inflation; and again, if there was any tax reform that ought to be made permanent, it should be this tax.

We have heard about other taxes. The estate tax is one with which I do not agree that that tax should be permanently repealed. The estate tax repeal would only benefit the very, very high-income people, and I think they should pay their fair share; but this alternative minimum tax really hits a lot of working people, a lot of middle-class people and is really grossly unfair.

If a person lives in a high-tax State, as was mentioned by my friends from New York and Connecticut, it even hurts and hits them even more so. This tax, as it is currently written, makes no sense at all. I would hope that after this 1-year extension we could put our heads together and come back with something that makes sense, a permanent reform.

While this bill is a step in the right direction many middle class families that are hurt by the AMT, will not be helped by this and will only be helped by a total re-write of the AMT and a permanent reform.

I think on this side of the aisle the point had been made that the Committee Ways and Means, which is the tax-writing committee, ought to have hearings. And after we can finally put together a plan that would reform the AMT permanently for good.

Right now, I will take this quick fix, but we ought to build on to it. We should permanently reform the AMT. It makes no sense whatsoever to keep doing short-term extensions on tax policy that hurts a lot of hardworking families.

Mr. ENGLISH. Mr. Speaker, I first yield myself 15 seconds to thank the gentleman from New York for his presentation. It was very thoughtful. I want to associate myself with his remarks. We appreciate his making this debate very bipartisan, and I welcome him to get involved in our Zero AMT Caucus and try to work on a bipartisan basis to deal with this problem.

Mr. Speaker, it is a great privilege for me to yield 5 minutes to another gentleman from New York (Mr. HOUGHTON), who has put an extraordinary amount of time in on this issue, the chairman of the Subcommittee on Oversight of the Committee on Ways and Means, my colleague.

□ 1215

Mr. HOUGHTON. Mr. Speaker, I thank the gentleman for yielding me this time, and say to the gentleman from New York (Mr. ENGEL) that we have fought a good fight on many issues, and I am delighted to be associated with the gentleman on this.

Mr. Speaker, I am not going to talk about the alternative minimum tax. People have described it, nobody wants it, we want to get rid it. The question is how. Do we do it the Democratic way or the Republican way. I happen to believe that H.R. 4227, the bill of the gentleman from Connecticut (Mr. SIMMONS), is the right approach.

I guess the only thing I would hope is that we would not get tangled up in two things: One is we not get tangled up in the politics of this thing. This is a national interest. We could argue back and forth and criticize each other, but the point is people are going to get hurt and we have to stop that. The other thing, I hope we do not get tangled up in procedural issues. This is a procedural House, but the impact is not procedural on people on the outside.

I want to thank the gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from Connecticut (Mr. SIMMONS) for what they have done. The gentleman from Connecticut (Mr. SIMMONS) has really been the watchdog here for a lot of people who could get hurt, and they do not know they could get hurt. The fact that they have been watchful and sensitive to the human condition is very important.

As Members have said, this is a stopgap measure. But without this, we cannot go to the next leg. The next leg is to get rid of a tax. It is an interesting concept because before 1986, people with large amounts of capital could give that capital away; and, therefore, under provisions of the tax law, would not have to pay any tax. It was not fair and it was not democratic, and that is why this thing came into effect.

But there was no indexing, and that is why this is creeping up and involving enormous numbers of people. There are over 3 million people now, and there will be another 8 million involved. It is a very hurtful tax. I think it is a very good idea. If you want to vote the Democratic proposition, that is fine. I happen to believe what the gentleman from Connecticut (Mr. SIMMONS) has done is right on target. It is essential. It is straightforward, simple, and will benefit everybody. Therefore, I request that Members support the bill, H.R. 4227.

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

I would say to my distinguished colleague, the gentleman from New York

(Mr. HOUGHTON), we are going to miss the gentleman when he leaves Congress. It will be a loss for all of us. The gentleman said this is a tax that nobody wanted. Well, if we take the Democratic alternative and look at it in the Statement of Congressional Findings and Purposes, and mostly Members blow through these bills and never read that. I have a little bit of time, so I would like to say a few things about it.

In 1986, because of tax preferences on oil and gas depletion and a whole lot of things, there were a number of people in this country who made a lot of money who then could write it all off because they had these preferences on oil and gas exploration and so forth. So there was an agreement in this House to put in an alternative minimum tax, believing that every American ought to pay something. No matter how rich or how poor, we believe that each worker should put something in the pot. Here we had these people at the top who figured out how to get rid of it all. So we put the alternative minimum tax in.

Then came the 1990s and we had tax reform. We got rid of all of those preferences. Even when we did that, we still had less than 1 half of 1 percent of taxpayers who paid this alternative minimum tax. It never became a problem until 1997 when we took away the personal deductions and the deductions for kids, and we suddenly swept up a quarter of the people this year. If we look at the projections, we are going to have three-quarters of the people paying this thing at some point down the road.

We could have fixed it along the way, but most people did not want it in the first place, and so they said let us get rid of it. Those people on the top should not have to pay anything if they can figure out how to get out of it. So we have not fixed it.

I give you a tale of two taxpayers. There is one standing here, and I have a wife who works and the two of us make a nice living. We have good salaries. We do not have any children, and we do not pay the alternative minimum tax. And the other thing is I live in Washington State. We do not have a State income tax. A great State to live in. It wants folks to come and visit, but do not stop there and live. We do not have any problem with the AMT.

Mr. Speaker, I am not arguing for myself. I am arguing for these people behind me who live in the District of Columbia. One has two kids, one has four kids. They have to pay it on staff salaries in the House of Representatives. Tell me where is the fairness in that tax structure? How is it my wife and I benefit tremendously from this system, and we clobber the people in the middle class behind us? That is why we are here today.

Obviously, Republicans realize that the people out there are going to find things out when they do their taxes. They start through the form, and if you have an adjusted gross income of $58,000, you should begin to figure your taxes in a parallel fashion, the regular income tax form, the 1040, and then there is the alternative minimum tax. So there you are at $60,000, $70,000, and you have to figure your taxes twice.

If you ask the IRS, they put out a flyer that says it takes 3 hours and 56 minutes to figure the alternative minimum tax. Now people are filling out their tax forms making $70,000, a lot are not using accountants, that is their time. So we are putting them through the wringer twice to fill out their taxes because you would not listen.

Now this idea that we will repeal the alternative minimum tax, that is nice. That is a great idea. You know who that helps, well, it helps these people behind me a little bit, but it helps the people at the top. Again, it would be a give-away to the people on the top. I understand what the Republican Party is all about. I believe that is what your goal is. That is a major plank in your platform, is no one who has millions of dollars should pay anything, they know how to use their money, we should let them have it and they will invest it and we will have a lot of jobs.

Well, these tax cuts have not worked in the State of Washington. They have not worked in the State of Washington. We have more people unemployed today than we have ever had. It is the highest long-term unemployment we have ever had since the 1950s, and we are still waiting for the recovery. In February, there were 21,000 jobs created, all government jobs. So the tax cuts did not work except for people who had a lot of money. The next month, March, we had 306,000 jobs. Goodie, we are growing.

The fact is that economists say that it takes 250,000 new jobs every month to simply keep up with the growth in the labor force in this country. So 300,000 is just barely replacement, saying nothing about the 3.5 million that we have lost since President Bush has been in office.

This economy has been an absolute disaster for the middle class and the ordinary working people in this country. This tax structure Republicans have created is awful. We will vote for this today. There is no Member who is not going to vote to put a 1-year patch on it, but it is not being fixed. As a Member said, the way things are going, down the way, you are going to have half the people we are going to have to deal with, and at some point it is going to cost a lot of money.

The other side of the aisle would not fix it in 1997. We tried to tell them, but they were too smart and too full of their own ideas and ideology to look at what they were doing to people, and that is why we are here today. We certainly will all vote for it.

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

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Mrs. MILLER).

Mrs. MILLER of Michigan. Mr. Speaker, I rise today in support of H.R. 4227 to extend the alternative minimum tax relief to our Nation's middle class and working families. This legislation will ensure that almost 8 million Americans are not going to be subject to unfair higher taxes. It is interesting because just last week, I listened to my colleagues on the other side of the aisle. About 100 of them actually voted against the marriage penalty relief. They said that offering this Nation's working families relief from a tax on marriage was inconsequential because these families would be subject to AMT.

H.R. 4227 is a pro-growth, and most importantly, pro-family piece of legislation that will help us fix this problem.

Mr. Speaker, as has been mentioned already several times today, the original intent of AMT provisions in our Nation's Tax Code were designed to prevent high-income taxpayers from using tax deductions, from using write-offs, as well as loopholes from avoiding paying their fair share of taxes. But under the leadership of the Democratic Party prior to 1995 and their obstructive politics since then, the AMT will continue to force hard working middle class families to pay more than their fair share unless something is done.

H.R. 4227 at least offers a temporary fix to this problem until Congress can develop a permanent solution. I commend President Bush and the majority party in Congress for implementing an economic growth package that has all of the economic indices on a positive trend line. Consumer confidence in our economy is on the rise because thanks to the leadership of President Bush, more Americans are able to keep more of their hard-earned money. The President and the Republican majority trust and believe in the American people. By extending relief from the AMT, we can make sure that taxpayers are not paying more than their fair share and they can have money in their pocket to help expand our economy even further.

Mr. Speaker, this House is faced with an important decision today, one that will affect up to 8 million working families. I support this legislation because I support those families. I urge my colleagues to make the right decision and vote to pass this.

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

Mr. ENGLISH. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise in strong opposition to the Rangel substitute. Under the guise of individual tax relief from the alternative minimum tax, or AMT, the Rangel substitute would raise taxes by $15 billion. This new tax increase would fall squarely on the shoulders of America's small businesses, the same American companies that create jobs and drive our Nation's economic engine.

The tax relief this Congress has passed over the past 3 years has contributed mightily to the economic recovery we are now experiencing. More

than 750,000 jobs have been created in the past 8 months. We have strong economic growth of between 4 and 5 percent, low inflation, and homeownership rates at the highest level ever.

Mr. Speaker, why in the world would we choose to raise taxes on American small businesses just as our economy has turned the corner? Why would we smother the engines of job creation with higher taxes? Yet this is exactly what the Democrat substitute would have us do. Hard-working Americans need relief from the unfair AMT tax, and the majority bill offered by the gentleman from Connecticut (Mr. SIMMONS) will give it to them.

Without passage of the majority bill, an additional 8 million middle income taxpayers will see their Federal taxes rise because of the AMT next year.

□ 1230

We cannot allow this to happen. Let us reject the Democrat substitute and pass the underlying bill. Americans deserve relief from the AMT tax, not new taxes.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, I came to Washington to work on several issues, one of which is the sales tax deduction. Tennesseans know my record on tax fairness. I have been working with the gentleman from Texas (Mr. BRADY) to put that sales tax deduction issue on the map. I am glad to see that we have got some folks on the other side of the aisle that are coming in here and ready to help us with this debate. Like my mom always said, better late than never.

Unfortunately, true to form, their proposal, the Democrat proposal is a classic political bait and switch. They are talking about supporting a sales tax deduction while they are hiding the fact that their motion to recommit contains a tax increase. Tennesseans are not going to buy that kind of gimmickry. Whenever you make that kind of bargain, the end result is always higher taxes.

Today we are talking about the AMT, the alternative minimum tax. One of my Democrat colleagues said he never hears from constituents about the AMT, that they do not know what it is. He might be right. There are millions of middle-income taxpayers that do not know what is coming, that 11 million of them will be hit with an average tax increase of $1,520. So let us come back in a year and tell these people they do not know what the AMT is. They are going to know. They will know that they have been walloped with a $1,500 tax hike if we do not take action right now. They will be angry because people opposed the Republican plan that is supported today.

My friends across the aisle claim that their motion to recommit addresses the tax hike. Where were they when President Clinton raised taxes and failed to adjust the AMT for inflation? They had their chance to act then, and they failed. People back home need to ask themselves who do they trust on the tax policy; who has been consistently on the side of the taxpayer. It is an easy call. Democrats only talk about tax relief in election years. Republicans talk about tax relief every year.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Hampshire (Mr. BRADLEY).

Mr. BRADLEY of New Hampshire. Mr. Speaker, I would like to salute the leadership of the gentleman from Pennsylvania (Mr. ENGLISH) on this issue.

Mr. Speaker, what we face with the alternative minimum tax is a sleeping giant, a sleeping giant that is starting to wake up and gobble the hard-earned funds of millions of American taxpayers. Today it is 3 million taxpayers; but tomorrow if we do not pass this legislation, it will be 11 million taxpayers. And if we do not have the time necessary to have a longer-term solution for the alternative minimum tax, by the end of the decade it will be 30 million taxpayers, one in three Americans, will fall victim to this tax that was originally designed to catch about 150 very wealthy Americans that did not pay their fair share of taxes.

What we have today, though, with the alternative minimum tax is a situation where middle-income Americans will be paying more than the wealthier Americans because they lose their personal exemptions, they lose the exemption for State and local taxes, and they lose the exemptions for itemized deductions. Most of the benefits of the tax cuts in 2001 and 2003 will be evaporated for these taxpayers; and for anybody that has had to go through the alternative minimum tax, the compliance costs of having to fill out taxes in a dual universe, the normal way and the alternative minimum way, is much higher.

Mr. Speaker, I urge my colleagues to support H.R. 4227 and allow us this year of time to have a long-term solution to fix the alternative minimum tax.

Mr. ENGLISH. Mr. Speaker, I reserve the balance of my time with the right to close.

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

One of the problems here in the House on an issue like this is that it is hard to have a real debate because we do not set it up as a debate. We really are having a bunch of 2-minute speeches, and nobody ever gets to answer anybody back and forth. The gentleman from Pennsylvania (Mr. ENGLISH) is an honorable Member and, I think, is just wrong on this issue. I do not bear him any ill will, but one of the interesting things about this is one of the more recent Members who came out here was the gentleman from California (Mr. HERGER). He went on about the fact that the Democratic alternative is going to cost $17 billion. This is a time at which the Republican management of the economy has developed the biggest deficits in a very long time. We are going to have to raise the Federal debt limit again. We are going to have to sell more bonds to the Chinese. We are going to have to sell more bonds around the world to keep our economy afloat than ever before.

The gentleman from California's complaint about the gentleman from New York (Mr. RANGEL) is that the gentleman from New York has come in here and said, you know, I think we ought to pay for this bill. We ought to pay for it. The gentleman from Pennsylvania (Mr. ENGLISH) and his colleagues are not interested in paying for it. They just want to throw it on the credit card, another $17 billion onto their kids and their grandchildren. I just had a grandchild born last August, so for the first time I am really thinking about grandchildren. I used to just think about my kids. But now I am looking two generations down the road. It is no problem for the gentleman from California and the gentleman from Pennsylvania and other Members to say, Hey, throw it to the kids. Let's not pay for it.

You have done that since 1996. The mess we are in is directly related to what you have done. When President Bush took over, we had some kind of surplus, I forget, $200 billion; and we are now going into the hole at least $400 billion or $500 billion every year. When the gentleman from New York comes out here and says I would like to pay for it, he gets criticized. That is called raising taxes. No, it is being fiscally responsible.

The gentleman from New York is no wild-eyed liberal. You think he is, but you have never looked at the proposal he made. He reached over across the hall here into another place and took a provision from the Finance chairman in the United States Senate. The provisions that he put in are offsets that are contained in the provisions of a tax abusive transactions bill from the Senate Finance Committee written by a Senator from over there. I cannot name him. The offsets are not tax increases. They are provisions designed to ensure that corporations cannot use aggressive tax shelter transactions to avoid the taxes they pay.

So the charge that the gentleman from New York is trying to raise taxes is simply misleading, to be very generous. I am sure we will see advertisements going all over, well, you know, the Democrats tried to raise taxes on you another $17 billion, and we stopped them. They are not going to tell you about what it is going to cost your kids and your grandchildren in terms of interest rates and what is going on in this economy.

The first group of offsets that the other body came up with are designed to curtail tax shelters by clarifying the economic substance doctrine. People back home, I am sure their eyes are crossed by now, but some of you people

ought to be thinking about it. Increased reporting and penalty provisions. The economic substance doctrine is a rule of law that denies artificial losses or other tax benefits from transactions that have no business purpose or profit motive. It is the usual shenanigans of tax attorneys. Even a Republican in the other body thinks that ain't right. But, no, people over here say, oh, no, we can't do that, we can't tighten up. Oh, no, no, no. All those tax attorneys will have to go out there and find another way to take it away from the middle class and give it to the rich. They apply to transactions with no substance other than tax avoidance.

That is what the gentleman from New York's bill does. He says, let's get people to pay their fair share. If we did, we could do this alternative minimum tax. In fact, we could do more. His bill actually says that if you have a combined adjusted gross income of $250,000, if you are less than that, you do not even have to look at this. That would take millions of people off the rolls. But the Republicans want to leave it so that everybody has to be at $58,000 and start into this alternative plan.

The IRS says the record-keeping for that is 19 minutes. Then they say it takes an hour and 14 minutes to read the law and understand it. This is the IRS telling the taxpayers: it is going to take you an hour and a quarter to read this law and figure it out. Then it takes an hour and 49 minutes to actually figure it. And then copying and assembling and sending the form takes another 34 minutes. That is where we get the 4 hours.

You are putting a half a day's work on the American public because you will not consider an alternative from the Democrats. You will not have a hearing to find out whether this is a better proposal or not, because all wisdom resides on that side of the aisle. And it is really wonderful to stand in the presence of people who know everything; but the problem, the reason you got into this mess is because you would not listen to anybody else and you are still in the mess because you will not listen to anybody else. The fact is that your own people, a guy from Iowa, my gosh, he is a wild liberal, right? Head of the Senate Finance Committee. He comes up with this, and you think it is no good.

The fact is that this is a big problem that we need to work on together. If there were any bipartisanship at all on the Committee on Ways and Means, we could get something done. But if it is going to be done all by one side, where the ideology is we have to give it all to the people at the top and we cannot worry about what happens to the middle class, then we are going to continue to have these kinds of deals. If, God forbid, you are still in charge next year, you will be out here with a bill just like this with a bigger problem and a bigger cost and more money into the deficit.

The question that really is sitting here today is, when is the Republican majority going to face up to the hole in the tax structure that you have dug and into which you have thrown all the people? You gave pittances, $676 average, for the average family and $112,000 for the people at the top. Do you think there is a millionaire in this country who needs $112,000? I mean, seriously. How could anybody come out here and support that, given the problems we have in this country right now? Spending $200 billion on a war that never should have happened in the first place, led into it by a President who stood right here and misled us, and you are throwing money out the door every way we can imagine; and you will not face what you are doing economically.

I really pray, I really do pray that the day never comes when Europe stands up or the Japanese or the Chinese stand up and say, we are not buying any more of that worthless paper from the United States.

The SPEAKER pro tempore (Mr. SIMPSON). The time of the gentleman has expired.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded that remarks in debate in the House may not cite the views of Senators. Sponsorship may be identified, but further characterization is not in order.

Mr. ENGLISH. I presume, Mr. Speaker, that also means that we cannot mischaracterize them.

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

This has been a useful debate because I think in an odd way it has highlighted a couple of things. First of all there is a consensus in this Chamber behind the bill that the gentleman from Connecticut (Mr. SIMMONS) has put forward. There will be a substitute offered. I will have ample opportunity and grounds to criticize that substitute when it is offered, but for now I think what needs to be emphasized here is that in the end both parties are committed to at least moving forward on this very limited bill. I wish we were doing more today, but the fact is, this is probably the best we could agree on in the gridlock that exists in the institution right now.

I would like to use some of my time to respond to some of the points that were made by the other side. First of all, let us be clear. This bill is not about the war. It is not really about the deficit in the sense that I think it is fairly clear and I would hope people on both sides could agree that we do not need revenue from this source. We can come up with spending cuts, and we can come up with alternative revenue sources to deal with this.

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We do not need the revenue applied from applying an AMT that was intended to be applied originally only to a very narrow band of very wealthy taxpayers, applying it to the middle class.

Some strange things have been said here and I would like to respond to them. First of all, this problem was not created by the Republicans. This was created back in 1986 when a tax reform passed when the other body controlled the Chamber, and in all the time that they controlled the Chamber afterward, they did nothing to deal with this problem. In fact, in 1993, they voted to actually increase the burden of the AMT. And we have heard from a number of speakers today who purport to be against the AMT, but actually who voted for that increase.

It has been said by the distinguished gentleman from Washington, my friend, that Republicans do not know what they are doing. I would submit to the Members when this AMT was put in place without any provision for how inflation would move and more taxpayers into AMT status, they knew what they were doing. They wanted the revenue. They wanted to apply a progressively higher tax burden to the American people and use that future revenue in order to justify a higher level of spending and an expansion of the welfare state.

We in this Chamber today are committed to moving forward to making sure that a new heavier tax burden is not applied to taxpayers next year and that next year taxpayers do not face a bait and switch on some of the key provisions that we have passed. That I would submit is really what the Republican Party is all about.

And as for Republican management of the economy, I am proud to associate myself with Republican management of the economy at a time when clearly responsible economists agree the tax policies enacted in this Congress supported by this administration are having the effect of lifting the economy, not as much as I would like right now in my district, but clearly turning around the slowdown that we had experienced that we inherited from the last administration and providing a significant prospect of new jobs and new economic growth and new dynamics that are going to provide opportunities for working families in the coming months. We recognize that we need to do more, and this Congress is clearly committed to doing that. And yet we need to agree at very least today to pass this provision.

I am very proud to support this bill as introduced by the gentleman from Connecticut (Mr. SIMMONS) that provides some relief to middle class taxpayers, to make sure that they have access to the relief that we promised them so that we can continue to grow the economy, that we can continue to create opportunities, that we can continue to provide some relief to families that have children and that are eligible and should be eligible for the tax credit that we have passed in this Chamber.

This is to me a critical issue of tax equity. We need to be prepared to guarantee to middle class families that they do not face a higher burden because of a stab in the back called the AMT, that they are not hit on tax day

with an unexpected tax burden, that they are not required to recalculate their taxes accordingly. We have an opportunity today to strike a real blow for tax equity for the middle class.

With that, I hope we pass this bill.

Mr. HOLT. Mr. Speaker, the Alternative Minimum Tax (AMT) is a terrible burden on middle class taxpayers and the middle class should be excluded from the AMT.

Once again, however, the Republican leadership is using budget gimmicks to hide the real cost of their tax cut and doing nothing to offset it. While the proposed AMT relief bill carries an official cost of $17 billion, its actual long-term costs are much higher: $549 billion over ten years, or $658 billion if the added interest costs on the national debt are taken into account. Indeed, by proposing a one-year ''fix'' to a perpetual problem, H.R. 4227 purposefully obscures not just the long-term cost of AMT reform. Ignoring these long-term costs irresponsibly undermines our ability to adequately plan for the future. It costs the future generation, as well as the present economy.

More unpaid-for tax cuts 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 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 business to raise capital.

This is why I support the Democratic alternative to relieve the burden of the AMT on middle class taxpayers. The substitute would provide temporary relief from the AMT that is more broad and simpler than the relief contained in H.R. 4227. The substitute would simply eliminate AMT liability for all taxpayers whose adjusted gross income is less than $250,000 ($125,000 for single taxpayers). Above those income levels, AMT liabilities would be phased in over a $40,000 range ($20,000 for single individuals).

The substitute would provide a framework for total reform of the AMT. It would require the Secretary of the Treasury to promptly submit legislative recommendations to the Congress, and it would require the Committee on Ways and Means to act on those recommendations this summer. It is time for the Congress to be honest with the American taxpayers and proceed with real AMT reform.

Moreover, the substitute would be revenue neutral. Its cost would be offset by restricting certain tax shelters, which has already passed the Senate on a bipartisan basis. The AMT was designed to ensure that all taxpayers pay a minimum amount of tax and, in effect, limited the ability to use tax loopholes. The substitute would directly address those tax avoidance transactions, thereby minimizing the need for the minimum tax and provide relief for the middle class families of my district.

We cannot continue to pretend that the AMT problem will go away on its own and to make major policy decisions based on the reckless unrealistic assumption that it will. We must work toward a long-term, fully paid-for solution that protects our ability to fund critical national priorities and allows us to make realistic plans for the future.

Mr. KIND. Mr. Speaker, I strongly support providing relief to middle-income Americans from an encroaching Alternative Minimum Tax (AMT).

Without action this year to extend the current AMT exemption levels passed in 2003, millions of Americans will feel the AMT crunch in 2005. While the AMT was enacted in 1969 to prevent high-income earners from using loopholes in the tax code to avoid paying their fair share, the AMT is increasingly becoming an unfair tax burden on millions of middle-income Americans. Because of factors including inflation and income tax reductions, the complex calculations used by individuals and couples to determine if they must pay any AMT have adjusted and now unfairly punish middle-income families, particularly those with children in high-tax states.

For the third year in a row, the Internal Revenue Service's Taxpayer Advocate Service's Report to Congress lists AMT encroachment as the most serious problem encountered by taxpayers. The AMT now impacts more than 2.4 million Americans. Unless reformed, the AMT will impact 12.4 million in 2005 and more than 30 million Americans in 2010. On top of that, even more taxpayers will be forced to perform intense computations to determine if AMT applies to them.

While the majority of the 2003 tax proposal that passed the House was fiscally irresponsible and designed to benefit only the wealthiest of Americans, its provision providing increased AMT exemptions in 2003 and 2004 had bipartisan agreement. However, while everyone seems to agree that the AMT needs to be reformed, the President's budget for fiscal year 2005 again covered up the full cost of fixing the AMT—estimated by the CBO at over $500 billion—by proposing another one-year extension. A comprehensive, bipartisan proposal is long overdue to address the problems of the AMT, and it is important that Congress account for this necessary reform in its budget resolutions.

As we reform the AMT to provide relief to middle-income Americans, we need to act in a fiscally responsible manner. It is unfair to Americans today, and especially the next generation, to delude ourselves by thinking the record budget deficits facing our nation, estimated by the White House at over $500 billion this year alone, will simply go away.

As a member of the House Budget Committee, I supported a budget resolution that allows for extending AMT relief while still reducing the deficit. This approach requires tough choices, prioritization, and a bipartisan commitment to helping working families. With the House-Senate conference committee still negotiating the budget resolution for fiscal year 2005, I remain hopeful that we will be able to provide Americans continued tax relief today without raising the debt burden on our children's generation.

The substitute offered today by Representative NEAL is a more responsible bill that will provide relief to more than 10 million families while not increasing the budget deficit. By closing corporate tax shelters, the Neal substitute provides a responsible offset to benefit more American families without burdening our children with added debt that they will have to pay off. Further the Neal substitute unambiguously and completely exempts married couples with incomes under $250,000 from the AMT. This is a superior approach, helps more Americans, and ensures most middle income taxpayers will not have to worry about the AMT.

Mr. Chairman, it is important that we act today to ensure average income Americans will not unfairly face the alternative minimum tax in 2005. However, I believe we can and must provide this relief in a fiscally responsible manner that will not burden future generations of Americans. Just as it was true last week when we passed legislation permanently repealing the marriage penalty tax, our work is far from over in helping working families face the challenges of today's economy. We must come together in a bipartisan manner to craft a fiscally responsible budget resolution.

Ms. KILPATRICK. Mr. Speaker, today we are considering H.R. 4227, the Middle-Class Alternative Minimum Tax (AMT) Relief Act. I have considered the merits of the legislation and concluded that the base bill offered by the Republican majority needed to be amended. I voted aye to the Neal-Bishop-Israel substitute, that would have exempted married couples making $250,000, and singles making $125,000, from paying the alternative minimum tax. The substitute would have been offset by cracking down on corporate tax shelters and tax avoidance schemes used by corporations like Enron. The current budget deficit has been fueled by unprecedented tax cuts that have erased a surplus in excess of $200 billion when the Bush administration took office. Given the loss of 2.6 million private-sector jobs over the last three years, I and my fellow Democrats believe tax cuts should not add to the record budget deficits, because ballooning deficits threaten economic growth, raise interest rates, and cost jobs. That is why the Democratic alternative targeted tax cuts—providing more tax relief to the millions of families with children in high-tax states with incomes under $250,000.

I was also concerned by facts provided by Ways and Means staff that indicated the base bill is expected to reduce federal revenue by approximately $17 billion to $18 billion over 10 years, and none of the provisions in the bill were accompanied by any offsets.

The substitute provided the framework for total reform of the AMT. It would have been paid for, and would have provided AMT relief that is broader and simpler than the relief contained in H.R. 4227. The substitute eliminated AMT liability for all taxpayers whose income is less than $125,000 for single taxpayers and $250,000 for married couples. Above those income levels, AMT liabilities would be phased in over a $20,000 range for single taxpayers and a $40,000 range for married couples. The cost of the substitute was roughly $19 billion and would have been offset by restrictions on tax shelters that have been supported by House Democrats as offsets in other substitutes that have been approved in the Senate on a bipartisan basis.

I opposed H.R. 4227 because it did not provide a sufficient level of tax relief to my constituents.

Mr. STARK. Mr. Speaker, I rise today to oppose H.R. 4227, the ''Middle-Class Alternative Minimum Tax Relief Act of 2004,'' and in support of the Democratic substitute that provides real relief for middle-class families.

The alternative minimum tax, AMT, was designed to ensure high-income taxpayers did not thwart the system and avoid their share of the tax burden. But once again, the Republicans are on the floor with a tax proposal favoring the wealthy over the middle class, penalizing hard working Americans raising families. We should not mortgage our future with

tax policies that will merely pass on the ever-increasing debt to our children.

Despite its title, the Republicans are offering a bill that does not provide effective AMT relief for lower-income households and those families claiming the dependent care credit. In addition, the irresponsible AMT relief proposed by the Republicans is not paid for with any offsetting revenue increases or spending cuts.

In contrast, the Democratic substitute provides AMT relief to more households than the Republican bill and gives increased relief to low-income households—especially those claiming the dependent care credit. This tax relief for real middle-class families is paid for with new restrictions on corporate tax shelters. The Republicans call this a tax hike, but it is actually the most responsible way to provide effective middle-class tax relief without adding to the national debt.

The Democratic substitute provides AMT relief to 10.2 million households, a full 1 million more than the GOP proposal. Married households below $250,000 adjusted gross income will be completely excluded from the AMT under the Democratic substitute, while the Republican bill gives big breaks to those over $250,000 who obviously need tax relief the least—and have already most benefited from the Bush tax cuts.

I urge my colleagues to vote against the inadequate Republican proposal and support the Democratic substitute, which provides AMT relief for American families who need it most.

Ms. DELAURO. Mr. Speaker, the alternative minimum tax, AMT, is a huge and growing burden on a middle class that is already burdened by a tough economy and the loss of 2.6 million private sector jobs. Originally designed to make sure everyone paid their fair share by limiting excessive tax shelters for wealthy families, the AMT has become a tax penalty for families with children who live in high-tax States. By 2010, 30 million Americans will be faced with minimum tax liability, as compared to about 3 million today and 1 million in 1999.

Everyone in this chamber agrees that something must be done to ease this burden on the middle class. And let me make clear—Democrats have a long track record of supporting real tax relief for the middle class. Unfortunately, this bill represents a band-aid approach to what has been deemed by the IRS's National Taxpayer Advocate as the Nation's top tax problem.

Under the Republican bill, 1 million families would still be paying the AMT. A two-income family with four children in a high-tax State would be hit by the alternative minimum tax even if their income is only $95,000. And their bill would extend AMT relief for just 1 year—meaning taxes on millions of middle class families will go right back up in 2006.

The Congressional Budget Office estimates that a true fix of the AMT would cost $376 billion over 10 years. But Republicans have refused to step back on their tax cuts for the wealthy, which have created a $3 trillion deficit, in order to pay for this essential middle class tax relief.

Today Democrats bring to the House floor a true solution to the AMT problem. The Democratic substitute completely exempts married couple families with incomes under $250,000 from the alternative minimum tax, providing tax relief to more than 10 million families, particularly those with children in high-tax States. Compared to the Republican bill, it provides more relief to 1 million additional families.

And, the Democratic plan is fully paid for by cracking down on corporate tax shelters. As nearly two-thirds of corporations paid no tax at all in 2000, this is an important step to ensuring that corporations pay their fair share while relieving middle class families from the unfair burden of the alternative minimum tax. The middle class does not benefit by adding to our already ballooning budget deficit and further threatening economic growth.

I urge my colleagues to support true AMT tax relief for middle class families, without adding to the budget deficit, by supporting the Democratic plan.

Mr. FRELINGHUYSEN. Mr. Speaker, today I rise in support of H.R. 4227, which extends through 2005 the higher alternative minimum tax exemption amounts enacted in the Jobs and Growth Tax Relief Reconciliation Act of 2003. This important piece of legislation will prevent a tax increase on middle class families next year.

The fact of the matter is if Congress does not act this year, taxpayers will feel the burden of a significant tax increase.

The alternative minimum tax hits the residents of northern New Jersey the hardest, especially those who are considered middle-class, because it doesn't allow for a deduction of our State's outrageously high property taxes. In 2001 and 2003, Congress took steps to present middle-class families from falling deeper into the AMT trap. The legislation the House has before it today continues in that tradition, ensuring that working families throughout northern New Jersey and the country are not hit with a tax increase in 2005.

Created more than 30 years ago, this out of date tax was meant to prevent high-income taxpayers from using multiple-tax deductions and write-offs to avoid paying income taxes. In 1993, President Clinton increased the AMT and did not index it for inflation. As a result, more and more middle-income taxpayers are now forced to pay the AMT.

As you know, H.R. 4227 extends through 2005 the higher AMT exemption amounts enacted last year ($58,950 for joint filers and $40,900 for single taxpayers) and adjusts these amounts for inflation to protect their value.

Without enactment of this legislation, the current exemption amounts will automatically fall in 2005 to $45,000 for married couples and to $33,750 for single taxpayers. As a result, the Joint Committee on Taxation reports 11 million taxpayers would be hit with an average tax increase of $1,520.

I would hardly say by today's standards, a family making $45,000 is considered ''rich.''

Mr. Speaker, I recognize that H.R. 4227 is a short term fix to a long term problem which must be addressed. I understand the Committee on Ways and Means is exploring ways to correct this inequity in a more permanent way and I look forward to voting on that legislation.

But for now, I urge my colleagues to build on our ongoing efforts to provide tax relief for all hard working Americans. Let's pass H.R. 4227 today.

Mr. BALLENGER. Mr. Speaker, I am happy to come to the floor today in support of lowering taxes on American families—all American families. The Democrat substitute basically says that it's O.K. to cut taxes on some American families, but that other American families should have to pay for those tax cuts. Mr. Speaker, that's not tax cut at all.

As everyone in this body knows, the Alternative Minimum Tax was enacted to prevent the wealthiest taxpayers from using loopholes to avoid paying any federal taxes. Today, the AMT doesn't just affect the rich, but hits a substantial portion of middle-income Americans. The 2001 and 2003 tax relief bills increased the AMT exemption to help deal with this problem. However, this needed relief is scheduled to expire at the end of this year. If we do not act today, 11 million middle class taxpayers will experience an average tax increase of $1,520 next year.

Mr. Speaker, we can't allow the AMT to take away everything Congress and President Bush have done to lower the tax burden on American families. We also shouldn't force some Americans to pay for other American's tax cuts. I urge my colleagues to defeat the Democrat substitute and extend the AMT exemption by voting for the underlying bill, authored by my Republican colleague and friend, Representative ROB SIMMONS.

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

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. Is the gentleman a designee of the gentleman from New York (Mr. RANGEL)?

Mr. NEAL of Massachusetts. Yes, Mr. Speaker.

The SPEAKER pro tempore. 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. NEAL of Massachusetts:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''AMT Reform Act of 2004''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1986 Code; table of contents.
Sec. 2. Statement of Congressional findings and purposes.
TITLE I—TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX; FRAMEWORK FOR REFORM
Sec. 101. Temporary relief from the alternative minimum tax.
Sec. 102. Framework for reform.
TITLE II—RESTRICTIONS ON TAX SHELTERS
Subtitle A—Provisions Designed To Curtail Tax Shelters
Sec. 201. Clarification of economic substance doctrine.
Sec. 202. Penalty for failing to disclose reportable transaction.

Sec. 203. Accuracy-related penalty for listed transactions and other reportable transactions having a significant tax avoidance purpose.
Sec. 204. Penalty for understatements attributable to transactions lacking economic substance, etc.
Sec. 205. Modifications of substantial understatement penalty for nonreportable transactions.
Sec. 206. Tax shelter exception to confidentiality privileges relating to taxpayer communications.
Sec. 207. Disclosure of reportable transactions.
Sec. 208. Modifications to penalty for failure to register tax shelters.
Sec. 209. Modification of penalty for failure to maintain lists of investors.
Sec. 210. Penalty on promoters of tax shelters.
Sec. 211. Increases in penalties for aiding and abetting understatements.

Subtitle B—Enron-Related Tax Shelter Provisions

Sec. 221. Limitation on transfer or importation of built-in losses.
Sec. 222. No reduction of basis under section 734 in stock held by partnership in corporate partner.
Sec. 223. Expanded disallowance of deduction for interest on convertible debt.
Sec. 224. Expanded authority to disallow tax benefits under section 269.
Sec. 225. Modification of interaction between subpart F and passive foreign investment company rules.

SEC. 2. STATEMENT OF CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) The current alternative minimum tax (hereinafter referred to as the ''AMT'') was enacted in 1986 with the stated purpose of ensuring that individuals with relatively large incomes would pay some minimum amount of Federal income tax, notwithstanding the fact that the individuals could have used otherwise allowable tax preferences to reduce their regular tax to zero.

(2) The AMT, when enacted, affected a very small percentage of individuals. Approximately 0.1 percent of all individuals were subject to the AMT in 1987.

(3) During the 1990's virtually all items that have been traditionally considered to be tax preferences were removed from the AMT.

(4) As a result, virtually all AMT liability now is attributable to 3 items that few people would consider to be tax preferences: the deduction for personal exemptions, the deduction for State and local taxes, and miscellaneous itemized deductions.

(5) In 1993, adjustments to minimum tax rates were made to correspond to adjustments made in regular income tax rates. The 1993 legislation also increased the amount of the AMT exemption.

(6) The percentage of individuals subject to the AMT did not increase as a result of the 1993 changes. The percentage in 1992 was 0.3 percent. It was 0.3 percent in 1994.

(7) The first significant increase in the percentage of individuals paying the AMT occurred by reason of the Taxpayer Relief Act of 1997. Some of the benefits of the capital gains tax reduction provided in the 1997 Act were taken back by the AMT. As a result of the 1997 Act, the percentage of individuals paying the AMT doubled in less than 2 years.

(8) Even after the impact of the 1997 Act, the number of individuals subject to the AMT was extremely small until the enactment of the tax reductions by the Economic Growth and Tax Relief Reconciliation Act of 2001. Less than 1 percent of individuals were subject to the AMT before 2001.

(9) The Economic Growth and Tax Relief Reconciliation Act of 2001 contained reductions in the regular income tax rates but not in the minimum tax rates. As a result, the number of individuals subject to the AMT is projected to skyrocket. In the future—

(A) 92 percent of all households with income between $100,000 and $500,000 will be subject to the minimum tax;

(B) 73 percent of households with income between $75,000 and $100,000 will be subject to the minimum tax; and

(C) 37 percent of households with income between $50,000 and $75,000 will be subject to the minimum tax.———

(10) The AMT has a substantial marriage penalty that has never been addressed by recent ''marriage penalty repeal'' legislation. Married couples are 20 times more likely to be on the minimum tax than single individuals.

(11) More than one-half of the promised tax reductions in the recent marriage penalty bill passed by the House of Representatives will be taken back by the AMT.

(12) The AMT disproportionately applies to families with children. Ninety-seven percent of families with children and with incomes between $75,000 and $100,000 will be subject to the AMT.

(13) The current AMT means that many of the tax reductions enacted in 2001 and 2003 are essentially temporary regardless of whether Congress makes them permanent by repealing the sunset contained in the 2001 Act. On average, the AMT will take back—

(A) 15.3 percent of the benefits of the recent tax cuts from families with incomes between $50,000 and $70,000;

(B) 37.2 percent of the benefits from families with incomes between $75,000 and $100,000;

(C) 65 percent of the benefits from families with incomes between $100,000 and $200,000; and

(D) 71.8 percent of the benefits from families with incomes between $200,000 and $500,000.

(14) Only extremely wealthy taxpayers will retain most of the benefits of the recent tax cuts. Taxpayers making more than $1,000,000 will find only 8 percent of their tax reductions taken back by the AMT.

(15) The Bush Administration's Fiscal Year 2005 Budget recommends that the recent tax reductions be made permanent. Accomplishing that goal requires a total reform of the AMT.

(b) PURPOSE.—It is the purpose of this Act to—

(1) provide significant temporary relief from the alternative minimum tax; and

(2) to provide a framework for a total reform of the alternative minimum tax.

TITLE I—TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX; FRAMEWORK FOR REFORM

SEC. 101. TEMPORARY RELIEF FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 55 (relating to alternative minimum tax imposed) is amended by adding at the end the following new subsection:

''(f) EXEMPTION FOR INDIVIDUALS FOR TAXABLE YEARS BEGINNING IN 2005.—For any taxable year beginning in 2005, in the case of an individual—

''(1) IN GENERAL.—The tentative minimum tax of the taxpayer shall be zero if the adjusted gross income of the taxpayer (as determined for purposes of the regular tax) is equal to or less than the threshold amount.

''(2) PHASEIN OF LIABILITY ABOVE EXEMPTION LEVEL.—In the case of a taxpayer whose adjusted gross income exceeds the threshold amount but does not exceed $145,000 ($290,000 in the case of a joint return), the tax imposed by subsection (a) shall be the amount which bears the same ratio to such tax (determined without regard to this subsection) as—

''(A) the excess of—

''(i) the adjusted gross income of the taxpayer (as determined for purposes of the regular tax), over

''(ii) the threshold amount, bears to

''(B) $20,000 ($40,000 in the case of a joint return).

''(3) THRESHOLD AMOUNT.—For purposes of this paragraph, the term 'threshold amount' means $125,000 ($250,000 in the case of a joint return).

''(4) ESTATES AND TRUSTS.—This subsection shall not apply to any estate or trust.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. 102. FRAMEWORK FOR REFORM.

(a) RECOMMENDATIONS BY THE SECRETARY OF THE TREASURY.—Not later than 30 days after the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate detailed legislative recommendations designed to reform the alternative minimum tax. Unless the Secretary determines that it is not feasible, such recommendations shall include changes designed to ensure that the percentage of individuals paying the minimum tax would be reduced to the level in effect before the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (which is less than 1 percent). The Secretary shall include with such recommendations estimates of their revenue cost.

(b) ACTION BY COMMITTEE ON WAYS AND MEANS.—Not later than August 1, 2004, the Committee on Ways and Means of the House of Representatives shall report legislation providing permanent reform of the alternative minimum tax. Such legislation shall be designed so that the percentage of individuals subject to the minimum tax will be restored to the level in effect before the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (which is less than 1 percent).

TITLE II—RESTRICTIONS ON TAX SHELTERS

Subtitle A—Provisions Designed To Curtail Tax Shelters

SEC. 201. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit

shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

''(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

''(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

''(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

''(I) depreciation,

''(II) any tax credit, or

''(III) any other deduction as provided in guidance by the Secretary, and

''(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 202. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

''SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE REPORTABLE TRANSACTION INFORMATION WITH RETURN OR STATEMENT.

''(a) IMPOSITION OF PENALTY.—Any person who fails to include on any return or statement any information with respect to a reportable transaction which is required under section 6011 to be included with such return or statement shall pay a penalty in the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amount of the penalty under subsection (a) shall be $50,000.

''(2) LISTED TRANSACTION.—The amount of the penalty under subsection (a) with respect to a listed transaction shall be $100,000.

''(3) INCREASE IN PENALTY FOR LARGE ENTITIES AND HIGH NET WORTH INDIVIDUALS.—

''(A) IN GENERAL.—In the case of a failure under subsection (a) by—

''(i) a large entity, or

''(ii) a high net worth individual,

the penalty under paragraph (1) or (2) shall be twice the amount determined without regard to this paragraph.

''(B) LARGE ENTITY.—For purposes of subparagraph (A), the term 'large entity' means, with respect to any taxable year, a person (other than a natural person) with gross receipts in excess of $10,000,000 for the taxable year in which the reportable transaction occurs or the preceding taxable year. Rules similar to the rules of paragraph (2) and subparagraphs (B), (C), and (D) of paragraph (3) of section 448(c) shall apply for purposes of this subparagraph.

''(C) HIGH NET WORTH INDIVIDUAL.—For purposes of subparagraph (A), the term 'high net worth individual' means, with respect to a reportable transaction, a natural person whose net worth exceeds $2,000,000 immediately before the transaction.

''(c) DEFINITIONS.—For purposes of this section—

''(1) REPORTABLE TRANSACTION.—The term 'reportable transaction' means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under section 6011, such transaction is of a type which the Secretary determines as having a potential for tax avoidance or evasion.

''(2) LISTED TRANSACTION.—Except as provided in regulations, the term 'listed transaction' means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011.

''(d) AUTHORITY TO RESCIND PENALTY.—

''(1) IN GENERAL.—The Commissioner of Internal Revenue may rescind all or any portion of any penalty imposed by this section with respect to any violation if—

''(A) the violation is with respect to a reportable transaction other than a listed transaction,

''(B) the person on whom the penalty is imposed has a history of complying with the requirements of this title,

''(C) it is shown that the violation is due to an unintentional mistake of fact;

''(D) imposing the penalty would be against equity and good conscience, and

''(E) rescinding the penalty would promote compliance with the requirements of this title and effective tax administration.

''(2) DISCRETION.—The exercise of authority under paragraph (1) shall be at the sole discretion of the Commissioner and may be delegated only to the head of the Office of Tax Shelter Analysis. The Commissioner, in the Commissioner's sole discretion, may establish a procedure to determine if a penalty should be referred to the Commissioner or the head of such Office for a determination under paragraph (1).

''(3) NO APPEAL.—Notwithstanding any other provision of law, any determination under this subsection may not be reviewed in any administrative or judicial proceeding.

''(4) RECORDS.—If a penalty is rescinded under paragraph (1), the Commissioner shall place in the file in the Office of the Commissioner the opinion of the Commissioner or the head of the Office of Tax Shelter Analysis with respect to the determination, including—

''(A) the facts and circumstances of the transaction,

''(B) the reasons for the rescission, and

''(C) the amount of the penalty rescinded.

''(5) REPORT.—The Commissioner shall each year report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

''(A) a summary of the total number and aggregate amount of penalties imposed, and rescinded, under this section, and

''(B) a description of each penalty rescinded under this subsection and the reasons therefor.

''(e) PENALTY REPORTED TO SEC.—In the case of a person—

''(1) which is required to file periodic reports under section 13 or 15(d) of the Securities Exchange Act of 1934 or is required to be consolidated with another person for purposes of such reports, and

''(2) which—

''(A) is required to pay a penalty under this section with respect to a listed transaction,

''(B) is required to pay a penalty under section 6662A with respect to any reportable transaction at a rate prescribed under section 6662A(c), or

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction,

the requirement to pay such penalty shall be disclosed in such reports filed by such person for such periods as the Secretary shall specify. Failure to make a disclosure in accordance with the preceding sentence shall be treated as a failure to which the penalty under subsection (b)(2) applies.

''(f) COORDINATION WITH OTHER PENALTIES.—The penalty imposed by this section is in addition to any penalty imposed under this title.''.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6707 the following:

''Sec. 6707A. Penalty for failure to include reportable transaction information with return or statement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements the due date for which is after the date of the enactment of this Act.

SEC. 203. ACCURACY-RELATED PENALTY FOR LISTED TRANSACTIONS AND OTHER REPORTABLE TRANSACTIONS HAVING A SIGNIFICANT TAX AVOIDANCE PURPOSE.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662 the following new section:

''SEC. 6662A. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERSTATEMENTS WITH RESPECT TO REPORTABLE TRANSACTIONS.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has a reportable transaction understatement for any taxable year, there shall be added to the tax an amount equal to 20 percent of the amount of such understatement.

''(b) REPORTABLE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'reportable transaction understatement' means the sum of—

''(A) the product of—

''(i) the amount of the increase (if any) in taxable income which results from a difference between the proper tax treatment of an item to which this section applies and the taxpayer's treatment of such item (as shown on the taxpayer's return of tax), and

''(ii) the highest rate of tax imposed by section 1 (section 11 in the case of a taxpayer which is a corporation), and

''(B) the amount of the decrease (if any) in the aggregate amount of credits determined under subtitle A which results from a difference between the taxpayer's treatment of an item to which this section applies (as shown on the taxpayer's return of tax) and the proper tax treatment of such item.

For purposes of subparagraph (A), any reduction of the excess of deductions allowed for the taxable year over gross income for such year, and any reduction in the amount of capital losses which would (without regard to section 1211) be allowed for such year, shall be treated as an increase in taxable income.

''(2) ITEMS TO WHICH SECTION APPLIES.—This section shall apply to any item which is attributable to—

''(A) any listed transaction, and

''(B) any reportable transaction (other than a listed transaction) if a significant purpose of such transaction is the avoidance or evasion of Federal income tax.

''(c) HIGHER PENALTY FOR NONDISCLOSED LISTED AND OTHER AVOIDANCE TRANSACTIONS.—

''(1) IN GENERAL.—Subsection (a) shall be applied by substituting '30 percent' for '20 percent' with respect to the portion of any reportable transaction understatement with respect to which the requirement of section 6664(d)(2)(A) is not met.

''(2) RULES APPLICABLE TO ASSERTION AND COMPROMISE OF PENALTY.—

''(A) IN GENERAL.—Only upon the approval by the Chief Counsel for the Internal Revenue Service or the Chief Counsel's delegate at the national office of the Internal Revenue Service may a penalty to which paragraph (1) applies be included in a 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals. If such a letter is provided to the taxpayer, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(B) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of subparagraph (A).

''(d) DEFINITIONS OF REPORTABLE AND LISTED TRANSACTIONS.—For purposes of this section, the terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).

''(e) SPECIAL RULES.—

''(1) COORDINATION WITH PENALTIES, ETC., ON OTHER UNDERSTATEMENTS.—In the case of an understatement (as defined in section 6662(d)(2))—

''(A) the amount of such understatement (determined without regard to this paragraph) shall be increased by the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements for purposes of determining whether such understatement is a substantial understatement under section 6662(d)(1), and

''(B) the addition to tax under section 6662(a) shall apply only to the excess of the amount of the substantial understatement (if any) after the application of subparagraph (A) over the aggregate amount of reportable transaction understatements and noneconomic substance transaction understatements.

''(2) COORDINATION WITH OTHER PENALTIES.—

''(A) APPLICATION OF FRAUD PENALTY.—References to an underpayment in section 6663 shall be treated as including references to a reportable transaction understatement and a noneconomic substance transaction understatement.

''(B) NO DOUBLE PENALTY.—This section shall not apply to any portion of an understatement on which a penalty is imposed under section 6662B or 6663.

''(3) SPECIAL RULE FOR AMENDED RETURNS.—Except as provided in regulations, in no event shall any tax treatment included with an amendment or supplement to a return of tax be taken into account in determining the amount of any reportable transaction understatement or noneconomic substance transaction understatement if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.

''(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).

''(5) CROSS REFERENCE.—

''For reporting of section 6662A(c) penalty to the Securities and Exchange Commission, see section 6707A(e).''.

(b) DETERMINATION OF OTHER UNDERSTATEMENTS.—Subparagraph (A) of section 6662(d)(2) is amended by adding at the end the following flush sentence:

''The excess under the preceding sentence shall be determined without regard to items to which section 6662A applies and without regard to items with respect to which a penalty is imposed by section 6662B.''.

(c) REASONABLE CAUSE EXCEPTION.—

(1) IN GENERAL.—Section 6664 is amended by adding at the end the following new subsection:

''(d) REASONABLE CAUSE EXCEPTION FOR REPORTABLE TRANSACTION UNDERSTATEMENTS.—

''(1) IN GENERAL.—No penalty shall be imposed under section 6662A with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for such portion and that the taxpayer acted in good faith with respect to such portion.

''(2) SPECIAL RULES.—Paragraph (1) shall not apply to any reportable transaction understatement unless—

''(A) the relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under section 6011,

''(B) there is or was substantial authority for such treatment, and

''(C) the taxpayer reasonably believed that such treatment was more likely than not the proper treatment.

A taxpayer failing to adequately disclose in accordance with section 6011 shall be treated as meeting the requirements of subparagraph (A) if the penalty for such failure was rescinded under section 6707A(d).

''(3) RULES RELATING TO REASONABLE BELIEF.—For purposes of paragraph (2)(C)—

''(A) IN GENERAL.—A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if such belief—

''(i) is based on the facts and law that exist at the time the return of tax which includes such tax treatment is filed, and

''(ii) relates solely to the taxpayer's chances of success on the merits of such treatment and does not take into account the possibility that a return will not be audited, such treatment will not be raised on audit, or such treatment will be resolved through settlement if it is raised.

''(B) CERTAIN OPINIONS MAY NOT BE RELIED UPON.—

''(i) IN GENERAL.—An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if—

''(I) the tax advisor is described in clause (ii), or

''(II) the opinion is described in clause (iii).

''(ii) DISQUALIFIED TAX ADVISORS.—A tax advisor is described in this clause if the tax advisor—

''(I) is a material advisor (within the meaning of section 6111(b)(1)) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of section 267(b) or 707(b)(1)) to any person who so participates,

''(II) is compensated directly or indirectly by a material advisor with respect to the transaction,

''(III) has a fee arrangement with respect to the transaction which is contingent on all or part of the intended tax benefits from the transaction being sustained,

''(IV) has an arrangement with respect to the transaction which provides that contractual disputes between the taxpayer and the advisor are to be settled by arbitration or which limits damages by reference to fees paid to the advisor for such transaction, or

''(V) as determined under regulations prescribed by the Secretary, has a disqualifying financial interest with respect to the transaction.

''(iii) DISQUALIFIED OPINIONS.—For purposes of clause (i), an opinion is disqualified if the opinion—

''(I) is based on unreasonable factual or legal assumptions (including assumptions as to future events),

''(II) unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person,

''(III) does not identify and consider all relevant facts,

''(IV) is not signed by all individuals who are principal authors of the opinion, or

''(V) fails to meet any other requirement as the Secretary may prescribe.''.

(2) CONFORMING AMENDMENT.—The heading for subsection (c) of section 6664 is amended by inserting ''FOR UNDERPAYMENTS'' after ''EXCEPTION''.

(d) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 461(i)(3) is amended by striking ''section 6662(d)(2)(C)(iii)'' and inserting ''section 1274(b)(3)(C)''.

(2) Paragraph (3) of section 1274(b) is amended—

(A) by striking ''(as defined in section 6662(d)(2)(C)(iii))'' in subparagraph (B)(i), and

(B) by adding at the end the following new subparagraph:

''(C) TAX SHELTER.—For purposes of subparagraph (B), the term 'tax shelter' means—

''(i) a partnership or other entity,

''(ii) any investment plan or arrangement, or

''(iii) any other plan or arrangement,

if a significant purpose of such partnership, entity, plan, or arrangement is the avoidance or evasion of Federal income tax.''.

(3) Section 6662(d)(2) is amended by striking subparagraphs (C) and (D).

(4) Section 6664(c)(1) is amended by striking ''this part'' and inserting ''section 6662 or 6663''.

(5) Subsection (b) of section 7525 is amended by striking ''section 6662(d)(2)(C)(iii)'' and inserting ''section 1274(b)(3)(C)''.

(6)(A) The heading for section 6662 is amended to read as follows:

''SEC. 6662. IMPOSITION OF ACCURACY-RELATED PENALTY ON UNDERPAYMENTS.''.

(B) The table of sections for part II of subchapter A of chapter 68 is amended by striking the item relating to section 6662 and inserting the following new items:

''Sec. 6662. Imposition of accuracy-related penalty on underpayments.

''Sec. 6662A. Imposition of accuracy-related penalty on understatements with respect to reportable transactions.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 204. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

''SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

''(A) there is a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2), or

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2), (3), (4), and (5) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).''.

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 205. MODIFICATIONS OF SUBSTANTIAL UNDERSTATEMENT PENALTY FOR NONREPORTABLE TRANSACTIONS.

(a) SUBSTANTIAL UNDERSTATEMENT OF CORPORATIONS.—Section 6662(d)(1)(B) (relating to special rule for corporations) is amended to read as follows:

''(B) SPECIAL RULE FOR CORPORATIONS.—In the case of a corporation other than an S corporation or a personal holding company (as defined in section 542), there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

''(i) 10 percent of the tax required to be shown on the return for the taxable year (or, if greater, $10,000), or

''(ii) $10,000,000.''.

(b) REDUCTION FOR UNDERSTATEMENT OF TAXPAYER DUE TO POSITION OF TAXPAYER OR DISCLOSED ITEM.—

(1) IN GENERAL.—Section 6662(d)(2)(B)(i) (relating to substantial authority) is amended to read as follows:

''(i) the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment, or''.

(2) CONFORMING AMENDMENT.—Section 6662(d) is amended by adding at the end the following new paragraph:

''(3) SECRETARIAL LIST.—For purposes of this subsection, section 6664(d)(2), and section 6694(a)(1), the Secretary may prescribe a list of positions for which the Secretary believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. Such list (and any revisions thereof) shall be published in the Federal Register or the Internal Revenue Bulletin.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 206. TAX SHELTER EXCEPTION TO CONFIDENTIALITY PRIVILEGES RELATING TO TAXPAYER COMMUNICATIONS.

(a) IN GENERAL.—Section 7525(b) (relating to section not to apply to communications regarding corporate tax shelters) is amended to read as follows:

''(b) SECTION NOT TO APPLY TO COMMUNICATIONS REGARDING TAX SHELTERS.—The privilege under subsection (a) shall not apply to any written communication which is—

''(1) between a federally authorized tax practitioner and—

''(A) any person,

''(B) any director, officer, employee, agent, or representative of the person, or

''(C) any other person holding a capital or profits interest in the person, and

''(2) in connection with the promotion of the direct or indirect participation of the person in any tax shelter (as defined in section 1274(b)(3)(C)).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to communications made on or after the date of the enactment of this Act.

SEC. 207. DISCLOSURE OF REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Section 6111 (relating to registration of tax shelters) is amended to read as follows:

''SEC. 6111. DISCLOSURE OF REPORTABLE TRANSACTIONS.

''(a) IN GENERAL.—Each material advisor with respect to any reportable transaction shall make a return (in such form as the Secretary may prescribe) setting forth—

''(1) information identifying and describing the transaction,

''(2) information describing any potential tax benefits expected to result from the transaction, and

''(3) such other information as the Secretary may prescribe.

Such return shall be filed not later than the date specified by the Secretary.

''(b) DEFINITIONS.—For purposes of this section—

''(1) MATERIAL ADVISOR.—

''(A) IN GENERAL.—The term 'material advisor' means any person—

''(i) who provides any material aid, assistance, or advice with respect to organizing, managing, promoting, selling, implementing, or carrying out any reportable transaction, and

''(ii) who directly or indirectly derives gross income in excess of the threshold amount for such aid, assistance, or advice.

''(B) THRESHOLD AMOUNT.—For purposes of subparagraph (A), the threshold amount is—

''(i) $50,000 in the case of a reportable transaction substantially all of the tax benefits from which are provided to natural persons, and

''(ii) $250,000 in any other case.

''(2) REPORTABLE TRANSACTION.—The term 'reportable transaction' has the meaning given to such term by section 6707A(c).

''(c) REGULATIONS.—The Secretary may prescribe regulations which provide—

''(1) that only 1 person shall be required to meet the requirements of subsection (a) in cases in which 2 or more persons would otherwise be required to meet such requirements,

''(2) exemptions from the requirements of this section, and

''(3) such rules as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 6111 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

''Sec. 6111. Disclosure of reportable transactions.''.

(2)(A) So much of section 6112 as precedes subsection (c) thereof is amended to read as follows:

"SEC. 6112. MATERIAL ADVISORS OF REPORTABLE TRANSACTIONS MUST KEEP LISTS OF ADVISEES.

''(a) IN GENERAL.—Each material advisor (as defined in section 6111) with respect to any reportable transaction (as defined in section 6707A(c)) shall maintain, in such manner as the Secretary may by regulations prescribe, a list—

''(1) identifying each person with respect to whom such advisor acted as such a material advisor with respect to such transaction, and

''(2) containing such other information as the Secretary may by regulations require.

This section shall apply without regard to whether a material advisor is required to file a return under section 6111 with respect to such transaction.''.

(B) Section 6112 is amended by redesignating subsection (c) as subsection (b).

(C) Section 6112(b), as redesignated by subparagraph (B), is amended—

(i) by inserting ''written'' before ''request'' in paragraph (1)(A), and

(ii) by striking ''shall prescribe'' in paragraph (2) and inserting ''may prescribe''.

(D) The item relating to section 6112 in the table of sections for subchapter B of chapter 61 is amended to read as follows:

''Sec. 6112. Material advisors of reportable transactions must keep lists of advisees.''.

(3)(A) The heading for section 6708 is amended to read as follows:

"SEC. 6708. FAILURE TO MAINTAIN LISTS OF ADVISEES WITH RESPECT TO REPORTABLE TRANSACTIONS.".

(B) The item relating to section 6708 in the table of sections for part I of subchapter B of chapter 68 is amended to read as follows:

''Sec. 6708. Failure to maintain lists of advisees with respect to reportable transactions.''.

(c) REQUIRED DISCLOSURE NOT SUBJECT TO CLAIM OF CONFIDENTIALITY.—Subparagraph (A) of section 6112(b)(1), as redesignated by subsection (b)(2)(B), is amended by adding at the end the following new flush sentence:

''For purposes of this section, the identity of any person on such list shall not be privileged.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions with respect to which material aid, assistance, or advice referred to in section 6111(b)(1)(A)(i) of the Internal Revenue Code of 1986 (as added by this section) is provided after the date of the enactment of this Act.

SEC. 208. MODIFICATIONS TO PENALTY FOR FAILURE TO REGISTER TAX SHELTERS.

(a) IN GENERAL.—Section 6707 (relating to failure to furnish information regarding tax shelters) is amended to read as follows:

"SEC. 6707. FAILURE TO FURNISH INFORMATION REGARDING REPORTABLE TRANSACTIONS.

''(a) IN GENERAL.—If a person who is required to file a return under section 6111(a) with respect to any reportable transaction—

''(1) fails to file such return on or before the date prescribed therefor, or

''(2) files false or incomplete information with the Secretary with respect to such transaction,

such person shall pay a penalty with respect to such return in the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the penalty imposed under subsection (a) with respect to any failure shall be $50,000.

''(2) LISTED TRANSACTIONS.—The penalty imposed under subsection (a) with respect to any listed transaction shall be an amount equal to the greater of—

''(A) $200,000, or

''(B) 50 percent of the gross income derived by such person with respect to aid, assistance, or advice which is provided with respect to the listed transaction before the date the return including the transaction is filed under section 6111.

Subparagraph (B) shall be applied by substituting '75 percent' for '50 percent' in the case of an intentional failure or act described in subsection (a).

''(c) CERTAIN RULES TO APPLY.—The provisions of section 6707A(d) shall apply to any penalty imposed under this section.

''(d) REPORTABLE AND LISTED TRANSACTIONS.—The terms 'reportable transaction' and 'listed transaction' have the respective meanings given to such terms by section 6707A(c).''.

(b) CLERICAL AMENDMENT.—The item relating to section 6707 in the table of sections for part I of subchapter B of chapter 68 is amended by striking ''tax shelters'' and inserting ''reportable transactions''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns the due date for which is after the date of the enactment of this Act.

SEC. 209. MODIFICATION OF PENALTY FOR FAILURE TO MAINTAIN LISTS OF INVESTORS.

(a) IN GENERAL.—Subsection (a) of section 6708 is amended to read as follows:

''(a) IMPOSITION OF PENALTY.—

''(1) IN GENERAL.—If any person who is required to maintain a list under section 6112(a) fails to make such list available upon written request to the Secretary in accordance with section 6112(b)(1)(A) within 20 business days after the date of the Secretary's request, such person shall pay a penalty of $10,000 for each day of such failure after such 20th day.

''(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by paragraph (1) with respect to the failure on any day if such failure is due to reasonable cause.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after the date of the enactment of this Act.

SEC. 210. PENALTY ON PROMOTERS OF TAX SHELTERS.

(a) PENALTY ON PROMOTING ABUSIVE TAX SHELTERS.—Section 6700(a) is amended by adding at the end the following new sentence: ''Notwithstanding the first sentence, if an activity with respect to which a penalty imposed under this subsection involves a statement described in paragraph (2)(A), the amount of the penalty shall be equal to 50 percent of the gross income derived (or to be derived) from such activity by the person on which the penalty is imposed.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 211. INCREASES IN PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENTS.

(a) IN GENERAL.—Section 6701(b) is amended to read as follows:

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—The amount of the penalty imposed by subsection (a) shall be the greater of—

''(A) $2,000, or

''(B) 50 percent of the gross income derived (or to be derived) from the activity giving rise to the penalty.

''(2) CORPORATIONS.—If the return, affidavit, claim, or other document relates to the tax liability of a corporation, paragraph (1)(A) shall be applied by substituting '$20,000' for '$2,000'.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to activities after the date of the enactment of this Act.

Subtitle B—Enron-Related Tax Shelter Provisions

SEC. 221. LIMITATION ON TRANSFER OR IMPORTATION OF BUILT-IN LOSSES.

(a) IN GENERAL.—Section 362 (relating to basis to corporations) is amended by adding at the end the following new subsection:

''(e) LIMITATIONS ON BUILT-IN LOSSES.—

''(1) LIMITATION ON IMPORTATION OF BUILT-IN LOSSES.—

''(A) IN GENERAL.—If in any transaction described in subsection (a) or (b) there would (but for this subsection) be an importation of a net built-in loss, the basis of each property described in subparagraph (B) which is acquired in such transaction shall (notwithstanding subsections (a) and (b)) be its fair market value immediately after such transaction.

''(B) PROPERTY DESCRIBED.—For purposes of subparagraph (A), property is described in this subparagraph if—

''(i) gain or loss with respect to such property is not subject to tax under this subtitle in the hands of the transferor immediately before the transfer, and

''(ii) gain or loss with respect to such property is subject to such tax in the hands of the transferee immediately after such transfer.

In any case in which the transferor is a partnership, the preceding sentence shall be applied by treating each partner in such partnership as holding such partner's proportionate share of the property of such partnership.

''(C) IMPORTATION OF NET BUILT-IN LOSS.—For purposes of subparagraph (A), there is an importation of a net built-in loss in a transaction if the transferee's aggregate adjusted bases of property described in subparagraph (B) which is transferred in such transaction would (but for this paragraph) exceed the fair market value of such property immediately after such transaction.

''(2) LIMITATION ON TRANSFER OF BUILT-IN LOSSES IN SECTION 351 TRANSACTIONS.—

''(A) IN GENERAL.—If—

''(i) property is transferred by a transferor in any transaction which is described in subsection (a) and which is not described in paragraph (1) of this subsection, and

''(ii) the transferee's aggregate adjusted bases of such property so transferred would (but for this paragraph) exceed the fair market value of such property immediately after such transaction,

then, notwithstanding subsection (a), the transferee's aggregate adjusted bases of the property so transferred shall not exceed the fair market value of such property immediately after such transaction.

''(B) ALLOCATION OF BASIS REDUCTION.—The aggregate reduction in basis by reason of subparagraph (A) shall be allocated among the property so transferred in proportion to their respective built-in losses immediately before the transaction.

''(C) EXCEPTION FOR TRANSFERS WITHIN AFFILIATED GROUP.—Subparagraph (A) shall not apply to any transaction if the transferor owns stock in the transferee meeting the requirements of section 1504(a)(2). In the case of property to which subparagraph (A) does not apply by reason of the preceding sentence, the transferor's basis in the stock received for such property shall not exceed its fair market value immediately after the transfer.''.

(b) COMPARABLE TREATMENT WHERE LIQUIDATION.—Paragraph (1) of section 334(b) (relating to liquidation of subsidiary) is amended to read as follows:

''(1) IN GENERAL.—If property is received by a corporate distributee in a distribution in a complete liquidation to which section 332 applies (or in a transfer described in section

337(b)(1)), the basis of such property in the hands of such distributee shall be the same as it would be in the hands of the transferor; except that the basis of such property in the hands of such distributee shall be the fair market value of the property at the time of the distribution—

''(A) in any case in which gain or loss is recognized by the liquidating corporation with respect to such property, or

''(B) in any case in which the liquidating corporation is a foreign corporation, the corporate distributee is a domestic corporation, and the corporate distributee's aggregate adjusted bases of property described in section 362(e)(1)(B) which is distributed in such liquidation would (but for this subparagraph) exceed the fair market value of such property immediately after such liquidation.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to transactions after the date of the enactment of this Act.

(2) LIQUIDATIONS.—The amendment made by subsection (b) shall apply to liquidations after the date of the enactment of this Act.

SEC. 222. NO REDUCTION OF BASIS UNDER SECTION 734 IN STOCK HELD BY PARTNERSHIP IN CORPORATE PARTNER.

(a) IN GENERAL.—Section 755 is amended by adding at the end the following new subsection:

''(c) NO ALLOCATION OF BASIS DECREASE TO STOCK OF CORPORATE PARTNER.—In making an allocation under subsection (a) of any decrease in the adjusted basis of partnership property under section 734(b)—

''(1) no allocation may be made to stock in a corporation (or any person which is related (within the meaning of section 267(b) or 707(b)(1)) to such corporation) which is a partner in the partnership, and

''(2) any amount not allocable to stock by reason of paragraph (1) shall be allocated under subsection (a) to other partnership property in such manner as the Secretary may prescribe.

Gain shall be recognized to the partnership to the extent that the amount required to be allocated under paragraph (2) to other partnership property exceeds the aggregate adjusted basis of such other property immediately before the allocation required by paragraph (2).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions after the date of the enactment of this Act.

SEC. 223. EXPANDED DISALLOWANCE OF DEDUCTION FOR INTEREST ON CONVERTIBLE DEBT.

(a) IN GENERAL.—Paragraph (2) of section 163(l) is amended by inserting ''or equity held by the issuer (or any related party) in any other person'' after ''or a related party''.

(b) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—Section 163(l) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

''(4) CAPITALIZATION ALLOWED WITH RESPECT TO EQUITY OF PERSONS OTHER THAN ISSUER AND RELATED PARTIES.—If the disqualified debt instrument of a corporation is payable in equity held by the issuer (or any related party) in any other person (other than a related party), the basis of such equity shall be increased by the amount not allowed as a deduction by reason of paragraph (1) with respect to the instrument.''.

(c) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—Section 163(l), as amended by subsection (b), is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) and by inserting after paragraph (4) the following new paragraph:

''(5) EXCEPTION FOR CERTAIN INSTRUMENTS ISSUED BY DEALERS IN SECURITIES.—For purposes of this subsection, the term 'disqualified debt instrument' does not include indebtedness issued by a dealer in securities (or a related party) which is payable in, or by reference to, equity (other than equity of the issuer or a related party) held by such dealer in its capacity as a dealer in securities. For purposes of this paragraph, the term 'dealer in securities' has the meaning given such term by section 475.''.

(c) CONFORMING AMENDMENTS.—Paragraph (3) of section 163(l) is amended—

(1) by striking ''or a related party'' in the material preceding subparagraph (A) and inserting ''or any other person'', and

(2) by striking ''or interest'' each place it appears.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued after the date of the enactment of this Act.

SEC. 224. EXPANDED AUTHORITY TO DISALLOW TAX BENEFITS UNDER SECTION 269.

(a) IN GENERAL.—Subsection (a) of section 269 (relating to acquisitions made to evade or avoid income tax) is amended to read as follows:

''(a) IN GENERAL.—If—

''(1)(A) any person or persons acquire, directly or indirectly, control of a corporation, or

''(B) any corporation acquires, directly or indirectly, property of another corporation and the basis of such property, in the hands of the acquiring corporation, is determined by reference to the basis in the hands of the transferor corporation, and

''(2) the principal purpose for which such acquisition was made is evasion or avoidance of Federal income tax,

then the Secretary may disallow such deduction, credit, or other allowance. For purposes of paragraph (1)(A), control means the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote or at least 50 percent of the total value of all shares of all classes of stock of the corporation.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to stock and property acquired after the date of the enactment of this Act.

SEC. 225. MODIFICATION OF INTERACTION BETWEEN SUBPART F AND PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) LIMITATION ON EXCEPTION FROM PFIC RULES FOR UNITED STATES SHAREHOLDERS OF CONTROLLED FOREIGN CORPORATIONS.—Paragraph (2) of section 1297(e) (relating to passive foreign investment company) is amended by adding at the end the following flush sentence:

''Such term shall not include any period if the earning of subpart F income by such corporation during such period would result in only a remote likelihood of an inclusion in gross income under section 951(a)(1)(A)(i).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of controlled foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders with or within which such taxable years of controlled foreign corporations end.

Amend the title so as to read: ''A bill to provide for significant temporary relief from the alternative minimum tax and for a framework for a total reform of the alternative minimum tax.''.

The SPEAKER pro tempore. Pursuant to House Resolution 619, the gentleman from Massachusetts (Mr. NEAL) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Pennsylvania (Mr. ENGLISH) is a good friend of mine. He is a member of the Committee on Ways and Means, and he really is a very decent guy, but he is really wrong in what he said earlier. To suggest that these tax cuts and this mania that we have witnessed now for tax cuts for the last 3 years has not had a substantial impact on the size of Federal deficit is to really put our heads in the sand. Let me remind Members of this House we are now fighting two wars with three tax cuts, and the mathematics are there for everybody to see.

An announcement this morning by Secretary Rumsfeld that 135,000 troops now are going to stay in Iraq for an extended tour of duty, well into the year 2005, and let us be honest with the American people, they are there for 2006 and 2007 and maybe through 2010. That is the reality that we confront. We are going to a $500 billion deficit this year after coming out of the Clinton years when we not only balanced the budget but projected surpluses for years to come.

I want to remind ''all is well'' that this proposal from the gentleman from Connecticut today has never even been vetted in the Committee on Ways and Means. Maybe I am mistaken, but I believe after having served in that committee for 12 years that the Committee on Ways and Means has a responsibility for tax revenue issues. So this is being brought to us by an individual who is not on the committee and indeed it has not been aired in the committee. There has been no public hearing on the proposal that we are going to vote on in an hour. So we find ourselves having this debate about alternative minimum tax.

And I want to say something. I think my hands are clean on this issue. I have heard them say that the Democrats put this in place in the reform of the Tax Act of 1986. That may well be the case, but let me tell the Members something. I am in favor of repealing it. I think there ought to be some intellectual honesty as it relates to AMT. It has outlived its usefulness. It has outlived its purpose, and now middle-income taxpayers are now being asked to carry its burden.

We have a game of kind of hocus-pocus here. The Republicans stand up and say, well, we are going to give AMT relief. They are not giving AMT to the number of people they could and should be giving AMT relief to, largely because it does not square with the tax cuts that the administration has proposed, and once again Republicans in this House go along with very few questions asked about any issue. The administration says it is so, they just go along with it, no questions asked, even if the evidence a few weeks, months,

years later turns a contrary conclusion.

Let me speak specifically, if I can, to this issue as it relates to this debate today. The alternative minimum tax was originally designed to make sure that everyone paid their fair share. Who among us can argue with that? The second notion of the proposal that we have offered today is that we want to grant some relief to the burden that the Republican Party has put on middle-income tax earners. If they, in fact, take advantage of certain credits in the Tax Code and they have a lot of children, they are penalized by their proposal. Do the Members know why? It is very simple, because the philosophy of the majority in of this body is that the only people in America that ought to have tax relief are the wealthy.

And to the credit of the wealthy 3 years ago, they were not even asking for tax relief. They wanted to pay down the debt, and public opinion polling concludes, once again, they still think that paying down the deficits are a far better use of taxpayer money than giving tax relief to even those who might benefit most from it.

They promised that they were going to do something about tax reform as it relates to AMT. But what they did not tell them was that they are going to give them tax relief on one hand and then if they sit down to do their tax forms, they are going to take it away from them if they have four or five children. If people desire to use the HOPE credit, they are going to take it away from them. If they try to take advantage of the child credit, they are going to take it away from them. So they give it to them on one hand and they take it back on the other. So in the end, there really is no tax relief as it relates to alternative minimum tax.

I want the Members to listen to this. Half, half of the promised benefits that we voted on last week under the marriage penalty bill, we were told we were going to provide relief to those folks as well, they are taken back to the Treasury by alternative minimum tax.

I have offered time and again, Mr. Speaker, a couple of very easy proposals in this body. Let us get rid of AMT. Let us scale back the size of the tax cuts the administration offered. Let us pay down the deficit. Let us pay for these two wars. Let us fix Social Security. Let us fix Medicare, as American people clearly desire. And let us give tax relief to middle-income Americans, particularly from alternative minimum tax.

I hope in the next few minutes as we engage this debate, we will have a chance to put the magnifying glass on the proposal that is before us today. And I have got to tell the Members, as a member of the oldest committee in this House, a committee that I believe is so desirable to sit on, a committee whose history is so profound as it relates to this Republic, they did not even have enough regard for the Committee on Ways and Means to hold a hearing on this proposal in the committee. This is the introduction to their proposal today on the House floor. Nobody has seen it until about an hour and a half ago.

So let us engage this debate. Let us have an opportunity to draw some attention to what it is that they are saying but, most importantly, to what it is that they are doing.

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

Mr. ENGLISH. Mr. Speaker, I rise to claim the time in opposition to the amendment in the nature of a substitute.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 30 minutes.

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

This has been a fascinating debate today, and I particularly want to congratulate the gentleman for his contribution. The gentleman from Massachusetts, as with his customary eloquence, has laid out his position, and in the process perhaps subconsciously has drawn a striking contrast between the two parties and perhaps one that he had not intended. He characterizes, first of all, Republican tax relief as maniacal. I think that is an interesting choice of words, but as I look at it, it perhaps I think accurately captures the view on the other side of tax relief and a tax program that is already lifting the economy, that is creating jobs, that is creating opportunities throughout America, including for a lot of people who were not directly the beneficiary of as much tax relief as we would have liked.

Let me say in addition to that, there has been the procedural argument made here that this proposal before us today has not been adequately vetted. Mr. Speaker, to be very clear, this language is similar to what has been included in the tax bill that passed. This kind of language has been many times before the body. We have thoroughly debated within the Committee on Ways and Means the issue of the alternative minimum tax, and it is not clear that additional hearings would have provided a substantive additional agenda.

I am delighted to hear the gentleman come out in favor of full repeal because, as I said to the gentleman from New York earlier in our discussion, I invite the gentleman to join with me and other members of the zero AMT caucus to come together and to work through a proposal to get rid of this AMT.

The substitute that we have now risen to debate, though, was not I think adequately discussed in the gentleman's remarks, and perhaps there is where the contrast is clearest. Because in an effort to, as they put it, pay for the AMT relief that is included in the bill, what they have proposed doing is permanently putting in place an increase of corporate taxes in order to pay for 1-year relief to the individual AMT. That sounds like good politics, but at a time when our economy is struggling, at a time when even people on the other side of the aisle have conceded that corporate tax rates in our country and on our companies and workers are higher than those globally and are a clear competitive disadvantage to our companies who are seeking to keep jobs here in the United States, that the idea of permanently raising corporate taxes is one that I think is striking and I think uniquely ill conceived.

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What they have proposed doing is generating revenue through the permanent implementation of something called the economic substance doctrine. Economic substance is a doctrine that our courts apply on a discretionary basis to situations which erode our rules-based tax system.

The substitute attempts to codify this judicial doctrine and expand its definition so the IRS can pick apart any ordinary business transaction and subjectively look for reasonable business purposes. The result is a new requirement for taxpayers to have yet another layer of IRS intervention and be burdened with restrictions in ways that the courts have not even considered. I realize that there are some who have embraced this on the Senate side, but no one on our side of the aisle here in the House of Representatives so far has done so. The result would be a new requirement for taxpayers and another layer of IRS intervention.

The proposal would then propose strict liability penalties on understatements of tax, which would not be limited to abusive transactions. The proposal, in our view, is far too broad and significantly expands common-law doctrines.

There is also no indication that the doctrine would be limited to abusive transactions. While we are currently debating a 1-year extension of tax relief for working families, let me make this clear again: this substitute levies a permanent tax increase on employers and ultimately on the labor of the workers that they employ.

The gentleman from New York (Mr. RANGEL) has himself indicated support for lower corporate tax rates for our manufacturers in his own bill to replace the FSC/ETI regime. Here his proxy is insisting on raising their taxes by $15 billion.

In addition to a $15 billion tax increase, companies would now have to spend valuable time and resources managing the implications of the law, when they could be using these resources to expand their operations, invest in production lines, and create jobs. Instead, what this proposal effectively does is create jobs only in the legal profession.

Mr. Speaker, the House has voted repeatedly against this tax increase because it is bad tax policy, bad economic policy, and it further hinders

American competitiveness and does so permanently. I think it is fairly clear that what is being attempted here in this substitute is to take something that we really need to do, addressing the problem of the AMT, and attach to it something off of a wish-list from the left, which, frankly, has no place here at a time when we are trying to buoy the economy.

I think it is worth noting that the last time someone really aggressively proposed to raise taxes during a slowdown was Mr. Hoover, so there may even be some Republican genealogy in the proposal we are seeing offered on the other side. But the Republicans of today do not recognize this as a positive thing.

Let me summarize the bill of particulars against the Rangel substitute and specifically the economic substance doctrine.

First of all, it is a permanent tax increase. Although the AMT relief in the Democratic substitute is temporary, the tax increases are permanent.

In addition, the administration strongly opposes codification of the economic substance doctrine. They have looked at it, and they have found it wanting. Acting Treasury Assistant Secretary for Tax Policy, Gregory Jenner, has stated that codifying the economic substance doctrine could be counterproductive, as it would drive tax shelters even further underground. Assistant Secretary Jenner has stated that the most effective way to stop tax shelter transactions is to require increased disclosure. The administration's tax shelter proposal increases disclosure by levying substantial penalties on those who fail to disclose their transactions.

As I have noted, this proposal has been repeatedly rejected in the House, and it would also hurt jobs and investment. Codifying the economic substance doctrine would result in businesses foregoing job-creating investments because of concerns that the IRS would improperly apply the economic substance doctrine to legitimate transactions.

Finally, this proposal goes beyond accepted case law. The Democratic proposal requires that some transactions have at least a risk-free rate of return. This type of provision goes beyond what is required by either the Tax Code or common-law court doctrines. Furthermore, their proposal does not define a risk-free rate of return.

All things being equal, this is a very poor substitute; and we urge its rejection.

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

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, anytime that we can ask those companies that have moved to Bermuda to avoid paying American taxes with 134,000 troops in Iraq to pay their share, I am happy to have my fingerprints on that issue.

Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Maryland (Mr. HOYER), the Democratic whip.

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

Mr. Speaker, this debate on the alternative minimum tax epitomizes, unfortunately, precisely what is wrong in this House today: the Republican leadership's refusal to seize bipartisan opportunities where they exist, and its desire to turn every tax bill into a decisive political bludgeon.

Let us be honest: every Member of this House, without exception, recognizes that we must fix the alternative minimum tax. That is not what this debate is about. When the AMT was enacted in 1969, it was supposed to ensure that wealthy taxpayers paid a fair share, that is to say, that you did not have your accountants figure out 17 ways to Sunday that you would not pay any taxes to support this democracy, this Republic, this great Nation.

We said in a bipartisan way, you ought to pay something. But because it was not indexed for inflation, the AMT today ensnares more and more middle-income taxpayers. That was not the intent of any Member of this House. It forces them to pay more than they would under the regular tax schedule. But rather than trying to find a bipartisan solution to this growing and vexing problem, the majority has offered the legislative equivalent of a Band-Aid that would only drive us further into debt.

Make no mistake: the Democratic substitute drafted by the gentleman from New York (Mr. RANGEL) is vastly superior. Where the Republican bill would extend current AMT exemptions for taxpayers whose adjusted gross income is less than $40,250, or $58,000 for married couples, the Democratic substitute would say to individuals making $125,000 or couples making $250,000, the Alternative Minimum Tax was not meant for you. You will pay your regular taxes. It was meant for the very wealthy who exempted themselves from taxes.

I want you to know that I paid 10 percent more of my income, which is about one-eighth of DICK CHENEY's income, the Vice President's. Why? Because he has an extraordinary preference item, $625,000 in income from municipal bonds. Zero taxes. But the soldiers who are defending the assets of those municipal bonds, CDC is protecting the health of those in those municipalities, as well as Mr. CHENEY's and mine.

Not one nickel of cost in the Republican bill is paid for. Not one nickel. My friends on the Republican side, you are raising taxes, but you are slick; you are doing it by the back door. You are increasing the debt. As a result of increasing the debt, my kids are going to have to pay higher taxes.

That is pretty slick. Why do I say it is slick? My kids happen to be voting; but my grandchildren, who are going to have to pay more taxes, are not voting, so they are not focused on what you are doing, this shell game you are playing of pretending you are cutting taxes.

You are delaying taxes, is what you are doing; and you are increasing them at the same time. The fact is, the Democratic substitute provides a simpler and broader relief. It is fiscally responsible. That used to be the mantra of your party. Many of your folks talk about it today. They do not vote that way, however.

It is ironic, Mr. Speaker, that this Republican majority, which talks about tax fairness and simplification, in the last 3½ years has only made our Tax Code much more complicated.

Let us not perpetuate tax confusion and complexity. Let us help those who need help. Let us pay for what we do. That is the responsible policy. That would make this Congress responsible. We can do so in a bipartisan way. Vote for this substitute.

Mr. ENGLISH. Mr. Speaker, I yield myself 10 seconds to thank the gentleman for his salute to the simplicity of the economic substance doctrine, and we look forward to the vote on the substitute.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank my colleague for yielding me time to speak on what I consider to be a very important bill.

I rise in support of H.R. 4227 and commend my colleague, the gentleman from Connecticut (Mr. SIMMONS), for introducing this legislation.

This bill is simply about keeping promises, about keeping the promise made to the middle-class taxpayers that we would provide child credits to reduce the taxes on our young families, that we would eliminate the marriage penalty, and that we would expand the 10 percent bracket so that those low earners in America would not be burdened with tax liabilities.

Unfortunately, unless we pass this legislation, we will renege on that promise of lower taxes and effectively increase the taxes of 11 million taxpayers by on average $1,520. I can tell you, that is a lot of money to families in our country. We cut their taxes; and we need to remain loyal to that policy that supports families, recognizes the circumstances of low-income individuals and families in the 10 percent bracket, and eliminates the gross unfairness of the current marriage penalty in our code.

So I rise in strong support of the legislation. It is temporary. I look forward to working with my colleagues in the administration on a permanent solution, but passage of this legislation is imperative.

I also strongly oppose the substitute. First of all, it is wrong to fund a 1-year provision with a permanent increase in taxes. It is also wrong to ''clarify current law'' by muddying it. Current law

has a body of case law behind it which has helped to define the complex issues and eliminate uncertainty.

Now, the current law could be improved upon. Our Acting Assistant Secretary of the Treasury, Gregory Jenner, has recommended, and the Treasury has strongly recommended, that we increase disclosure, that we require more disclosure, and that by doing so, we could stop tax shelter transactions that were abusive. So we need to move to increase disclosure.

But to add instead a new, complicated doctrine of economic substance will cause the kind of confusion that retards investment. People will be uncertain. This is a very complicated issue. They will not know what the government is going to do. They will slow down investment, killing jobs.

When our recovery is soft, it is dumb to do something that will cost jobs now and cost considerable jobs over the next few years. The Heritage Foundation has just come forward with an analysis that says this would kill 3,000 jobs the first year and 15,000 jobs over 5 years. Remember, many of our manufacturers pay taxes and would be affected by this, just at the time when they are getting back on their feet.

So what you do not need in the Tax Code is uncertainty. We have a problem in the Tax Code. We need to deal with it. A 1-year extension is the right way to go at this time.

Mr. Speaker, I thank the gentleman and oppose the substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind the Republican Members a year ago in the Committee on Ways and Means they had a chance to vote for my AMT bill, which would have done exactly some of the things we are proposing to do today.

Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy in permitting me to speak on this.

Mr. Speaker, I find my friend from Pennsylvania's commentary somewhat ironic because all independent observers agree that after three rounds of massive tax cuts, we are getting very little benefit for the magnitude of the costs involved.

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On our side of the aisle, we have had a variety of areas that would have put far more people to work producing far more economic benefit for this country at far less cost.

It is also ironic that somehow, the blame; after 10 years of Republicans in control, that somehow, this inequity is the problem of the Democrats. In fact, under the watch of my Republican colleagues, we have seen the ''millionaires' tax'' that was enacted in 1969 to stop sheltering all income, now punishes people who pay their taxes, claim a child care credit, and save for their future.

In the midst of the largest tax-cutting frenzy in our country's history, the Republican majority has used the $600 billion that is going to be extracted from people who do not deserve to pay this over the next 10 years, to disguise the impact of their misguided policies.

Now, I would suggest that it is inappropriate to continue limping along as my Republican colleagues would do today with the enactment of their proposal. It just puts off the day of reckoning, gets past another election and, they hope, can implement more of their true agenda: to provide more permanent tax relief for people who need it the least.

Now, I would suggest that the Democratic substitute, which is providing more help and not making deficits worse, is a step in the right direction. I join with my friend, the gentleman from Pennsylvania (Mr. ENGLISH) and the gentleman from Massachusetts (Mr. NEAL) to come forward to either repeal or fix the alternative minimum tax. But we could do that in a minute if the Committee on Ways and Means would return to its historic way of doing business, being bipartisan, maybe even considering legislation like this in committee before bringing it to the floor, allowing debate back and forth, allowing amendments. I think we would have a bipartisan majority that would put 400 votes on the floor to get rid of the single greatest inequity in the Tax Code.

Instead, the drum-beat from my friends on the other side of the aisle is to make permanent the most egregious part of their program for the people who need it least, and holding hostage some 35 million to 43 million American families with this sword of Damocles holding over their heads. It is just what they have done with the estate tax. Instead of coming forward with a bipartisan reform that we are ready to do and would get 300 or 400 votes, they have this bizarre thing where one has to be careful about what year they die, to know how many wills they have to have in order to play the game with this year after year.

I think it is inappropriate and it is shameful. It is time for us to take a step in the right direction, with the approval of the Democratic substitute.

Mr. ENGLISH. Mr. Speaker, I am delighted to yield 3 minutes to the gentleman from Florida (Mr. FOLEY), my distinguished colleague on the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, let me thank the gentleman from Pennsylvania for leading the debate today. I certainly want to salute my colleague, the gentleman from Massachusetts (Mr. NEAL). He has raised this AMT issue at every one of our hearings on the Committee on Ways and Means. He has kept this issue alive. It is important for the people who are middle wage-earners in our country to get some relief.

I disagree with the past speaker on suggesting we are limping along, suggesting that the tax cuts that we put in place have not helped this economy. If we tune in to any show or read any publication, whether it is CNBC or CNN or to read Forbes Fortune or the Wall Street Journal, virtually every person who studies the economy is giving credit for this resurgence, if you will, of opportunity due to the tax cuts we have enacted.

The AMT is a burden for middle income taxpayers. We in our bill solve that burden, and we do so without raising corporate taxes. That is a good debate for a day, maybe today, maybe another day on corporate taxation, because we do understand a lot of companies take their plants and facilities overseas.

I asked the H.J. Heinz Company why they found so many countries comfortable for them to move plants to and they said we want to be close to those who are buying our goods and services. So I do not look at the Heinz Company as unpatriotic for opening Heinz of Canada, Heinz of Ireland, Heinz of France, or Heinz of whatever countries they settle in. But I do recognize that at times, companies do make decisions based on their locations, based on the Tax Code of this country.

All agree that our corporate taxes today are too high, and in the Rangel substitute, they raise them further. So we start off with a problem of substance in their bill that actually further punishes corporations who are trying to provide jobs here in America for the citizens of our country. So the administration and this committee, the Committee on Ways and Means on the Republican side, do oppose what would be a $15 billion tax increase.

We also recognize that this needs to be dealt with, and we have dealt with it. If we look back at our history, Public Law 107–16, the Economic Growth and Tax Relief Reconciliation Act, we allowed the child credit, the adoption credit, the small savers credit to be counted against the AMT in 2010. We increased the exemption from 45 for 49 for married couple, and 33 to 35 for single individuals. In public law 107–47, the Job Creation and Worker Assistance Act of 2002, we extended through 2003 the ability to claim nonrefundable tax credits against the AMT. Public law 108–27, the Jobs and Growth Tax Reconciliation Act of 2003 again expanded the amounts and extended the amounts. The Tax Relief Act, H.R. 3521.

So there is a consistent history of our committee in a Republican-led Congress moving forward on trying to minimize the grab, if you will, of the AMT.

Now, I believe as we try to determine on this bill how to give people an understanding of how to file their taxes, how to do their taxes, simplicity is the best possible option, and I do look forward to the chance we have on our committee to talk about simplifying this very complicated Tax Code.

But today we are here to oppose the Rangel substitute and genuinely support H.R. 4227 to provide relief for American families.

Mr. NEAL of Massachusetts. Mr. Speaker, I am just curious, and I would ask the gentleman from Pennsylvania (Mr. ENGLISH) or perhaps the gentleman from Florida (Mr. FOLEY), since this was never aired in the committee, this proposal has not been brought up in front of the committee, will the author of this proposal, will he be taking his picture with the Committee on Ways and Means later on at 2 o'clock? Will we have him there for the photograph for history and posterity? I was just wondering, since we now have nonmembers of the committee bringing these proposals forward.

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

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

Mr. LEVIN. Mr. Speaker, the country should know there is a tax train wreck coming along the tracks here, and what is the Republican answer? Speed up the train, making tax cuts permanent, mainly, heavily, for the very wealthy, and they essentially try to hide the track.

First of all, much of what is being given is going to be taken back by the AMT. Secondly, while some is being taken back now, much more will be in future years. So what is the answer of the Republican majority? The answer is, oh, blame the Democrats because of actions taken what, 10 years ago, 12 years ago, 15 years ago. The Republicans have run this place for 10 years, and their answer on the AMT is always wait until next year. The gentleman from Massachusetts (Mr. NEAL) has heard that year after year.

When the Republicans took over this place, a third of 1 percent of taxpayers were subject to the AMT. In 2004, that will be 7 times as many. So what do they do? They extend it for 1 year, even though in 2011, the percentage will go up to 11.2, many, many, many times more than the number who paid the AMT when the Republicans took over.

So why do they not act? Because it is going to cost so much money. The estimate is that if this bill is extended and essentially made permanent, during the next 10 years, it would cost $550 billion, way beyond 17, and if you add interest, $650 billion it would cost. So the Republicans say, wait until next year because they know they cannot act this year and be honest with the American people.

This Republican majority simply cannot tell it straight to the American people. They set up a caucus, the Zero Tax Caucus. Why do they not just act this year instead of setting up a caucus that is nothing more than a smoke screen?

The substitute is an honest attempt to do better and to pay for it. The Republican majority does not want to pay for any of their tax cuts, even those that help middle income taxpayers, but most go to high-income taxpayers.

Vote for the substitute. Let us begin to be honest with the American public.

Mr. ENGLISH. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. AKIN).

Mr. AKIN. Mr. Speaker, I rise today in strong opposition to the substitute offered by the gentleman from New York. I have heard the term ''bipartisan'' and ''bipartisan solution'' now for about half an hour, and it seems to be a synonym for tax increases. That is exactly what we are talking about here.

Last week, Democrats claimed that the AMT needed to be fixed so that married couples could fully benefit from the repeal of this marriage penalty. Well, given the substitute, apparently what they really meant was that only certain married people and only for a period of 1 year.

Adding insult to injury, the Democrat substitute would also permanently raise taxes on manufacturers and other job-creating parts of our economy. I cannot speak for other States, but I can assure my colleagues that the last thing that manufacturers in the State of Missouri want is to have their already slim profits taxed even further. I really do not understand the logic of wanting to go for a big tax increase on the very sector that is creating jobs in our economy. It seems to me that in the last couple of years, we have finally pulled out of a recession because of the tax cuts, and now, we want to tax companies and they are the ones that make the jobs. It does not make any sense at all.

Mr. Speaker, the American people deserve better than another Democrat tax increase. We are here today because in 1993, when President Clinton and the Democrats passed the largest, one of the largest tax increases in history, they did so without indexing those taxes for inflation. As a result, more and more middle income Americans are now hit with a tax that was originally enacted to try to ensure that only the wealthiest among us should pay taxes.

Now, this so-called the wealthiest 1 percent is actually paying 37 percent of the total personal income taxes. One percent is paying 37 percent of the total personal income taxes in this country. I am just not seeing the logic of the fact that we have to have another tax increase.

Today, 3 million hard-working American families are hit with the AMT, a tax that the Congress never intended them to pay. If we do not act today, by 2005, 11 million American families will be burdened with the AMT.

Mr. Speaker, I encourage my colleagues to reject another Democrat tax increase, support House Resolution 4227, which ensures that American families will receive the relief that they deserve.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, because H.R. 4227 does nothing but increase taxes on the middle class, I rise enthusiastically to support the Democratic substitute of the alternative minimum tax relief of the gentleman from New York (Mr. RANGEL), and I ask my colleagues to support it.

Mr. Speaker, I rise today in support of the Democratic substitute presented here today by my distinguished colleague, Congressman RANGEL.

The democratic substitute answers the shortfalls found throughout the H.R. 4227. While H.R. 4227 purports to provide tax relief for our nation's struggling middle class, the reality is far from that. This bill is a mirage, a gimmick. It provides little to no relief for the majority of middle class Americans. This is another Republican ploy to try and fool the middle class that the Majority party is attempting to grant them tax relief. It is an attempt to cover up the vast amount of tax relief given to wealthy individuals and big businesses.

Unfortunately this bill does more than just nothing, in reality it hurts our middle class. This bill will roll back a large portion of the Administration's tax relief while at the same time taking back over half of the benefits provide4d by last weeks marriage penalty relief bill. This just does not make sense. How can you claim to provide tax relief for the middle class by proposing a bill that cuts back tax relief for the middle class?

The Democratic substitute answers these shortfalls. It provides the needed tax relief for our middle classes without any hidden tricks or misrepresentations. It provides more tax relief to more people without rolling back past promises of tax relief to more people without rolling back past promises of tax relief. In fact, it provides tax relief to 1 million more families then the GOP version and is substantially more effective in providing relief for middle class families making less than $250,000 a year. Under the GOP plan a family of four earning a combined income of 95,000, residing in a high tax state, will be forced to pay the minimum tax. The Democratic Substitute is an easier more effective way to grant tax relief to the middle class and does away with the burdensome paperwork required under the Republican plan.

While the IRS's National Taxpayer Advocate labeled the AMT as our nation's most pressing tax concern, the Democratic Substitute is a serious long range plan to fix the problem, while the Republican plan is at best a stopgap measure. Our current tax system towards the middle class is a sinking ship filled with holes. The current Republican proposal is a bucket. We don't need a bucket we need a new ship. The Democratic Substitute is a step towards this goal. Please join me and vote in favor of the Democratic Substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, a quick reminder to the previous speaker. More than half of the promised benefits last week of the marriage tax penalty are taken back under alternative minimum tax.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

□ 1330

Mr. HINCHEY. Mr. Speaker, under the Bush administration, 2.6 million jobs have been lost, long term unemployment is at a record high. We have gone from $5.6 trillion surplus in the Federal budget to nearly $3 trillion in deficit; and this year, the huge budget deficit is expected to reach $500 billion primarily due to the economic plans of the President and congressional Republicans. Four million people lost their health insurance; 1.3 million more people have gone into poverty. Median income of middle class families is down $1,400. Thousands of schools are being forced to meet Federal education standards without additional Federal assistance.

Federal transportation and infrastructure programs are on life support while Republicans squabble over the transportation bill. These are serious problems that we will not be addressing today.

Reforming the alternative preliminary tax is another serious matter and it is something that Congress should take seriously. The Republican bill before us today, however, simply pushes the problem down the road. By the end of this decade, 33 million or 75 percent of families making between 75 and $100,000 will be swept up into the AMT. It is obvious that this needs to be fixed.

Republicans are to be blamed for this dilemma. Their irresponsible tax reductions fail to include any form of the AMT despite the fact that they forced, and will continue to force millions of middle income families who live in high tax States to pay the costly alternative minimum tax. What the Republican bill would do today is borrow $20 billion to provide a 1-year extension of the increased exemptions that middle income families currently rely on to avoid paying the AMT. This is not real reform. It is procrastination and it is dangerous. It adds to our deficit and effectively raises the Republican debt tax that has ballooned under President Bush.

The Democratic substitute provides more tax relief to middle income families without adding a penny to our debts. It would eliminate AMT liability for taxpayers whose adjusted gross income is less than $250,000; and it would provide the framework for Congress who begin reforming AMT.

We Democrats support tax relief for lower and middle income families. Our bill does that. Democrats also are not afraid to begin addressing the serious problems facing our country. We are willing to take them head on as evidenced by this substitute.

It is time the House got serious about the issues facing our country today. Simply procrastinating, pushing off problems on to the shoulders of our children and grandchildren, that is the Republican plan. It is also unacceptable; it is immoral, and it must stop.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Hampshire (Mr. BRADLEY).

Mr. BRADLEY of New Hampshire. Mr. Speaker, once again, I salute the hard work of my colleague from Pennsylvania in bringing this issue to the attention of the full House.

Mr. Speaker, I oppose the substitute amendment. Why? This corporate tax increase that is proposed would be a job killer. That is why. Right now at 35 percent for a corporate tax rate, we have the second highest corporate tax rate in the world. We have a 5.7 percent unemployment rate. And though we have seen progress over the last several months due to tax reduction, the time is not appropriate right now to raise corporate taxes.

The second reason is the WTO. The WTO tariffs have increased just recently to 7 percent. We need to be addressing this with the FSC/ETI reform package, and the way that we are going to address this is reducing corporate taxes, not raising corporate taxes. So the message of the substitute motion to raise corporate taxes is a job kill and it will not enable us to deal with the looming crisis of the WTO issue.

So let us pass the underlying bill, H.R. 4227, which gives a 1-year fix, an inflation adjustment to the alternative minimum tax. It ensures that couples who today are earning $58,000 will be exempt from the AMT or for single individuals who are earning $40,000 will be exempt, and not moving those brackets down to $45,000 for a couple or $33,750 for a single individual.

This bill, the underlying bill, will allow us to address the long-term issues that are a sleeping giant of the alternative minimum tax. The fact that today 3 million people pay it, tomorrow, if we do not pass the underlying bill, 11 million people pay it, and by the end of the decade, it will be one in every three taxpayers who will fall victim to the AMT.

We need the underlying bill today. We do not need the substitute motion.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ISRAEL).

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

Mr. Speaker, I rise in support of this substitute. Last week when we debated the marriage penalty relief, I said this: That the bill that we were debating was not an act of Congress. It was an act of Harry Houdini. Here today, gone tomorrow. Give with one hand, snatch away with the other. And one week later here we are again, another act of Houdini.

The majority's AMT bill says to middle class taxpayers, we are going to do a little bit today and nothing tomorrow. Their bills says to middle class taxpayers who are bleeding from the largest tax increase in the history of the middle class, take two aspirins, call us next year. Millions of middle class taxpayers are hurtling to a cliff, our cops, our teachers, our nurses, our firefighters, they will fall off that AMT cliff, and what you want to do is simply build them a bigger ramp. That is the Republican plan.

Here is our substitute. If your adjusted earnings are $250,000 or less, no AMT. No filings, no calculations, no confusion, no AMT tax. You do not have to worry about it. We say, tax relief for the middle class now. You say, keep taxing them. We say we are going to get to it now and fix it. You say we are just going to talk about it. We say, protect the middle class. You say, protect the big offshore corporate tax shelters and havens. We say reform. You say status quo. We say, solve the problem now and in the future. You say, let us keep pointing the partisan fingers of blame at the past and not solve this problem for the middle class.

They deserve better, the middle class. They deserve a real choice. They deserve real tax relief and meaningful reform which is why this substitute makes sense, and why the act that we are being given today is nothing more than more Harry Houdini trickery on the middle class taxpayers.

Mr. ENGLISH. Mr. Speaker, I yield 2 minutes to the gentleman from the State of Pennsylvania (Mr. SHUSTER).

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

Mr. Speaker, I rise today in strong opposition to the Rangel substitute and in support of H.R. 4227. I want to thank my colleague from Pennsylvania (Mr. ENGLISH) and the gentleman from Connecticut (Mr. SIMMONS) for their leadership on this important issue.

The AMT, created over 30 years ago to ensure the super wealthy were not escaping paying taxes, has grown out of control and is now trapping millions of middle class families in a complicated and costly tax system.

Under the leadership of President Bush, the 2001 and 2003 tax relief bills passed by this Congress included increases in exemption amounts which ensured many middle income families would not be hit with this tax. If this Congress does not act, that relief will disappear in 2005.

If these exemption are allowed to expire, approximately 11 million taxpayers will be hit with an average tax increase of over $1,500. This substitute is a misguided attempted to provide for AMT relief. While this provides temporary relief for some families, it does so by permanently raising taxes on the country's manufacturers and other corporations.

While the economy is recovering and job creation is steadily increasing, now is not the time to permanently increase taxes on our country's job creators.

I strongly support permanent reform of the AMT. And, in fact, I have introduced a bill that would index the AMT to inflation and end in a full repeal of this terrible system in 2010. While I believe a long-term solution such as this is needed to address the tax system,

doing nothing or voting to increase taxes on corporations are irresponsible options, in my view.

By extending the 2003 relief through 2005, we can continue to protect our middle class families from this tax while Congress works on a long-term solution of reform.

I encourage my colleagues to vote no on increasing taxes with this substitute and instead vote in support of the underlying bill. H.R. 4227 is a reasonable short term solution to the growing problem of AMT.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I remind the gentleman you cannot fix this on a long-term basis without doing something about the tax cuts that the gentleman was heralding a couple of minutes ago.

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

Mr. POMEROY. Mr. Speaker, here we are, another week, another tax debate. Another occasion in the House of Representatives where the GOP majority has offered nothing, nothing substantive about the looming deficit crisis that is racking up historic levels of debt in this country.

I do not suppose it is a mystery they do not want to talk about it because when they bring their budget, whenever they can get it out of conference, it will include, we are told, an increase in the borrowing limit for our country. It will take the borrowing limit to the highest levels in the history of the United States. Some are saying it will take the borrowing limit over $10 trillion. That is $10 trillion of debt to be incurred under their fiscal plan for this Nation. Debt we will leave to our children and debt we can not responsibly pass on.

So as we take a look at something imperative like doing something to respond to the AMT, let us, for goodness sake, put in place a provision to pay for it so we do not even drive this monstrous debt they have given us even deeper. That is what the substitute is about.

It talks about clamping down on high-flying tax cheats, some of the worst avoidance schemes, some of the most shallow, unjustifiable schemes created simply to cheat the Federal Government by the high flyers that can afford the hundreds of thousands of dollars of legal and accounting bills to dream up these schemes.

The Republican majority in this debate has become ''amen corner'' for tax cheats in this country. You might think the next thing we will see from this outfit is a resolution commending the Enron executives for their creative financing.

The fact is there is a whole lot of tax avoidance illegally done in this country. I am very pleased with the announcement made by IRS Commissioner Mark Everson today about an initiative launched by the IRS that they believe is going to target just in 1,500 to potentially 5,000 multi-millionaires and corporations, a crackdown on an illegal tax scheme that they think will generate for this Treasury 5 to $10 billion.

So do not stand over here and tell us that cracking down on tax cheats is raising taxes. Taxes are what hard working Americans pay because they owe it. But the tax avoidance and tax cheats that you salute so highly in this debate is something else again. We believe we ought to capture that revenue so we do not drive this debt deeper for our kids. That is what the substitute is about. I urge Members' support.

Mr. ENGLISH. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Pennsylvania for yielding me time.

Mr. Speaker, I rise in opposition to the Rangel substitute and in support of the base legislation that we are discussing here today. I think it is important to have a full perspective of what is being talked about. Part of it, of course, is the tenor of the times, where we are on the calendar, the fact that notwithstanding, the first Tuesday following the first Monday in November the people of the United States will make some decisions. Perhaps it is in order, Mr. Speaker, to remind the Nation, and certainly my colleagues in this Chamber, how we arrived at this point.

A decade ago, the largest tax increase in American history increased the alternative minimum tax rate and did not adjust the AMT exemption amounts for inflation. As a result, more and more middle income families are forced to pay the AMT each year. Now with a change in majority status, when I was pleased to come here to the Congress and become a part of this majority, the fact is we have delivered time and again on relief from the alternative minimum tax.

Public Law 107–16, the Economic Growth and Tax Relief Reconciliation Act of 2001; Public Law 107–47, the Job Creation and Worker Assistant Act of 2002; PL 108–27, Jobs and Growth Tax Relief Reconciliation Act of 2003; H.R. 3521, the Tax Relief Extension Act of 2003; H.R. 4227, the Middle Class Alternative Minimum Tax Relief Act of 2004, again providing alternative minimum tax relief by extending the relief enacted in 2003, adjusting it for inflation through 2005.

Now, my friends on the other side of the aisle reminiscent of a country song, that is their story and they are sticking to it, perhaps need to be reminded of this fact.

□ 1345

Do my colleagues know who really ends up paying corporate taxes? Mr. Speaker, the fact is every American consumer ends up paying corporate taxes. How? Prices increase, business accommodates, oh, and just to help people understand because I listened with interest to my friend from North Dakota say that somehow we are in the amen corner, I will tell my colleagues what I do say amen to, Mr. Speaker. I say amen to more quality jobs for Americans, and the Rangel substitute will result in lost jobs by imposing a permanent tax hike on manufacturers and other job creators at a time when our economy is recovering.

I know, Mr. Speaker, for many, given the political season, any good news is bad news for partisan political fortunes; but the fact is, we have seen an increase in orders for manufacturing. Manufacturing is on the upswing. Now that we are seeing real growth, quarterly economic growth, now that we are getting there, my friends on the left, who sadly have never met a tax hike they did not like, witnessed their inaction in the wake of the largest increase in American history a decade ago now let us put the kibosh on the recovery.

How best to do that? Well, let us cost jobs to the manufacturing sector, let us demonize anyone who creates jobs, and let us go back to the time-tested bugaboo and shopworn phrase that we are only going to increase taxes on the rich because the rich are somehow inherently evil.

No, Mr. Speaker, I reject that notion wholeheartedly because what we are talking about is opening doors of opportunity through job creation. That is why we should reject the Rangel substitute, stick with my good friend from Pennsylvania, and pass, yet again, relief from the alternative minimum tax.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise today in support of the Democratic substitute. I join my colleagues in offering this amendment in order to bring relief to so many families, particularly Long Island families who have been disproportionately hit by the alternative minimum tax. Our substitute would not only extend the current exemption, but it would exempt married couples with incomes under $250,000 from this punitive tax. In addition, and this is very important, we completely pay for this tax relief to middle-income families by closing corporate loopholes.

Long Island taxpayers are paying the price for this Congress' abdication of duty when it comes to sound tax policy. Our refusal to reform the AMT has had the effect of severely curtailing the promised Bush tax cuts from middle-income Long Island families. While the wealthiest families completely benefit from the tax cuts targeted towards the upper brackets, middle-income families were hit with the unwelcome surprise of higher taxes on tax day.

I have been hearing from constituents all across Long Island who feel double-crossed and double-taxed by

this undue tax burden. In fact, just yesterday I was speaking with an accountant from my hometown who told me that AMT filings for middle-income Long Islanders had shot through the roof this year, while the wealthiest were reaping tremendous tax benefits, some in excess of $1 million of tax savings. For example, married couples in my district with two children and an income consisting of $15,000 in wages were forced to pay the AMT due to State income taxes and real estate taxes totaling over $21,000. This, in turn, triggered the AMT.

More Long Islanders pay the AMT than taxpayers in any other region of the country, and I will do everything in my power to put an end to this unfair treatment. Middle-income Long Islanders bear the brunt of this tax because State and local income taxes, property taxes, and other personal deductions are added back in for the purpose of calculating the AMT, and anyone who lives on Long Island will tell my colleagues that our property taxes, in particular, are very, very high. The net effect of this is that we pay inordinately high property taxes, and then we turn around and are robbed by the AMT of our full Federal tax relief.

We need a long-term solution for the AMT and not simply a short-term fix. The so-called fix under consideration would do nothing, and I repeat nothing, for the Long Islanders who found themselves paying the AMT this year. Our substitute sends us down the path towards a long-term solution and makes sure that middle-income families are truly relieved from this tax next year. Under our substitute, two-parent families on Long Island making $250,000 or less would be able to rest assured that they would not be forced to pay the AMT. This is the right kind of relief for working families.

In my opinion, we owe it to the American taxpayers to put our heads together and reconsider the consequences of this failed tax policy and reform the AMT so that it no longer hurts middle-income families.

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

Mr. NEAL of Massachusetts. Mr. Speaker, might I inquire as to how much time is left.

The SPEAKER pro tempore (Mr. BASS). The gentleman from Massachusetts (Mr. NEAL) has 1½ minutes remaining, and the gentleman from Pennsylvania (Mr. ENGLISH) has 4¼ minutes remaining.

Mr. NEAL of Massachusetts. Is the gentleman prepared to close?

Mr. ENGLISH. Yes.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself the time that is left.

Mr. Speaker, we have had this debate now in this House for a long period of time. For Members on the majority side to say, well, this was a Democratic proposal in 1986 and then to conveniently forget or suggest that during their 10 years that they have not had sufficient opportunity, working, by the way, with a willing minority to fix the issue, really does not make a great deal of sense. This issue is hanging out there. It is waiting for a solution. There ought to be an opportunity in a bipartisan manner to fix it.

I have said flatly I am in favor of repealing the alternative minimum tax. Let us get rid of it. There is a revenue gap to make up, $600 billion, that has to be found somewhere; but when we offer the suggestion, it goes nowhere, because it does not square, Mr. Speaker, with the tax cuts that the administration has offered and that the compliant Members of the majority have gone along with without ever, ever, ever asking a question.

Forbes magazine has suggested that the tax cuts that the Republican majority and the administration have offered only make the alternative minimum tax issue worse for middle-income Americans. We have heard today a suggestion that issues of war in the Middle East and in Afghanistan are irrelevant to these discussions. How are we going to pay for the troops, 134,000 that are in Iraq and 12,000 that are in Afghanistan, and support this war effort? How are we going to pay for, first, the Defense budget that goes to $421 billion at the conclusion of this session, $41 billion for homeland security? They are off by $140 billion in their prescription drug bill proposal; and the answer is, to all of this, tax cuts.

Mr. Speaker, we can fix the alternative minimum tax issue in a bipartisan manner. I am more than happy to offer my support to try to get that under way. Support the Democratic alternative today. It, in the end, is responsible tax policy, and show those people at Enron and show those people in Bermuda that they ought to pay like the rest of the American people.

Mr. ENGLISH. Mr. Speaker, I yield myself the balance of my time, and first of all, thank the gentleman for his contribution and take him up on his offer because we in the Zero AMT Caucus would like to work for permanent resolution of this problem. We would like to see a permanent repeal of the AMT; but unfortunately, in the current political climate, in the current climate of gridlock and recrimination that we have in Washington, nothing more elaborate than the current fix appears to be possible.

Let me say there are a couple of things that I need to correct at the outset.

It was suggested by the gentlewoman from Texas that our bill is a tax increase. It is very hard to understand how she would make that point; but to be clear, this provides critical tax relief for a significant portion of the middle class.

The gentleman from Long Island intimated that there was nothing in this bill to help these people. Well, as a practical matter, a place like Long Island would be one of the biggest beneficiaries of the underlying Republican bill because of the high taxes.

Let me say that the gentleman from Michigan talked about a tax train wreck. I come from a part of the world where we make locomotives, and we recognize their dynamics; and let me say that we recognize that the locomotive that was started, that is threatening, the train wreck was started back when the other party controlled the Chamber and did not deal with an underlying problem by making the AMT responsive to increases in the cost of living.

We have heard procedural arguments from the other side, that the committee has not looked closely enough at this issue; and I reject those because the committee clearly has been tracking this issue from the get-go.

What we have instead is the core issue, which is the substitute being offered today and which, on the other side, they are proposing to dramatically increase the complexity of the Tax Code and also significantly raise corporate taxes on a permanent basis in order to provide temporary tax relief. They congratulate themselves for doing that, but I do not think that they are entitled to a new chapter in ''Profiles in Courage.''

My feeling is that the substitute is inherently a bait-and-switch and increasing taxes at a time when we are experiencing, we are trying to come out of a slow-down. We are, in a sense, embracing Herbert Hoover economics.

I think that the substitute is very ill conceived. It, among other things, imposes a burden on the corporate community at a time when we worry about competitiveness; but that burden is far greater than the one simply indicated by the expected revenue. This is a burden which will permanently change behavior and affect legitimate business transactions. So the rhetoric of the gentleman from North Dakota that this only affects tax cheats is unfortunately not accurate. This is going to be an enormous burden for the corporate sector coming at a most unfortunate time.

Ultimately, I sense that the reason why the folks on the other side have not been as aggressive and certainly in many cases not as aggressive as the gentleman from Massachusetts to deal with this problem is that they want to spend the money. May I suggest, in the end, we get to the solution on reforming the corporate AMT, not by undercutting the tax bill, not by undercutting the tax program which is revitalizing America's economy today, but ultimately by controlling our spending. That is how we will in the context of a growing economy get back to a balanced budget and I think in the long run also have room to deal with this AMT.

Again, I invite our friends on the other side of the aisle to work with us on this issue. We have an opportunity to do this on a bipartisan basis. This is a part of the Tax Code that we agree on, but I think the solution starts today with a rejection of the ill conceived substitute that is being offered

by the other side and passage of the underlying legislation.

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

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 619, the previous question is ordered on the bill and on the amendment offered by the gentleman from Massachusetts (Mr. NEAL).

The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. NEAL).

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

Mr. NEAL of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 197, nays 228, not voting 8, as follows:

[Roll No. 143]

YEAS—197

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Becerra
Bell
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Case
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Moore
Moran (VA)
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—228

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bereuter
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Carter
Castle
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Upton
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Bono
Boyd
DeMint
Filner
Greenwood
Matsui
Solis
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are reminded that 2 minutes remain in this vote.

□ 1425

Mr. TAYLOR of North Carolina, Mr. KNOLLENBERG, Mrs. JOHNSON of Connecticut, Mrs. MUSGRAVE and Mr. FEENEY changed their vote from ''yea'' to ''nay.''

Mr. ORTIZ changed his vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 143, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted ''yes.''

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 143 on the Neal Substitute Amendment, I was unavoidably detained. Had I been present, I would have voted ''yes.''

The SPEAKER pro tempore. 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.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 333, nays 89, not voting 11, as follows:

[Roll No. 144]

YEAS—333

Ackerman
Aderholt
Akin
Alexander
Allen
Baca
Bachus
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Bell
Bereuter
Berkley
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Boswell
Boucher
Bradley (NH)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Cardoza
Carson (OK)
Carter
Castle
Chabot
Chandler
Chocola
Clay
Coble
Cole
Collins
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (AL)
Davis (CA)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Doggett
Dooley (CA)
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Feeney
Ferguson
Flake
Foley
Forbes
Ford
Fossella
Franks (AZ)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Gutknecht
Hall
Harman

Harris
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley (OR)
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Marshall
Matheson
McCarthy (NY)
McCotter
McCrery
McHugh
McInnis
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Moore
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Paul
Pearce
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sanchez, Loretta
Sanders
Sandlin
Saxton
Schiff
Schrock
Scott (GA)
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Udall (CO)
Upton
Van Hollen
Vitter
Walden (OR)
Walsh
Wamp
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—89

Abercrombie
Andrews
Baird
Becerra
Berman
Berry
Blumenauer
Brady (PA)
Capps
Capuano
Carson (IN)
Case
Clyburn
Conyers
Cooper
Davis (FL)
Davis (IL)
DeLauro
Dicks
Dingell
Doyle
Emanuel
Fattah
Frank (MA)
Green (TX)
Grijalva
Gutierrez
Hastings (FL)
Hill
Hinchey
Holt
Hoyer
Inslee
Jackson (IL)
Kanjorski
Kilpatrick
Kucinich
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Markey
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McNulty
Menendez
Mollohan
Murtha
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pastor
Payne
Pelosi
Rangel
Rothman
Roybal-Allard
Rush
Sabo
Sánchez, Linda T.
Schakowsky
Scott (VA)
Serrano
Sherman
Smith (WA)
Spratt
Stark
Stenholm
Taylor (MS)
Thompson (CA)
Tierney
Towns
Turner (TX)
Udall (NM)
Velázquez
Visclosky
Watson
Watt
Waxman
Wexler
Woolsey

NOT VOTING—11

Bono
Boyd
Cummings
DeMint
Filner
Greenwood
Honda
Jackson-Lee (TX)
Solis
Tauzin
Waters

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1442

Mr. GEORGE MILLER of California changed his vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 144, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted ''yea.''

Mr. HONDA. Mr. Speaker, on rollcall No. 144, had I been present, I would have voted ''yea.''

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 144 on final passage on H.R. 4227, I was unavoidably detained. Had I been present, I would have voted ''No.''

PERSONAL EXPLANATION

Ms. JACKSON-LEE of Texas. Mr. Speaker, on rollcall vote No. 144, I was unavoidably detained in a meeting with the Secretary of State. If I had been present, I would have voted ''no.''

GENERAL LEAVE

Mr. ENGLISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of the bill, H.R. 4227, just passed.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. MOORE. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the motion.

The Clerk read as follows:

Mr. MOORE of Kansas moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the concurrent resolution S. Con. Res. 95 be instructed to agree to the pay-as-you-go enforcement provisions within the scope of the conference regarding direct spending increases and tax cuts in the House and Senate. In complying with this instruction, such managers shall be instructed to recede to the Senate on the provisions contained in section 408 of the Senate concurrent resolution (relating to the pay-as-you-go point of order regarding all legislation increasing the deficit as a result of direct spending increases and tax cuts).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas (Mr. MOORE) and the gentleman from Pennsylvania (Mr. TOOMEY) each will control 30 minutes.

The Chair recognizes the gentleman from Kansas (Mr. MOORE).

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

Mr. Speaker, we have in this country a $7.1 trillion national debt. We have a projected deficit by the Office of Management and Budget for this year alone of $521 billion. The interest on our national debt, $7.1 trillion, is almost $1 billion a day. We are in a hole, Mr. Speaker, and we are digging the hole deeper and deeper by our lack of fiscal responsibility.

American families live by three simple rules: Number one, do not spend more money than they make; number two, pay off their debts; and, number three, invest in basics in the future. The basics for an American family are food, shelter, transportation, health care, education, things that we write checks for, bills that we write checks for, every month. And the same basics for our country, our national defense, some sort of Social Security system, some sort of national highway system to transport goods around this country and keep our economy going. And yet the government, our government and our Congress, has not lived by these rules that American families lived by for many years, and to show for that we have a $7.1 trillion debt.

We need to get back to fiscal responsibility. We have an opportunity to do that. We have done it before and we should do it again. I am not playing partisan politics here. I do not blame President Bush for a slowdown and the recession that happened. I do not blame President Bush certainly for September 11. That was only the maniacs that created that horrible problem and killed 3,000 Americans. But we have got to get back to fiscal responsibilities here, and we are not doing it right now. In fact, the Committee on the Budget, and I see the chairman over here, passed a PAYGO rule requiring only that if we are going to have a new spending proposal, we have to abide by the rule that says it has got to be offset or paid for.

They did not apply the same rule, though, to tax cuts. The Senate, on a bipartisan basis, did apply the rule to tax cuts and to spending proposals, and I think we need to look at doing the same thing here. And this is a motion to instruct conferees to institute that kind of PAYGO procedure here.

□ 1445

If we do that, Mr. Speaker, we have an opportunity as a Nation to return to fiscal responsibility.

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

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

Mr. Speaker, I look forward to this discussion and disputing the central premise, I think, of the motion offered by the gentleman from Kansas, which seems to be that new spending is somehow equivalent to the American people with lowering the tax burden. I want to get into that in a little bit because these two ideas are not equivalent.

They are certainly not equivalent in terms of their impact on the economy. New spending is contrary to maximizing economic growth, while tax cuts reduce it.

Mr. Speaker, before I do that, I yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget, for his thoughts on this.

Mr. NUSSLE. Mr. Speaker, I am perplexed. The gentleman who offers the motion to instruct conferees says, gee, it would be nice if we had a rule that tax cuts had to be paid for. Well, that is not what the instruction says. The instruction says they should. It is not a, gee, it would be nice. The gentleman just voted for a tax cut that was not offset, was not paid for. In fact, he joined 109 Democratic colleagues who voted not to pay for tax cuts.

In fact, what is even more interesting is that the same gentleman, and I respect his position, because it is how I voted, so it is hard to complain when somebody joins you on a vote, I do not mean it that way, voted just last week with 101 other colleagues for the marriage penalty relief, without offsetting pay-as-you-go requirements.

So on the one hand, the gentleman is saying we ought to have a rule, we ought to have a rule around here that you pay for things. It is important to do that, because we are in a hole and you ought to stop digging.

I understand. We have heard that rhetoric a lot. Except, he says, do not apply it to me, is what the gentleman is saying. Instruct everybody else for other tax bills, but not the one I just voted for this week, or not the one I voted for last week. Let us have a pay-as-you-go rule, but let us not apply it to us right now because it is kind of politically popular to vote for this.

The difference is that on our side of the aisle we know and we agree with the gentleman that tax cuts often pay for themselves in a way that stimulates the economy, stimulates growth, puts people back to work, generates economic growth and development, and drives revenues into the Treasury to the tune of, this year, what we know already from what CBO says, is about $200 billion more revenue. Even with tax reduction, even with those tax cuts, $200 billion is what CBO estimates now. Just yesterday, in The Washington Post, it was revealed that that number is only going up, is what we are hearing.

So on the one hand, just 5 minutes ago the gentleman voted for tax relief without paying for it and now rushes to the floor with a rule that says but from now on and for everybody else, it is fair to, quote-unquote, pay for tax cuts.

I think we should be consistent; and just like in the past, we should consistently say that in this instance we should not tie our hands when it comes to creating jobs, when it comes to making sure that married people are not penalized, when it comes to not raising taxes on families with children, when it comes to AMT relief that people are being hit with now, this alternative minimum tax, that we should provide that kind of relief, and we should do it in a way that does the job now and gets the economy going, as opposed to putting some arbitrary rule on, which I would argue if you vote 5 minutes ago one way, and then come back here and say, well, really I did not mean that, which vote do you not mean? Is it the vote for tax relief, or is it the vote for the rule?

So I would hope that people do not tie our hands when it comes to this, what is called pay-as-you-go. When it comes to taxes, I have said it before and I will say it again, you may think the government pays for taxes. The only people in America who pay for taxes are taxpayers, and they are the people who deserve the relief, and what you are trying to do is cause automatic tax increases for this country by tying hands and by putting arbitrary rules in, and I do not believe that is the right thing to do for this economy. It is finally back on its feet, it is finally creating jobs, and we need to make sure that continues.

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

Mr. Speaker, to respond to the chairman, the gentleman talks fiscal responsibility, but does not vote it. I am following the rules that are in place right now, and I am proposing that this body change the rules and practice fiscal responsibility and not just talk about it. We have got to get back to that.

What the gentleman neglected to mention is we have the highest national debt in our Nation's history. What the gentleman neglected to mention is we have the highest deficit in any one year in our Nation's history. We are mortgaging the future of our children and grandchildren, and it has got to stop.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMPSON).

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding me time and for his bringing this measure before this House for a vote.

Mr. Speaker, I rise today in support of the motion offered by the gentleman from Kansas (Mr. MOORE) which would require the budget conferees to include the pay-as-you-go provisions, budgets enforcement provisions, in the final budget bill.

Ten years ago, our colleagues across the aisle made a contract with America. One of the first principles they promised to instill in this Congress was a requirement that all laws that apply to the rest of the country would also apply equally to the Congress.

Well, the truth is, American families are required by law to pay their bills; yet in Congress we do not require the same thing of our own institution, and that is wrong.

One of the previous speakers said that we are trying to tie the hands of Congress so we can automatically bring about tax increases. That is absolutely not true. All this measure says is, if we pass a bill, we should pay for that bill.

The House budget resolution for 2005 was passed on a straight party line vote; but it was the alternative, with the strongest budget enforcement provisions, the Blue Dog budget, that got the bipartisan support.

Budget enforcement received bipartisan support not only in the House, but in the Senate also. They passed an amendment extending pay-as-you-go rules to both revenue and spending measures with the support of a bipartisan majority. Common ground, bipartisan ground can be found on the issue of budget enforcement.

If we are really going to reduce the deficit, bipartisanship is a must. It does not matter if it is an increase in spending or a reduction in revenue. If it is important enough for this House to pass it as law, by golly, we should pay for it. That is what this motion to instruct says. The motion is to instruct the conferees to agree to the Senate pay-as-you-go provision, which requires the Congress to find a way to pay for new spending or new tax cuts.

Members of the Blue Dog Coalition have been calling for the reinstatement of pay-as-you-go on both revenue and spending since the Budget Enforcement Act expired in 2002. And it is not a partisan concept. From the original pay-as-you-go provision, it was brought about by bipartisanship. It was an agreement between the first President Bush and a Democratic Congress. A Democratic President and Congress extended pay-as-you-go in 1993, and a Democratic President and a Republican Congress extended it again in 1997, along with $100 billion worth of tax cuts.

Today we can send a clear message from the Congress that we will hold ourselves to the same standards as we hold American families. Vote ''yes'' on this motion to instruct and reintroduce fiscal responsibility to this House and to the American taxpayers.

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

Mr. Speaker, I want to respond to one of the points just made by the gentleman from California. This is pretty close to being a direct quote as I heard him say it, and it was pertaining to this deficit. I think what the gentleman said was it does not matter if it is a decrease in revenue, which is to say a tax cut, or an increase in spending; either way, we have to offset it.

I am here to say that that is just not right. It does matter. It makes a difference. It makes a big difference. I am going to finish my point, because I think it makes a big difference in terms of the economic growth of our economy, and that means the opportunity for Americans, and that means prosperity and ultimately the quality of life of the working people.

Look at the data that we have. After we passed a tax cut package, look at what has happened. We have had a 2-decade high point in terms of GDP growth. The economy grew at 6 percent in the second half of last year; it is growing very strongly this year. This is the best economic growth numbers we have had in 20 years. Housing starts are at a record high. Homeownership, a record high number of Americans own their own home today.

We have financial markets that have made huge gains, which generally have been a good predictor of economic growth. The manufacturing sector, which has undergone a very difficult time, has, by all accounts and all objective data, turned around, is showing growth, is actually hiring.

Speaking of hiring, we have strong new job growth now. We waited a long time, because we know that job growth is always the last part to come in during an economic recovery. But it really looks like the job growth is happening now. Whether you are looking at the household survey or whether you are looking at the payroll survey, the job growth is strong. In March, we had 308,000 new jobs, and on Friday we are going to get a number for April; and it looks like we are going to have another strong month for job growth.

What this means is we are approaching a period now of sustainable economic recovery. When new people are getting to work and being able to generate their own incomes, now the economy starts to be able to grow of its own. This has happened because we lowered the tax burden.

If we go and pass this provision that you guys are advocating, it almost certainly means a big tax increase, and I am very concerned that this would cut off this economic recovery we have under way, and that is the last thing we should be doing.

The problem that we have, we have got a problem here, no question about it. We have a deficit that is too big, there is no question about it. But the problem has come from years of excessive spending. It is not that we do not bring in enough revenue. In fact, as we all probably know, recent numbers suggest that revenue growth is growing and it is accelerating, which is not surprising, given the strong economy we have today, the strength that is developing; but it is spending that has been the problem.

Now when we offered a PAYGO provision that would require that we offset any new spending proposals, you guys all voted against it. You guys said no, no, we do not want to just offset spending.

The point I am trying to make here is that new spending and lowering the tax burden, and in fact maintaining existing tax law, because that is what we are talking about now, these are not equivalent.

Mr. THOMPSON of California. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from California.

Mr. THOMPSON of California. Mr. Speaker, I thank the gentleman for yielding.

The point is if it is important enough to pass, it is important enough to pay for. The record deficit and the record debt, $7 trillion worth of debt, on mark to go up to $10.4 trillion in the next 5 years, that is the difference between revenue and spending. It is not the difference between spending. If we believe this is important enough to tax, we should pay for whatever it is we pass.

Mr. TOOMEY. Mr. Speaker, reclaiming my time, the gentleman is not recognizing we have had a growth in revenue, despite lower tax rates. This is what happens when the economy grows strongly. And the most important thing here, it is very important that we get the deficit under control and reduce the debt, but the most important thing is we have a strong economy, and everybody who wants a job is able to get a job and that wages are rising and people are having more and more opportunities.

If we do that, and control spending, which we are trying to do which this budget, which, again, my colleagues on the other side of the aisle did not agree with, but it is a budget which for the first time I am aware of in a very long time, we took the nonsecurity parts of discretionary spending and decided to freeze it.

We said we are going to freeze this, because I think that is what you need to do to get this spending under control so we can get this deficit under control. I think we are heading in the right direction if we can have the discipline on the spending side.

We should not be advocating a provision, which the gentleman from Kansas is introducing, which almost guarantees a big tax increase right at the time when our economy seems to be recovering strongly.

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

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me time. I have a prepared statement. I am not going to give it.

Perhaps the gentleman from Pennsylvania (Mr. TOOMEY) and perhaps the gentleman from Iowa (Mr. NUSSLE) believe if you say something enough, somebody will believe it.

I refer the gentleman from Pennsylvania (Mr. TOOMEY) to page 22 of the administration's budget document on receipts. For 8 years under Clinton, receipts went up. After we passed the 1993 bill, the economy went up and deficits went down. However, for the 12 years of Reagan and Bush, deficits went up, and under this administration, deficits have soared. And I would say to the gentleman from Pennsylvania (Mr. TOOMEY), check out page 22. Receipts have gone down, my friend. Down.

□ 1500

Starting with 2000, $2.25 trillion; 2001, $1.9 trillion. Mr. Speaker, I would say to the gentleman from Pennsylvania (Mr. TOOMEY), he is not listening to these figures. I know he wants to know the truth. I know he wants to know the facts. I am trying to give them to him so he will not misstate again. I want him to hear these facts, and then he can respond. This is the administration's book, not mine.

I will give them to the gentleman again. In 2000, $2.25 trillion; 2001 $1.9 trillion; 2002, 1.8 trillion; 2003, 1.7 trillion.

So to not tell us and the American public that resources are going up, they are not. This graph reflects what the Republican budget book says.

Now, with respect to spending, I say to my friend, we are spending less on discretionary spending than we spent in 1962 of GDP. But you all talk about that. Why? Because it is easy to talk about that. It is 17 percent of the budget; you do not talk about the other 83 percent.

What the gentleman from Kansas is saying, I say to my colleagues, is do not pass these tax cuts for which there is no money to give anybody. You are taking it from Social Security. You are taking it from Medicare. And, more importantly, I will tell my colleagues who is going to pay for these tax cuts: my children, my grandchildren, and the generations yet to come. That is not only intellectually wrong, it is an immoral fiscal policy.

Mr. Speaker, if the vote on this motion to instruct budget conferees is anything like the first one on March 30, then someone should summon the house physician because there may be some very sore arms on the Republican side of the aisle.

Certainly, we remember that five-minute vote? The Republican leadership held it open for 28 minutes so that it could (quote/unquote) persuade eight Republicans to change their votes from yes to no, and defeat the motion on a tie vote.

As David Broder, the syndicated columnist, pointed out (and I quote):

> Clearly, on a free vote of conscience, narrow majorities in both the House and Senate would be prepared to impose this degree of self-discipline [meaning pay-as-you-go budget rules].

The simple fact is, Mr. Speaker, the Office of Management and Budget projects that our Nation will run a record budget deficit of $521 billion this year. That figure does not include the costs of fighting wars in Iraq and Afghanistan, an estimated $50 billion to $75 billion.

The 10-year budget surplus of $5.6 trillion that George W. Bush inherited when he took office has been turned into a projected deficit of more than $4 trillion in just 3 short years.

And now, our Republican friends want to drive us even deeper into debt with tax cuts that are not paid for.

Perhaps Mr. NUSSLE, the chairman of the Budget Committee, summed up the Republican philosophy best. In March, he said (and I quote):

We don't believe that you should have to pay for tax cuts.

Well, my Republican friends, you don't. But our children and grandchildren surely will.

That's why the list of those supporting pay-as-you-go rules includes, among others, House Democrats, a bipartisan majority of the Senate, Federal Reserve Chairman Greenspan, the Concord Coalition, the Committee for Economic Development, and the Committee For a Responsible Federal Budget.

Republicans have not always believed that tax cuts are sacrosanct.

In fact, the majority leader himself even said in 1997 of Jack Kemp, a former member of this body (and I quote):

Jack Kemp worships at the altar of tax cuts. Jack has always said that deficits don't matter. We think that deficits do matter.

Mr. Speaker, PAYGO rules will not preclude tax cuts.

They simply recognize that, with a fiscal crisis looming, it is irresponsible—indeed immoral—to force the next generation to pay our bills.

I urge my colleagues to support this motion.

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

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, it is truly amazing when we come to the floor and have this debate over and over and over again. We are fighting a war today, and I believe I would be factually correct to say this is the first war we have fought by reducing the amount of revenue.

I suggest our troops are paying dearly for that, because as we all know, they have not received that which they need in order to protect themselves while they are doing for us what we are unwilling to do for them.

This is a pretty straightforward amendment; and despite the gentleman from Pennsylvania (Mr. TOOMEY), despite the gentleman from Iowa (Chairman NUSSLE) and all of his rhetoric, nobody is talking about raising taxes. That is just rhetoric that will be used in campaign slogans.

All we are saying is, if we are going to cut taxes and reduce the amount of revenue to pay for the war, we have to provide either cuts in spending, which we do, in spite of the fact, all of what you talk about never happens because spending has gone up, up, and up since Republicans took over this House, and how you can stand on the floor and keep lecturing Democrats on spending, you have no conscience.

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I would be happy to yield to the gentleman from Pennsylvania.

Mr. TOOMEY. First of all, Mr. Speaker, I have introduced a budget that had lower spending and lower deficits even than the one that we passed, the Republican one. I do not know of any Democrat that voted for my alternative budget.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, that is great rhetoric, and I will yield again, but I want to respond to that. The gentleman from Pennsylvania put a budget out. How many votes did the gentleman get for his budget?

Mr. TOOMEY. Mr. Speaker, we got just under half the Republican caucus on it, about 100, maybe 110.

Mr. STENHOLM. Mr. Speaker, that is the problem. I can put a budget out too.

Mr. TOOMEY. Mr. Speaker, if the gentleman will yield, how did the gentleman from Texas (Mr. STENHOLM) vote on it?

Mr. STENHOLM. On your budget, I opposed it, because it increased the deficit.

Mr. TOOMEY. It increased it much less than your budget did. It got us back to a balance much sooner than your budget or any other budget, and you voted ''no.'' You voted ''no.''

Mr. STENHOLM. You could not pass it.

I take back my time. I take back my time. Yes, it is great. You can come out, but the problem that comes out today is we have to live under the rules of the majority party. And for years I was criticized by the gentleman's side because it was my party that was doing to the economy what you said we were doing. Today, you are in charge; and no matter how many times you say it, you cannot overcome the facts. Republicans have spent more in the Reagan-Bush years, in the Bush years than we did in the Clinton years. You have spent more, period, and that record stands up.

All we are talking about today is a simple resolution saying, let us put us all under the gun. If you put your budget on the floor under pay-as-you-go, I will have to vote for it, if it is under pay-as-you-go, because I am sincerely for it. I did not vote for the last tax cut because it is with borrowed money on my children and grandchildren. I did not vote for last week's tax cut because it is with borrowed money; and I will not vote for the additional tax cuts with borrowed money on my children and grandchildren's money. But your rhetoric and mine should match. Where is the mismatch?

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

A couple of points I would like to make. One, to follow up on some comments made by the gentleman from Maryland, first of all, history has proven time and time again when we have cut taxes, we have ended up with increasing revenue. The gentleman from Maryland cited the Reagan administration. The fact is, within a decade of the big Reagan tax cuts, revenue collected by the Federal Government, tax revenue had about doubled. The problem was that expenditures tripled, and this reinforces my point that the problem here is spending. The problem is not that we are undertaxed.

The second point that I want to make, the gentleman from Maryland was referring to declining revenues in the height of the economic slowdown. I do not think anybody disputes that if the economy is in a recession, when the economy is contracting, revenue decreases. That is true. That is what happens when you have, especially a combination of a contracting economy, and then you have the cost of a war, it is not surprising that you have a deficit under those circumstances.

The final point I want to make, to suggest that this provision does not amount to the equivalent of a tax increase I think is just factually wrong. We all know that we have provisions in the current tax law that are expiring very soon; and if we do not allow those to become permanent, then we have a big tax increase coming. And if this provision were to be adopted and become binding on Congress, then it is almost assured that we are going to have a significant tax increase.

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

Mr. MOORE. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I got up to my office, and I heard the comments of the gentleman from Pennsylvania. The gentleman from Pennsylvania (Mr. TOOMEY) and the gentleman from Iowa (Mr. NUSSLE) both said not the perspective you thought revenues were going to increase, but that they had increased. That was not accurate. That was my point, and I think your review of the book indicates that I was accurate.

Mr. TOOMEY. Mr. Speaker, if I could just respond to that.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Kansas has the time.

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, I would like to thank my colleague, the gentleman from Kansas (Mr. MOORE), for yielding me this time.

What we have here is what never has been tried in history. We are waging three wars with three tax cuts that have resulted in $500 billion of annual deficits and a $3 trillion increase in the debt.

What has passed here in the year 2001, 2002 and 2003 are record tax cuts for the special interests that have produced record deficits and record national debt. There is an economic program here that basically we followed in the 1990s.

In 1993 we cut taxes and reduced the deficit. In 1997 we cut taxes for middle-class families and balanced the budget while investing in children's health care, the environment, and also in job training and education, higher education access. We threw that book out

that led to record job growth of 22 million jobs, a decrease in poverty, an expansion of the middle class, incomes going up for all people. And now what we have is record deficits and record debt, all because we followed an economic strategy that threw out the book of putting our fiscal house in order, investing in the priorities of tax cuts for middle-class families, and investing in the areas of education and health care.

What do we have to show for it? We have $500 billion in annual deficit. We have a record deficit while the economy is growing. You all have said if the economy grows, the deficit will disappear. Well, the economy is growing and we have record deficits. Why? Because your economic strategy lacks any logic to it. And that is you cannot follow and have three tax cuts and three wars at the same time and get any other result than the one we are getting today. And to repeat the same mistake and expect a different result is a sign of somebody who is not facing reality.

Today, what we need to do and what this proposal does is it begins to get us on a road of putting our fiscal house back in order and setting the priorities straight that if we want to invest in education, if we want to finance wars overseas, if we want to have tax cuts, we have to make sure that we live within a balanced set of priorities. We cannot leave to other generations and steal from Social Security and steal from Medicare to live today in bacchanalia and happy times. We have to put our fiscal house in order.

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

The point I was making about the increase in revenue, and the gentleman from Maryland was disputing this, I think, my point is if you look at the last 6 months of this year, if you look back from October of 2003 through March of 2004 and you compare the same 6-month period to the year before, you will discover that we brought in more revenue to the Federal Treasury in this most recent 6-month period than we did in the last 6-month period. That is the point that the gentleman from Iowa (Chairman NUSSLE) and I have been making.

Revenue coming into the Federal Government is, in fact, growing, and it is at an accelerating pace; and I strongly suspect that the next quarter is going to show an increase over the corresponding quarter from the previous year. That is precisely because of the strong economic growth.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding.

I understand his analysis of the last 6 months; we have had a good growth in the last 6 months. Not as good, contrary to what the gentleman says, as we had in terms of the Clinton years, because where we grew 23 million new jobs, we have still lost jobs. The gentleman pointed out we raised 300,000 jobs. As he knows, 100,000 of those were returning workers from the strikes around the country.

But the point I would make is that in 1993 when we adopted the Clinton economic program, Mr. Armey and the gentleman from Texas (Mr. DELAY), I cannot say the gentleman from Iowa (Mr. NUSSLE), but Mr. Kasich was then the chairman of the Committee on the Budget, they said that program was going to destroy America's economy, we would lose jobs, have high deficits and high unemployment and high interest rates. In fact, exactly the opposite happened, and we had the best economy we have had in the history of the country.

Mr. TOOMEY. Mr. Speaker, reclaiming my time, what happened was that immediately after that tax increase in 1993, economic growth was quite slow for some period of time; and then it accelerated, despite the tax increases.

But my point is, and I do not think the gentleman is disputing me now, that over the last 6 months we have had a revenue growth compared to the same 6-month period a year before, and all evidence and all trends suggest that this is going to continue. And what I think it demonstrates is, once again, lowering marginal tax rates and encouraging strong economic growth more than offsets the reduction in revenue that comes from the nominal loss that comes from the rates themselves.

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

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HILL).

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

Mr. HILL. Mr. Speaker, I would like to thank the gentleman from Kansas for leading this discussion here this afternoon.

A few minutes ago on the floor of this House, I cast a vote against the AMT tax cut. Some would say that that was a foolish vote for me politically, do I not think so. I do not think it was a foolish vote politically, because I believe that the people of the Ninth District in southern Indiana believe that if it is tax cuts versus shoring up Social Security, if it is tax cuts versus paying down the debt, if it is tax cuts versus shoring up Medicare, if it is tax cuts or having foreign countries buy our paper to finance the debt, I think that they will pick fighting the war, shoring up Social Security, shoring up Medicare, making sure that not too many foreigners have our paper. They want to be fiscally responsible like many of the Members on this side of the aisle want to be. And the only way that can happen, I say to my colleagues, is for there to be PAYGO discipline in both spending and tax cuts.

Now, I was at the Joint Economic Committee meeting last week where Alan Greenspan was at the meeting. I asked him, Mr. Chairman, do you believe that PAYGO rules ought to apply to tax cuts as well as spending? And his answer in his prolonged way that he answers was an unequivocal yes. There needs to be discipline in the Congress of the United States. PAYGO rules have worked in the past, they will work in the future, and it is the fiscally responsible thing to do.

One last thing that I would just like to remind my colleagues of on this side of the aisle. A quote from the majority leader on the Republican side, Dick Armey: ''I am sitting here, and I am upset about the deficit. I am upset about spending. There is no way I can pin this on the Democrats. Republicans own the town now.'' Wise words, indeed.

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

Mr. MOORE. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time. It is a shame we cannot have a longer, more substantive debate on this. The gentleman from Iowa (Mr. NUSSLE) got up and criticized the gentleman from Kansas (Mr. MOORE) for his inconsistency. He is for middle-class tax cuts, as I am; but he wants to pay for them. The gentleman from Iowa (Mr. NUSSLE) in 1997 voted for the Balanced Budget Amendment, as I did, which had exactly the same PAYGO as is included in the Moore motion to instruct.

Hear me, I say to the gentleman from Pennsylvania (Mr. TOOMEY). The gentleman from Iowa (Mr. NUSSLE) voted for exactly the same PAYGO as did 193 Republicans. Stick with your original convictions.

□ 1515

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

Mr. MOORE. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Kansas (Mr. MOORE) has 14 minutes remaining.

Mr. MOORE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I rise today to express my strong support for the motion to instruct offered by the gentleman from Kansas (Mr. MOORE).

It is our duty as lawmakers and the voices of our constituents to demand a budget resolution that is fiscally responsible and meets the needs of our country. This motion a very simple motion would require that any increase in spending and tax cuts must be subjected to a pay-as-you-go rule.

As this country faces record deficits, increased spending on homeland security and the war in Iraq, now is the time for fiscal discipline. The Federal budget deficit is fast approaching $500 billion and will only continue to grow. Unless we act now, our children and

our grandchildren will be paying for our fiscal irresponsibility.

Remember 1990 when America also struggled with record deficits. Congress faced the same choice that we do today. Ignore the realities of fiscal irresponsibility or confront it head on and resolve the problem. In 1990, the Democratic-controlled Congress made the responsible choice. It included PAYGO legislation as a part of 1990 budget agreement.

PAYGO was extended in 1993 and 1997 and was essential in restoring this country's economic health. The sky-high deficits of the late 1980s and early 1990s turned into substantial budget surpluses by the late 1990s. When this administration took office, there was nearly a $400 billion surplus and a projected surplus of several trillion dollars.

Despite this success, the administration's irresponsible choice to allow the PAYGO rules to expire in 2002 has contributed to the record deficit we face today. The time to act is now, before our Nation slides further and further into debt. We must include PAYGO rules that apply to both spending and tax cuts in this year's budget resolution.

If I could add something personal. My husband is not only a Republican, he is a Heritage Foundation Republican, a fiscal conservative in our personal life; and he believes that this is outrageous. He is astounded that the Republican-controlled Congress is behaving in this irresponsible fiscal manner. He will not have it and neither will I.

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

Mr. Speaker, I just want to make sure everybody is very clear as we have this discussion that if this proposed provision were to become binding, the net effect is almost certainly a very, very major tax increase. All we are talking about is, what I want to do here is let us make sure we can maintain existing tax law.

What the gentleman from Kansas (Mr. MOORE) is proposing is that under existing law, unfortunately, taxes are scheduled to go up. If we prevent that by making sure we maintain the existing rate structure, the existing tax law, we would have to come up with these huge offsets, which we certainly are not going to get the votes over there to do that with spending cuts, so we would have to raise taxes somewhere else.

So the net effect is a huge tax increase. What are some of the things that are scheduled to expire, some of the problems that we would have if this were adopted? Well, we would find we would get the marriage penalty coming back in full force. We get the child tax credit that would be diminished dramatically. The increase in the size of the 10 percent bracket, that goes away. Small business expensing which has probably contributed significantly to this economic turn around. That goes away. Small businesses cannot expense items the way they can under current law.

I think it is a bad idea when we have all the evidence suggesting we are well into a substantial and probably a sustainable economic recovery, why we would suddenly ratchet back up the taxes in the face of that and the fact that this has been a very successful tax policy, very successful in terms of turning this economy around and now in terms of getting people back to work, why we would want to undo all of that with a measure like this makes no sense to me.

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

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

Mr. Speaker, the gentleman can say black is white until his face is blue, but it does not change the facts. You can talk about tax increases here. We are talking about fiscal responsibility and he is not. In fact, what he is doing and his policies would do is put our Nation deeper and deeper and deeper in debt.

Again, Mr. Speaker, we have the largest debt, $7.1 trillion in our Nation's history. We have the largest 1-year deficit in our Nation's history, and the policies he is talking about, contrary to what Chairman Greenspan wants, will put our Nation in deeper debt and mortgage the future of our children and grandchildren.

I was at a high school last week and I talked to a group of high school students, government students, about this, and I said, Why should you care about a $7.1 trillion debt? A girl raised her hand and she said, Because we are going to have to pay for it. And I said you get an A for today, and you should be angry about what folks in Congress are doing to you and your children and grandchildren because you are putting them in a hole they can never dig their way out of.

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

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

Mr. Speaker, I just want to go back to this point because this is a very important point. We have created an environment, created a tax environment in which the economy can grow more rapidly and it is growing more rapidly. We have both CBO projections and the House budget resolution both forecast Federal receipts at $35 billion more this year than last year, despite the fact that we cut taxes last year; and now the monthly Treasury data that is coming in this year shows, and I do not think anybody is disputing this, that, in fact, we probably low-balled that. The revenue was coming in at an even faster clip than the amount by which we thought it would exceed last year.

So the fact is we have got a deficit that is too big. We all acknowledge that. It is getting smaller. The revenue is coming in faster because the economy is growing. And if we get spending under control, we can solve this problem. But the right way to do it is not to raise taxes.

I know the gentleman from Kansas (Mr. MOORE) does not like the characterization of this. But the fact is we have got provisions in law that will result in a tax increase if we do not do something about it, and what your provision would do would prevent us from solving that problem that results in a tax increase.

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

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

Mr. Speaker, what the gentleman has done is presided over policies that has created the greatest debt in our Nation's history and nothing he says can change that.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I know the gentleman from Pennsylvania (Mr. TOOMEY) did not deliberately attempt to misspeak to this body, but revenues in 2000 were $2.025 trillion, revenues in 2003 were $1.782 trillion; projected CBO for this year is the $1.817 trillion. I understand that you are putting the best spin forward, on this year, it is going up, but look at what it has done under the policies that you continue to advocate.

What we are talking about is what Chairman Alan Greenspan would like to see us do; what the Concord Coalition would like to see us do: Put some fiscal responsibility into all our actions.

The gentleman keeps referring to the Reagan years. I was here. I helped pass the first Reagan tax cut. It did not work as was intended. It built up $1.8 trillion of debt in 8 years. The Bush 41 built up another $1.5 trillion of debt. In the 8 years of the Clinton administration debt went up $1.4 trillion; and it is estimated under the Bush 43, debt will go up $2.4 trillion. That is what we were suggesting doing something about. It is called fiscal responsibility. It is called living within your means. It is called making tough decisions.

Yes, there are tax cuts that grow the economy, but there are also tax cuts that increase the deficit. Let us make that decision, instead of just coming here and rhetorically talking about things that just are not so. With all due respect, it just is not so from the standpoint of the deficit coming down.

If you talk about spending, I just have to smile and get myself under control, every time I hear a Republican stand up on this floor and talk about spending, and I would yield to the gentleman to answer to a question, who has been in control of this House since 1994?

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. Mr. Speaker, I have been the first one to say that excessive spending is a bipartisan problem.

Mr. STENHOLM. Then if it is a bipartisan problem, that is what we are suggesting today is a bipartisan solution.

Mr. TOOMEY. With a tax increase. That is not a good solution.

Mr. STENHOLM. No, with all due respect, well, if you want to fight the war by shortchanging the troops in order that you can have your rhetorical answers on that, fine.

I will be happy to yield for a simple discourse, but every time you start that rhetoric that has put us into a $2.4 trillion hole in 4 years.

Mr. TOOMEY. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Pennsylvania.

Mr. TOOMEY. First of all, I think the gentleman will acknowledge that Republicans have not short-changed our troops; that we have advocated and passed legislation that would provide the necessary resources; and we had a budget resolution that took the non-security portions of our budget and we froze that. We said, these areas that are not critical to American security should grow at zero.

Now, most if not all Members on the gentleman's side of the aisle, thought that that was somehow unreasonable, because we did not grow spending. So I do not think you can accuse us at this point of not dealing with this problem.

Mr. Speaker, if the gentleman would yield me some time.

Mr. Speaker, if not, I yield myself such time as I may consume.

Mr. Speaker, I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I agree with the gentleman. The short-changing of our troops is bipartisan. I am 1/435 of this body and anything we have not done, I accept my share of the blame for; but I am not in control. I am not in the majority. And the minority has been totally ignored on most of these issues, but I still have to take my responsibility for that action. And the fact is we have not done a real good job.

On the question of providing for spousal benefits for military retirees, we have a bill that has 300 cosponsors of and we cannot get it on the floor of the House in order to debate.

Mr. TOOMEY. Reclaiming my time, we are getting a little bit far afield from the discussion.

Mr. STENHOLM. We are talking about pay-as-you-go.

Mr. TOOMEY. We are getting a bit far afield.

I think one of the fundamental areas of disagreement that we have is the idea that my colleagues who offered the proposal, equate new spending with new tax relief, including maintaining existing tax law.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, that is not the intent of this amendment. It is not to get into taxes or spending. It is just to say to this body, we have to make a decision regarding how much more we borrow on our children and grandchildren.

Mr. TOOMEY. Reclaiming my time, but the mechanism by which you choose to make that decision is precisely this, it is to say that we have to treat, even maintaining existing tax law, as though it were equivalent to launching a new spending program because you want to impose the exact same mechanism on both those activities as though they are equivalent. And my point is they are not equivalent.

One, the new spending, leads to lower economic growth, lower productivity, fewer opportunities for American workers; and the other, maintaining this lower tax burden that we managed to pass in recent years, leads to stronger economic growth, more jobs, higher wages, and we are seeing it in the numbers. We are seeing that this economy has turned around. We are seeing the strength of this economy. We are seeing it producing new jobs. And, in fact, as the gentleman has acknowledged in recent months, we are even seeing a growth in revenue to the Federal Government. It is true.

It has not yet reached the level that it was at before the recession and before the war and before September 11. It will get there. It may take a little bit longer but the fact is revenue to the Federal government is growing. It is growing at an accelerating pace. But, frankly, that is not my highest priority in life. My highest priority, and what I think it should be here is, are we creating an environment where we create the maximum opportunity for Americans, the most job opportunities, the greatest chance for new businesses to flourish.

I know that is what the gentleman from Texas (Mr. STENHOLM) would like to see accomplished. I think we differ about how to get there. But I strongly believe that making it essentially impossible to maintain the existing tax law and instead having a higher tax regime does not get us there.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from Texas.

Mr. STENHOLM. Because nothing in PAYGO precludes tax cuts, nothing does.

Mr. TOOMEY. They have to be offset with equal tax increases or spending cuts; is that correct?

Mr. STENHOLM. Right.

Mr. TOOMEY. Do you think that there are the votes anywhere in this Chamber to have spending cuts when the Democrats in this Chamber would not vote for a Republican budget?

Mr. STENHOLM. We did it in 1997. It was Democrats like me that stood up with Republicans and got it done.

Mr. TOOMEY. Reclaiming my time, I would be thrilled if you and your colleagues would vote with us on this budget resolution that freezes non-security spending, that just says let us hold it at last year's level because we really cannot afford more than that. But we never got the votes to do that.

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

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

Mr. Speaker, I would respond to the gentleman simply by saying that we have, on this side, coined a phrase called the debt tax, not the death tax, D-E-A-T-H, but the debt tax, D-E-B-T. And the debt tax is the interest we pay on our national debt and the debt tax is going up just as the deficits are going up and the debt is going up.

□ 1530

It is the policies of the gentleman across the aisle that are causing this to happen, and it has got to change. People in this country know in their hearts and they know right in their heads that we cannot give like this forever. We are the strongest Nation on the Earth. We are the freest Nation on the Earth, but we cannot be strong and free and broke, and that is the policy advocated by the gentleman from across the aisle.

That is going to happen if we keep going the way we are. Our Nation will end up owing so much money it will be financially unsustainable for our children and grandchildren. I do not want that to happen.

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

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Pennsylvania (Mr. TOOMEY) has 9 minutes remaining, and the gentleman from Kansas (Mr. MOORE) has 7 minutes remaining. The gentleman from Kansas has the right to close.

Mr. TOOMEY. May I ask a question of the gentleman from Kansas. Does the gentleman have any additional speakers?

Mr. MOORE. Mr. Speaker, I am going to grant some additional time at the appropriate time to the gentleman from Texas (Mr. STENHOLM).

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

I would just make one additional point, and that is the point that has been made for us at our committee by CBO Director Crippin, and I think this is a very important one. When we look at how best to get our deficit under control, he makes the observation that a one-tenth of 1 percent increase in GDP growth accounts for about an additional quarter of a trillion dollars, $250 billion, in additional Federal revenue over a 10-year period. This is why economic growth is so important.

The real reason it is mostly important is for the benefits that accrue to the American people who produce this growth; but if we want to figure out how do we get our budget house in order here, a strong economy gets us there. One-tenth of 1 percent, going from 4 percent growth to 4.1 percent growth, just that small difference amounts to an extra quarter of a trillion dollars in Federal revenue. If we can maximize economic growth and have some discipline on the spending side, we get this budget back to balance. We are moving in that direction,

and I think that is a direction we should stay in.

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

Mr. MOORE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, 3 years ago is when this debate began and those of us that believed that we had a little better plan, we lost that battle; and today, we are still fighting the same battle we did 3 years ago. We were told if we instigated the tax cuts that we would balance the budget in 4 years. It did not work out quite that way. We cannot argue with the fact that the budget, that is somewhere out there in never-never land between the House and the Senate, includes an increasing of the debt ceiling, the amount which this country can borrow, to over $8 trillion.

In the last 2½ years, we have borrowed $1 trillion. In the next year and a half, we are going to borrow in excess of another $1.5 trillion. We cannot escape that those are the facts. We all know the reason why.

This amendment today just suggests that this generation ought to be doing some of the paying rather than just blindly following a theory that does not work, the theory that we can balance the budget by cutting the amount of revenue when we are at war.

This is the first war in the history of our country that we have fought by cutting taxes, and the results are predictable. It is amazing. Most main-line economists agree with what we are talking about today, making it tough to raise spending, being very scrupulous on the manner in which we spend our taxpayer dollars, but also take a good, hard look at what we are leaving our children and grandchildren and take a good, hard look at who is buying our debt.

The Japanese will soon own over $600 billion of our debt. The Chinese are at $200 billion and going up rapidly; and if that does not bother my colleagues who is the banker of the United States, then continue to say, as some so-called conservatives continue to say, deficits do not matter as long as we are following the great game plan that has been totally rhetorized today by the gentleman from Pennsylvania (Mr. TOOMEY); and he does a good job, and I respect the fact he is sincere.

That is something that I can respect on this floor because he puts his money where his mouth is. The problem is there are not 218 Republicans that agree with him, but there are 218 Members of this body that would agree on pay-as-you-go and would get our fiscal house in order as we did in 1990 when Democrats were in control and a few of us voted with Republicans to put some fiscal order, and as we did in 1997 when Republicans could not pass their budget in 1997 without Democratic support, and I was there and I helped because I believed in that compromise legislation that then ultimately gave us the economic growth and expansion that we saw in the 1990s.

Now, we are arguing a theory today, and I understand there are some that just cannot say, I was wrong, I did not make a mistake, I am perfect, everything we are doing we have just got to keep on plugging and we can send that debt to our children and grandchildren and look at them with a straight face. I have three grandsons, and I cannot do it; and that is why I will continue to say we will reach out the hand to the folks on the other side of the aisle, and we will work together to bring our fiscal house in order; but we cannot do it with the game plan that they are advocating.

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

We have had a spirited debate here this afternoon about this, and I would simply close by reminding my colleagues that if we were to pass the provision that is proposed here, it would certainly result in very, very large tax increases in this year, next year, the following years of a very huge magnitude; and I am gravely concerned that the result of that would be to, at a minimum, diminish the growth of our economy and quite possibly even turn us down into an economic downturn, back from whence we came.

We are on the right path. The economy is growing. It is growing strongly. It is actually growing at a nearly record pace. We have job growth that has kicked in in a very impressive way, and that is the most important part of this; and that is really manifesting itself in recent months, likely to continue, likely to generate a self-sustaining momentum for the economy.

This is exactly what we should be trying to work for. It is the tax cut package that helped us get here. We have now seen so much economic growth that, as my colleagues on the other side have acknowledged, even in recent months and recent quarters, revenue collected by the Federal Government is growing. It is accelerating. That means if we stick to the budget resolution that we passed with votes on this side of the aisle alone, where we put a freeze on nonsecurity discretionary spending, if we maintain that spending discipline, while we continue to have the strong economic growth, we will, in fact, see a dramatic reduction in this deficit. That is what we should be working towards, maintaining the tax law, keeping the tax burden as low as we possibly can on the American people, with some spending restraint.

Again, we proposed that we freeze this nonsecurity spending, unfortunately. My colleagues on the other side would not go along with that freeze. That is the kind of discipline that will get our budget in order.

What we need to do is reject this proposal today, vote ''no'' on the motion of the gentleman from Kansas, and stick to some discipline on the spending side.

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

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

PAYGO, the PAYGO rule that we are proposing here today, does not stop new tax cuts. All it says is that if we are going to have a new tax cut, we have got to cut spending; and if he talks about discipline, he should practice what he preaches. If he talks about discipline, he should practice what he preaches; and if he wants a new tax cut, he should say here is how we are going to pay for it. If my colleague finds a way to do that, then I am all for the gentleman from Pennsylvania (Mr. TOOMEY), but he is not doing that. He is just talking and not practicing reality here.

I voted for the President's tax cut 3 years ago. We were in surplus mode at that time, but now we are in deficit mode. Now we are in deficit mode. We are no longer in surplus mode.

Chairman Alan Greenspan of the Federal Reserve Board has testified before the Committee on the Budget and the Committee on Financial Services, on which I serve; and he said consistently, if we are not in a fiscally responsible position when this economy takes off, interest rates could climb rather dramatically, and we should not let that happen. It could be devastating for business, for the real estate industry, for consumer borrowing, and for people in this country. Chairman Greenspan has said over and over, we should have budget enforcement rules, PAYGO rules, that apply not only to new spending but to tax cuts.

I understand the gentleman thinks he knows more than Mr. Greenspan, but I do not believe that is true. I do not believe that is true.

We are going to have soon an $8 trillion national debt at 4 percent. The interest on that national debt will be $320 billion a year. It is digging us deeper and deeper in this hole. If that interest rate went up to only 5 percent, it would add another $80 billion, another tax increase; and that is what we are talking about here is the debt tax, the interest on our national debt.

They will put us, the policy advocated by the gentleman from Pennsylvania (Mr. TOOMEY), deeper and deeper in the hole; and the problem is, they do not want to pay for it now. They want to pass the bill to our children and grandchildren; and our children and grandchildren if they are watching television today and they have heard this debate, they should say, enough, we are not going to take that anymore; it is not fair; it is really not American.

We should end this today by saying common sense. If my colleagues want a tax cut, they have a new spending proposal, find a way to pay for it; and if they cannot do that, we will not do it because it is not fiscally responsible. It is not the right thing to do. It is not how American families live, and we are going to start living like American families.

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

The SPEAKER pro tempore (Mr. ADERHOLT). All time has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Kansas (Mr. MOORE).

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

Mr. MOORE. 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 motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. 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 today or tomorrow.

RECOGNIZING THE IMPORTANCE OF INCREASING AWARENESS OF AUTISM

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 605) recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism, and for other purposes, as amended.

The Clerk read as follows:

H. RES. 605

Whereas the Autism Society of America, Cure Autism Now, the National Alliance for Autism Research, Unlocking Autism, and numerous other organizations commemorate April of each year as ''National Autism Awareness Month'';

Whereas autism is a developmental disorder that is typically diagnosed during the first three years of life, robbing individuals of their ability to communicate and interact with others;

Whereas autism affects an estimated 1 of every 166 children in the United States;

Whereas autism is four times more likely to be found in boys than in girls and can affect anyone, regardless of race, ethnicity, or other factors;

Whereas the cost of specialized treatment in a developmental center for individuals with autism is approximately $80,000 per individual per year;

Whereas the cost of special education programs for school-aged children with autism is often more than $30,000 per child per year;

Whereas the total cost nationally of caring for individuals with autism is estimated at more than $90,000,000,000 per year; and

Whereas despite the fact that autism is one of the most common developmental disorders, many professionals in the medical and educational fields are still unaware of the best methods to diagnose and treat the disorder: Now, therefore, be it

Resolved, That the House of Representatives—

(1) supports the goals and ideals of ''National Autism Awareness Month'';

(2) recognizes and commends the parents and relatives of children with autism for their sacrifice and dedication in providing for the special needs of children with autism and for absorbing significant financial costs for specialized education and support services;

(3) supports aggressive research to determine the causes of autism, identify the best methods of early intervention and treatment, expand programs for individuals with autism across their lifespan, and promote understanding of the special needs of individuals with autism;

(4) commends the Department of Health and Human Services for implementing programs to study the epidemiology of autism and related disorders and advancing autism research at the Centers for Disease Control and Prevention and the National Institutes of Health;

(5) stresses the need to begin early intervention services soon after an individual has been diagnosed with autism, noting that early intervention strategies are the primary therapeutic options for individuals with autism and early intervention significantly improves outcomes for individuals with autism and can reduce the level of funding and services needed later in life;

(6) supports the Federal Government's commitment to provide States with part of the costs needed to educate children with disabilities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.);

(7) encourages more Americans to pursue the teaching profession and to be trained with the skills necessary to teach, assist, and respond to special needs students, including those students with autism; and

(8) recognizes the importance of worker training programs that meet the needs of developmentally disabled individuals, including those individuals with autism, and notes that people with autism can be, and are, productive members of the workforce if they are given appropriate support, training, and early intervention services.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the resolution.

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

There was no objection.

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

Mr. Speaker, I rise today in support of H. Res. 605, a resolution that recognizes the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

Autism is a developmental disability that usually appears, unfortunately, in very young children. We all have friends who are experiencing the tragedy, and God knows it is a tragedy, of having a child diagnosed that is autistic. What that does to a family we can only try to imagine. The least that we can do is to encourage more research and awareness and education among all families.

The disease impacts the normal development of the brain that controls social interaction and communication skills. Autism is four times more prevalent in boys and knows no racial, ethnic, or social boundaries.

More than 500,000 people in the United States today have some form of autism, making it the third most common developmental disability. Many people are surprised to learn that autism is more common than Downs Syndrome.

While we are finding better ways to understand and work with autistic individuals, the disease is still greatly misunderstood. The majority of individuals, including health care professionals, are still unaware of how autism affects people and how to effectively work with the individuals with the disease.

However, some progress has been made. A few years ago, most people with autism were eventually placed in institutions. Today, even the most severely autistic disabled can be taught skills to assist their development due to the development of individualized services and programs.

We are all extremely concerned about this disease. This resolution stresses that early diagnosis and treatment are essential to ensuring a better quality of life for individuals with autism. However, early diagnosis and treatment can only occur with increased awareness, and that is much of what we try to do with this resolution; and that is why, Mr. Speaker, I urge all of my colleagues to support this good bipartisan legislation.

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

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 3 minutes.

I want to thank the gentleman from Massachusetts (Mr. TIERNEY) for his leadership on this critical and growing health problem, and I would like to thank my friend from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health, for his good work on this issue and on many others.

One of the more eye-opening meetings I have had in my 12 years in Congress was with the family of an autistic child. The first time I did that, it was sobering to listen to the mother and father talk about their son's diagnosis of autism, a disease about which the causes are disagreed and generally unknown. It is sobering to learn what

these caring parents deal with every working hour of every day, trying to carve out as normal a life as possible for their son, trying to break through emotional barriers, intellectual barriers, barriers they do not fully understand, barriers that no one really fully understands.

It is sobering to learn the steps that these parents take to improve their son's development: consulting with the developmental pediatrician; a child psychiatrist; a clinical psychologist and occupational psychologist and therapist; a physical therapist; a speech and language therapist; as well as often a social worker, if they have the wherewithal to be able to get the best they can for their son.

□ 1545

This family could. Many families in our health care system that does not cover many people so well do not. It is heartbreaking to know these parents get no help from health insurers, forcing them to spend thousands of dollars each year towards treatment that may improve their son's development or may not improve their son's development.

My home State of Ohio's families of autistic children have a tremendous resource in the Cleveland Clinic Center for Autism. This unique center provides specially designed services and support to children with autism, or while fostering research on autism, to gain a better understanding of its causes and its effective treatments.

But families throughout my State and throughout the Nation deserve similar support. The resolution we are considering today brings us closer to achieving that. The resolution raises awareness about the unique needs of autistic children through a number of avenues, a few of which I want to mention. Perhaps most importantly, the resolution recognizes the dedication of the parents and families of autistic children.

To the countless families in Ohio and around the country who care for autistic children, you demonstrate every day what it means to be outstanding parents.

The resolution also recognizes the important work the Centers for Disease Control in Atlanta does in studying the trends of autism throughout the country. It supports the critical need for early intervention in caring for an autistic child and the need to train teachers in addressing the needs of a growing population of autistic children in our schools.

The resolution supports Federal research into causes and treatments of autism at the National Institutes of Health. If this Congress is serious about the causes that we articulate so well in this resolution, we will be equally serious about providing adequate funding for the National Institutes of Health and the Centers For Disease Control, something the Republican majority continues to fall short on because they want to do our tax cuts and choose to give tax breaks to millionaires instead of funding these public health programs that are essential to the well-being of families of children with autism and so many others rich and poor in this country alike.

Mr. Speaker, I urge my colleagues to support the resolution, and I thank the gentleman from Massachusetts (Mr. TIERNEY), the gentleman from Florida (Mr. BILIRAKIS), and the gentleman from Indiana (Mr. BURTON) for their work on this issue.

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. TERRY), a member of the Committee on Energy and Commerce.

Mr. TERRY. Mr. Speaker, I rise in strong support of H.R. 605. Frankly, I think there are probably many of us here who have personal testimonials. Everyone in Congress probably has friends who have a child who is autistic.

If one were to see Jacob Nolan Hirschfeld on the baseball diamond today, you might be impressed with his skills in playing our national pastime. Since his middle name was inspired by the great pitcher Nolan Ryan, you might also think his success on the field was destined. But Jacob's ability to play baseball and do everyday such things, such as attending school and playing with friends, was never guaranteed. Jacob Hirschfeld has been diagnosed with autism. He struggles with many of the issues common among the autistic. At 4 years of age, he could only speak in one syllable words. He was scared of loud noises and bright lights. He had many of the compulsions that are common with these children and was fearful of most people outside of his immediate family.

Jacob's father, Mark Hirschfeld, a friend of mine, has said ''our family was literally a prisoner to autism.'' Jacob's diagnosis was devastating to his parents, but even more difficult was the fact that physicians, educators, and other professionals had little understanding of this complex disorder and what could be done to help children like Jacob. Stereotypes abounded. One physician told the Hirschfeld's that Jacob had no better chance than 1 in 10 of living outside of an institution. Jacob's mother, Nancy, recalls that one preschool initially turned away her son because of their fears of autism, but once they began to see Jacob as a person who had unique gifts as well as challenges, they accepted him.

Thankfully, the Hirschfeld family persevered and sought services to help their son. Their search led them to engage in intensive, early intervention therapy called Applied Behavior Analysis, or ABA, which has helped them dramatically. Early intervention has also made a difference in the lives of Patrick and Jean McDermott, with their son, Grant, who was diagnosed with autism when he was 22 months old.

Grant's mother Jean said, ''It was devastating to hear the words 'diagnosis of autism' as parents of this beautiful child. My husband and I wondered what his future would hold. After the initial shock, we started researching what we could do to give him a brighter future.'' The McDermott's also chose the ADA early intervention therapy. Therapists worked with Grant about 35 hours a week teaching him basic and then more advanced skills. He is now a regular in school with no aides, and will be going to kindergarten this fall. His future is looking bright and the McDermott's believe he will have a full life, but it will always be a challenge having an autistic son until a cure can be found.

Autism now affects 1 out of every 166 children in the United States. Boys are 4 times more likely to have autism than girls. This developmental disorder robs individuals of their ability to communicate and interact with others. These are just some of the reasons why it is so necessary we get the word out about autism and support this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman from Ohio, and all of the other Members who are speaking on and cosponsored this resolution.

As the gentleman from Nebraska (Mr. TERRY) indicated, there is story after story that we could talk about the particular circumstances of a family and how their family is impacted by autism. Autism is a brain disorder that typically effects an individual's social interaction and communication. There are, as the gentleman from Nebraska (Mr. TERRY) said, 1.5 million Americans today who are affected by autism spectrum disorder. This is not just one typical set of circumstances, but a whole spectrum of circumstances and consequences suffered by individuals and families.

Experts do not concur on the exact number of cases of autism spectrum disorder, but they agree autism is one of the fastest growing developmental disabilities in the United States. Spectrum disorders are considered the second most common developmental disorder that American children face today. And even so, many professionals, whether they are in the medical profession or the educational fields, are still unaware of best methods to diagnose or treat this particular disorder.

What we do know is that once a diagnosis is made, initiating early intervention services significantly improves the people with autism and can reduce the level of funding and services needed later in life. Ten years ago, the Center for Disease Control estimated that 1 in every 10,000 children were affected by autism. More recently, the number was refined to 1 in every 250. This year the CDC estimated that the occurrence of autism is closer to 1 in 166. We sent it back to CDC when we first got that number because we were astounded it

would be that high, but on reflection and review of their numbers, they said it was closer to 1 in 166.

Mr. Speaker, we have to commend families and parents and relatives of children with autism for their sacrifice and dedication in providing for those special needs. I have seen situations where parents are dealing 24 hours a day, 7 days a week, with a child with extreme autism.

In the subcommittee, so ably chaired by the gentleman from Indiana (Mr. BURTON), we have seen films of children with extreme autism. Some Members saw, for the first time, just how difficult it is to deal with autism and its consequences.

My niece teaches special education in the State of Massachusetts. There are other teachers who talk to me regularly about the special needs and circumstances of children in their classes, and tell me every year the number of children with autism in their classes seems to grow.

Autism does not discriminate by race or ethnicity, but it is four times more prevalent in males than females; and an estimated 50 children are diagnosed with autism every day. There is no known cure for autism, so it is imperative to learn why autism is reaching epidemic proportions across this country.

Children do not follow any typical pattern of child development. For some, hints of future problems appear at birth, in others it becomes more noticeable as children slip behind children of their own age. The condition can be improved through behavioral and well-structured educational programs in some instances. Educational service programs are offered by the number of organizations.

In my district, we are fortunate to have the North Shore ARC. We also have other programs of the May Foundation, May Center and Institute and the Shriver Center in Massachusetts. They deal with programs developed for children with autism spectrum disorder, providing a broad scope of services, support, advocacy, information, and referrals that are responsive to the needs of children with that disorder. It is thanks to their continuing efforts that some families are getting relief and support.

But Congress has to recognize the significant financial costs for the specialized education and support services. According to the Centers For Disease Control, the cost of specialized treatment in a developmental center for people with autism is approximately $80,000 per individual per year. And the cost of special education programs for school-aged children with autism is often more than $30,000 per individual per year. The cost nationally of caring for persons affected by autism is estimated at more that $90 million a year. With these numbers in mind, Congress should fulfill the 30-year-old Federal commitment to provide States with part of the costs needed for education of children with disabilities under the Individuals With Disabilities Education Act.

We can go further by making sure that the Centers For Disease Control and the National Institutes of Health have enough funding to find out the cause of this particular disease, to find how we might detect it earlier, treat it and prevent it.

Again, I commend and thank all of my colleagues for cosponsoring this resolution, for their hard work in making sure that we do the Federal share in finding some solutions.

□ 1600

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. BURTON), who, along with the gentleman from Massachusetts (Mr. TIERNEY), is the author of this legislation.

Mr. BURTON of Indiana. Mr. Speaker, I want to thank the gentleman from Massachusetts for introducing this bill. He is a good buddy on the committee. I appreciate his concern over this issue.

My grandson became autistic 2 days after he received nine shots in one day, seven of which contained a substance called thimerosal, which is 50 percent mercury. We have gone from one in 10,000 children in this country that are autistic to now there is one in 166. As the gentleman from Massachusetts just said, it is four times more prevalent in boys than it is in young girls.

There are probably many causes of autism, but one of the causes of autism according to scientists and doctors that we have had before my committee from around the world is having the substance of mercury injected into children's bodies at a very, very young age. Mercury, we know, is a very toxic substance. It is one where if you have it spilled on the ground, they will evacuate the room until they get it cleaned up. Yet in most childhood vaccinations up until just recently, they had a substance in there called thimerosal which is a preservative, and it was 50 percent ethyl mercury. Children get as many as 30 shots before they start to grade school and mercury has a cumulative effect in the brain. It is no wonder in my opinion that we now have one in 166 children that are autistic where it used to be one in 10,000 just about 10 or 15 years ago.

We have to get mercury, as one of the causes of autism, out of all vaccinations for children. We have gotten it out of all of them but three, but we still have some of those vaccinations that are on the shelves that are being used by doctors that continue to use these vaccinations that have mercury in them.

I would just like to say to the CDC and the FDA today, we ought to get all those things off the shelves, all those vaccinations off the shelves that contain mercury so we can protect our children; and the three vaccinations that still contain ethyl mercury in the form of thimerosal, we need to get those changed as quickly as possible and go to single-shot vials that do not require these preservatives.

I also want to say to my colleagues that are concerned not only about children but about adults, many, many of the adult vaccinations like the flu vaccine that we get every year to protect this population against the ravages of flu contain thimerosal or mercury. It should not be in any vaccination that human beings are getting. Mercury is toxic to the human body, and it should be taken away and should be eliminated. Our soldiers in the Persian Gulf, in Iraq, get as many as 11 shots in one day. Many of those shots contain thimerosal, which is 50 percent mercury. We need to get it out of there.

In addition to that, as this resolution states very clearly, and I thank the gentleman from Massachusetts for this, we need more research to find out all of the causes of autism so that the children that are coming into the world today are going to be protected in the years to come. The cost to the taxpayers, to this country, is huge. They estimate that there is $90 billion in costs right now when you add up everything as far as the damages to the human beings in this country that are becoming autistic.

We have got a huge problem now, but down the road, these people are not going to die; they are going to grow old and live long lives. Somebody is going to have to take care of those who cannot take care of themselves. We need to find a cure for autism, and we need to get mercury out of all vaccines.

Mr. BILIRAKIS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman for yielding me this time, and I congratulate the gentleman from Massachusetts for this very important resolution that, as has been pointed out, does several things. It recognizes the importance of increasing awareness of this affliction, autism. It supports programs for increased research and improved treatment of autism. It improves training and support for individuals with autism.

But one of the causes that I believe is one of the most important ones is that it recognizes and commends the parents and relatives of children with autism for their sacrifice and dedication in providing for the special needs of children with autism and for absorbing significant financial costs for specialized education and support services.

As has been pointed out before, each one of us could probably be here on the floor with a personal story about how we know someone who has autism, a family that has been affected by this disease, this affliction; and I am no exception to that. My best friends, Charles Flick and Patience Plumer Flick, have three children, two of whom have autism. Bonnie, a teenager, is able to communicate both verbally and in written form. She is able to do

simple arithmetic. She is probably in the higher level of high-functioning autism disorder. However, her young brother, Willis, is not able to communicate, is not aware of his surroundings, makes no connection to those around him in a very direct way, nor is he able to communicate in any way, shape or form except for grunts and pointing at simple pictures.

It has been a great experience for the family, a great challenge, to have them deal with the special needs of these two children. It presents a special challenge as well to their oldest child, Penny Flick, who is a graduating senior from high school this year.

Autism affects not just the children, those individuals with autism; it affects and it impacts the entire family. It has been a blessing, I believe, for the Flick family to have children with autism because it has made them more aware of God's many blessings upon them and makes them cherish life all the more. I think that this clause in this resolution of the gentleman from Massachusetts is very poignant because it recognizes and commends the parents and the relatives of children with autism because they deserve a very special place in our society and in our community. Caregivers of people with special needs so often do not go noticed and are not given the attention that they deserve. It takes a special heart and a special family to cope with the daily challenges that autism gives to the families.

I commend the gentleman from Massachusetts for this resolution, and I congratulate the Flick family and everyone involved with Bonnie and Willis for their great care.

Mr. BILIRAKIS. Mr. Speaker, I yield 3¼ minutes to the gentleman from Pittsburgh, Pennsylvania (Mr. MURPHY) where I grew up.

Mr. MURPHY. Mr. Speaker, when I years ago worked as a psychologist at one of the hospitals in Pittsburgh, I was examining a newborn baby. As part of examining this baby, I looked to see how this baby responded to sounds and sights. Your average newborn baby when you have a light or something in the baby's eyes will turn toward it. If you hold the baby in front of you and the baby looks you in the eye, you can turn your head and that baby's eyes will turn with you.

There was one particular child that I remember holding and looking at. Every time I tried to get the baby's eyes to look at me, this infant would turn away and get distressed. Yet if I held an object or something before the baby, the baby would look. I made a note of that somewhere in my own charts. It was interesting that a few years later when this same child entered my office at age 3, the parents noted that this child did not seem to have emotional reactions to people, did not seem to respond to playing the same way other children do, did not seem to use words the same way. It was almost as if he could neither love nor be loved. This child was an autistic child whom we identified early on as having some of those symptoms.

Autism is a biologically based, neurodevelopmental disease that causes severe impairments in their language, in their social interactions, as if there was this wall around them that they can neither love nor be loved. These are not children who are mentally retarded. Although some children may have other developmental delays, there are other children with autism who are very bright and high functioning. These are children who really tear at the hearts of families because they have so many troubles with them. In fact, it is impossible to really describe the tremendous burden that families have in raising an autistic child. They seem unreachable. They cannot interact with their parents. They cannot interact with their siblings in a loving way. The pain these families feel is indescribable. The enormous strain that these special children place on families cannot be quantified with numbers. The emotional chasm between the child and parents and loved ones oftentimes leads to unusually high divorce rates at a whole other level.

Sadly, existing treatments are expensive and less than optimally effective. There are behavioral treatments that help some children, but these treatments are far from a cure. I remember when I started practicing, we would learn patterns and strategies to work with autistic children only to find a few years later someone else said, that does not work, it was just another person's theory.

But there is hope. Thanks to new medical technology such as the decoding of the human genome, cures are achievable for children born with autism today. New biomedical treatments, such as secretin and immunotherapy, are providing hope that autistic children will not be condemned to live out their lives in emotional isolation. But these treatments can only be developed if biomedical research is funded, if behavioral research is funded, if social research to help the families is funded, if language therapy is funded.

Currently, autism research is providing remarkable advances, but there is still a great deal to be done and cures to be found. But for children like those I described, we are far from a cure. We need to learn, to teach, to help these children and help these families be able to speak the language of the heart that every parent would love to have with their child. As I said, we are far from a cure because we are so far, so far from knowing a cause.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I want to commend the author of this resolution, my friend from Massachusetts, the ranking member and the chairman for bringing it forward. I went through 4 years of medical school residency, internship, and never saw a case of autism. I came from a large family on both sides, my mother and father, and never saw a case of autism.

I was quite surprised when a physician friend of mine told me about 5 years ago, 6 years ago now, that his son had been diagnosed with autism. Then I discovered that Dan Marino had a son with autism; Doug Flutie, whose parents live in my district, had a son with autism. Then all I can say is the more I started looking into this, the more and more concerned I began to become. A disease that was virtually unheard of, estimated at one in 10,000. I met with people in California. They were coming up with estimates of one in 500, one in 600. I met with the CDC. I asked them what was going on. There was some controversy at the time 4 or 5 years ago because the diagnostic tools, the diagnostic and statistical manual had been changed such that maybe we were diagnosing more of it, but the incidence was not really up. Anyway, the CDC to its credit did the necessary research and concluded that the incidence of this disease had skyrocketed from being a rare, unheard of condition to one in 166, predominantly affecting boys.

What has been particularly concerning to me is reports that I was receiving. Unlike the description that the gentleman from Pennsylvania was offering of a child in the nursery, the baby that you take home that has autism that just never seemed right, we were getting more and more of these reports where my baby was speaking and now is no longer speaking, my baby was reacting and looking at me and is no longer reacting and looking at me. This is a very, very serious crisis. I think the previous speakers have been very eloquent in pointing out the huge costs to our society. I am very glad they brought this forward because it brings public attention to this issue, and it brings the attention of this body to this issue.

One of the main reasons why we need to try to address this and we need to move aggressively on this is that we have been battling Parkinson's disease and breast cancer and all of these terrible conditions for years and years, and we have a pretty good idea of what causes them. It is very hard to address the cause. We do not even know what causes this disease in these kids. We may discover that this condition is totally avoidable. We may discover that it is reversible. I am very pleased that the gentleman from Massachusetts put some language in there on early intervention services as children are diagnosed because what I am now hearing more and more is parents are saying, I got my kid in therapy or we did this or we did that and he is doing much, much better.

□ 1615

And previously, the attitude was there is nothing one can do for them

and it is basically almost like a terminal situation. Just institutionalization is all that can be done. And now, lo and behold, we are finding with early intervention these kids can become much more manageable. They can be taught. They can develop learning skills, reading, writing. So it is a much more positive outlook.

Regarding the issue that the gentleman from Indiana (Mr. BURTON) was bringing up about mercury in the vaccines, the implication there, I think the science is not really in on this. It is really inconclusive, but minimally what I think we need to do is what the gentlewoman from New York (Mrs. MALONEY) and myself are recommending, and that is get the mercury out of all the childhood vaccines. It is a toxic substance, and whether it is implicated or not in the autism, I think there is evidence to suggest it may be, that minimally we should not take any chances with little kids. We should not be exposing them unnecessarily to mercury. And therefore pass our legislation to get the mercury out.

Again, I congratulate the gentleman from Massachusetts on this. We need more research. And let me just close by saying NIH and CDC have significantly increased their funding. They have been responding. I think NIH funding for autism research is up four-fold in the last 6 years, and the Secretary and the folks at NIH need to be commended for that, and I certainly commend them. But we need to do more because we may discover ultimately in the end this is a preventable condition and that we can allow thousands of children the opportunity to escape ever being affected by the disease in the first place, and we obviously need to do more in terms of treating the kids that have it. I thank the chairman for yielding me the time.

Mr. BILIRAKIS. Mr. Speaker, I am very happy to have heard the gentleman's remarks. I know we all are.

Mr. MATHESON. Mr. Speaker, I am pleased to join my colleagues this afternoon speaking in favor of H. Res. 605. H. Res. 605 is an important step to raise national awareness about autism by designating the month of April as National Autism Month. In addition, H. Res. 605 recognizes the prevalence of autism, the need to support programs for research and treatment of autism, and the importance of improving training and support for individuals with autism and their caregivers.

Autism is a debilitating developmental disability affecting the ability of individuals to communicate and interact with others. It is estimated that 1 of every 166 children in the United States has an autism spectrum disorder. In my home state of Utah, it is estimated that 4 in every 10,000 children have autism spectrum disorders.

However, statistics on the prevalence of autism can be difficult to obtain. Registries are relatively new and voluntary, hindering the collection of this data. But, efforts to record the incidence of autism are an important step in raising awareness and unlocking this developmental disorder. Important efforts are being undertaken in Utah, through the Utah Registry of Autism and Developmental Disabilities, to determine and monitor the number of children in Utah with autism. This identification process is an important first step in raising awareness, quantifying need, and creating the necessary networks to provide adequate support.

Autism is best treated when diagnosed early. Usually, diagnosis occurs within the first three years of life. Improving awareness does not just mean counting people, it means identifying children with autism early, by ensuring that primary care providers are aware of the signs of autism. Early identification can assist in earlier access to appropriate treatment for these children, and early intervention can improve the long-term outcomes.

In addition, expanding awareness is about training and services, both for children, their families, and their caregivers and educators. Too often children with autism do not receive the highly trained, skilled services that they need. Autism can overwhelm both the child and those who must care for them without adequate preparation or support. Improving professional development, support networks, and assistance available to the caregivers of individuals with autism is critical. It is necessary to adequately fund and support special education and train specialized teachers. It is also critical to recognize the potential that individuals with autism can have when provided with appropriate educational opportunities and employment training. With these on-going interventions and supports, individuals with autism can achieve their fullest potentials.

Finally, increasing awareness must involve greater focus on research related to autism. It must include research into causes, treatments, and even potential cures. Autism is a complex challenge that requires some of the best scientific and medical attention our nation has to offer. Federal support for research on autism has been growing, but additional efforts will be critical in finding the answers to the many questions that autism poses.

Mr. Speaker, in conclusion I want to recognize the courage and the commitment of the individuals, families, and professionals for whom autism is a reality of daily life. They are truly committed to caring and making progress, and I am happy to support them in this effort to increase the national awareness of autism.

Mr. KIND. Mr. Speaker, I rise in support of H. Res. 605, which recognizes the importance of increasing awareness of autism, advocates increased research, and pays tribute to those who care for individuals with autism.

More prevalent than Down syndrome, childhood cancer, and childhood diabetes combined, autism is a developmental disorder that is affecting a growing number of Americans. Studies show that one of every 250 babies born today will develop some form or autism. Individuals with autism face a wide array of biomedical and neurological difficulties, all of which result in a compromised immune system. The physical toll on children with autism is enormous, and the physical, emotional, and financial burden that parents of autistic children face is great. I have enormous respect for the parents, friends, and families of autistic children who sacrifice so much in order to care for their children.

Residents in my home state of Wisconsin are fortunate to have access to intensive in-home therapy with certified providers, and I applaud universities such as the University of Wisconsin-Eau Claire, which is making great progress with its autism intervention program that trains students in autism behavior analysis and therapy. I believe we have a responsibility to aid colleges and universities that are doing such important work. I am also proud to be a member of the Congressional Coalition for Autism Research and Education, which seeks to educate members on the realities of autism and work to increase federal funding for autism research and services.

I have been fortunate during my years in Congress to meet with many parents of autistic children who continue to amaze me with the selfless work they do each day. Recently, I was able to spend some time at Willow River Elementary School in Hudson, Wisconsin, which has one of the highest rates of autistic children in the state. It was a pleasure to spend time with special education teachers who work so diligently with their students. The morning was a reminder of both the problems and promise autistic children have.

Mr. Speaker, we must work to better the situations of the children and families who live with autism on a daily basis. I commend Mr. TIERNEY and Mr. BURTON for offering this important resolution and am pleased to be an original cosponsor. I urge my colleagues to support this resolution.

Mr. LANGEVIN. Mr. Speaker, I rise today in strong support of H. Res. 605, which recognizes the importance of increasing awareness of autism. This resolution supports research on the treatment of autism, the improvement of training and support for individuals with autism and those who are for them.

As a member of the Congressional Coalition for Autism Research & Education, and the uncle of a little boy of autism, I am well acquainted with the issues faced by families of children with this disorder. I am struck by the rapid increase in the number of children diagnosed with autism in the last decade. While we have certainly made progress in assessment, diagnosis and treatment, there is room for improvement. We must commit ourselves to providing parents, pediatricians, early childhood educators and all those who have contact with very young children the resources and training to identify children who need help early enough to begin effective interventions. We must take advantage of ongoing data collection in the state and use it to construct better policies and programs to serve our children and families struggling with autism.

Like all children, those diagnosed with autism spectrum disorders are individuals with unique talents and abilities. Across the state, special education teachers, psychologists and others are working hard to bring these gifts and talents to light, and help these children realize their potential. We must recognize and support this honorable work through promoting research and resources dedicated to the study of autism. I urge my colleagues to vote in favor of H. Res. 605.

Mr. HOLT. Mr. Speaker, I rise today in support of H. Res. 605, a resolution recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, and improving training and support for individuals with autism and those who care for individuals with autism.

Even though autism is one of the most common developmental disorders affecting children, it is still poorly understood throughout

the medical community, producing great frustration among concerned parents. For reasons that are far from clear, children with autism often lack the normal means of communicating and interacting with others, making their transitions to adult society extraordinarily difficult.

Achieving a better understanding of autism will take time, money, and the dedication of researchers and volunteers across the country. That is why I call on my colleagues to support additional funding for autism research and surveillance activities performed by the Centers for Disease Control and the National Institutes of Health. It is also vital that we support the basic science research being performed at the National Science Foundation and other institutions, which provide the knowledge base for the more advanced health research performed by medical researchers.

One of the key questions that these researchers are trying to answer is the potential of a connection between environmental factors and the prevalence of developmental disorders like autism. That is why Representative SAXTON and I have formed the Children's Environmental Health Caucus, which will serve to educate members and staff here on the Hill about the latest scientific research into the impact of environmental factors on children's health. I hope my colleagues can join this caucus and work with us to further this type of research.

It is also critical that we provide the services needed to educate and care for those who do have autism. That is why I would like to call on the Congress to establish mandatory full funding for the Individuals with Disabilities Education Act. It is time for the federal government to step up and fulfill its obligation on special education funding for the sake of children with special needs and for the sake of our constituents who often face high property taxes.

I would also like to commend the work of all of the nonprofit groups that do so much to provide for children with autism and their families. Groups like the New Jersey Center for Outreach and Services for the Autism Community (NJCOSAC) provide information, services, advocacy, and education. Others, like the National Alliance for Autism Research (NAAR), support and fund research into science-based approaches for determining the causes, effective treatments, and potential cures for autism. NAAR, headquartered in Princeton, New Jersey, was founded by two of my constituents, Karen and Eric London, whose son Zachary was diagnosed with autism when he was only twenty-two months old.

Mr. Speaker, I urge all of my colleagues to support this resolution and to remember those children with autism when it comes time to debate appropriations. Funding scientific and biomedical research is not just about giving jobs to scientists—it's about giving hope to people like Karen and Eric London and their son Zachary.

Mr. CROWLEY. Mr. Speaker, I rise in strong support of House Resolution 605 which recognizes the importance of increasing awareness of autism as well as calling for greater investments in Research and Development to combat this disability as well as improving training and support for individuals with autism and their caregivers.

I echo the comments of my colleagues on both sides of the aisle on this important issue—that our government must not only fight autism but also the stigma of autism.

As we know, the statistics surrounding autism are staggering.

About 5 out of every 10,000 children are diagnosed with autism, with boys suffering at a rate of four times that of girls.

More concerning is that the rates of autism are increasing at an alarming rate at between 10–17% annual growth in new cases diagnosed.

Autism does not discriminate between races or nationalities and strikes so many, while our knowledge base of this disability is so little.

The facts tell one story, but I would also like to focus on the more human side of autism.

Recently, a father from my district visited my office to tell the story of his son, Adam, who is autistic.

We must combat both the lack of scientific knowledge surrounding autism as well as the public ignorance about this disability.

On behalf of the people that live with autism, like Adam, it is my hope that not only will this resolution be enacted, but that the Congress will follow up on it with new funding to learn more about, treat, and eventually combat autism.

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

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

The SPEAKER pro tempore (Mr. ADERHOLT). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, H. Res. 605, as amended.

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. BILIRAKIS. 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on the motion to instruct on S. Con. Res. 95 and on the motion to suspend the rules previously postponed.

Votes will be taken in the following order:

Motion to instruct on S. Con. Res. 95, by the yeas and nays;

H. Res. 605, by the yeas and nays.

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

MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

The SPEAKER pro tempore. The pending business is the question on the motion to instruct conferees on the Senate concurrent resolution, S. Con. Res. 95.

The Clerk will designate the motion.

The Clerk designated the motion.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Kansas (Mr. MOORE) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 215, not voting 11, as follows:

[Roll No. 145]

YEAS—208

Abercrombie
Ackerman
Alexander
Allen
Andrews
Baca
Baird
Baldwin
Ballance
Bass
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Brady (PA)
Brown (OH)
Brown, Corrine
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Case
Castle
Chandler
Clay
Clyburn
Conyers
Cooper
Costello
Cramer
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley (CA)
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Grijalva
Gutierrez
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley (OR)
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kind
Kleczka
Kolbe
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Lynch
Majette
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meeks (NY)
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Waters
Watson
Watt
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—215

Aderholt
Akin
Bachus
Baker
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Boozman
Bradley (NH)
Brady (TX)

Brown (SC)
Brown-Waite, Ginny
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Chabot
Chocola
Coble
Cole
Collins
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Dreier
Duncan
Dunn
Ehlers
English
Everett
Feeney
Ferguson
Flake
Foley
Forbes
Fossella
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Goode
Goodlatte
Goss
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCotter
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Porter
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simmons
Simpson
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Turner (OH)
Vitter
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Bono
Boyd
DeMint
Emerson
Filner
Greenwood
Kilpatrick
Meek (FL)
Ose
Solis
Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1646

Ms. HARRIS and Messrs. LAHOOD, CAMP, HOEKSTRA, and OSBORNE changed their vote from ''yea'' to ''nay.''

Mr. LIPINSKI changed his vote from ''nay'' to ''yea.''

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 145, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted ''yea.''

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 145 on the motion to instruct conferees on S. Con. Res. 95 I was unavoidably detained. Had I been present, I would have voted ''yea.''

Stated against:

Mr. OSE. Mr. Speaker, on rollcall No. 145, I was unavoidably detained questioning a witness in a subcommittee hearing. Had I been present, I would have voted ''nay.''

RECOGNIZING THE IMPORTANCE OF INCREASING AWARENESS OF AUTISM

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 605, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the resolution, H. Res. 605, as amended, 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 421, nays 0, not voting 12, as follows:

[Roll No. 146]

YEAS—421

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

NOT VOTING—12

Bereuter
Bono
Boyd
DeMint
Emerson
Filner
Greenwood
Kilpatrick
Meek (FL)
Ryan (WI)
Solis
Tauzin

□ 1654

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall No. 146, I was unavoidably detained, and I missed the vote. Had I been present, I would have voted ''yea.''

Ms. SOLIS. Mr. Speaker, during rollcall vote No. 146 on H. Res. 605, recognizing the importance of increasing awareness about autism, I was unavoidably detained. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, personal reasons prevent me from being present for legislative business scheduled after 3 p.m. today, Wednesday, May 5, 2004. Had I been present, I would have voted ''yea'' on the motion to instruct conferees on S. Con. Res. 95 (rollcall No. 145); and ''yea'' on the motion to suspend the rules and pass H. Res. 605, a resolution recognizing the importance of increasing awareness of autism (rollcall No. 146).

EXTENDING THE DEADLINE FOR THE INTELSAT INITIAL PUBLIC OFFERING

Mr. UPTON. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be discharged from further consideration of the Senate bill (S. 2315) to amend the Communications Satellite Act of 1962 to extend the deadline for the INTELSAT initial public offering, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2315

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

SECTION 1. EXTENSION OF IPO DEADLINE.

Section 621(5)(A)(i) of the Communications Satellite Act of 1962 (47 U.S.C. 763(5)(A)(i)) is amended—

(1) by striking ''December 31, 2003,'' and inserting ''June 30, 2005,''; and

(2) by striking ''June 30, 2004;'' and inserting ''December 31, 2005;''.

Mr. DINGELL. Mr. Speaker, I support S. 2315, a bill that would extend the deadline for the INTELSAT initial public offering (IPO).

During debate on the ORBIT Act several years ago, I voiced concerns regarding the specific licensing criteria that INTELSAT and Inmarsat were required to meet to gain access to the U.S. telecommunications market. One provision required each company to conduct an initial public offering by a date certain. I would prefer that the Government not be in the business of requiring companies to go public. At the very least, however, the Government should not be forcing companies to go public when market conditions are unfavorable.

Unfortunately, that is exactly what is now happening, unless we approve the bill before us. The ORBIT Act requires INTELSAT to complete its IPO by June 30—just two short months away. And while we all hope that our economy is on the upswing by then, forcing INTELSAT to conduct an IPO next month is bad policy and will cost INTELSAT's owners, including many U.S. investors, hundreds of millions of dollars.

The bill before us today, S. 2315, amends the Communications Satellite Act to give INTELSAT an additional year to conduct its IPO. Although I would prefer that this bill be addressed through regular order, time is short. A one-year extension is what has passed in the other body, and, in the interest of time, we should pass this bill and allow INTELSAT another year to conduct its IPO.

The satellite marketplace has changed significantly from when the ORBIT Act became law, and the repeated Congressional action to postpone the Act's IPO requirements raises serious questions about whether additional changes need to be made to the Act to ensure that it addresses current market conditions. Accordingly, I hope that the Committee on Energy and Commerce will hold a hearing in the near future on the Act's relevance and effect on today's satellite marketplace.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UPTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2315, the Senate bill just passed.

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

There was no objection.

NEW YORK CITY WATERSHED PROTECTION PROGRAM REAUTHORIZATION

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2771) to amend the Safe Drinking Water Act to reauthorize the New York City Watershed Protection Program.

The Clerk read as follows:

H.R. 2771

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

SECTION 1. NEW YORK CITY WATERSHED PROTECTION PROGRAM.

Section 1443(d)(4) of the Safe Drinking Water Act (42 U.S.C. 300j–2(d)(4)) is amended by striking ''1997 through 2003'' and inserting ''2003 through 2010''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. GILLMOR).

GENERAL LEAVE

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on this legislation.

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

There was no objection.

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

I want to recognize my subcommittee vice chairman, the gentleman from New York (Mr. FOSSELLA), for the fine work that he has done on this bill.

The New York Watershed Protection Program reauthorization is bipartisan legislation with 28 cosponsors, including both the gentleman from New York (Mr. TOWNS) and the gentleman from New York (Mr. ENGEL) who are members of our full committee. In fact, the bill has 19 Democrats as cosponsors and 12 Republicans. This bill is a perfect example of fair-minded people from all parts of the political spectrum coming together to support legislation that is good for the environment.

The New York City Watershed covers an area of over 1,900 square miles in the Catskill Mountains and the Hudson River Valley. The watershed is divided into two reservoir systems, the Catskill/Delaware watershed and the Croton watershed. Together, the two reservoir systems deliver approximately 1.4 billion gallons of water every day to nearly 9 million people in the New York City area.

In December 1993, EPA concluded that New York City was able to avoid filtration of its drinking water and assigned New York over 150 conditions relating to watershed protection, monitoring, and studies. Unfortunately, New York City met several key roadblocks to implementation of these requirements, including not being able to obtain a land acquisition permit or approval of revised watershed regulations from the State of New York.

Congress addressed this problem in Section 128 of the Safe Drinking Water Act Amendments of 1996, when the New York City Watershed Protection Program was first enacted. The program authorized $15 million per year for fiscal years 1997 to 2003 for EPA to provide matching grants to the State of New York for approved demonstration grants projects that were part of New York's watershed and source water protection program.

In practice, this has been a successful program and has saved the economic vitality and the environmental quality of upstate New York communities in the watershed region, while also saving American taxpayers billions of dollars that would otherwise be necessary to build water filtration systems. Witnesses at our subcommittee hearing on this bill all spoke highly of this program, and they need to see it fully extended.

Of note, EPA Administrator Leavitt has also testified that one way to reduce the financial needs of drinking

water delivery systems is to encourage more conservation efforts, and I believe programs like the New York City watershed are good examples of public and private partnerships paying environmental and economic dividends.

The House faces a simple question: should we as Congress provide legal authority for the Federal Government to assist this watershed? I believe we should. It is a simple bill that extends the authorization of the New York City Watershed until 2010. Let us take a step toward bipartisan protection of the environment and New York's source water in particular. I urge Members to vote favorably on H.R. 2771.

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

Ms. SCHAKOWSKY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today we are considering H.R. 2771, a bill passed by the Committee on Energy and Commerce to reauthorize the New York City Watershed Protection Program for 7 years.

□ 1700

I am not opposed to demonstration projects for monitoring New York City watershed, but it seems odd that of the more than a dozen core provisions of the Safe Drinking Water Act that expired in 2003, the House leadership has managed to find time for consideration of the management of one bill which singles out a small demonstration grant program that benefits only one State for a 7-year reauthorization.

During the Committee on Energy and Commerce's consideration of this bill, Democratic members questioned the wisdom of reauthorizing a provision that President Bush did not include in his 2005 budget. Given that, the subcommittee of the Committee on Energy and Commerce with oversight over this legislation, requested that the Bush administration provide the committee with a witness who could explain the administration's position on the bill, and explain why the President chose not to request funding for the program. The administration did not provide the committee with such a witness or with the requested information.

The ranking Democrat on the Committee on Commerce, the gentleman from Michigan (Mr. DINGELL) and the gentlewoman from California (Ms. SOLIS), the ranking Democrat on the Subcommittee on Environment and Hazardous Materials, sent a letter to Administrator Leavitt asking those questions and requesting that he provide an answer by last Friday, April 30, so the House Members could make an informed vote on the bill.

Administrator Leavitt still has not responded to that request.

Mr. Speaker, that letter is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, April 12, 2004.

Hon. MICHAEL R. LEAVITT,
Administrator, Environmental Protection Agency, Pennsylvania Avenue, NW., Washington, DC

DEAR ADMINISTRATOR LEAVITT: The Subcommittee on Environment and Hazardous Materials held a hearing and markup on Friday, April 2, 2004, on H.R. 2771, a bill to reauthorize financial assistance to the State of New York for demonstration projects implemented as part of the New York City Watershed Protection Program. The legislation would reauthorize Section 1443(d) of the Safe Drinking Water Act to extend the annual authorization of $15,000,000 to the year 2010. None of the other thirteen provisions of the Safe Drinking Water Act whose annual authorizations expired in 2003 would be extended or reauthorized.

The Committee majority staff informed the minority staff that the Environmental Protection Agency (EPA) was unable to provide a witness at the hearing to testify on the President's budget requests for the New York Watershed Program. The EPA witness from Region 2 who did appear at the hearing was also unable to provide the Administration's position on H.R. 2771.

Therefore, I request a response to the following questions not later than close of business on Friday, April 30, 2004:

1. Does the Administration support H.R. 2771?

2. Please explain why President Bush's budget for FY 2005 did not contain any requested funding to implement Section 1443(d), the New York Watershed Protection Program. In addition, please explain why none of President Bush's previous budgets for FY 2002, FY 2003, or FY 2004 contained any funding requests to provide financial assistance to the State of New York for the demonstration projects authorized by Section 1443(d).

3. Is it correct that the first financial assistance provided by the EPA from appropriations earmarks to the State of New York for the demonstration projects authorized by Section 1443(d) was on or about September 30, 1997? Is it also correct that the report from the Governor of New York on the results of projects assisted as required by Section 1443(d)(2) was due to be submitted to the EPA Administrator on or about September 30, 2002?

Thank you for your cooperation with this matter. If you have any questions regarding this request, please contact me or have your staff contact Dick Frandsen, Senior Minority Counsel, at 202–225–3641.

Sincerely,

JOHN D. DINGELL,
Ranking Member.
HILDA L. SOLIS,
Ranking Member, Subcommittee on Environment and Hazardous Materials.

Furthermore, Mr. Speaker, Democratic members expressed concern over the fact that H.R. 2771 seeks to reauthorize the program for an additional 6 years beyond the Senate companion to this bill.

The gentlewoman from California (Ms. SOLIS) offered an amendment to H.R. 2771 during the markup of the bill, a markup that would have reauthorized the bill for one additional year. This 1-year authorization would have ensured authorized funding of the New York City Watershed Project during the appropriations process.

The amendment would have also allowed us to revisit the New York City Watershed Bill during a comprehensive review of the entire Safe Drinking Water Act next year.

Every day we open the newspapers to read about the health concerns of families of Washington, D.C. and members in Washington, D.C. as they deal with excessive levels of lead in their drinking water.

Each of us has heard from our local communities about the urgent need to upgrade our Nation's aging water infrastructure. There is an unquestionable need in all of our States for additional resources to ensure compliance with drinking water standards and make critical infrastructure improvements.

Among the provisions of the Safe Drinking Water Act that have expired is the State Revolving Loan Fund, which funds critical water infrastructure and compliance needs throughout our country. President Bush's budget requested only $850 million for this critical program, $150 million less than the level authorized by the 1996 Safe Drinking Water Act amendments. If we authorized and fully funded that provision, each of our States would receive an additional 1 to $15 million.

Local governments, States, drinking water suppliers and the EPA, all agree there is a tremendous resource gap which will continue to grow for drinking water infrastructure funding needed to protect the public health. This matter calls for corrective legislation. Of course, we support efforts to maintain the availability of safe drinking water in New York. But we should give all the expired provisions of the Safe Drinking Water Act the same attention we are giving H.R. 2771 so that families throughout the country can have access to safe drinking water.

Mr. Speaker, we have the time here to name post offices and to commend athletic teams and organizations, and when we do get around to environmental concerns, we only take a teenie weenie bite at the apple. We should give the same amount of attention to the funding needs of all our environment programs. The President's FY 2005 budget cut $2.3 billion in funding for programs that protect public health and the environment. The FY 2005 budget for the EPA is 7.2 percent below the FY 2004 enacted level. Furthermore, the President does not reinstate the Superfund taxes in his FY 2005 budget, a move that would force taxpayers to foot the bill for hazardous cleanup and would deviate from the long-standing ''polluter pays'' principle of the Superfund.

The President does include, however, expected revenues from opening the Arctic National Wildlife Refuge, ANWR, to oil and gas exploration despite strong opposition in Congress to this plan.

We should also act to make sure people across the country have clean air to breathe. The Bush administration has severely loosened the requirements of

the Clean Air Act. This administration's new source review regulations allows plants to indefinitely continue to put large amounts of dangerous pollutants in the air. This administration has also proposed mercury regulations that would allow as much as 3 times more mercury to release from power plants than would be released under current law.

We could spend our time passing legislation like the gentleman from California's (Mr. WAXMAN) Clean Smoke Stacks Act, H.R. 2042, to drastically curb emissions of sulpher dioxide, nitrogen oxide, carbon dioxide and mercury from power plants.

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

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

Mr. Speaker, a couple of quick points. The gentlewoman attacked this bill because Bush did not ask for funding for it. I would also point out that the Clinton administration did not ask for any funding for this bill either, but Congress has a responsibility which we exercised before when we originally authorized it and which we are doing it again.

Regarding the comments about lead in the drinking water, the activity that is going on now is a GAO study that is ongoing at my request to look at that serious situation.

I also want to respond to the comment the lady made about the money in the Safe Drinking Water Revolving Fund. I would point out to her that the Bush administration has asked for more money for that program than the Clinton administration did.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. FOSSELLA), the vice chairman of the Subcommittee on Environment and Hazardous Materials.

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman for bringing H.R. 2771 to the floor. I thank the gentleman from Ohio (Mr. GILLMOR) for passing this bill to ensure the continued protection of our Nation's largest and most pure source of drinking water.

The overwhelming bipartisan nature of this effort was seen at the subcommittee hearing when New York Members of Congress from both parties, representatives from upstate and New York City, as well as the State Department of Environmental Commissioner Crotty all testified in support of the bill. I would like to thank the gentleman from New York (Mr. TOWNS) and the gentleman from New York (Mr. ENGEL) for their help in spearheading this effort through.

The unanimous vote passing this bill out of the full committee is yet another testament to this bipartisan initiative and backed by every single member of the New York delegation. H.R. 2771 reauthorizes the New York City Watershed Protection Program, as I mentioned, made possible through the landmark New York City Watershed Agreement. The accord resulted from the efforts of Governor George Pataki and his vision to bring together environmental groups, New York City officials, upstate communities and the United States Department of Environmental Protection in 1997.

It allowed for the continued and long-term protection of New York City's drinking water, while safeguarding the economic viability and environmental quality of Upstate communities in the watershed region. The agreement also saves, and this is important, State and Federal taxpayers $8 billion that would be necessary to build water filtration systems in its absence. With a relatively small amount of Federal funding, New York City and State have been able to implement an unprecedented water monitoring and surveillance program for the 1,900 square miles of the region.

This is the Nation's largest source of unfiltered drinking water, providing pristine water to 9 million residents in both New York City and its Upstate communities. Congress recognized the need to fund the New York City Watershed Protection Program in 1996 with the Safe Drinking Water Act amendments. Since then, the Watershed Agreement has made unprecedented advances towards enhancing water quality in both New York and the country.

The $15 million in Federal funds authorized annually provides the seed money for groundbreaking programs and studies. These efforts are used as a nationwide model to improve drinking water for all Americans.

Building on this small base of Federal funding, the City and State of New York have shown a strong commitment towards implementation of the Watershed Agreement. To date, both have spent $1.6 billion on watershed programs. Unfortunately, authorization of Federal funding of the agreement expired on September 30 of last year, leaving its future in jeopardy. H.R. 2771 solves this problem. By reauthorizing the program through 2010, enhancing the protection of New York City's water supply will continue, along with the development of watershed protection models benefiting, again, all Americans.

Today, Congress will act to protect New York City's drinking water. Protect the watershed agreement's breakthrough innovations, protect Upstate farmers and communities and pass H.R. 2771.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. TOWNS).

Mr. TOWNS. Mr. Speaker, I rise in strong support of 2771. This bill is very important to the people of New York. The entire New York delegation supports this bill.

This legislation would reauthorize funding for the New York City Watershed Agreement, helping to ensure safe and healthy drawing for the residents of New York.

New York City's vast water supply provides 1.4 billion gallons of high quality drinking water to more than 9 million New Yorkers every day. Nearly 90 percent of those consumers reside in New York City. To supply millions of people with safe, clean water takes an extensive water supply. In fact, the supply consists of 19 reservoirs in a watershed that spans almost 2,000 square miles. It covers 8 counties, 60 towns, and 11 villages in the Catskill Mountain region and the Hudson River Valley.

The effective protection of this essential national resource is an enormous challenge. Let me point out that environmental groups worked with New York City, State officials, Upstate communities, and the Federal Government to create the New York City Watershed Agreement. While this landmark agreement laid the groundwork for protecting the city's water supply, it could only work if an effective quality water monitoring program was implemented.

So in 1996 Congress responded by authorizing annual funding for 7 years. During this period, Congress has provided a total of $31 million to implement a comprehensive surveillance program, matched equally by grant recipients. Additionally, New York City and State have leveraged those Federal funds by investing $1.6 billion to protect the New York City drinking water supply. By reauthorizing Federal funding for the watershed agreement which expired last September, this bill would demonstrate the Federal Government's continued commitment and help maintain the safety of New York City's water supply.

Finally, Mr. Speaker, let me conclude by thanking the staff, the gentleman from Texas (Mr. BARTON); the ranking member, the gentleman from Michigan (Mr. DINGELL), the gentleman from Ohio (Mr. GILLMOR), and of course the ranking member, the gentlewoman from Illinois (Ms. SCHAKOWSKY) for their hard work on this as well.

Let me say that this is very important to New York City. And I know there has been some concern about the fact that other bills have not been moved or other areas have not included, but let me say that I think a journey of a thousand miles starts with a single step. And starting with New York, I think that is a good place to start. I cannot think of a better place to start than New York.

Mr. GILLMOR. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I rise to support this legislation. The enactment of H.R. 2771 has significant implications for my district, immediately north of New York City. This includes portions of Westchester, Rockland, Dutchess, Putnam and Orange Counties. Through all of these counties all of New York City's drinking water flows. The entire Croton system of reservoirs, the lower third of this system, is in my district.

New York City's tap water has been called the champagne of drinking waters because of its exceptional purity. And it is because of the actions that take place in my district and other Upstate counties that this water is so pure.

We are happy to partner with the city to protect its water supply in a way that helps preserve the pristine character of the Hudson River Valley. And the 1997 Watershed Agreement has been an essential tool for maintaining this partnership.

Through assistance provided under the Watershed Agreement, communities in my district have been able to develop plans which help preserve their character and protect the water supply for New York City. Without the agreement and the critical assistance of the EPA, the balance we have struck would be undermined. And so the passage of this bill is vital to the continuing partnership in my district.

The cost savings brought by this agreement needs to be considered as well. The cost of a plant to filter New York City's water supply system which would be necessary if this 1997 agreement falls apart, has been estimated at $8 billion. The Watershed Agreement is an area of common ground. We have worked hard to get this agreement going.

I thank my colleagues for considering this legislation that will allow this mutually beneficial process to continue.

□ 1715

Ms. SCHAKOWSKY. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, I thank the gentlewoman for yielding time to me on this bill.

This bill, H.R. 2771, is a bill to reauthorize the New York City watershed protection program.

We passed this bill out of the Subcommittee on Environment and Hazardous Materials last month. This legislation addresses a grant for one State, New York. It was the first markup the subcommittee took up in the entire 108th Congress.

I do not mean to belittle the significance of this bill. I am pleased to help out my New York colleagues, but what about the consideration of the 13 other important provisions of the Safe Water Drinking Act whose authorizations have expired in 2003? The New York demonstration project's annual authorization of $15 million represents roughly 1 percent of the over $1.2 billion in total authorizations the Safe Drinking Water Act provides.

By giving priority to only one provision for special treatment, we are failing to address important core provisions of the act, such as the State revolving loan fund that helps all States and assures safe and healthy drinking water for all citizens. The revolving loan fund also expired in 2003 and is seriously short-changed in the administration's budget request at $850 million. That is $150 million less than the authorized level. This fund is critical in helping public water systems finance infrastructure projects needed to comply with the Federal drinking water regulations and to protect public health.

The EPA itself says we need $102.3 billion in additional funding for water utilities just to maintain compliance with the Safe Drinking Water Act. That figure does not take into account the large and the huge costs of replacing critical water infrastructure.

It seems to me, Mr. Speaker, that public health issues are not a priority for the Republican House leadership.

Far too many environmental and public health issues continue to be ignored. Let me name another issue that has continually been brushed aside.

The importance of Canadian trash into Michigan and the interstate movement of trash in general to neighboring States, like Ohio and Pennsylvania, has been a problem for more than a decade. Although a hearing was held last July in the subcommittee, there has been no effort to pass out any of the three bills that have been introduced to address this issue by members of our committee of the Committee on Energy and Commerce.

One of those bills, of which I am a cosponsor, would direct the EPA to enforce an earlier agreement with Canada to stop the importation of municipal solid waste. I would be interested to know if the Republican leadership and the committee leadership are going to consider any of these bills this year.

This is just one of a long list of important environmental issues that the majority has failed to address. Other issues include lead contamination in Washington, D.C.'s drinking water and the need for Federal drinking water standards for perchlorate to ensure that the Department of Defense cleans up widespread contamination at its facilities, like Camp Lejeune, North Carolina.

We should give the same amount of attention to the funding needs of all our environmental and public health programs. Instead, the President's budget cuts these programs by $2.3 billion, slashing EPA's budget by 7.2 percent below the fiscal year 2004 enacted level.

Again, as the majority, the Republican leadership, here refuses to address these serious issues, it is America's environment and public health that are continually put at risk.

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

I thank the gentleman for his comments. There are a couple of things I would like to point out.

It is the Republicans on the Committee on Energy and Commerce that caused the broad investigation into lead in the drinking water. It was Republicans on the Committee on Energy and Commerce that asked GAO to look at the perchlorate problem in the water, and I would also point out that the Democrats on the committee were invited to participate in that request and just plain declined to do so.

I would also point out that we have started looking at the problem of the actions of the Defense Department regarding environmental cleanups and that we have also held hearings on the matter of movement of trash both interstate and internationally, and that it was Republicans on the committee that developed and caused to be passed a leaking underground storage bill which is now incorporated in H.R. 6, which is the energy bill, which is still pending over in the Senate.

It is the Republicans on the Committee on Energy and Commerce that have supported changes to the brownfield redevelopment program.

So the thrust of the gentleman's statement that nothing is happening I would take some degree of exception to.

Mr. STUPAK. Mr. Speaker, will the gentleman yield?

Mr. GILLMOR. I yield to the gentleman from Michigan.

Mr. STUPAK. Mr. Speaker, with all due respect to the chairman, I agree we have had some hearings.

The perchlorate that I mentioned at Camp Lejeune has been going on for 20 years. We have to get that resolved. We had testimony from Mr. Ensminger and others last week about his daughter who died of leukemia from the contaminant in the drinking water at Camp Lejeune, and no one has taken responsibility or accepted responsibility for doing anything about it.

Mr. GILLMOR. Is the gentleman asking me a question or making a speech?

Mr. STUPAK. The point I want to make, and see, with the trash issue, some 13 years we have had a number of hearings in committee. We had one last July, which I am thankful for.

Mr. GILLMOR. If the gentleman is making a speech, he is doing it on my time.

Mr. STUPAK. Mr. Speaker, can we just report them out like we did this bill? This is the only bill we have reported out. Would my colleagues please report out the Canadian trash bills?

Mr. GILLMOR. Reclaiming my time, we are taking a look at that, and as my colleague knows, we attempted to do that last year, and we had a problem that sometimes occurs around here called shortage of votes; but I am hopeful that we can have an interstate and international waste bill.

The only way we are going to do it is if we have broad bipartisan support, which, as my colleague knows, he and I have both served on this committee a long time, is sometimes difficult to attain.

Mr. STUPAK. We look forward to working with my colleague in a bipartisan manner to move those Canadian trash bills.

Mr. GILLMOR. I thank the gentleman.

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

Ms. SCHAKOWSKY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, the U.S. watershed protection program is a very significant piece of environmental legislation. It is part of the Federal Clean Water Act, itself being one of the most significant pieces of environmental legislation ever addressed by this Congress. The issue here before us is the reauthorization of that New York City watershed protection program, and I urge the Members of this House to support that reauthorization.

The Catskill Mountains provide the protection for the New York City water supply system. That protection is a natural system. The reservoir system itself is a natural system. It is gravity-fed. There are no pumps in it at any point along the way.

The system itself is unfiltered, one of the few major water supply systems anywhere in the country that remains unfiltered. It is important that it remain so. It is important for some of the reasons that have been mentioned, costs certainly; $8 billion is an extraordinary amount of money. In addition to that, it would require another half a billion dollars a year just to operate the filtration system; but if the filtration system were to be built, that would undermine all of the protections that are inherent in this legislation that provide for natural, safe, pure protection of this water supply system.

So I want to express my appreciation to everyone who has been involved with the creation of this bill and bringing it to the floor today and the gentleman from New York (Mr. FOSSELLA) particularly and others on the Committee on Energy and Commerce.

I would also, along with my other colleagues, urge that the other portions of the Federal Clean Water Act be addressed as well and they be addressed expeditiously. The water supplies of this country are incredibly important to the health and safety of all Americans. We value our water supply system in New York. Other communities value theirs as well.

I would urge that the remaining 13 provisions of the Federal Clean Water Act be addressed and be addressed as quickly as possible and be brought to the floor so we can deal with them in the proper fashion.

Ms. SCHAKOWSKY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentlewoman for yielding time to me, and I rise in strong support of this legislation.

I am proud to serve on the Committee on Energy and Commerce; and when we marked up this bill last week, I was very happy to speak in favor of it.

I represent a district covering Rockland, Westchester and Bronx counties, all of which are part of the 9 million people that this water is so important for.

I am aware that many of my colleagues are unhappy that we are only reauthorizing a very small provision of the Safe Drinking Water Act. I agree with their unhappiness, and I hope that the committee and subcommittee and the full House can reauthorize the rest of the Safe Drinking Water Act; but I would say to my colleagues, please do not hold New York hostage.

All 29 Members of the House representing New York, both Democrats and Republicans, strongly support this bill. I am certainly happy to take care of New York, but my State benefits from the State revolving loan fund as well. So I want to say that the safe drinking water programs are all important and should be reauthorized, and I hope they will be.

This bill is very important to New York. Millions of people rely on drinking water from this watershed, and ensuring that they have safe and clean water is very important to me and my constituents. This is obviously not a perfect bill, but it is an important water quality monitoring program. It is a model program for the rest of the Nation, and I would hope this could be replicated with the rest of the Nation.

So, again, I thank my colleagues for coming together. We want to have safe and clean drinking water in New York. When our Republican colleagues come to New York in August and September for the convention, we want their water to be pure, and I think Democrats and Republicans can all agree on that. So, again, I would urge my colleagues to support this legislation.

□ 1730

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

Mr. Speaker, I would like to say to the gentleman on the issue of lead in the drinking water, in fact, it was the Committee on Government Reform that held hearings on this. Also, this legislation we were considering today was, in fact, the first markup of the 108th Congress in the Subcommittee on Environment and Hazardous Materials.

There are so many issues on the environmental agenda. Since we have so few opportunities to discuss those on the floor of the House since they are so rare to come before us, I wanted to just mention, bring to the attention of this body, that there is a very important third edition of the National Resource Defense Council book called ''Rewriting the Rules: The Bush Administration's Assault on the Environment'' which documents more than 150 assaults on our environmental safeguards between January 2003 and March 2004.

Among the most troubling Bush administration environmental actions include: In November 2003, the Bush administration proposed to legalize the release of inadequately treated sewage into waterways as long as it is diluted with treated sewage, a process the agency has euphemistically labeled ''blending.''

In April 2003, in a sweeping legal settlement with then-Utah governor and current EPA administrator Mike Leavitt, the administration renounced the government's authority to conduct wilderness inventories on public lands or to protect more areas for their wilderness values. The sudden settlement involved no public comment or open deliberations, and threatens to open millions of acres of wilderness public lands to drilling, mining, road building and other development.

The Bush administration has refused to regulate mercury through the same tough approach used for other hazardous air pollutants. The Clean Air Act requires the plants meet maximum achievable control technology standards for hazardous air pollutants. The Bush administration's proposal allows more mercury to be admitted, and gives industry decades longer to comply.

Furthermore, in January 2004, it was revealed that at least a dozen paragraphs of the Bush administration's mercury proposal were lifted, sometimes verbatim, from memos sent by a law firm that represents the utility industry.

Eric Schaeffer, the EPA's head of civil enforcement, handed in his resignation after President Bush announced the ''Clear Skies'' initiative. His letter of resignation said he was ''tired of fighting a White House that seems determined to weaken the rules we are trying to enforce.''

In February, 2004, 63 scientists, including 20 Nobel laureates and 19 recipients of the National Medal of Science, issued a statement accusing the Bush administration of ''deliberately and systematically'' distorting scientific fact and misleading the public in order to further its own partisan political objectives.

In a damning report, the scientists detailed numerous examples of the administration's abuse of science, censoring government studies, gagging agency scientists, refusing to confer with or ignoring independent experts, appointing unqualified or industry-connected individuals to Federal advisory committees, disbanding those government panels offering unwanted information, and misinterpreting information to fit predetermined policy objectives.

Having said all that, I would like to say that I think H.R. 2771, limited though it is, is an important step in providing clean, safe drinking water in New York City.

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

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

Mr. Speaker, I would just like to follow up on a comment by the gentleman from New York (Mr. ENGEL) who talked about the Republican convention being in New York this year, and that this would help us have good water while we are there. I want to assure the gentleman from New York and other New

Yorkers that I am looking forward to attending the Republican National Convention and sampling what the gentlewoman from New York (Mrs. KELLY) called the ''champagne of water'' while I am there.

Mrs. LOWEY. Mr. Speaker, I am proud to support the extension of the New York City Watershed Protection Program, and I thank my colleague VITO FOSSELLA for his leadership on this issue.

Ensuring clean drinking water for our communities has always been a priority of mine. Providing a safe and health water supply is not just a public health issue, it is also a homeland security priority.

I am pleased that the bill under consideration today will reauthorize the funding for the Watershed Protection Program through 2010. The program will provide $15 million per year to protect and enhance the quality of New York's water supply, and in the long run will save taxpayers the cost of an alternative water filtration system. This comprehensive initiative demonstrates our commitment to the ongoing preservation of New York's safe drinking water supply, and I am pleased to see communities, environmental groups and state officials join together in support of this cause.

I am happy to support this legislation, which will benefit the health of New Yorkers and the quality of our environment for years to come.

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

The SPEAKER pro tempore (Mr. ISAKSON). The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 2771.

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.

SMALL PUBLIC HOUSING AUTHORITY ACT

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 27) to amend the United States Housing Act of 1937 to exempt small public housing agencies from the requirement of preparing an annual public housing agency plan, as amended.

The Clerk read as follows:

H.R. 27

Be it enacted the 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 ''Small Public Housing Authority Act''.

SEC. 2. PUBLIC HOUSING AGENCY PLANS FOR CERTAIN SMALL PUBLIC HOUSING AGENCIES.

Section 5A(b) of the United States Housing Act of 1937 (42 U.S.C. 1437c–1(b)) is amended by adding at the end the following new paragraph:

''(3) EXEMPTION OF CERTAIN SMALL PHAS FROM FILING REQUIREMENT.—

''(A) IN GENERAL.—Notwithstanding paragraph (1) or any other provision of this Act—

''(i) the requirement under paragraph (1) shall not apply to any qualified small public housing agency; and

''(ii) any reference in this section or any other provision of law to a 'public housing agency' shall not be considered to refer to any qualified small public housing agency, to the extent such reference applies to the requirement to submit a public housing agency plan under this subsection.

''(B) DEFINITION.—For purposes of this paragraph, the term 'qualified small public housing agency' means a public housing agency that meets all of the following requirements:

''(i) The sum of (I) the number of public housing dwelling units administered by the agency, and (II) the number of vouchers under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) administered by the agency, is 100 or fewer.

''(ii) The agency is not designated pursuant to section 6(j)(2) as a troubled public housing agency.

''(iii) The agency provides assurances satisfactory to the Secretary that notwithstanding the inapplicability of the requirements under this section relating to resident advisory boards and public hearings and notice, residents of public housing administered by the agency will have an adequate and comparable opportunity for participation and notice regarding establishment of the goals, objectives, and policies of the public housing agency.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation and to insert extraneous material on the bill.

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

There was no objection.

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

Mr. Speaker, this Member rises today to express his support for H.R. 27, the Small Public Housing Authority Act. The bill, which was introduced by this Member on January 27, 2003, will be considered under suspension of the rules. This legislation, which addresses the annual plan requirements for small public housing authorities passed the Committee on Financial Services by a unanimous, bipartisan voice vote on March 17, 2004. It is important to note that this Member introduced this legislation in the 107th Congress as well.

First, this Member would like to thank both the distinguished gentleman from Ohio (Chairman OXLEY) and the gentleman from Massachusetts (Mr. FRANK), the ranking minority member, for their efforts in bringing this measure to the floor.

Indeed, following some concerns and suggestions from the gentleman from Massachusetts (Mr. FRANK), compromise language was agreed upon to ensure unanimous support for this legislation. It should be noted for background that the Public Housing Reform Act requires PHAs to submit both a 5-year plan and an annual plan to HUD. The 5-year PHA plan addresses the Agency's mission and their plan to achieve their mission. The annual plan requires PHAs to provide details about updates or changes to the 5-year plan.

Specifically, the annual plan, among other things, has typically asked for the following information: Housing needs of the families in the jurisdiction; strategies to meet these needs; statement of financial resources; and PHA policies governing eligibility, selection, and admissions. HUD has made the effort to streamline this annual planning for small PHAs and for high-performing PHAs. However, incredibly, an example of a streamlined plan was still 47 pages with extensive attachments.

This legislation would exempt small PHAs from being required to submit that annual plan to HUD. Under the bill as it passed the House Committee on Financial Services, a small PHA is defined to be one which has 100 or fewer combined public housing units and section 8 vouchers. PHAs, which are exempt from the annual planning requirement, would still have to prepare a 5-year plan. Moreover, a small PHA which is designated as a troubled housing agency by HUD would still be required to submit that annual plan.

This legislation also includes a provision that tenants of small PHAs which are exempt from the annual planning requirement must continue to have an adequate and comparable opportunity for participation and notice regarding the establishment of goals, objectives and policies of that PHA.

Mr. Speaker, this legislation is needed to simply provide some regulatory burden relief to small PHAs which do not have the time, staff or resources to do these annual HUD plans by themselves. Many of these small PHAs only have a part-time executive director. Currently, small PHAs are forced to hire consultants since they do not have the computer software package to complete these annual plans, and these consultants are expensive costs for small PHAs which already face some daunting financial challenges.

Mr. Speaker, I think it is important to note that these small PHAs are located across the entire Nation. Today this Member will focus on the small PHAs in Nebraska because I am most familiar with them. For example, in this Member's district, there are 23 PHAs which would qualify under the definition used for small PHAs. There are approximately 60 PHAs in Nebraska statewide which qualify as small PHAs under this bill, especially in the district of the gentleman from Nebraska (Mr. OSBORNE), and he will speak on that.

To give a not-atypical example from this Member's congressional district, the village of Beemer is a community of 773 people, according to the last census. They have a PHA which administered just 20 public housing units and no section 8 vouchers. Under the current law, the Beemer PHA is required to submit the extensive annual plan to HUD which I have mentioned.

In conclusion, this bill contains reasonable provisions regarding PHA annual plans which enjoy bipartisan support. This Member would urge his colleagues to support H.R. 27, the Small Public Housing Authority Act.

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

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

Mr. Speaker, I rise in support of this bipartisan legislation offered by the gentleman from Nebraska (Mr. BEREUTER) which would ease the paperwork requirements for certain small public housing authorities and reduce their need to hire consultants to prepare housing plans, and I would like to congratulate both the gentleman from Ohio (Mr. OXLEY) and ranking member, the gentleman from Massachusetts (Mr. FRANK), for the leadership they provided, recognizing that it is important for us to come together from time to time to work to get rid of unnecessary regulations and they have done that with this bill.

H.R. 27 would exempt small housing authorities that administer 100 or fewer units of assisted housing from the requirement to prepare an annual public housing agency plan. The threshold would include both public housing units and vouchers under section 8 of the United States Housing Act of 1937.

The affected small housing authorities would remain subject to the Public Housing Reform Act's requirement to submit a 5-year PHA plan to the Department of Housing and Urban Development that addresses the Agency's mission and its plan to achieve its mission.

In order to qualify as a small housing authority under this bill, an agency would have to provide assurances satisfactory to the Secretary of HUD that notwithstanding the inapplicability of certain provisions relating to resident advisory boards and public hearings and notice, residents of public housing administered by the Agency will have an adequate and comparable opportunity for participation and notice regarding establishment of the goals, objectives and policies of the public housing agency.

The objective of this legislation simply is to reduce the administration workload of small PHAs. The goal of H.R. 27 is to give executive directors of small PHAs more time to focus on the needs of their tenants, rather than having to spend time and resources completing an annual plan for submission to HUD.

Mr. Speaker, I believe this legislation will help to limit the burden on small PHAs while providing the necessary protections to ensure that tenants will have the opportunity for input into the small PHA's 5-year plan. I urge all of my colleagues to support this legislation.

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

Mr. BEREUTER. Mr. Speaker, I thank the gentlewoman for her supportive comments as we try to meet the Nation's diverse housing needs.

Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. OSBORNE).

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

I rise in support of H.R. 27, which was introduced by the gentleman from Nebraska (Mr. BEREUTER), and thank the gentleman for his long and effective service to Congress over many years. He has done a great job and has been very helpful to me and other people in Nebraska.

Mr. Speaker, there are over 50 small public housing authorities in my district that will benefit from this legislation. I think the gentleman from Nebraska (Mr. BEREUTER) mentioned there are 60 in the State of Nebraska. My district is almost entirely rural. Most of these PHAs are very, very small, and so we have the vast majority in this particular district.

As the gentleman from Nebraska (Mr. BEREUTER) mentioned, this legislation is needed to simply provide some regulatory burden relief to small PHAs which do not have the time or staff or resources to do housing and urban development plans by themselves. Many of these PHAs have only a part-time executive director, and they hire consultants. Sometimes these PHAs are spending $600 to $1,000 a year just for a consultant's fee, and the complexity and length of the reports are ridiculous for the size of the PHA.

If a small PHA in my district is able to create the report, they often have difficulty in filing that report because the Internet dial-up systems are extremely slow, and often they are disconnected before their reports are filed.

So this bill really does what Congress oftentimes fails to do, which is to provide some much-needed regulatory relief. It simplifies rather than complicates the process. I would like to thank the gentleman from Nebraska (Mr. BEREUTER) for introducing this legislation, the gentleman from Ohio (Mr. OXLEY) the chairman of the Committee on Financial Services, the gentleman from Massachusetts (Mr. FRANK), and the gentlewoman from California (Ms. WATERS) for their efforts in bringing this measure to the House floor. I urge its support.

Mr. NEY. Mr. Speaker, I rise today to express my support for H.R. 27, the Small Public Housing Authority Act. This legislation addresses the regulatory burdens placed on smaller Public Housing Authorities (PHAs) to comply with annual planning requirements enacted into law under the Quality Housing and Work Responsibility Act of 1998. I am confident that passage of this bill would correct an adverse unintended consequence for smaller PHAs. This legislation passed the House Financial Services Committee, by a unanimous bipartisan voice vote on March 17, 2004.

The authors of the 1998 Act envisioned a planning process for PHAs that could be used as a tool for advancing management, budgeting, forecasting and tenant needs, among other things. The 1998 Act required a 5-year plan as well as annual planning updates. In the best of all worlds, Congress intended for this tool to be complimentary of the great things that PHAs were currently undertaking to meet the new challenges of housing low-income families and individuals. What Congress did not intend, however, was a complicated planning system that would require many PHAs to hire expensive consultants and detract resources from other management issues.

Advocates of the 5-year and annual planning process argue that this management tool would require PHAs to engage tenants and actually provide de facto business plans that would assist in meeting future challenges before a crisis occurs. Opponents claim that both planning requirements have been a paper exercise taking away employee and funding resources that could be applied to other management needs. We have yet to get a complete picture of whether the planning process is a useful exercise. I think that it is something that the Committee should continue to review.

We are clear, however, that the smaller PHAs, of which we define in this legislation as those authorities with no more than 100 units or section 8 vouchers, have had difficulty complying with the annual requirements. This legislation would provide much needed regulatory relief for these smaller organizations where the development of the annual plans usually falls on a staff composed of very few individuals.

Mindful that the planning process has been used as an effective tool for tenant groups to provide input to PHA management, we have provided language to preserve the tenant's rights. This, we believe, is a healthy balance between the needs and resources of the PHA management teams as well as the needs of the tenants and their respective organizations.

On a final note, let me just say that it has been my pleasure to work with the sponsor of this legislation—the Gentleman from Nebraska—over the almost 10 years I have served in Congress and on the Committee on Financial Services and its predecessor—The Committee on Banking and Financial Service. Mr. BEREUTER has been an expert on a variety of issues, not limited to rural housing where he developed numerous programs such as the single family loan guarantee program as well as the multifamily loan guarantee program. In addition, he has been instrumental on reauthorizing the National Flood Insurance Program and providing much needed reform to address repetitive loss issues. I am hopeful that the flood insurance bill will be signed into law before Mr. BEREUTER retires.

On issues such as the legislation today, Mr. BEREUTER has ensured that rural and small-town America would be heard and their perspectives recognized. Mr. BEREUTER will retire at the end of this summer and I ask all of my colleagues to join me in wishing him well and thanking him for his service.

Finally, I want to thank the Committee Chairman, Mr. MIKE OXLEY, as well as the Ranking Chairman, Mr. BARNEY FRANK, for moving this bill through the Committee. Moreover, I want to thank the Housing Subcommittee's Ranking Member, Ms. MAXINE WATERS, for all her hard work on this and many issues facing this Subcommittee.

Mr. Speaker, I urge passage of H.R. 27.

Mr. OXLEY. Mr. Speaker, I rise today to express my support for H.R. 27, the Small Public Housing Authority Act. This bill will be considered under the suspension of the rules. This legislation, which addresses the annual plan requirement for small public housing authorities (PHAs), passed the House Financial Services Committee by a unanimous bipartisan voice vote on March 17, 2004.

First, I would like to thank the distinguished gentleman from Nebraska (Mr. BEREUTER), the author of this legislation, for his efforts in attempting to reduce the regulatory burdens that small PHAs face. I would also like to thank the distinguished gentleman from Massachusetts (Mr. FRANK), the Chairman of the Subcommittee for Housing and Community Opportunity, Mr. BOB NEY, and the ranking member, Ms. MAXINE WATERS, for their support of H.R. 27.

This legislation would exempt small PHAs from being required to submit an annual plan to the Department of Housing and Urban Development (HUD). Under current law, PHAs are required to submit both a 5-year plan and an annual plan to HUD. This legislation is needed to provide some regulatory relief to small PHAs who do not have the resources or time to do these HUD annual plans by themselves. Currently, small PHAs are having to hire expensive third parties to complete these annual plans. Furthermore, an indirect result of this bill would give executive directors of these small PHAs more time to focus on the important needs of their tenants.

The exemption of these smaller PHAs will not have an adverse impact on the ability of tenant organizations to continue to have input with the manager's of their developments. Language was incorporated into the legislation to ensure tenant's participation. Additionally, I want to assure my colleagues that this legislation will still require smaller PHAs to provide the forward-type thinking and advance planning as required under the 5-year plans.

The larger question, however, raised by this legislation is whether the planning requirements for smaller and larger PHAs alike can be a useful tool. It appears that the jury is still out on that question and the Committee will review the issue to determine how we can provide as much flexibility to the Public Housing Authorities, decrease unnecessary regulatory burdens as well as ensure that tenants have a stake in the communities where they live.

In conclusion, I want to urge your support for H.R. 27. This bipartisan bill contains important provisions to reduce the regulatory burdens on small PHAs.

Ms. WATERS. Mr. Speaker, I urge an aye vote on the bill, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I urge an aye vote, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CHOCOLA). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 27, as amended.

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

A motion to reconsider was laid on the table.

□ 1745

EXPRESSING SENSE OF HOUSE REGARDING NEED FOR FREEDOM AND DEMOCRATIC REFORM IN LAOS

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 402) expressing the sense of the House of Representatives regarding the urgent need for freedom, democratic reform, and international monitoring of elections, human rights and religious liberty in the Lao People's Democratic Republic.

The Clerk read as follows:

H. RES. 402

Whereas, in 1975, the Kingdom of Laos, a constitutional monarchy and important ally of the United States during the Vietnam War, was overthrown by the Marxist Lao People's Revolutionary Party with the assistance of the People's Army of North Vietnam;

Whereas the Lao People's Democratic Republic was established as a one-party regime in 1975 following the communist takeover;

Whereas tens of thousands of Laotian and Hmong people, a prominent highland minority group, were killed or died at the hands of communist forces while attempting to flee the Lao communist regime, and many others perished in reeducation and labor camps;

Whereas tens of thousands of Laotian and Hmong became refugees, eventually resettling in the United States where they now reside as American citizens and lead constructive lives as members of their communities;

Whereas the only political party allowed by law in Laos is the communist Lao People's Revolutionary Party;

Whereas, in 1989, Laos held its first elections since the establishment of the Lao People's Democratic Republic, but only candidates who were approved by the communist Lao People's Revolutionary Party were allowed to seek public office;

Whereas, in 1991, Laos adopted its first constitution which purports to guarantee the people of Laos a wide range of freedoms, including the freedoms of speech, assembly, and religion;

Whereas the Lao People's Revolutionary Party Congress meets every five years and controls or influences the organs of the state in Laos, including the armed forces, the security services, and the National Assembly;

Whereas the Lao People's Revolutionary Party promulgates the five-year state plans that control the economy and do not need to receive the approval of the National Assembly;

Whereas, in 1999, peaceful pro-democracy demonstrations held by Laotian students in the capital of Vientiane calling for political and economic reforms were suppressed by force by the Lao government, which arrested many of the students;

Whereas Amnesty International reports that many Laotian student leaders from the 1999 pro-democracy demonstrations continue to be held by the Lao government and languish in the Lao prison system or remain unaccounted for;

Whereas, in 2001, Olivier Dupuis, a Member of the European Parliament, was arrested and jailed in Laos along with a group of pro-democracy activists after peacefully protesting for the release of the Lao students and for democratic and human rights reforms in Laos;

Whereas international election monitors are currently not permitted to enter Laos to monitor elections;

Whereas Laos remains a one-party communist state that continues to prohibit the organizing of opposition political parties to the Lao People's Revolutionary Party;

Whereas, in 2002, elections for the Lao People's Democratic National Assembly were held nearly a year earlier than scheduled and excluded all candidates from political parties other than the Lao People's Revolutionary Party, as well as all overseas Laotians;

Whereas Amnesty International and other independent human rights organizations are not permitted to enter Laos to monitor or investigate the human rights situation or reports of alleged human rights violations;

Whereas, in 2003, the United States Commission on International Religious Freedom issued a country report on religious persecution in Laos, recommending that the President designate Laos as a ''country of particular concern'';

Whereas the Department of State reported in its most recent Country Report on Human Rights Practices in Laos that Laos restricts its citizens from enjoying the freedoms of speech, assembly, and religion, and from undertaking activities to change their government;

Whereas, in 2003, the United Nations Committee on Elimination of Racial Discrimination stated that the Lao government had failed to honor its obligations, and the Committee expressed its grave concerns at the information it had received of serious and repeated human rights violations in Laos;

Whereas, in October 2003, Amnesty International issued a statement detailing its concern about the use of starvation by the Lao government as a weapon of war against civilians in Laos and the deteriorating situation facing thousands of family members of ethnic minority groups, predominantly the Hmong;

Whereas, in 2003, Amnesty International's International Secretariat, in a statement further detailing its concerns about Laos, condemned in the strongest terms the use of starvation as a weapon of war against civilians and cited it as a clear and serious violation of the Geneva Conventions that Laos has ratified;

Whereas because many Laotians and Hmong, including those in the overseas communities, are not members of the Lao People's Revolutionary Party, they do not meet with its approval as political candidates, but they are nevertheless successful businessmen, technocrats, and community and religious leaders with democratic aspirations and concern for the people of Laos; and

Whereas the United States has a vital interest in the worldwide promotion of democratic principles and respect for human rights, and supports democratic reforms in Laos: Now, therefore, be it

Resolved, That the House of Representatives strongly supports the following points and urges the Government of the Lao People's Democratic Republic, the United Nations, the European Union, and the Association of South East Asian Nations—

(1) to work to provide unrestricted access to Laos by international election monitors for upcoming presidential and National Assembly elections;

(2) to work to provide unrestricted access to Laos, including special closed military zones and closed provinces, by international human rights organizations, the United Nations, the United States Commission on International Religious Freedom, and humanitarian aid organizations;

(3) to work to ensure that opposition political parties and their candidates are allowed to run for public office in multi-party elections without regard to gender, race, ethnicity, religion, economic standing, or political affiliation, and that all adult citizens of

Laos, including overseas Laotian citizens, are permitted to vote and run for public office;

(4) to allow the citizens of Laos to assemble and peacefully protest against the Government of Laos, the Lao People's Revolutionary Party, and individual public officials, and to freely organize opposition groups and independent political parties;

(5) to heed the call by the United Nations Committee on Elimination of Racial Discrimination for the Lao People's Revolutionary Party to halt immediately all acts of violence against the Hmong population and provide them with humanitarian assistance;

(6) to work to gain the immediate release of those students and their family members arrested and jailed in connection with the 1999 pro-democracy demonstrations, as well as all other political prisoners, prisoners of conscience, and those jailed for their religious beliefs or ethnicity; and

(7) to work to implement the recommendations of the United States Commission on International Religious Freedom with respect to promoting religious freedom in Laos.

The SPEAKER pro tempore (Mr. CHOCOLA). Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

GENERAL LEAVE

Mr. BURTON of Indiana. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the resolution under consideration.

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

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

As the sponsor of H. Res. 402, this resolution which expresses the strong sense of the House in support of election monitors, human rights and religious liberty in Laos is a very important piece of legislation. Since the 1975 overthrow of the Lao monarchy, Laos has been a one-party, Communist state in which the Lao People's Revolutionary Party is the only party allowed by law; and the repression there, Mr. Speaker, is unbelievable.

Although the 1991 Lao Constitution claimed to guarantee a wide range of freedoms, peaceful pro-democracy demonstrations in 1999 were forcibly suppressed. Many of those demonstrators remain in prison. The government of Laos continues to restrict basic freedoms and has been credibly accused of using starvation against civilians and of continuing its persecution of the courageous Hmong ethnic minority.

I sincerely appreciate and support the Hmong people in their fight for freedom and democracy. They and the entire Laotian people deserve our complete support and assistance. We must address the current human rights situation while pressing for real progress in Laos.

H. Res. 402 urges the Lao Government and international bodies to work toward access for international election and human rights monitors, genuine multiparty democracy, and the halt of violence against the Hmong, also the release of political and religious prisoners and the promotion of religious freedom throughout Laos.

These are worthy goals. I urge the Communist government in Laos to change their attitude toward these people. I urge all of my colleagues here in this body to support this resolution.

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

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. I rise in strong support of this resolution, and I urge my colleagues to do so as well.

First, I want to commend my good friend from Indiana, my distinguished colleague, for introducing this resolution; and I want to commend the gentlewoman from Minnesota (Ms. MCCOLLUM), the distinguished member of the Committee on International Relations, for her strong leadership on all matters related to Laos. We greatly appreciate her hard work on this long neglected region of the world.

Mr. Speaker, the bilateral relationship between the United States and Laos has been frozen in time since the end of the Vietnam War. While we have maintained a diplomatic mission in Laos, our bilateral contacts have been infrequent and low-level. Over the past few years, both the United States and Laos have made significant efforts to improve the quality of our bilateral relationship. Given the increasingly large number of Laotian and Hmong Americans in the United States, a warming in the relationship is long overdue. The President may soon, in fact, propose the granting of normal trade relations status to Laos.

As our relations with Laos become increasingly complex, the United States must not forget the ongoing deprivation of internationally recognized human rights in Laos as well as the totalitarian nature of the ruling regime. The promotion of human rights and religious and political freedom must always remain at the core of our agenda with Laos until the Laotian people can freely choose their own government, enjoy true political freedom, and freedom of worship as they wish.

Our resolution calls attention to the negative human rights situation in Laos and urges the United States, the European Union, the United Nations, and ASEAN nations to work for positive change in Laos. The Laotian Government continues to imprison brave young people who had the courage to publicly demonstrate for political change in 1999, and some local Laotian officials continue to harass Laotians of the Christian persuasion. The Laotian Government also does not allow free and fair elections, and it prohibits any organized political opposition.

Mr. Speaker, political and social change will come to Laos, and it is my hope that the United States and our allies will make every effort to ensure that these fundamental reforms come sooner rather than later.

I strongly support passage of this resolution and urge all of my colleagues to do so as well.

Mr. Speaker, I am very pleased to yield 4 minutes to the distinguished gentlewoman from Minnesota (Ms. MCCOLLUM).

Ms. MCCOLLUM. I thank the gentleman from California (Mr. LANTOS) for his kind words.

Mr. Speaker, I rise today in support of this resolution, urging improved human rights, democratic reform and religious freedom in the Lao People's Democratic Republic. I would like to take this opportunity to thank the U.S. Ambassador in Laos, Douglas Hartwick, and his hardworking, dedicated staff at our embassy in Vientiane for their commitment toward human rights and reform in Laos.

Mr. Speaker, most Americans do not know very much about the country of Laos, but many people in my congressional district know this country very well. Minnesota is home to over 53,000 Hmong and Lao Americans. I represent one of the largest Hmong constituencies in the United States. My constituents and I strongly support improving human rights and the quality of life for the people of Laos. The Lao Government has been working cooperatively with the United States on international terrorism and helping to provide a full accounting of Americans missing in action from the Vietnam War. The Lao Government has taken steps to protect religious freedom and the hundreds of Hmong and Laotians from my district who have traveled to Laos have seen some improvement; but I want to state clearly, despite these steps, greater progress is still needed on human rights, religious tolerance, democratic rule of law, and transparency.

One way the Lao Government can demonstrate their commitment to reform is by allowing international humanitarian workers the ability to monitor the Hmong amnesty and resettlement program in order to ensure that the Hmong are receiving the humanitarian assistance they need and they deserve. My constituents and I are committed to advancing these efforts in Laos. If Laos is going to truly reform into a more open and democratic society, the United States needs to play a greater role in working with the Lao people and the Lao Government.

The United States policy of economic isolation has made it very difficult for the Hmong and Laotian Americans in my district to engage in economic activity that will improve the quality of life for their relatives in Laos. This failed U.S. policy of economic isolation has lasted close to 30 years, and it has had real human consequences, as extreme poverty is a fact of life for much of the people who live in Laos. The United Nations development program ranks Laos 143rd out of 173 countries in

terms of human development. Only half the population can read, 30 percent of the people will die before they are 40 years old, and 26 percent of the population lives on less than a dollar a day. One out of every 10 children will die before they reach the age of 5. I consider this fact a human rights tragedy.

The people of Laos also endure the deadly remnants of U.S. bombing from the Vietnam War. The United States flew more than 580,000 bombing runs over Laos. More than 2 million tons of ordnance were dropped on the country of Laos, double the amount dropped on Europe during World War II. Thousands of Laotian children and adults continue to die or become maimed as a result of this unexploded American ordnance. This, too, is a human rights tragedy and was documented by The Washington Post in an article this weekend. I insert this article for the RECORD.

[From the Washington Post Foreign Service, May 1, 2004]

IN LAOS, SIFTING THE EARTH FOR AMERICAN DEAD

(By Ellen Nakashima)

SARAVAN, LAOS.— On the first day of the dig, Franklin Damann spied what appeared to be a bone fragment resting on the soil surface. But he could not be sure. He put it in a Ziploc bag labeled ''Possible Osseous Remains.''

He hoped that the fragment, and several more found over the next few days, would yield DNA to help identify U.S. Air Force Col. Norman Dale Eaton or his navigator, Lt. Col. Paul E. Getchell. Their B–57 exploded and crashed on a remote hill in southern Laos in 1969, at the height of the Vietnam War.

Damann, a forensic anthropologist, and about a dozen U.S. service members shoveled and sifted hundreds of buckets of dirt from that metal-pocked hill in February. In several equally isolated and treacherous sites in Cambodia and Vietnam, other teams were also scanning for every shard of steel, canvas, plastic, bone or, best of all, tooth that might help identify men who died in the Vietnam War, more than 1,800 of whom are still missing.

Since 1992, 10 times a year, the military has sent teams to the old battlegrounds of Southeast Asia to search for Vietnam combatants' remains. Two to six teams go on each trip. So far, they have accounted for 724 Americans, according to the Pentagon.

But time is running out. Witnesses are dying. Investigators are now talking to people who can remember their fathers telling them about a crash site. The most accessible areas already have been excavated, and bone disintegrates more readily in the acidic soil of Southeast Asia.

It is an arduous yet optimistic endeavor, costing $100 million a year spread over five agencies. Though the military has long proclaimed that no man or woman shall be left behind on the battlefield—and made recovery efforts for several years after World War II and the Korean War—it took the emotional upheaval of the Vietnam War to spur the government to undertake a continuous search effort. Scientists and recovery teams have been finding and identifying remains of those killed in World War II, the Korean War and the Cold War in Africa, Europe, Asia and the Pacific.

They have identified remains of about 500 service members from World War II, Korea and the Cold War. The U.S. military estimates that 88,000 service members are still missing from all wars. The effort to find them is destined to continue, officials say, as long as the United States sends its men and women into battle zones.

''I can't think of a more noble mission,'' said Marine Capt. William P. ''Bay'' Dobbins, 29, leader of a team searching for the remains of a Navy pilot downed in southern Laos. Dobbins, who served in Iraq last year, said he had been waiting for this job with the Joint POW/MIA Accounting Command. ''I love the idea of bringing these guys home,'' he said.

So it was that on a chilly morning in February, a dozen soldiers, airmen, sailors, Marines and Damann, who works at the Army's Central Identification Laboratory in Honolulu, piled into an aging Russian-made Mi–17 helicopter at the team's base camp in southern Laos. Twenty minutes later, they landed on a hill in Saravan province that was traversed by the Ho Chi Minh Trail, a network of paths used by the North Vietnamese to ferry supplies along the border with Laos into South Vietnam. The team hiked down a long, steep slope and, putting spade to soil, dug in a space roughly as long and wide as an Olympic swimming pool.

About 90 Laotian villagers, who live a day's trek away and were hired for a small daily wage, were already there. They formed a bucket brigade down the slope, men and women with high cheekbones and broad faces, wearing old jeans, Nike caps and wool head scarves.

Pairs of villagers rocked trays slung from bamboo poles, massaging red dirt through quarter-inch wire mesh. As a boombox blared a Motown mix, the American team members scanned for pieces of zipper, boot, oxygen hose—what the investigators call life support material.

The hill was not an easy one. At a 35-degree angle, it had a view at 3,700 feet of a valley below filling with deceptively fast-moving clouds. Army Sgt. Robert Bryson, in charge of team safety, warned the crew: ''This site is dangerous. When the pilots say go, there's no lollygagging or we'll be here overnight.''

During a mission three years ago, seven military personnel and nine Vietnamese died when their Mi–17 helicopter slammed into a fog-shrouded hill.

The site was surveyed last summer by Joan Baker, an anthropologist, who also works at the Honolulu forensics lab. She found no crash crater, leading her to conclude that the plane had exploded before it plunged. Her investigative team found hundreds of pieces of fan blades, wires and bolts strewn over more than 350 square yards. Then she saw a small metal object nestled in the roots of a tree. It was a dog tag, bearing Eaton's name. ''It was pretty exciting,'' Baker recalled. ''I couldn't believe it for a minute. I was like, 'No!' '' Team members planted a yellow stake wherever they found even a jot of debris, turning the hill into a dandelion field of stakes.

Damann held up a slice of rusted metal to the gray light filtering through the trees. The words ''cylinder hydraulic actuating'' were still visible. The metal plate was engraved with the manufacturer's name, Glenn L. Martin Ltd., Baltimore, Md., which in the 1960s retooled the British-made B–57s from straight-and-level planes to dive bombers.

''We'll be pulling stuff all day.'' said Damann, a lanky Louisianan who analyzes skeletal remains to figure out a person's size, sex, race and other characteristics.

As it turned out, the team would not be pulling stuff all day. After lunch, the clouds rolled in, obscuring the valley below. Bryson gave the word to load up the buckets and gather the tools. ''It's time to get off the hill,'' he said.

The son of a Vietnam Navy veteran, Bryson is a mortuary affairs specialist, or 92-Mike in Army lingo. He was on his 31st recovery mission to Southeast Asia, has worked directly with MIA families and relishes the satisfaction of delivering a memento to a wife or parent.

''There are cases where a family member said, 'He always carried a 1945 buffalo nickel,' and then you go to the site and dig and pull it out of the dirt,'' he said. ''There are wedding rings, the crucifixes, wallets with pictures.'' Working one World War II case, he said, he found letters ready to be mailed home. ''You bring them home to a wife or mother, and the gratitude is immense. That's pretty amazing you can do stuff like that.''

UNEXPLODED ORDNANCE

Elderly locals are another source of information. Khampoy Khun, a grandfatherly man with an impish grin, was trying to clear a rice field about a decade ago when he came upon metal aircraft parts poking up from the soil. He eventually told his story to American investigators and led them to a site where a Navy pilot had plowed into a hill in April 1970.

''I would be very glad if the Americans find what they are looking for and can return the remains to the families,'' said Khampoy, 70, cheering on the Americans and Laotians digging, hauling and screening soil. ''I think the families back home are hoping the remains will be found.''

He had one request, though: that the United States do more to remove unexploded ordnance left from the war. ''I am very poor,'' Khampoy said. ''And I cannot work my rice fields with the unexploded bombs. It's all over the place.''

In February, the team looking for the Navy pilot's remains unearthed a 500-pound unexploded bomb.

Between 1964 and 1973, the U.S. air campaign dropped more than 2 million tons of explosive ordnance on the hills and valleys of Laos, the world's most heavily bombed nation per capita, according to United Nations Development Program statistics. Some of the craters were as large as houses. Up to 30 percent of the ordnance, it is estimated, failed to detonate and continues to kill about 200 people, many of whom are children, each year, according to the program.

In fiscal 2003 the United States spent $1.2 million on clearing the ordnance in Laos, about one-fourth of the total international donor aid to the effort, U.S. officials said.

After 30 days, Damann, Bryson and their team flew back to Honolulu. Another team took their place in March to continue the dig. All the evidence found is bagged and sent to the lab. There, a different set of anthropologists examines the remains and the life support material.

The lab, which is part of the U.S. Joint POW/MIA Accounting Command, identifies on average two Americans a week. The best way to make an identification is to match a tooth, especially one that has had a filling or a drilling, to dental records, Thomas Holland, the lab's scientific director, explained in a telephone interview from Honolulu. ''No two fillings are alike,'' he said. ''That's really how most identifications are made.''

Even as the difficulty of the missions has increased, the technology has improved, Holland said. These days, up to 70 percent of cases are identified by matching mitochondrial DNA, which is passed down through the maternal line, from remains to a relative from the same maternal line, he said. About five grams of dense bone, the type found in the arm or leg, is needed to gather enough DNA for an identification.

In the mid-1990s, the military began taking a DNA sample from all service members in case it is needed for identification.

'OFF TARGET'

On the night of Jan. 13, 1969, Eaton and Getchell took off from Phan Rang Air Base in South Vietnam. They flew west toward Laos, to drop bombs and napalm on a target along the Ho Chi Minh Trail in an effort to disrupt the enemy's supply line.

Eaton's last recorded words before the plane crashed were ''Off target,'' according to a wartime Air Force report. A C–130 pilot who was flying nearby, directing Eaton's strike, said that his cockpit was lit up by the flash from the bomb Eaton dropped, and lit up again five seconds later by the B–57's crash, according to the report. No parachutes were seen. A two-second emergency beeper signal was heard by another aircraft in the area, but it was unclear if that was from Eaton or Getchell.

Eaton, then 43, had always said that when he went, he wanted to ''go down in a ball of fire,'' his wife, Jeanne Eaton, now 75, recalled in a telephone interview from Alexandria. He loved to fly, loved ''that wonderful, celestial feeling,'' she said, though he had his concerns about the war.

Eaton's oldest son, Paul Eaton, 53, is now a major general in the Army, stationed in Baghdad, the commander in charge of training the nascent postwar Iraqi army.

Gethell was 32, slender, dark-haired and a carpenter with a philosophy degree. ''He was always learning and reading,'' and looked forward to teaching, recalled his widow, Teresa Getchell, 67.

As the years passed, the two women, who have never remarried, gradually came to terms with their husbands' deaths. For Getchell, it has been so long since her husband died, she said, that finding any remains now will not mean much. ''It will just verify what I feel is already the case, that he's gone,'' she said from her winter home in Bradenton, Fla.

For Eaton, the search holds out hope for some peace of heart.

''The very fact that they found my husband's dog tags, at least there's a substance there, there's a reality,'' she said. ''Hopefully, they will find some tangible evidence of him.''

In March, the team that took over from Damann found more possible remains at the site. The evidence will be sent to the lab. A new team returns in June to continue the hunt.

The United States must work with the Lao Government to remove this unexploded ordnance. To address this issue, I have submitted a request to the Committee on Appropriations to expand the cleanup of unexploded ordnance in Laos. I ask my colleagues today who care so deeply about human rights in Laos to join me in this effort. Today I support this resolution because my constituents who have family members in Laos want reform now.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from California for yielding me this time and for his leadership on this issue, and I thank my colleague from Indiana for offering this resolution of which I am a proud cosponsor.

Mr. Speaker, I hope the body tomorrow when it comes up for consideration will adopt this resolution. This is a very serious matter in regard to some of the practices and the abuses I feel that are currently taking place in Laos. The resolution is very simple, expressing the sense of the House regarding the urgent need for freedom and democratic reform and international monitoring of elections, human rights and religious liberty in the Lao People's Democratic Republic.

The United States owes a debt of gratitude to the Hmong veterans and their families who served as loyal and dedicated allies during the so-called secret war in southeast Asia and the Vietnam conflict, a war that many Hmong members participated in on the side of U.S. soldiers in the jungles of southeast Asia. Between 20,000 and 30,000 Hmong lost their lives during this time and more than 100,000 Hmong were forced to either flee or live in refugee camps after the U.S. pullout in southeast Asia. Through their sacrifices, many American lives were saved, and our Nation must remain committed to recognizing their service.

Today, approximately 170,000 Hmong currently reside in the United States, including 35,000 in my home State of Wisconsin. Many of these Hmong Americans have family members still in Laos facing constant allegations of harassment, imprisonment, even kidnapping and killing of ethnic Hmong by Lao authorities. These have been brought to my attention, and these allegations have been raised in many different forums. Due to modern technology, many of these reports are coming out of Laos almost simultaneously when they are occurring through the advent of cell phones documenting the abuse and some of the atrocities being committed there.

I believe it is time for this Congress and the administration to support international observance teams to go into Laos to observe firsthand the conditions that are occurring there. We need the support from our administration and from the Congress, I think, to put pressure on the government there to accept these international teams of observers. The Lao Government has one of the most egregious human rights records in the world. The State Department's own country report on human rights practices in Laos makes clear the lack of respect for human rights demonstrated by the Lao Government.

Finally, Mr. Speaker, there are many Hmong families still in Wisconsin and throughout the country who are very concerned in regards to the conditions of their own families or relatives or friends who are still in Laos. They come to Washington from time to time. These are a proud people, many of whom have now achieved their U.S. citizenship. They are productive members of our society. Their children are in our schools, growing up to get an American education and be productive citizens in the country. But their ties back to Laos still remain very strong, and it runs very deep. I think this body, this United States Congress, owes it to them, our friends and allies and in many instances our neighbors and citizens in our own community, to take these allegations seriously, to increase the pressure on the Lao Government to allow inspections, to allow the investigation to go forward within that country so we can document and definitively determine what the situation is inside that border. I encourage my colleagues to support the resolution. I thank my colleagues for bringing it forward this evening.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 4 minutes to the distinguished gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. I thank the gentleman from California for yielding me this time.

Mr. Speaker, I have just returned from several days of meetings in Vientiane and Luang Prabang not only with our own very able Ambassador Doug Hartwick but his excellent embassy staff and also with Lao Government officials and many private citizens, Americans and others, who are living and working in Laos. There is a more complex and changing pictures than the wording of this resolution portrays.

Our discussions covered a wide range of topics, including the government's deficiencies in addressing human rights and political transparency issues as detailed in H. Res. 402, and I was very clear in my conversations with the Lao leaders about the urgency of meeting international standards particularly with respect to the Hmong and other indigenous people who have been the subject of ill treatment and repression.

□ 1800

I share the concerns of the authors of this resolution that Laos, like many other countries in Southeast Asia and elsewhere, should make substantial improvements in the openness of their political and judicial processes and comply with internationally recognized human, religious, and labor rights and promote economic reforms that will raise the standard of living of its citizens through improved investment and trade.

This resolution addresses those issues, and I do not think that many would argue with the historical record. My concern, however, is that the resolution fails to take into account the many significant developments of the U.S.-Lao relationship as well as the internal changes that are not only noteworthy, but address some of the issues raised in this resolution. We are involved in major efforts, and we are getting major cooperation in antidrug efforts in Laos through the cooperation of the Lao government aimed at reducing opium and amphetamine trade that reaches from Southeast Asia to the streets of the American cities.

Our people report a strong cooperation in this effort with the Lao authorities. In the areas of POW/MIA, hundreds of Americans from the Vietnam era are still missing in Laos, and we are sending forensic teams to Laos

several times a year to locate and repatriate the remains of those service people. Again, according to our government, we are receiving strong cooperation from the Lao government, but this resolution has been silent on that important effort.

Certainly the issue of human rights and the Hmong population, as well as other minorities, is a particularly sensitive subject in the Lao-American community in the United States, and I imagine that is the issue pushing this resolution to the forefront at this time. This resolution fails, however, to note that for a variety of reasons, some having to do with international pressure and some having to do with internal economics and politics, the Lao government has been urging Hmong and other dissidents to come out of the mountains where they have been hidden for many decades. The government has pledged to assist in the relocation and settlement of these groups, and I would note that Secretary of State Powell has told the Lao government the United States would like to offer assistance in these efforts.

While there is reason aplenty for hesitation given the fate of others throughout the world who have acquiesced in ''resettlement'' campaigns, the reports I received while in Laos, across the board, testified to the positive response of the refugees. Moreover, there were few, if any, reports of abusive or unhelpful treatment by the government. There is no mention of that in this resolution.

The concerns that this resolution raise about conditions in Laos are justified, and we should be clear that virtually identical situations exist in far too many countries. I would also like to make it very clear that the Lao government fully cooperate with the opinion of the international community that has long been concerned with the treatment of minority groups within their country and make sure they, in fact, are open to allowing our ambassador to travel to the areas in question where people are engaged in coming out, the Hmongs and others, to make sure that the resettlement issues are occurring, that these people are being treated properly, and that there is no action taken against them.

So I would hope that the Lao government would be more open to the request of Secretary Powell, of our ambassador, of the international community. But again, I would state for those who have been there, for the international community, the international press, the suggestion is that this resettlement is going very fairly well, given the tensions that have existed for over so many years.

So I appreciate this resolution coming forward. I would hope that it would have given a little bit more recognition to those areas that we are getting cooperation, and that we will continue to work on opening this relationship with the Lao people, and clearly the support of the normal trade relations that we may have an opportunity to vote on later would go a long way in terms of improving the economy and some of the human rights issues within the Nation of Laos.

Mr. Speaker, I have just returned from several days of meetings in Vientiane and Luang Prabang with not only our own very able ambassador, Douglas Hartwick and his excellent embassy staff, but also with Lao government officials and other private citizens—American and others—who are living and working in Laos. There is a more complex and changing picture than the wording of this resolution portrays.

Our discussions covered a wide range of topics, including that government's deficiencies in addressing human rights and political transparency issues that are detailed in H. Res. 402, and I was very clear in my conversations with Lao leaders about the urgency of meeting international standards particularly with respect to Hmong and other indigenous groups that have been the subject of ill-treatment and repression. I share the concerns of the authors of this resolution that Laos, like many other countries in Southeast Asia and elsewhere, should make substantial improvements in the openness of their political and judicial processes, comply with internationally recognized human, religious and labor rights, and promote the economic reforms that will raise the standard of living of their citizens through improved investment and trade.

This resolution addresses those issues, and I do not think many would argue with the historical record. My concern, however, is that this resolution fails to take into account very significant developments in the U.S.-Lao relationship, as well as internal changes that are not only noteworthy, but that address some of the issues raised in the resolution.

This is a delicate state in U.S.-Lao relations. We are deeply involved with that government in a range of initiatives that are critical to our own national security. I met with several U.S. personnel, for example, involved in major anti-drug efforts in cooperation with the Lao government aimed at reducing the opium and amphetamine trade that reaches from Southeast Asia to the streets of American cities. Our people reported strong cooperation from the Lao authorities and progress in turning Lao citizens against the drug trade, but this resolution ignores this cooperation.

We are also deeply involved in POW–MIA efforts in Laos, as was documented last week in the New York Times. Hundreds of Americans from the Vietnam War era are still missing in Laos, and we are sending forensic recovery teams to Laos several times a year to locate and repatriate the remains of servicemen. Again according to our government, we are receiving strong cooperation of the Lao government, but this resolution is silent on this important initiative.

Certainly the issue of human rights and the Hmong population, as well as other minorities, is a particularly sensitive subject in the Lao-American community in the United States, and I imagine that is the issue pushing this resolution to the forefront at this time. The resolution fails, however, to note that for a variety of reasons—some having to do with international pressure and some having to do with internal economics and politics—the Lao government has been urging Hmong and other dissidents to come out of the mountains where some have hidden for several decades. The government has pledged to assist in the relocation and settlement of these groups, and I would note that Secretary of State Powell has told the Lao government that the United States would like to offer its assistance in these efforts. While there is reason aplenty for hesitation given the fate of others throughout the world who have acquiesced in ''resettlement'' campaigns, the reports I received in Laos, across the board, testified to the positive response of the refugees; moreover, there were few if any reports of abusive or unhelpful treatment by the government. But there is no mention of that cooperation in this resolution.

It is also important that the House understand that there have been some very serious incidents of violence and threats of violence with the Lao-American community in recent weeks, including assaults on those peacefully demonstrating in support of expanded trade with Laos, arson, and threats of assassination on certain radio stations. Members of the House should be helping to defuse this situation, not adding to the ill-feelings. So it is very important that what we say and do regarding Laos and the Lao community not be misunderstood or mis-stated.

The concerns that this resolution raises about conditions in Laos are justified, but we should be clear that virtually identical statements could be made about many other countries in the region or elsewhere in the world, including those with which we have very extensive economic and political relations. We want improvements and we should continue our efforts both bilaterally and through the U.N. and N.G.O.s to build a free and open society in Laos. One important step would be for more Members of Congress to visit the country and deliver the same message I did; yet only one other Member of the House has been to Laos in the last 5 years, I am told.

One important way for us to improve our relationship and encourage the kinds of reforms we would like to see in Laos is to grant Normal Trade Relations to that country. Laos is one of only three countries in the world with which we do not have NTR, and the only country with which we have full diplomatic relations lacking that status. Laos is far too small and poor to have an impact on the U.S. economy or jobs, but granting NTR will have a significant impact on the economy in that impoverished nation, allowing it to participate in the kind of positive economic improvements that have begun to transform Vietnam and Cambodia. Now that this resolution has been brought to the floor, I would hope that NTR for Laos would similarly be scheduled for House consideration.

I have many Lao-Americans in my own district, and I have had a close working relationship with them for a number of years. Most are refugees themselves from the repression of the post-war Lao government. They have built families, businesses, social and political organizations, and productive and cooperative lives in the United States. And together with many other Lao-Americans, they have begun to re-engage in a relationship with the country of their birth.

Members of the USA-Lao NTR Coalition, including the Lao-American Exchange Institute, the Laotian-American National Coalition and the Laotian-American Chamber of Commerce visited Laos last year and produced the important ''Citizen Initiative Report.'' I would like to

recognize in particular Mr. Sary Tatpaporn, the Coalition's coordinator and vice president of the Laotian-American Chamber of Commerce, along with Dr. Richard Chansombat of the Lao-American Exchange, who authored the report on the trip detailing their meetings with government and private leaders. Many of these Lao-American leaders have reversed past opposition and now are urging the passage of NTR so that the economy of their former country can grow and more of their former countrymen can share in the prosperity that investment, trade and modernization can bring.

Our relationship with Laos is long and complex, and it is changing for the better. We should be encouraging the positive steps Laos is taking on a wide range of issues, and we should be expanding our cooperation with that country as we have with other nations whose domestic policies we continue to question. We also need to recognize that some of the suspicion and distrust within the Lao leadership is due to continuing threats against that government from opposition elements within the United States, as was acknowledged during the recently held conference of Lao-American leaders at the State Department.

At the same time, the Lao government must fully cooperate with the opinion of the international community that has long been concerned with the treatment of minority groups within the country, and wish to ensure that current resettlement effort comport with internationally recognized standards. As I have noted, our own Secretary of State has offered assistance in the resettlement efforts, and our Ambassador has requested permission for his staff to visit the areas where resettlement is occurring to assure that these citizens are being treated fairly. International relief agencies also are interested in monitoring the efforts. I would hope that the Lao government would fully cooperate with these initiatives and allow for independent observation of resettlement activities. That government should understand that a well-conducted, independently verified resettlement effort will dramatically affect the perception of Laos in the world community.

Consideration of this resolution today should mark the beginning of a renewed interest and engagement in Laos by the House, not a one-time venting of opinion that ignores positive developments that are taking place and jeopardizes a longer agenda we should continue to pursue, including passage of NTR later this year. I look forward to working constructively with my colleagues towards a closer relationship with Laos which will encourage the kinds of reforms we all hope will be implemented in that nation.

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

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

I would like to just say the previous speaker made some very valid points, and I appreciate his remarks. However, the human rights violations in Laos continues to be widespread. There is a lot of suspicion on the part of the Hmongs who are being talked about being relocated, and that suspicion, I think, looking at the history of the Laotian government, is valid. And all I can say in closing, Mr. Speaker, is that human rights are just that, rights, and the Laotian government, which is a communist government, ought to take a hard look at history and realize that communism cannot last as long as it represses its people. And they ought to realize that long-term freedom and democracy is the only way to go, and if they do that, then I think the people in Laos have a bright future. But if they continue under this despotic communist regime, then I think they are in for more problems down the road.

In any event, I appreciate the gentleman from California (Mr. LANTOS) and his support and those who speak before me.

Mr. GREEN of Wisconsin. Mr. Speaker, before this House today I would like to restate my strong support for H. Res. 402, of which I am a cosponsor. As a leading critic of the Laotian government in the U.S. House of Representatives, I am very pleased that this legislation has made it to the House floor today, and believe it speaks directly to the question—which has been hotly debated in recent years—of whether or not we ought to grant Laos Normal Trade Relations status. As most members of this House know, I am staunchly opposed to our nation providing the brutal regime in Laos with any improved relationship until it gets its act together on a whole host of issues. Granting Laos NTR before we see some real movement toward change is ill-advised, inappropriate, and just plain wrong.

In support of H. Res. 402, I am asking today for a number of important items to be read into the RECORD. First, an article that recently appeared in the Appleton Post-Crescent on the case of Houa Ly, one of my Hmong-American constituents who went missing at the Thailand-Laos border in 1999. Second, a pair of letters 21 other Members of Congress and I sent to the administration last year, detailing many of the problems we see with the Laotian government, and reiterating our opposition to NTR for Laos. I appreciate in advance your consideration of the issues presented in these documents, and look forward to continuing to work to advance the freedom of the Laotian people.

FAMILY'S PLIGHT AT HEART OF TRADE RELATIONS CLASH

(By Ed Culhane)

Neng Xiong Ly is consumed by sadness.

It has been five years since the Appleton woman's husband, Houa Ly, was waylaid on the banks of the Mekong River, the border between Thailand and his home country of Laos.

No one has seen him or heard from him since. Deprive of her husband, Neng Xiong Ly teeters on the edge of poverty. Asked to describe life without her husband, she wept softly. ''I must be the poorest American,'' she said in her native language. Houa Ly (pronounced HOO-AH LEE) was 55 when he vanished, a veteran of the U.S. ''secret war'' in Laos, a Vietnam-era medic who saved the lives of American pilots shot down in the jungle. His disappearance, still shrouded in mystery, has re-emerged at the center of a political fight on the floor of the U.S. Congress. With the support of President Bush and the U.S. State Department, the communist government of Laos is seeking the benefits of Normal Trade Relations status. But a group of 21 congressmen and senators, led by Rep. Mark Green, R–Green Bay, so far has blocked those benefits. Green argues that the country's leaders—who deny any knowledge of Ly—have not come clean. Even now, Green said, the last of the rebellious Hmong in the jungles of northern Laos are being systemically starved, raped, tortured and killed by Laotian forces and by divisions of Vietnamese soldiers operating in Laos. ''It's brutal, it's repressive and it's barbaric,'' Green said. ''It's hard for Americans to fully comprehend the barbarity and the contempt for human rights that exists in that area.'' Yer Ly of St. Paul, Minn., one of five daughters Houa Ly and Neng Xiong raised in the Fox Valley, said she misses her father terribly. Her children miss him. ''He is just the best,'' she said. ''There is no word to say he is this or that. He is just the best.''

WORLDS APART

Neng Xiong Ly speaks little English. She works nights on a production line for a local manufacturer. Her take-home pay is about $1,000 a month. All but $100 of that is swallowed by the mortgage on their home. ''Se is really struggling a lot,'' said her daughter, Ge, who acted as a translator. Before they were drawn into the war, Neng Xiong and Houa Ly lived the traditional tribal life of the Hmong people, hunting and gathering and practicing small-scale agriculture in the high plains and mountain jungles of northern Laos.

''Before the war, it was regular days,'' Neng Xiong Ly said. ''Farm, cook, feed the animals.'' That life was lost when divisions of North Vietnamese soldiers poured across the northern Lao border in the 1960s. The Hmong, led by the charismatic and prescient Gen. Vang Pao, abandoned the high plains of Xiang Khoang province and established positions in the surrounding mountains where there were armed and funded by the CIA. As a young man, Houa Ly served as a medic with Pao's freedom fighters. Trained as commandos, they were fabled for their bravery and resourcefulness, for their intimate knowledge of the mountain jungles. When American pilots were shot down, the Hmong would find and rescue them, engage in firefights to protect them. Hunted by communist forces, these warrior farmers could no longer think in terms of ''home.'' ''Because of the war between America and Vietnam, the Vietnamese were always killing everyone,'' Neng Xiong Ly said. ''There was no safety for the children and the women. They would have to move all the time.'' Houa Ly saved the lives of three American pilots during the war and helped dozens of others. His wife and two of his daughters said he did not carry weapons. ''He was not a fighter, he was a nurse,'' said his youngest daughter, Yer Ly, who lives in St. Paul. Neng Xiong Ly cooked for soldiers and pilots at Long Cheng, a CIA airbase in the mountains of Xiang Khoang province. A photograph of the base hands in her living room. The United States abandoned Laos, and its Hmong allies, in 1973. Two years later, the country fell to the communist Pathet Lao, backed by the North Vietnamese Army. Thousands of Hmong were killed. Others were imprisoned in forced labor camps. Tens of thousands fled for Thailand. In October 1978, Houa Ly crossed the Mekong with his wife and four daughters. Yer Ly was born in Thailand. She was 8 months old when the family immigrated to the United States. They settled in the Fox Valley. ''We are the people who helped the Americans,'' Neng Xiong Ly said. ''That is why we had to move.''

A FATEFUL TRIP

Houa Ly had traveled to Thailand once before, around 1987, to visit a sister who would later immigrate to the Fox Cities. His return trip in 1999 was a break from work as a machine operator with Wisconsin Tissue Mills.

''He said it had been a long time,'' Neng Xiong said. ''He said he needed a vacation.'' At 6:30 a.m. May 7, 1999, Neng Xiong received a call from the U.S. embassy in Thailand. She was told her husband had been killed near the Laos border. ''They just told me my husband went over the border to Laos and that somebody had taken him,'' she said. She fainted. A half-hour later, she called Yer Ly in St. Paul. She said she had no reason to live. On her end, Yer Ly couldn't speak, couldn't breathe. She fell to the floor, clutching the phone. Various unconfirmed reports about what happened to Houa Ly have emerged from congressional and private inquiries. He had traveled to Thailand with a relative, Neng Lee. They met two other Hmong-Americans, Michael and Hue Vang of California, on the trip. The four were at a water festival in Chiang Kong, Thailand, on the western bank of the Mekong. In Indochina, the New Year is celebrated for a week in mid-April. In Chiang Kong, the group was approached by a man who identified himself as the police chief from Ban Houayxay in Laos, just across the river. He said the police were allowing people into the country without visas to celebrate the festival.

Neng Lee and Hue Vang walked away to shop in Chiang Khong. When they returned, Ly and Michael Vang were gone. Witnesses said they were seen being forced into a boat that sped across the river into Laos.

An Associated Press story published in Asian Week in 2000 contained a similar version of the disappearance. A Hmong investigator was told by sources that Ly and Michael Vang, and two Hmong from Thailand, accepted the invitation to cross the river. Once in Laos, they were arrested. The Thailand Hmong escaped back across the river to tell the story.

Some news stories have referred to speculation that Ly and Michael Vang were in Indochina to provide assistance to Hmong rebels in northern Laos.

Green said he never has seen or heard any evidence to support this.

Hmong veterans in the Fox Cities said this theory makes no sense. While some Hmong send money to relatives in Laos, there is nothing two men could do for bands of Hmong hunted by divisions of troops deep in the interior.

WE WON'T GIVE UP

Six months after word of Houa Ly's disappearance, Green arranged a meeting in his office with Neng Xiong Ly, Yer Ly, another of the sisters and three representatives from the State Department. He also arranged a press conference for the Ly family and for other families of people missing in Laos.

State Department officials have conducted two on-site investigations in Laos, but were largely at the mercy of Laos officials, who at first delayed the effort and then placed restrictions on it. U.S. officials have learned nothing, said Green and family members.

Five years ago, State Department officials said finding Houa Ly and Michael Vang was a top priority.

Yer Ly no longer believes that. She fears that her father, a man who risked his life to save Americans in the jungles of Laos, will be forgotten.

Apart from Green, who has steadfastly pushed for a stronger effort, no one from the government calls anymore. No one will answer her questions.

''What I think is that he is an Asian-American citizen,'' she said, ''and so it is not a top priority for them.''

Green suspects Laotian officials were involved. At the very least, he said, they impeded the investigation. Although the State Department, pushing for Normal Trade Relations, now gives Laos better marks, its staff was dissatisfied in November 1999, reporting the Lao government ''has been slow to respond to our requests for access to the area and has tried to place restrictions on our investigators.''

That was when it mattered, Green said. That was before the trail grew cold.

Still, Green said he would continue to press the U.S. government, and the United Nations, to learn the fates of Ly and Vang.

He, too, has suggested the United States would be putting greater pressure on Laos if the missing citizens were native-born Americans.

''This has been a great sadness for me,'' Green said. ''We won't give up, as long as the families don't give up.''

Neng Xiong Ly said she was deeply grateful to Green and to his chief of staff, Chris Tuttle.

''I want thank them from the bottom of my heart,'' she said. ''They are the only two Americans who went out of their way to help.''

Yer Ly thinks her father is still alive, locked away in a prison camp. Her only evidence comes from her heart.

''I don't have anything to prove my father is alive,'' she said. ''It is a gut feeling that I have, that my mother has, that my whole family has.

''When someone you love . . . when they pass away . . . it is a different feeling. We don't have that feeling.''

SEPTEMBER 9, 2003.

Hon. COLIN POWELL,
Secretary of State,
Washington, DC.

DEAR MR. SECRETARY: Attached is a letter, signed by myself and 21 of my colleagues in the U.S. House of Representatives, asking that you take no further steps toward granting Normal Trade Relations (NTR) to Laos.

Although the letter speaks largely for itself, many of my colleagues and I feel it is important to note that, since this letter was written and began circulating for co-signatures, several facts have come to light that further reinforce our assertion that granting NTR to Laos is an imprudent step at this time.

Among these disturbing developments:

(1) In June, the Laotian government arrested, imprisoned, tried, convicted and sentenced to 15 years in prison a Lutheran minister from St. Paul, Minnesota. While in captivity, this U.S. citizen was denied consular access for over a week and subjected to a ridiculous ''trial'' before the Laotian judiciary system. Though eventually released after more than a month, the Laotians' handling of this case speaks volumes about their commitment to friendly relations with the United States.

(2) Two well-respected European journalists traveling with the American mentioned above were subjected to the same treatment, all apparently because of the group's investigation of Laotian government human rights abuses against ethnic Hmong minorities in remote areas of Laos.

(3) According to the BBC, Laotian representatives met in Pyongyang with representatives of North Korea just last month. There, ''both sides . . . exchanged views on the need to boost cooperation . . . (in) talks (that) proceeded in a friendly atmosphere.'' This meeting is consistent with the Laotian government's past close relationship with the North Koreans.

(4) According to the Vietnam News Agency and other sources, in May ''Top leaders in Myanmar and Laos . . . underscored the need to strengthen their cooperation in security and other fields . . . the leaders expressed their delight with the two countries' growing friendship and highly valued the mutual assistance and successful cooperation in the spheres of politics, security, economy, trade and socio-culture.'' Obviously, myself and others in both houses of Congress find such statements to be very troubling given what we all know about the Burmese government.

(5) Finally, according to this year's State Department ''Voting Practices in the United Nations'' document, Laos ranks 184 out of 186 countries in its record of agreement with the United States in U.N. General Assembly votes. In fact, this document shows that North Korea's record of agreement with the U.S. (10.9 percent) is more than double that of Laos' (5.4 percent). Iran, the world's most prominent state sponsor of terrorism, was almost four times more likely to support us (19.7 percent) than Laos (5.4 percent). This, perhaps more than anything else, is the clearest statement that Laos is not yet ready to improve relations between our two countries.

Thank you for your kind attention to this matter. I look forward to working together with you on this and other issues in the future.

Sincerely,

MARK GREEN,
Member of Congress.

SEPTEMBER 9, 2003.

Hon. PHIL CRANE,
Chairman, Subcommittee on Trade, Committee on Ways and Means, House of Representatives, Washington, DC.

Hon. SANDER LEVIN,
Ranking Member, Subcommittee on Trade, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN CRANE AND RANKING MEMBER LEVIN: We write today to implore you to take no further steps toward granting Normal Trade Relations (NTR) status to the Lao People's Democratic Republic (LPDR). We respectfully assert that granting NTR to Laos at this time would in fact represent an ill-conceived reward for the consistently dreadful behavior the LPDR regime has exhibited in recent years at home, abroad, and in its bilateral relations with the United States. We offer the following seven facts as evidence the LPDR has not yet earned such an upgrade in its trade status.

(1) Two U.S. citizens remain missing after disappearing at the Laotian border in 1999. The LPDR government has been uncooperative in its dealings with U.S. authorities working to investigate their case, and the LPDR government may have been involved in the disappearance itself. According to American eyewitnesses, U.S. citizens Houa Ly and Michael Vang went missing on April 19, 1999 after having last been seen with Lao government authorities near the Laos-Thailand border. U.S. investigators have since pursued the case, but the State Department has acknowledged a lack of cooperation by the LPDR in the investigation, stating in November 1999 that the Lao government ''has been slow to respond to our requests for access to the area and has tried to place restrictions on our investigators.'' In July of 1999, staff members of the Senate Foreign Relations Committee traveled to Laos and received information on the case from what they characterized as a ''very credible source.'' The staff report filed after the trip states that, ''with a great degree of detail, the tip we received corroborated Hmong-American suspicions that the men in fact crossed into Laos and that the government of Laos captured and killed Messrs. Vang and Ly.''

(2) As documented in this year's State Department Report on Human Rights Practices, the LPDR continues to be of the world's most reprehensible abusers of human rights—with a repertoire that includes torture, harsh restrictions on the press and free

speech, and imprisonment of people for their religious beliefs. The report speaks for itself, stating that last year: ''The (Lao) Government's human rights record remained poor, and it continued to commit serious abuses. Citizens do not have the right to change their government. Members of the security forces abused detainees, especially those suspected of insurgent or antigovernment activity. Prisoners were abused and tortured, and prison conditions generally are extremely harsh and life threatening. . . The judiciary was subject to executive, legislative, and LPRP influence, was corrupt, and did not ensure citizens due process. The Government infringed on citizens' privacy rights. The Government restricted freedom of speech, the press, assembly, and association. The Government continued to restrict freedom of religion, and police and provincial authorities arrested and detained more than 60 members of Christian churches, with 4 members of religious communities in custody or incarcerated for their religious beliefs at year's end.'' These appalling human rights abuses are of particular concern in the so-called ''Saysamboun Special Zone'' in Laos, where reports of LPDR military offenses against ethnic minorities are common and disturbing. Finally, it is important to note that independent human rights monitoring organizations such as Amnesty International continue to be barred from entering Laos by the LPDR government.

(3) The U.S. Commission on International Religious Freedom this year called Laos one of the world's worst violators of religious freedom, stating that forced renunciations of faith and imprisonment of people for their religious beliefs are tragically frequent. In its 2003 report to the president and Congress, the commission urged the Bush administration to name Laos a ''Country of Particular Concern,'' which would place it in the company of such terrifying regimes as Saddam Hussein's Iraq, Sudan, Burma and North Korea. According to the commissions report, ''for at least the last several years, the government of Laos has engaged in particularly severe violations of religious freedom . . . these include the arrest and prolonged detention and imprisonment of members of religious minorities on account of their religious activities, as well as instances where Lao officials have forced Christians to renounce their faith. Between 100 and 200 individuals have been arrested since 1999. At the same time, dozens of churches have been closed. These violations have continued to be committed in the past year. . .''

(4) Shockingly, the LPDR continues to foster close ties with Kim Jong-Il's Democratic People's Republic of Korea (DPRK)—stating two years ago that relations ''of friendship and cooperation'' between Laos and the North Korean pariah state ''are steadily growing stronger,'' and congratulating the North Korean people ''on the shining successes made in their efforts to build a powerful nation . . . under the wise leadership of Kim Jong-Il.'' In a joint communiqué issued July 17, 2001 by the leadership of the LPDR and DPRK, the North Korean government also commended the Lao government for the ''great successes made in their efforts to consolidate and develop the people's democratic system and estimated the daily rising role and position of the LPDR.''

(5) The LPDR recently held state-sanctioned rallies speaking out against U.S. military action in Iraq in the most inflammatory of terms—stating that ''the war will bring disaster to the whole of humanity,'' and ''demand(ing) the U.S. respect the peace and sovereignty of Iraq.'' These and other similarly belligerent comments were transmitted throughout Laos on state-run radio and around the globe through various media services.

(6) A substantial majority of Laotian-Americans—many of whom know, first hand, the brutality meted out by the LPDR regime—are strongly opposed to offering NTR to Laos. These people, many of whom are Hmong-Americans who assisted the United States military during the Vietnam War, view the offer of NTR to the government of Laos as a fundamental betrayal of not only them personally, but of our American principles. According to the most recent census, there are approximately 170,000 Hmong living in the United States. An almost equal number of Lao live in the United States as well.

(7) Although some argue that Laos presents a potentially lucrative market for U.S. companies, the facts show otherwise. While proponents of improved trade relations with Laos claim that the potential economic benefits outweigh the significant moral questions about Laos as a trading partner, the truth is that the LPDR's Gross Domestic Product in 2001 was estimated to be $9.2 billion. For comparison, the Gross Municipal Product of Fort Wayne, Indiana in 2001 was more than double that amount: $18.8 billion. Laos' authoritarian internal economic policies, not a lack of trade with the United States, has created this dismal reality. Without substantial change in those policies, neither the people of Laos nor the United States will ever benefit economically from NTR.

This letter should not be interpreted as a statement that we believe the door to NTR for Laos should be shut forever. In our opinion, however, Laos has failed miserably to demonstrate that it is ready for or deserves NTR at this time. In fact, in the six years since the negotiation of the U.S.-LPDR bilateral trade agreement, the Lao regime's record on basic issues like those mentioned above has actually become worse, not better.

We believe that if, over the next few years, the LPDR government is able to successfully demonstrate concrete improvements in these areas of concern, consideration of NTR for Laos may be appropriate. Until then, however, we should send a strong message to the LPDR regime that economic rewards from the United States will not be forthcoming unless it can improve its abysmal record.

Respectfully,

Mark Green, Barney Frank, Duncan Hunter, Earl Pomeroy, John Doolittle, Patrick Kennedy, William Delahunt, Ron Kind, James Langevin, Howard Coble, Robin Hayes, Sue Myrick, Lincoln Diaz-Balart, Christopher Smith, Gil Gutknecht, Devin Nunes, Ileana Ros-Lehtinen, Thomas Petri, George Radanovich, Mark Kennedy, Frank Wolf, Dana Rohrabacher.

Mr. PETRI. Mr. Speaker, as a long time supporter of Hmong veterans and their families in Wisconsin and across the United States, I am pleased to be a cosponsor and express my support for House Resolution 402 which calls for democratic and human rights reforms in Laos.

Many Americans don't realize the vital role Hmong soldiers played in the Vietnam War. School history books often ignore that before U.S. soldiers even landed in Vietnam or Laos, CIA agents arrived to train young Hmong men and women to fight against their oppressors. These brave Hmong fought valiantly for democracy and for freedom for their people. They rescued downed American pilots and took bullets that otherwise would have found their way to the bodies of American soldiers.

In defense of their country and in service to U.S. troops, nearly 40,000 Hmong troops were killed, approximately 58,000 were injured in combat and more than 2,500 are still missing in action today. These numbers don't begin to represent the thousands of Hmong soldiers and civilians hunted down and massacred by communist forces after the U.S. armed forces began their withdrawal from the region in 1975. The survivors lost many loved ones and lost their homeland. The United States owes these veterans a great deal.

Edgar Buell, a former senior U.S. official working with the Hmong during the war years, best summed up their dedication to the U.S. and western democratic principles when he said, ''Everyone of them that died, that was an American back home that didn't die. Somebody in nearly every Hmong family was either fighting or died from fighting . . . They became refugees because we . . . encouraged them to fight for us. I promised them myself: 'Have no fear, we will take care of you.'''

Yet, we hear reports that the persecution of the Hmong in Laos continues to this day, with charges of starvation, families being separated, and other acts of violence.

Over the last twenty years, thousands of Hmong have settled in Wisconsin and other places across the United States, sharing their tragic history and brave sacrifices with their fellow Americans. On their behalf, we must fulfill Edgar Buell's promise and encourage the government of the Lao People's Democratic Republic to stop civil rights violations against the Hmong and others, and allow free and open political activities in Laos.

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

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the resolution, H. Res. 402.

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. LANTOS. 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.

EXPRESSING SENSE OF CONGRESS REGARDING ARBITRARY DETENTION OF DR. WANG BINGZHANG

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 326) expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release.

The Clerk read as follows:

H. CON. RES. 326

Whereas Dr. Wang Bingzhang is a permanent resident of the United States and his sister and daughter are United States citizens;

Whereas Dr. Wang received his Ph.D. at McGill University in Canada in coronary-arterial research and is a well-respected leader

of the overseas Chinese pro-democracy movement and the founder of China Spring magazine;

Whereas Dr. Wang is currently serving a life sentence in prison in the People's Republic of China and is suffering from gastritis, varicose veins, phlebitis, and depression;

Whereas Dr. Wang was abducted in northern Vietnam in June 2002 after meeting with a Chinese labor activist;

Whereas Dr. Wang was driven to the border between Vietnam and the People's Republic of China and forced back to China by boat;

Whereas Dr. Wang was blindfolded and bound and held in various places in Guangxi Province and his captors demanded a $10,000,000 ransom, which Dr. Wang was unable to pay;

Whereas Dr. Wang although provided his captors with the names and telephone numbers of his relatives, they were never contacted;

Whereas Dr. Wang was finally taken to a Buddhist temple in Fangchenggang City in southern Guangxi Province where his abductors unexpectedly left and moments later he was ''rescued'' by the Chinese police;

Whereas Dr. Wang was detained by the Chinese police and then transported to Nanning, the capital of Guangxi Province;

Whereas Dr. Wang was held incommunicado for six months, during which time the Government of the People's Republic of China denied any knowledge of his whereabouts;

Whereas on December 4, 2002, the Chinese Government reversed itself, admitting that Dr. Wang had been in its custody since July 3, 2002;

Whereas on December 5, 2002, Dr. Wang was charged with ''offenses of espionage'' and ''the conduct of terrorist activities'';

Whereas on January 22, 2003, Dr. Wang was tried by the Intermediate People's Court in the city of Shenzhen in Guangdong Province;

Whereas Dr. Wang's trial lasted only half a day and was closed to the public because the Chinese Government indicated that ''state secrets'' might be revealed, thereby precluding family members, supporters, and reporters from attending;

Whereas at the trial, Dr. Wang declared himself innocent of all charges;

Whereas at the trial, the Chinese Government refused to release any evidence of Dr. Wang's wrongdoing;

Whereas at the trial, Dr. Wang was denied the right to due process, specifically the right to the presumption of innocence, the right to adequate time and facilities to prepare for his own defense, the right to a fair trial before an independent and impartial tribunal, the right to call witnesses on his own behalf, the right to cross-examine witnesses testifying against him, and in general, the lack of other due process guarantees that would ensure his adequate defense and a full hearing;

Whereas Dr. Wang's trial represented the first time the Chinese Government had brought charges against a pro-democracy dissident under its new terrorism laws;

Whereas although Dr. Wang was convicted and sentenced to life in prison on February 10, 2003, Dr. Wang's lawyers stated that there was insufficient evidence to convict him;

Whereas Dr. Wang's lawyers immediately appealed the court's verdict, but the appeal was rejected on February 28, 2003;

Whereas a human rights petition was submitted on Dr. Wang's behalf to the United Nations Arbitrary Working Group of the Office of the United Nations High Commissioner for Human Rights;

Whereas the petition claimed that Dr. Wang was being arbitrarily detained and that the judicial standards employed in his trial fell far short of internationally recognized standards for judicial proceedings under provisions of the United Nations Universal Declaration of Human Rights;

Whereas in its opinion, the United Nations Working Group noted that Dr. Wang is an internationally recognized pro-democracy activist as opposed to the Chinese Government's characterization of Dr. Wang as an individual who advocates violence and suggests the use of methods such as kidnapping and bombings to achieve his goals, and that Dr. Wang had boasted of carrying out many violent terrorist activities;

Whereas in its opinion, the United Nations Working Group further noted that the Chinese Government offered ''no evidence of any specific occasion on which Wang made the alleged calls to violence'' and that ''[o]ther than the kidnapping of which Wang himself was a victim, as the Government itself acknowledges, no information has been given about other kidnappings or acts of violence initiated by Wang'';

Whereas in its opinion, the United Nations Working Group further stated that ''Wang, during his first five months in detention, did not have knowledge of the charges, the right to legal counsel, or the right to judicial review of the arrest and detention; and that, after that date, he did not benefit from the right to the presumption of innocence, the right to adequate time and facilities for defense, the right to a fair trial before an independent and impartial tribunal, the right to a speedy trial and the right to cross-examine witnesses'';

Whereas in conclusion, the United Nations Working Group declared that ''the detention of Wang Bingzhang is arbitrary, being in contravention of articles 9, 10 and 11 of the Universal Declaration of Human Rights'' and requested ''the [Chinese] Government to take the necessary steps to remedy the situation of Wang Bingzhang and bring it into conformity with the standards and principles set forth in the Universal Declaration of Human Rights'';

Whereas the United States Congressional-Executive Commission on China made the following recommendation in its 2003 annual report: ''The President and the Congress should increase diplomatic efforts to hold the Chinese government to [its commitments on human rights matters during the December 2002 U.S.-China human rights dialogue], particularly the release of those arbitrarily detained'';

Whereas the report also stated the following: ''The Chinese [G]overnment has also taken advantage of the global war on terrorism to persecute . . . political dissidents. In February 2003, Wang Bingzhang, a U.S. permanent resident and veteran pro-democracy activist, was convicted of 'leading a terrorism organization' and 'spying' and sentenced to life imprisonment''; and

Whereas the report finally noted that ''[i]n July 2003, the UN Working Group on Arbitrary Detention declared that Wang's arrest and imprisonment violated international law'': Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) Dr. Wang Bingzhang, a permanent resident of the United States, is being arbitrarily detained in the People's Republic of China in violation of international law;

(2) the United States Government should request the Government of the People's Republic of China to release Dr. Wang, permitting him to immediately return to the United States; and

(3) the President should make the immediate release of Dr. Wang by the Government of the People's Republic of China a top priority of United States foreign policy.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

GENERAL LEAVE

Mr. BURTON of Indiana. 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 the concurrent resolution that is under consideration.

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

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this concurrent resolution sponsored by the gentlewoman from California (Mrs. NAPOLITANO) expressing the indignation of the Congress over the continued arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China. In recent years, we have all noted Beijing's pattern of using trumped-up charges to arrest and detain Chinese academics and democracy proponents who live outside China during their visits back to their ancestral homeland.

In Dr. Wang's case, however, Beijing has gone one step further in its attempt to muzzle the overseas Chinese community through tactics of fear and intimidation. Dr. Wang was not detained within the borders of China itself. He was instead kidnapped, abducted during a visit to Vietnam, bound and blindfolded, and forcibly transported across the border between Vietnam and China in a clear violation of international law. This case serves to demonstrate that despite historic differences, the communist regimes in Hanoi and Beijing are willing to make common cause when it comes to suppressing the voices of the advocates of democratic reform. This is common among communist brotherhood.

The People's Republic of China's legal transgressions and abuses in this case are so egregious that the United Nations, despite its sensitivity to Beijing's status as a permanent member of the Security Council, declared that the detention of Dr. Wang is a contravention of the Universal Declaration of Human Rights.

Beijing has further attempted to manipulate heightened post-September 11 international concerns over terrorism by charging Dr. Wang with ''the conduct of terrorist activities'' due to his advocacy of labor rights in China. The Working Group of the Office of the United Nations High Commissioner for Human Rights, however, has rendered a finding that the Chinese government has offered ''no evidence of any specific occasion on which Dr. Wang made the alleged calls to violence,'' further noting that Dr. Wang himself was a victim

of kidnapping by the very Chinese authorities who have accused him. Such false labeling of a victim of abduction as a terrorist is a cynical maneuver which demeans the memory of the victims of genuine terrorist attacks throughout the world. This is a perfect example of some of the things that the Chinese communists do that is just unthinkable, and the world should condemn them for that.

Beijing's border controls not only include cases of bringing people forcibly back into China, as with the case of Dr. Wang and the group of Tibetan refugees who were forcibly repatriated by the Chinese communists in Nepal last year. Beijing also seeks to forcibly keep people from leaving. We have heard that before. Remember the Berlin Wall? The People's Republic of China crossed a new line of inhumanity on the borders last month when, according to a reliable NGO report, Chinese border guards shot in the back and killed a North Korean refugee as he was attempting to cross into Mongolia, where he would have received safe haven and have been free. It reminds us of the Berlin Wall and the German border guards shooting to kill refugees when all they wanted was freedom.

I say here today: Beijing, tear down the walls of oppression, of arbitrary abduction of democracy advocates, and of victimization of refugees on the run who cannot defend themselves.

First, let Dr. Wang go. He is suffering in prison from serious medical conditions. He never had any intention of entering China's territory, and he needs to return to his waiting family, who misses him dearly here in the United States. And second, lift the bamboo curtain of intimidation directed at both its own citizens inside China and the overseas Chinese community which is calling for political as well as economic reform in their homeland.

China has undergone profound change in the last 2 decades. Beijing has increasingly sought, through such actions as participation in international peacekeeping and through hosting the 2008 Olympic Games, to take its place among the advanced countries of the world. But China cannot truly be a great nation until Beijing ends its systematic suppression of individual human rights such as clearly demonstrated in the case of Dr. Wang Bingzhang.

Mr. Speaker, it is hard to believe that a country that is economically as strong as China is would stoop to shooting a person in the back who wants to gain freedom just to stop them from getting out of their country, and it boggles my mind that China would actually go into Vietnam, kidnap somebody, blindfold them, and take them forcibly back to China when all they wanted was to see freedom and labor rights in China, and keeping this gentleman from his family, I think, is just unthinkable. So if anybody in the Chinese embassy is paying attention, this is something they should address very quickly and get this man back home to his family.

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

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

I strongly support this important resolution, and I urge all of my colleagues to do so as well.

I first would like to acknowledge the excellent work on this resolution of the gentlewoman from California (Mrs. NAPOLITANO). I would also like to express my appreciation to the gentleman from Indiana (Mr. BURTON); the gentleman from Iowa (Mr. LEACH), subcommittee chairman; and the gentleman from Illinois (Mr. HYDE), the chairman of our full committee for their strong support of this measure.

Mr. Speaker, the litany of human rights abuses conducted by the Chinese government on its own citizens is nothing new to Members of this House. This resolution, however, calls our attention to a case where China's complete disregard for human rights and the rule of law has been brought to new heights.

Having completely suppressed dissent at home, the Chinese government has actually begun kidnapping Chinese dissidents abroad to be brought to China for persecution.

In June, 2002, Dr. Wang Bingzhang, a permanent resident of the United States and the leader in the overseas Chinese democracy movement, was in Vietnam to meet with Chinese labor leaders. Dr. Wang was kidnapped from Vietnam, forced over the border into China, and eventually jailed by the Chinese government. He was held incommunicado for 6 months while the Chinese authorities denied that they knew anything about his fate.

□ 1815

Dr. Wang was then charged with espionage and terrorist activities, though the government produced no evidence linking him to these charges. He was prevented from calling witnesses to support his case, to have sufficient time to prepare his defense and to cross-examine the witnesses against him.

After this mockery of a trial, Dr. Wang was sentenced to life in prison in February of 2003. His appeal was denied.

Mr. Speaker, the kidnapping, trial and conviction of Dr. Wang is an outrageous violation of internationally recognized human rights. A United Nations working group declared that the detention of Dr. Wang is arbitrary and contravenes the universal declaration of human rights.

Dr. Wang is in poor health, and our resolution simply asks that he be released so that he may return to his family here in the United States. I strongly support passage of this resolution, and I urge all of my colleagues to do so as well.

Mr. Speaker, I am delighted to yield 2 minutes to my good friend, the gentlewoman from California (Mrs. NAPOLITANO).

Mrs. NAPOLITANO. Mr. Speaker, I thank my gracious friend and colleague, the gentleman from California (Mr. LANTOS), the ranking member on the committee, for yielding me time and thank the gentleman from Indiana (Mr. BURTON) for allowing this resolution to be brought to the floor and heard.

Mr. Speaker, I am very, very concerned about this particular individual. His daughter came to my office not quite a year ago asking for us to take some action on behalf of her family. Yes, they are very worried. They are very concerned. Because they cannot be in contact with their family member, their father, they are not able to provide him any kind of assistance, so they are incommunicado and are not able to help this individual.

This particular case is a clear case of a violation of human rights by the People's Republic of China. Dr. Wang, as you have heard, was held for 6 months before they actually filed charges against him. He was sentenced to life in prison on January 22, 2003, after, as you have heard, a very abrupt, half-day trial where he was not allowed time to prepare a defense, he was not allowed to cross-examine the government's witnesses, he was not allowed to call any witnesses of his own, nor was he allowed to provide his own defense.

To date, there has been no evidence to link him to the crimes he was charged with, nor have they released him. It is no surprise that the United Nations working group has declared this detention illegal.

I will include for the RECORD two articles that were printed on Dr. Wang.

Today, while we go about our business of enjoying freedom and liberty in the United States, it is inconceivable to us that a person such as Dr. Wang would sit in a prison. He has not sent any communication to his family, he has been allowed no visitors, and he has been denied access to medical care.

Our government must continue to put international pressure on China and many other countries to improve their human rights efforts.

Mr. Speaker, I thank my colleagues who cosigned this resolution and urge this House to sign up for human rights and human decency. Please vote ''yes'' on H. Con. Res. 326 and call on China to end its illegal detention of Dr. Wang.

Mr. Speaker, I include the articles referred to earlier for the RECORD.

[From Reuters News, Dec. 6, 2003]

CHINA ACTIVIST PLANS HUNGER STRIKE DURING WEN TRIP

BEIJING.—A jailed Chinese dissident who spent years in the United States plans to stage a hunger strike to coincide with a trip by Chinese Premier Wen Jiabao to the United States, a U.S.-based rights group said on Saturday. Wang Bingzhang, who was handed a life sentence on terrorism and espionage charges by a Chinese court in February, aimed to protest against his solitary confinement at the Shaoguan prison in Guangdong province, the Worldrights group said.

''From solitary confinement, Dr. Wang is calling on the leaders of America to stand with him and to demand his unconditional release,'' it is said in a statement.

Wen is due to meet with U.S. President George W. Bush early next week to discuss trade and issues related to Taiwan, which Beijing views as a renegade province, among others.

Wang, a U.S. green card holder in his mid-50s said by family members to have renounced Chinese citizenship, was the first democracy activist charged by China with terrorism and espionage.

[From the South China Morning Post, Dec. 11, 2003]

FEARS GROW FOR HEALTH OF JAILED DISSIDENT

(By Verna Yu)

Imprisoned dissident Wang Bingzhang is on the brink of a nervous breakdown due to the ''mental torture'' he has suffered in jail, and is threatening to go on a hunger strike, his brother says. Wang Bingwu, who visited his older brother at a prison in Shaoguan, Guangdong, last Friday, said he found the solitary confinement and mandatory ''political education'' imposed three times a day increasingly difficult to bear.

''He told me to tell the world that in order to end his solitary confinement and mental torture, he would go on a hunger strike,'' Mr Wang said in Hong Kong yesterday.

Critics say the so-called ''political education'' sessions in mainland prisons typically include several hours of brainwashing, forced self-criticism and confession of alleged crimes.

He was arrested and convicted on espionage and terrorism charges and given a life sentence in February. He was found guilty of providing intelligence to Taiwan between 1982 and 1990. He and his family deny the charges.

Mr. Wang said his brotyher looked frail and was suffering from stomach ailments and varicose ulcers. He said his brother was given medicine in prison but was banned brom taking other medication that his family brought from America.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 4 minutes to my good friend, the distinguished gentleman from Ohio (Mr. RYAN).

Mr. RYAN of Ohio. Mr. Speaker, I thank the gentleman for yielding me time.

I also want to thank the gentleman from Indiana (Mr. BURTON) for his leadership on this issue and a lot of other issues. Regardless of party and regardless of what the political pressure is, the gentleman has taken a stand; and being a new Member of Congress, I want to thank the gentleman for an opportunity to be able to witness that up close.

Mr. Speaker, the issue of Dr. Wang is a very interesting one, for a variety of reasons. The one reason that strikes me, and the gentleman from Indiana alluded to this, is that he was meeting with a labor activist. I find that very interesting, and I find this particular situation a symptom of a larger disease that we are trying to deal with.

They are saying there was a violation of three articles of the Universal Declaration of Human Rights. There is obviously no longer a Universal Declaration of Human Rights because countries like China do not agree to this kind of standard that we have set.

So this man was trying to help organize labor in China and trying to help bring some dignity and justice to the labor industry in China. It is obvious that China does not want it, but I think it is becoming more and more apparent that the major corporations in the United States who do business in China do not want China to have labor standards either.

If citizens of the regime in China try to unionize, they will be arrested, they will be beaten, they will be tortured. Many of the workers are bonded workers that come from the farms and go in to work in some of the factories. These people in China and the government of China do not enforce the minimum wage standards that they have, nor some of the safety rules that they have.

Why do they not want to do this? Because if they enforce these rules, as the AFL–CIO has indicated to us, there would be a 10 percent to 77 percent increase in the cost of goods coming out of China. We do not want to say that we want to raise prices, but I thought that this would bring about global competition, and I thought we were going to spread democracy. We want to lift the Chinese worker up. We want to lift them up to live, hopefully, one day, with the standards that we have here in the United States of America.

But just think, if this would happen, if there would be a 10 to 77 percent increase in the goods coming out of the Chinese market, the U.S. worker would finally be able to compete, Mr. Speaker, would finally be able to compete; and it would eliminate the problem we are even having dealing with the currency right now, if we would have those kinds of labor and human rights standards put in place.

I want to share a quote from the President of the United States when he was in Cleveland, Ohio, on March 10, 2003. He said to the workers in Ohio, ''Ohio workers, if given a level playing field, can outproduce any worker anywhere on Earth,'' if we had a level playing field.

What we need to do is ask this administration to get tough on China. A level playing field will not just fall out of the sky.

Then when we saw, and the AFL–CIO petitioned for, an opportunity to try to fix the currency manipulation problems and some of the labor rights problems, four Members of this administration's cabinet said that the administration's efforts at diplomatic engagement with Beijing on these two issues, currency and labor rights, would produce more results than threatening punitive tariffs.

Efforts at diplomatic engagement? This is coming from an administration that, when they walk the halls of the United Nations, it is like a bull in a china shop. They have no diplomatic touch. We have alienated all of our allies. Now we want to go and try to deal with China with diplomacy, while they are abusing workers, while they are abusing people, going to Vietnam to pick people up who are going to help workers organize in China.

Something needs to be done, and something needs to be done now. I appreciate the opportunity that the gentlewoman from California has given me and the gentleman from California.

I rise in support of this; but, again, I think it is a symptom of a larger problem that needs to be dealt with, and this administration and this Congress need to continue to push China to enforce the human rights that we have been exporting from this country for many, many years and want to continue to export out of this country.

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

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

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 326.

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. LANTOS. 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.

EXPRESSING CONCERN OF CONGRESS OVER IRAN'S DEVELOPMENT OF MEANS TO PRODUCE NUCLEAR WEAPONS

Mr. BURTON of Indiana. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 398) expressing the concern of Congress over Iran's development of the means to produce nuclear weapons.

The Clerk read as follows:

H. CON. RES. 398

Whereas the United States has for years attempted to alert the international community to Iran's covert nuclear activities in support of an intention to develop a nuclear weapon, contrary to its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT);

Whereas Iran's covert activities to develop the means to produce nuclear weapons are finally beginning to be revealed to the international community;

Whereas Iran did not declare to the International Atomic Energy Agency (IAEA) the existence of the Natanz Pilot Fuel Enrichment Plant and the production-scale Fuel Enrichment Facility under construction at Natanz until February 2003, after the existence of the plant and facility was revealed by an opposition group;

Whereas it is estimated that the Pilot Fuel Enrichment Plant could produce enough highly enriched uranium for a nuclear weapon every year-and-a-half to two years;

Whereas it is estimated that the Natanz Fuel Enrichment Facility could, when completed, produce enough highly enriched uranium for as many as 25–30 nuclear weapons per year;

Whereas in his report of June 6, 2003, the Director-General of the IAEA stated that Iran had failed to meet its obligations under its Safeguards Agreement with the IAEA to report all nuclear material imported into Iran—specifically, the importation of uranium hexafluoride from China in 1991—the processing and use of that material, and the facilities involved in the use and processing of the material;

Whereas the IAEA Board of Governors urged Iran in June 2003 to promptly rectify its failures to meet its obligations under its Safeguards Agreement, not to introduce nuclear material into the Natanz Pilot Fuel Enrichment Plant, and to cooperate fully with the Agency in resolving questions about its nuclear activities;

Whereas the IAEA Director General reported to the Board of Governors in August 2003 that, after further investigation, Iran failed to disclose additional nuclear activities as required by its Safeguards Agreement and continued to fail to resolve questions about its undeclared uranium enrichment activities;

Whereas the IAEA Board of Governors on September 12, 2003, called on Iran to suspend all further uranium enrichment and any plutonium reprocessing activities, disclose all its nuclear activities, and cooperate fully with the Agency, and to sign, ratify, and fully implement the Additional Protocol between Iran and the IAEA for the application of safeguards to strengthen investigation of all nuclear activities within Iran, and requested all third countries to cooperate closely and fully with the Agency in resolving questions about Iran's nuclear program;

Whereas IAEA inspectors and officials continued to confront Iran with discrepancies in its explanations of its nuclear activities;

Whereas on October 9, 2003, in a letter to the Director General of the IAEA, Iran finally confirmed that it had conducted research on uranium conversion processes at the Esfahan Nuclear Technology Centre and the Tehran Nuclear Research Centre, despite its earlier denials of such activities;

Whereas on October 21, 2003, Iran and the Foreign Ministers of France, Germany, and the United Kingdom issued a joint statement in which Iran indicated that it had decided to suspend all uranium enrichment and reprocessing activities as defined by the IAEA;

Whereas this statement also foresaw the provision of unspecified nuclear technical cooperation once Iran had satisfied international concerns about its nuclear development program;

Whereas in a subsequent letter on October 23, 2003, Iran further admitted that it had tested uranium enrichment centrifuges at the Kalaye Electric Company between 1998 and 2002 using its previously undeclared imported uranium hexafluoride from China;

Whereas in that same letter, Iran admitted that it had a laser uranium enrichment program, in which it used 30 kg of uranium not previously declared to the IAEA, another violation of its Safeguards Agreement;

Whereas in that same letter, Iran also admitted that it had irradiated 7 kg of uranium dioxide targets and reprocessed them to extract plutonium, another violation of its legal obligation to disclose such activities under its Safeguards Agreement;

Whereas Iran told the IAEA on November 10, 2003, that it would sign and ratify the Additional Protocol agreement for further safeguards, and would act in accordance with the Additional Protocol pending its full entry-into-force;

Whereas on November 10, 2003, Iran further informed the IAEA Director General that it had decided to suspend all enrichment and reprocessing activities in Iran, not to produce feed material for enrichment processes, and not to import enrichment related items;

Whereas the IAEA, through its investigative and forensic activities in Iran and elsewhere, has uncovered and confronted Iran in numerous lies about its nuclear activities;

Whereas the Director General of the IAEA reported to the IAEA Board of Governors on November 10, 2003, that Iran has concealed many aspects of its nuclear activities from the IAEA, which constituted breaches of its obligations under its Safeguards Agreement;

Whereas despite Iran's subsequent pledge to, once again, fully disclose all of its nuclear activities to the IAEA, the Director General of the IAEA, in his report of February 24, 2004, found that Iran continued to engage in deception regarding its nuclear activities, including failing to disclose a more sophisticated enrichment program using more advanced enrichment centrifuge technology imported from foreign sources, and noncredible explanations involving experiments to create a highly toxic isotope of polonium that is useful as a neutron initiator in nuclear weapons and a firm indicator of a nuclear weapons development program;

Whereas these deceptions by Iran were continuing violations of Iran's Safeguards Agreement and of Iran's previous assurances to the IAEA and the international community for full transparency;

Whereas despite Iran's commitment to the IAEA and to France, Germany, and the United Kingdom that it would suspend uranium enrichment activities, it has repeatedly emphasized that this suspension is temporary and continued to import and manufacture uranium enrichment centrifuge parts and equipment, allowing it to resume and expand its uranium enrichment activities whenever it chooses;

Whereas the statements on February 25, 2004, of Hassan Rowhani, Secretary of the Supreme National Security Council of Iran, that Iran was not required to reveal to the IAEA its research into more sophisticated ''P2'' uranium enrichment centrifuges, and that Iran has other projects which it has no intention of declaring to the IAEA, are contrary to—

(1) Iran's commitment to the IAEA in a letter on October 16, 2003, by the Vice President of Iran and President of Iran's Atomic Energy Organization that Iran would present a ''full picture of its nuclear activities'' and ''full transparency'';

(2) its commitment to the foreign ministers of the United Kingdom, France, and Germany of October 21, 2003, to full transparency and to resolve all outstanding issues; and

(3) its statement to the IAEA's Board of Governors of September 12, 2003, of its commitment to full transparency and to ''leave no stone unturned'' to assure the IAEA of its peaceful objectives;

Whereas it is abundantly clear that Iran remains committed to a nuclear weapons program;

Whereas Libya received enrichment equipment and technology, and a nuclear weapons design, from the same nuclear black market that Iran has used, raising the question of whether Iran, as well, received a nuclear weapon design that it has refused to reveal to international inspectors;

Whereas the Ministry of the Atomic Energy of the Russian Federation has recently announced that it will soon conclude an agreement to supply Iran with enriched nuclear fuel for the Bushehr nuclear power reactor, ignoring the need to sanction Iran to persuade it to cease its nuclear weapons development program;

Whereas the IAEA Board of Governors' resolution of March 13, 2004, which was adopted unanimously, noted with ''serious concern that the declarations made by Iran in October 2003 did not amount to the complete and final picture of Iran's past and present nuclear programme considered essential by the Board's November 2003 resolution'', and also noted that the Agency has discovered that Iran had hidden more advanced centrifuge associated research, manufacturing, and testing activities; two mass spectrometers used in the laser enrichment program; and designs for hot cells to handle highly radioactive materials;

Whereas the same resolution also noted ''with equal concern that Iran has not resolved all questions regarding the development of its enrichment technology to its current extent, and that a number of other questions remain unresolved, including the sources of all HEU contamination in Iran; the location, extent and nature of work undertaken on the basis of the advanced centrifuge design; the nature, extent, and purpose of activities involving the planned heavy-water reactor; and evidence to support claims regarding the purpose of polonium-210 experiments'';

Whereas Hassan Rowhani on March 13, 2004, declared that IAEA inspections would be indefinitely suspended as a protest against the IAEA Board of Governors' resolution of March 13, 2004, and while Iran subsequently agreed to readmit inspectors by March 27, 2004, this suspension calls into serious question Iran's commitment to full transparency about its nuclear activities; and

Whereas Iran's pattern of deception and concealment in dealing with the IAEA, the Foreign Ministers of France, Germany, and the United Kingdom, and the international community, its receipt from other countries of the means to enrich uranium, and its repeated breaches of its IAEA Safeguards Agreement, indicate that Iran has also violated its legal obligation under article II of the NPT not to acquire or seek assistance in acquiring nuclear weapons: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) condemns in the strongest possible terms Iran's continuing deceptions and falsehoods to the International Atomic Energy Agency (IAEA) and the international community about its nuclear programs and activities;

(2) calls upon all State Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons, including ending all nuclear and other cooperation with Iran (including the provision of dual use items), until Iran fully implements the Additional Protocol between Iran and the IAEA for the application of safeguards;

(3) declares that Iran, through its many breaches for 18 years of its Safeguards Agreement with the IAEA, has forfeited the right to be trusted with development of a nuclear fuel cycle, especially with uranium conversion and enrichment and plutonium reprocessing technology, equipment, and facilities;

(4) declares that the recent revelations of Iran's nondisclosure of additional enrichment and nuclear-weapons-applicable research activities, as detailed in the report of February 24, 2004, by the Director General of the IAEA, along with the statement by the Government of Iran that it will not disclose other research programs, constitute ample

evidence of Iran's continuing policy of noncompliance with the letter and spirit of its obligations under its Safeguards Agreement and the Additional Protocol;

(5) demands that Iran immediately and permanently cease all efforts to acquire nuclear fuel cycle capabilities and to immediately, unconditionally, and permanently cease all nuclear enrichment activities, including manufacturing and importing related equipment;

(6) demands that Iran honor its stated commitments and legal obligations to grant the IAEA inspectors full unrestricted access and cooperate fully with the investigation of its nuclear activities and demonstrate a new openness and honesty about all its nuclear programs;

(7) contrasts Iran's behavior with Libya's, in which Libya's decision to renounce and dismantle its nuclear weapons program and to provide full, complete, and transparent disclosure of all its nuclear activities has enabled the IAEA to rapidly understand and verify with high confidence the extent and scope of Libya's program;

(8) calls upon the members of the European Union not to resume discussions with Iran on multilateral trade agreements until such time that Iran has verifiably and permanently ceased all nuclear weapons development activity, including a permanent cessation of uranium conversion and enrichment and plutonium reprocessing activities;

(9) further calls upon the European Union to consider what further measures, including sanctions, may be necessary to persuade Iran to fulfill its obligations and commitments to the IAEA;

(10) in light of ongoing revelations of the noncompliance of the Government of Iran regarding its obligations under the NPT and pledges to the IAEA, and in light of the consequent and ongoing questions and concerns of the IAEA, the United States, and the international community regarding Iran's military nuclear activities—

(A) urges Japan to ensure that Japanese commercial entities not proceed with the development of Iran's Azadegan oil field;

(B) urges France and Malaysia to ensure that French and Malaysian commercial entities not proceed with their agreement for further cooperation in expanding Iran's liquid natural gas production field;

(C) calls on all countries to intercede with their commercial entities to ensure that these entities refrain from or cease all investment and investment-related activities that support Iran's energy industry; and

(D) calls on the President to enforce the provisions of the Iran and Libya Sanctions Act of 1996 to discourage foreign commercial entities from investing in Iran's energy industry;

(11) deplores any effort by any country to provide any nuclear power-related assistance whatsoever to Iran, and calls upon Russia to suspend nuclear cooperation with Iran and not conclude a nuclear fuel supply agreement for the Bushehr reactor, until the conditions of paragraph (8) are satisfied;

(12) calls upon the governments of the countries whose nationals and corporations are implicated in assisting Iranian nuclear activities, especially Pakistan, Malaysia, the United Arab Emirates, and Germany, to fully investigate such assistance, to grant the IAEA full access to individuals, sites, and all information related to the investigations, and to immediately review and rectify their export control laws, regulations, and practices in order to prevent further assistance to countries seeking to develop nuclear programs that could support the development of nuclear weapons;

(13) urges the IAEA Board of Governors, at its earliest opportunity, to report to the United Nations Security Council that Iran is in noncompliance with its agreements with the IAEA;

(14) urges the President of the United States to provide whatever financial, material, or intelligence resources are necessary to the IAEA to enable it to fully investigate Iran's nuclear activities;

(15) urges the United Nations Security Council, the Nuclear Suppliers Group, the Zangger Committee, and other relevant international entities to declare that nonnuclear-weapon states under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), who commit violations of their safeguards agreements regarding uranium enrichment or plutonium reprocessing, or engage in activities which could support a military nuclear program, thereby forfeit their right under the NPT to engage in nuclear fuel-cycle activities;

(16) further urges the United Nations Security Council to consider measures necessary to support the inspection efforts by the IAEA and to prevent Iran from further engaging in clandestine nuclear activities; and

(17) urges the President to keep the Congress fully and currently informed concerning the matters addressed in this resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

GENERAL LEAVE

Mr. BURTON of Indiana. 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. Con. Res. 398.

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

There was no objection.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H. Con. Res. 398, a resolution which condemns Iran's continued violations of its obligations and commitments regarding its nuclear program; expresses Congress' grave concern over Iran's efforts to develop the means to produce nuclear weapons, which threaten not only that region, but possibly the world; and calls for a series of steps to be undertaken by various parties to address this threat.

I am proud to be a cosponsor of this measure, and I commend the gentleman from Illinois (Chairman HYDE) and the ranking member, the gentleman from California (Mr. LANTOS), on this bipartisan effort and for their leadership.

Mr. Speaker, after getting caught with its hand in the cookie jar, the Iranian regime was forced to admit in the fall of 2002 that it had nuclear facilities that it had failed to declare to the International Atomic Energy Agency. From that time onward, Iran has engaged in a systematic campaign of deception and manipulation to hide its true intentions and to keep its large-scale nuclear efforts a secret.

For at least 18 years, the Iranian regime has been pursuing a covert nuclear program. It has undertaken a number of efforts for the manufacture and testing of centrifuge components, most of which, according to recent IAEA reporting, are owned by military industrial organizations.

It has an enrichment facility designed for the simultaneous operation of large numbers of centrifuges, and a large, partially-underground facility at Natanz, intended to house up to 50,000 centrifuges. Concurrently, Iran is pursuing another approach to uranium enrichment which uses lasers, a complex technology rarely used by even the most advanced countries because it is not cost efficient.

Iran has expressed interest in the purchase of up to six additional nuclear power plants and is pursuing a heavy water research reactor at Arak, a type of reactor that would be well-suited for plutonium production. This represents yet another path to nuclear weapons, which endangers not only the region, but the world.

According to the IAEA report of November of last year, the Iranian regime admitted that it had failed to report a large number of activities involving nuclear material, including the separation of a small amount of plutonium. This same report noted that Iran's deceptions have dealt with the most sensitive aspects of the nuclear cycle.

Further, the IAEA could not disprove that Iran's nuclear program was not for weapons development and could not conclude that it was solely for ''peaceful purposes.''

Iran's most recent breaches of its obligations include failing to disclose work on advanced P–2 centrifuges for uranium enrichment and work on Polonium 210, an element which could be used in nuclear explosions.

As a result, Iran has forfeited its right to develop a nuclear fuel cycle and should immediately and unconditionally cease all nuclear enrichment activities.

H. Con. Res. 398 enumerates a series of steps that should be undertaken to, number one, hold the Iranian regime accountable for its nuclear program; and, two, establish a clear precedent that such proliferation efforts, efforts which clearly threaten international peace and security, will not be tolerated. Those who pursue them will have to suffer the consequences.

□ 1830

The Iranian Government needs to think very, very strongly about that.

Among the demands it places on the International Atomic Energy Agency, it urges the IAEA Board of Governors to quickly report the Iranian case to the U.N. Security Council for further action, which should include steps to prevent Iran from engaging in further clandestine nuclear activities. It also urges the U.N. Security Council to declare that non-nuclear weapons states under the NPT who violate their commitments forfeit their rights under this treaty.

As President Bush said on February 11 of this year, ''Proliferators must not be allowed to cynically manipulate the NPT to acquire the material and infrastructure necessary for manufacturing illegal weapons.''

Mr. Speaker, H. Con. Res. 398 calls upon the international community, through different venues, to use all appropriate means to deter and prevent Iran from acquiring nuclear weapons, including ending all nuclear cooperation with Iran until certain conditions are met.

Given the ongoing developments in the political and economic relationship of the European Union countries and Iran, the resolution calls upon the EU countries to suspend bilateral trade agreements with this pariah state until Iran has verifiably and permanently ceased all nuclear weapons development efforts. Also, given the severity of Iran's proliferation activities and heeding the lessons from Libya, H. Con. Res. 398 asks the European Union to go a step further and consider sanctions as a means of compelling Iran to comply with these international obligations and expressed commitments.

It calls on governments whose nationals, businesses, and other entities are implicated in assisting Iranian nuclear activities to, one, fully investigate such a relationship; two, grant full access to the IAEA to conduct its own parallel investigations; and, three, immediately review and rectify export control regulations and practices to prevent further assistance to countries seeking a nuclear weapons capacity.

These are not just in keeping with President Bush's counterproliferation initiatives as outlined in February of this year, but also affirm the tenets of the U.S.-led resolution adopted by the U.N. Security Council just last Wednesday.

Mr. Speaker, H. Con. Res. 398 reinforces longstanding congressional efforts to deny terrorists and their state sponsors the funds to pursue and expand their threatening activities, in particular, their proliferation activities. It calls on all countries to take steps to end investment-related efforts that in some way support Iran's energy sector.

This is particularly relevant given plans announced by Iran on Sunday aiming for a six-fold increase in its petrochemical revenues to $20 billion a year by the year 2015. It is further relevant given, for example, the April 25 announcement that French oil giant Total was awarded a $1.2 billion contract to develop phase 11 of the massive South Pars gas field in Iran.

H. Con. Res. 398, therefore, also calls for immediate enforcement of the Iran and Libya Sanctions Act with respect to Iran.

Mr. Speaker, in closing, I would simply like to refer to a recent statement made by Iran's so-called moderate leader, Mohammad Khatami, while Iran was blocking access to IAEA inspectors. He said Iran ''has no obligation toward anybody other than what our interests require.''

Placing this in further context, I draw my colleagues' attention to Iran's display last fall of its newly deployed advanced medium-range ballistic missiles which military analysts say could reach Israel or U.S. bases in the Persian Gulf. Television photographs of the display showed one of the missile carriers with a sign that read, ''We will stomp on America,'' and that says it all, as far as I am concerned. We must stop their nuclear proliferation program.

A terrorist state like Iran must not, cannot, be allowed to obtain a nuclear weapons capability, and we need to do whatever is necessary to stop them. Let us send a clear message to Iran, and to all other potential proliferators, that we will not tolerate this behavior, we will not sit idly by as Iran threatens our Nation, our interests, and global security.

Mr. Speaker, I urge my colleagues to render their strong support to this resolution.

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

Mr. LANTOS. Mr. Speaker, I rise in strong support of this important resolution, and I yield myself such time as I may consume.

Mr. Speaker, I want to pay tribute to the chairman of our committee, the gentleman from Illinois (Mr. HYDE), and to my friend, the gentleman from Indiana (Mr. BURTON), for their leadership on this issue.

Mr. Speaker, for over a decade, the United States has been trying to alert the entire world to Iran's efforts to covertly develop nuclear weapons. Finally, the rest of the world seems at least ready to listen. Now we must convince them to act.

For many years, Iran has deceived the International Atomic Energy Agency and the entire world about the true purpose of its supposedly peaceful nuclear energy program. The ayatollahs of terrorism have, through the international nuclear black market, acquired equipment and facilities to produce nuclear weapons-grade uranium. As a result of IAEA inspections over the past 15 months, we now know that Iran has acquired designs for sophisticated uranium enrichment equipment and that Iran has been lying about this for years. Iran has even experimented with materials that could be used to initiate a nuclear detonation.

Given that Iran used the same supplier network that provided Libya with the blueprint for a nuclear warhead, we must assume that Iran has an operable nuclear bomb design.

Iran is rightly condemned as a state sponsor of terrorism responsible for funding numerous terrorist groups that murder and maim innocent civilians. Imagine then, Mr. Speaker, this terrorist state armed with nuclear weapons.

This is the threat we face. Iran must not under any circumstances be allowed to acquire nuclear weapons. We must keep the pressure on Iran, as we did on Libya, to step off this most dangerous path. We must keep the pressure on our friends and allies in the European Union and elsewhere who mistakenly believe that continued trade and investment will somehow cause the ayatollahs to give up their multiyear quest for nuclear weapons.

We must also keep the pressure on the IAEA's Board of Governors to again condemn Iran at their June meeting and to formally refer Iran's breaches of its safeguards and Nuclear Nonproliferation Treaty obligations to the United Nations Security Council.

Mr. Speaker, this resolution also sets a new standard for states to have access to technology for peaceful nuclear purposes. It declares that Iran, through its repeated and flagrant violations of its international obligations, has forfeited the right to be trusted with technology that can be misused to produce weapons-grade uranium and plutonium.

I urge all of my colleagues to support this resolution and to send a message to Iran and the entire world that enough is enough. It is past time to isolate Iran economically and diplomatically. A nuclear Iran threatens us all. Driven by its extremist ideology, it might attack and surely could blackmail our friends in the region. Iran's nuclearization would spell the end of the nuclear nonproliferation regime. We must not let that happen.

Mr. Speaker, I strongly support this resolution.

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

Mr. BURTON of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. TANCREDO), a member of the committee.

Mr. TANCREDO. Mr. Speaker, I thank the gentleman for yielding me this time. I just want to add my support to this endeavor and this resolution. Certainly, the gentleman from California (Mr. LANTOS), the author of the resolution, and the committee itself and the gentleman from Indiana (Mr. BURTON) have been extremely articulate in laying out the points that we should pursue and in encouraging us to bring this resolution and have stated, again articulately, why we should support it. I want to add to those issues that we have laid out some other things that are not specifically identified in the resolution, but I think are important for us to consider.

We must recognize that much of what we know today about Iran and certainly what we know about its nuclear production capabilities, and not just capabilities, but what they have already done, comes to us not as a result of information identified by the international inspection regime. It comes to us as a result of the fact that Iranian dissidents have, at great risk, made this information available to the West.

On more than one occasion, these Iranian dissidents have provided us

with information that we now know to be accurate. It has become invaluable in many ways, and they should be credited for what they have done. It is also important to note that many of these people who have taken refuge in Iraq are under the control and the protection right now of American forces over there. It is also I think important to understand that Iran, the mullahs in Iran are today demanding that these people be returned, forcibly returned to Iran to face certain death. It is inconceivable I think that we would agree to such a situation, especially in light of the information that they have provided and the valuable asset that they in fact are in that part of the world.

We also recognize that much of the difficulty we now face in Iraq is a result of Iran's interference, sending people across that border, inflaming the passions that we now witness in the form of acts of violence against Americans and American troops over there.

So all of these things, as I say, I am glad they have been said, but I just did not want to let this resolution go by without a reference to the people who have worked so hard to bring the information forward and who have struggled for a long time for a free Iran. They are dedicated to that proposition. They are dedicated to a free secular country, a democratic country over there, and I think it would be certainly heartless, it would be a tragedy if we were to abandon them, if we were to actually allow them to be returned to, as I say, certain death in that country.

So I just wanted to add that dimension to this debate. Again, I thank the gentleman from Indiana (Mr. BURTON), the gentleman from California (Mr. LANTOS), and the committee for bringing this resolution forward.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to my friend, the gentleman from the State of Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I thank my good friend and colleague, the ranking member of this committee, and the chairman for their initiative. I think it is long past time for this Nation to express grave concern and work with the international community to thwart Iran's efforts to develop nuclear weapons, and I applaud them for this resolution.

I do, however, feel compelled to ask an inquiry of the chairman and the ranking member, and it is this: we have seen, I believe, a growing concern about possible usurpation by the administration of congressional authority, particularly in regard to war-making and the use of force. I thoroughly intend to support this sound resolution. I just would like clarification that the resolution does not, in its efforts to rein in the Iranian nuclear program, authorize the President to use force.

I yield to my distinguished ranking member to address this.

Mr. LANTOS. Mr. Speaker, I thank my friend for yielding, and I am very pleased to respond to his inquiry.

This resolution is not and cannot be construed to be an authorization for the use of force against Iran. It calls upon all of the state parties to the Nuclear Nonproliferation Treaty to take all appropriate measures to deter, dissuade, and prevent Iran's acquisition of nuclear weapons, including economic sanctions and international pressure.

□ 1845

The international sanctions on Libya were ultimately successful in convincing Colonel Qaddafi to give up all of his programs to develop weapons of mass destruction. This is the model that the world community needs to pursue with Iraq.

Mr. BAIRD. Mr. Speaker, I thank my colleague for that clarification. I intend to support this most worthy proposal, and I think it is important that we establish for the record that this Congress is not intending with this legislation to authorize the use of force without approval of the Congress.

Mr. LANTOS. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I speak as the ranking Democrat on the subcommittee that deals with terrorism and proliferation of weapons of mass destruction.

I want to clarify of the backgrounds that we face with Iran. First, Iran has a large amount of natural gas. This natural gas is flared. They do not need to generate electricity with nuclear plants. In fact, they can without pollution and at very low costs generate electricity using the natural gas that goes to waste under the present system.

Second, we talk here of the Iranian government. That is very different from the Iranian people who among all the peoples of the Middle East are among those who are most pro-American and, frankly, who are not terribly interested in seeing their country acquire nuclear weapons. We should remember that weapons of mass destruction is a rather vague term that encompasses mustard gas on the one hand and nuclear weapons on the other, and we should not be confused.

Since World War I, I doubt more than a dozen Americans have been killed using chemical or biological weapons. And while Saddam killed many using mustard gas, he did so against highly unsophisticated civilians in a third world situation.

In contrast, nuclear weapons if used in an American city would kill hundreds of thousands of people or millions of people. We can not put these in the same category. And let us not think that a missile defense system will save us. Iran would like to have intercontinental ballistic missiles and the glory of just being able to push a button and see the missile fly off. But the government of Iran sees it is as easy to smuggle a nuclear weapon into the United States as it is to smuggle into person or a bale of marijuana. A nuclear weapon is as detectable, it is as large as a person.

Thus, a nuclear weapon created in Iran could be smuggled into any of our districts. Keep in mind that the government in Iran has sought again and again to kill as many Americans as possible. It is harboring top operatives of al Qaeda, including bin Laden's own son. It is harboring the individual who caused the bombings in Rihad that killed 7 Americans. It is responsible for the deaths at Khobar Tower and earlier deaths of our people in Saudi Arabia, killing at least 2 dozen Americans.

This is a government in Iran which, if it has nuclear weapons, will marry a desire to kill Americans with a capacity to kill us by the hundreds of thousands.

Now, this is a great resolution. But it is only a resolution. What we need to do is to marry our desire to rein in the nuclear program with a real bill with real teeth. I have introduced to this House, and we have quite a number of co-sponsors for the Iran Freedom and Democracy Support Act. That Act would provide real money to those working for peace and democracy in Iran. That Act would impose real economic sanctions and we need to pass this resolution today or tomorrow and then go on to deploying real money and real economic sanctions in an effort to deal with the Iranian program.

Look at what happened with Libya. They faced multi-lateral economic sanctions and they agreed to abandon their nuclear program. Now, they are getting for an investment, they are getting international air flights, et cetera. This administration promised us an aggressive defense of America. And it has given us only an invasion of Iraq which had apparently no weapons of mass destruction at all. North Korea has 3 years further in developing its nuclear weapons. Iran has proceeded virtually unimpeded, and we have not used the tools available to us, not to invade but to dissuade.

We have the Iran-Libya Sanctions Act. We used it against Libya. We failed again and again to use it and waived it again and again when our so-called allies invested billions of dollars in the Iranian oil sector.

Mr. Speaker, just recently we gave a wink and a nod to a $2.8 billion Japanese investments in the Iranian oil sector. We have given winks and nods as half a billion dollars has gone from the World Bank, 25 percent of it is our money, goes to this government that is developing nuclear weapons to kill our people, and year after year, we allow $150 million worth of caviar and carpets to come into this country providing a market to industries controlled by some of the most regressive forces in Iran.

It is time for to us bring real economic sanctions starting with our own trade and stopping that $150 million of imports. Then turning to our allies and saying enough is enough. If you want

to help us, bring the economic pressure. Then the people of Iran will recognize that they can not allow their leaders to proceed down this nuclear road. That it is bad for world stability and bad for their own economy.

And we are not asking for participation in an invasion. Just for strict economic sanctions. We can use our economic power to do it, or we can continue the feckless policy that marked our behavior before September 11.

This is a great resolution. We should pass it. It is only a resolution. It is time to bring real economic sanctions to bear. Otherwise, this resolution will pass. They will laugh at us in Tehran, and they will go forward with their nuclear program.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to compliment my colleague on a very fine statement.

Mr. LANTOS. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I wanted to thank the gentleman from California (Mr. SHERMAN). And to the gentleman from Indiana (Mr. BURTON), I salute your concern about Iraq's nuclear activities. I join you in stating that I do not want Iran to acquire nuclear weapons. However, I cannot support this resolution.

I believe that if Members read the text carefully, they may agree. This resolution includes an endorsement I believe of the doctrine of preventive war. Preventive war is attacking another country that does not pose an imminent threat but which some might argue could pose a threat. This is not a legitimate or legal reason for going to war. It ends up being an illegal war or war not in self-defense.

To be specific, the doctrine is, I believe, contained in part 2 of the resolution which reads, ''Calls upon all state parties to the Treaty on Non-Proliferation of Nuclear Weapons, including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons.'' This clause contains two elements of preventive war. The first is a tacit endorsement of regime change, ''all appropriate means to prevent Iran.''

All appropriate means is nearly the same language used in Senate Joint Resolution 54, which the Congress passed in 1998. That resolution called upon the President to ''take appropriate action to bring Iraq into compliance.''

We did not know then that such language would be construed only 5 years later to mean that the Congress endorsed regime change in Iraq, but that is what the administration construed it to mean.

Second, I believe this clause envisions unilateral action by the United States. It ''calls upon the United States to use all appropriate means.'' That means it is a policy of Congress that the United States, without necessarily receiving any support from the world community, and without the concurrence of the United Nations, could act unilaterally. This combination calling on all state parties to use all appropriate means to prevent Iran from acquiring nuclear weapons and calling upon the United States to use all appropriate means, this combination endorses the doctrine of preventive war.

This country was dragged into war with Iraq based on false statements to Congress. Iraq has proved to have been of little threat to the United States, but that did not stop the war's authors from going forward with the arguments that Iraq could one day be a threat.

In this historical context, I believe it is vitally important to call this to the attention of Congress so that Congress can avoid giving its endorsement of what could prove to be an unprovoked attack, unilateral regime change again.

So I oppose this resolution and I ask my colleagues to vote no.

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me start off by saying you cannot take one section of the bill, and I have great respect for the gentleman from Ohio (Mr. KUCINICH). He and I have been colleagues and have worked together on a number of bills, and I have a very high regard for him. However, let us look at the whole bill and not just one or two phrases in it, because I think it clarifies the whole intent of the bill and I think it illuminates the concern I think that the gentleman has.

If we look on page 8 where the gentleman was just talking about, it says ''calls upon all state parties to the Treaty on the Non-proliferation of Nuclear Weapons, NPT, including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons, including ending all nuclear and other cooperation with Iran, including the provision of dual use items, until Iran fully implements the Additional Protocol between Iran and the IAEA for the application of safeguards.''

But then we go over to page 10. Understand section 9 there it says it ''further calls upon the European Union to consider what further measures, including sanctions, may be necessary to persuade Iran to fulfill its obligations and commitments to the IAEA.''

Then you go to page 11, section C, and it says, ''calls on all countries to intercede with their commercial entities to ensure that these entities refrain from or cease all investment and investment-related activities that support Iran's energy industry.''

Go down to line 15 and it says, ''calls upon Russia to suspend nuclear cooperation with Iran.''

The thing that I think will really allay some of the gentleman's concerns, on page 12, section 13, it says, ''urges the IAEA Board of Governors at its earliest opportunity to report to the United Nations Security Council that Iran is in non-compliance with its agreements with the IAEA; urges the President of the United States to provide whatever financial, material, or intelligence resources are necessary to the IAEA to enable it to fully investigate Iran's nuclear activities; urges the United Nations Security Council, the Nuclear Suppliers Group, the Zangger Committee, and other relevant international entities to declare that non-nuclear weapons states under the Treaty on the Non-Proliferation of Nuclear Weapons, NPT, who commit violations of their safeguards agreements regarding uranium enrichment or plutonium reprocessing, or engage in activities which could support a military nuclear program, thereby forfeit their right under the NPT to engage in nuclear fuel-cycle activities.''

It further states on page 13, and I hope this will allay some of his concerns, under section 16, ''further urges the United Nations Security Council to consider measures necessary to support the inspection efforts by the IAEA and to prevent Iran from further engaging in clandestine nuclear activities; and urges the President to keep the Congress fully and currently informed concerning the matters addressed in this resolution.''

I do not think there is anything in there, and the gentleman and I are good friends, that would give the President carte blanche to go ahead and invade Iran or start a war with them. Although, I think it is important that Iran feel a little uncertainty, although I do not think this bill does it, a little uncertainty about what might happen if they continue this program.

□ 1900

Mr. KUCINICH. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Speaker, I want to say that I think that the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. LANTOS) serve this country well and that there are probably no people stronger in defense of America than both of them. I have total confidence in that, and I just want to express my appreciation for being able to express my misgivings about the language of this bill, but I want to thank the gentlemen for the service that they are giving in expressing the importance of this.

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

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

Before closing, Mr. Speaker, I would like to respond to my friend from Ohio by saying that it is not the intention of this author of this resolution to view this resolution as one authorizing unilateral use of force against Iran.

With that, Mr. Speaker, I urge all of my colleagues to support this resolution.

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

Mr. BURTON of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Before I yield back the balance of my time, I just hope that the Iranian leaders realize that when they continue down this path, they ultimately not only endanger the entire Middle East and maybe areas beyond, and who knows maybe ultimately the United States, but they endanger their own security as well; and it would be far better for them to start thinking about complying with the U.N. resolutions and stopping their nuclear program before there are problems down the road.

This resolution, as my colleague, the gentleman from California (Mr. LANTOS), just said, does not give the President unilateral authority.

Mr. BLUNT. Mr. Speaker, the resolution we are considering today directly confronts what may become a clear and present threat to American security.

For 18 years, the government of Iran has hidden information on its nuclear program from international inspectors. Iran is a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons, a regime which is effective only as long as its signatories are fully committed to full and complete disclosure of any nuclear program for any purpose. The international community has already given Iran the benefit of the doubt. With its rich natural resources, the country does not even need the atomic energy it claims to be producing for peaceful purposes. Why in the world would a country soaked in oil require a nuclear fuel cycle and the enriched uranium that goes along with it? Mr. Speaker, it does not take a detective to smell a rat on this one.

This is very serious business. There is no greater nightmare for this generation of Americans that the idea of a 9/11-style attack involving weapons of mass destruction. Ongoing research into Libya's weapons program, which appears to be a model for compliance and disarmament among all rogue states, demonstrates that the shadowy network of nuclear proliferation is even deeper and more frightening than we had previously suspected. Putting our trust in Iran's undemocratic, fundamentalist leadership to voluntarily safeguard this technology of terror is not an option.

With this resolution, we demand that Iran honor its stated commitments and obligations. The Iranian regime must grant the IAEA inspectors full unrestricted access and cooperate fully with the investigation of its nuclear activities. And our efforts to secure cooperation must be in concert with our European allies and other responsible members of the international community. As we learned on March 11th of this year, no one in the civilized world is safe from terrorism.

And we must be diligent, earnest, and serious in our message. This means that, in the short term, the IAEA must report that Iran is in noncompliance with its obligations under the Nonproliferation Treaty; the European Union and other allies in the war on terror must be active partners in sanctioning the Iranian regime economically; and the President should act to enforce the appropriate provisions of the Iran and Libya Sanctions Act of 1996.

Mr. Speaker, American troops have already deposed a regime whose cooperation on WMD disclosure was not sufficient. No one should doubt our resolve in keeping weapons of mass destruction out of the hands of terrorists. We cannot trust the ayatollabs in Tehran to responsibly handle technology that could be used against American civilians. If the Nonproliferation regime is broken, it must be fixed. Quickly.

I urge my colleagues to support this resolution.

Mr. HOYER. Mr. Speaker, while all of us rightly focused on the continuing effort to secure and stabilize Iraq, none of us can close our eyes to the ominous and growing danger posed by the government of Iran.

That is why I strongly support this important bipartisan resolution brought to the floor today by the chairman and ranking democrat on the Committee on International Relations (Mr. HYDE and Mr. LANTOS).

This resolution condemns in the strongest possible terms Iran's continuing deceptions and falsehoods to the International Atomic Energy Agency and the international community about its nuclear programs and activities.

For example, Iran failed to properly disclose the existence of a fuel enrichment plant and facility at Natanz, until both were revealed by an opposition group.

It confirmed that it had conducted research on uranium conversion processes, but only after it denied doing so.

According to a February report by the director general of the IAEA, Iran continues to engage in deception regarding its nuclear activities.

This resolution also calls on the United States, as well as all state parties to the treaty on Non-Proliferation of Nuclear Weapons, to use (and I quote) ''All appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons.''

The fact is, our national security demands that we do everything in our power to prevent Iran from developing and acquiring nuclear weapons.

The Iranian government is hostile to the interests of the United States. It is a state sponsor of terrorism.

It is a committed enemy of the state of Israel, our staunch ally and the lone democracy in this most volatile region.

It is vital that we speak with one voice on this issue of utmost gravity. I urge my colleagues to support this resolution.

Mr. BERMAN. Mr. Speaker, Iran has repeatedly denied that it is trying to develop nuclear weapons. But it is increasingly difficult to conceive of any other plausible explanation for its efforts to enrich uranium and develop other nuclear-related capabilities. And even harder to understand why else it would try so hard to conceal these activities from the international community. As reported by the International Atomic Energy Agency, Iran has failed time and time again to comply with its obligations under the Nuclear Nonproliferation Treaty. It has also failed to provide a full disclosure of all nuclear activities to the IAEA, and engaged in a pattern of lies and deception.

Since Iran's covert nuclear program was exposed to the world in February 2003, IAEA inspectors have found traces of highly enriched uranium, discovered that Iran had reprocessed a small amount of plutonium, and forced Iranian officials to reveal critical information about advanced centrifuge designs and components. These and other revelations about Iran's nuclear program are even more troubling in light of Iran's extensive ties to international terrorist organizations.

According to the just-released State Department report on Patterns of Global Terrorism, ''Iran remained the most active state sponsor of terrorism in 2003.'' The report notes that some members of al-Qaeda ''have found virtual safehaven'' in Iran, while Iranian authorities continue to provide Hezbollah, Hamas, Palestinian Islamic Jihad and other radical terrorist organizations with ''funding, safehaven, training, and weapons.''

Iran also continues an aggressive program to develop ballistic missiles. According to the Congressional Research Service, Iran has hundreds of short-range missiles, and possibly 10–20 long-range Shahab–3 missiles, which may be capable of carrying a nuclear warhead.

Mr. Speaker, Iran has absolutely no need for a nuclear deterrent. Over the last two and a half years, we have taken care of Iran's only two enemies—the Taliban and Saddam Hussein.

Nor does Iran—with 7 percent of the world's proven oil reserves and the second largest natural gas reserves on the planet—have a demonstrated need for civilian nuclear power.

We must continue to make it clear—to our European allies, who have generally favored a more conciliatory approach to Iran—and to the unelected rulers in Tehran, who continue to lead the Iranian people down this perilous path—that we will not sit idly by and allow Iran to become a nuclear weapons state.

This resolution is an important part of that effort, and I urge its adoption.

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

The SPEAKER pro tempore (Mr. COLE). The question is on the motion offered by the gentleman from Indiana (Mr. BURTON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 398.

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. LANTOS. 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize Members for Special Order speeches without prejudice to the possible resumption of legislative business.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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. TANCREDO. 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 Colorado?

There was no objection.

PAYING TRIBUTE TO THE VALIANT EFFORTS OF COALITION SOLDIERS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, the news media is quick to provide gratuitous coverage of anti-war protests in Europe and elsewhere. They are quick to provide a forum for critics of U.S. policy in Iraq and even quicker to highlight the problems, misfortunes, and missteps of our coalition forces in Iraq. What they rarely do, however, is to highlight the contributions and valor of our coalition soldiers.

Take, for example, the case of Salvadoran Corporal Samuel Toloza. According to a recent Associated Press story, ''One of his friends was dead, 12 others lay wounded and the four soldiers still left standing were surrounded and out of ammunition. So Toloza said a prayer, whipped out his . . . knife and charged the Iraqi gunmen.''

The story goes on, ''In one of the only known instances of hand-to-hand combat in the Iraq conflict, Toloza stabbed several attackers who were swarming around a comrade. The stunned assailants backed away momentarily, just as a relief column came to their rescue.''

According to the reports, Toloza and 16 other members were trapped by members of Muqtada al-Sadr's al-Mahdi militia. They initially did not fire their weapons for several hours, for fear of inflicting civilian casualties, despite the fact that insurgents were peppering the group with small arms fire and rocket-propelled grenades. Finally, after fighting back, the group, comprised of Salvadoran and American soldiers, ran out of ammunition. Faced with mounting casualties, they placed wounded soldiers on transports and tried to make their way back to the base. Unfortunately, they ran into a contingent of about 10 insurgents on the way. That is when Toloza, out of ammunition, rushed the insurgents with nothing but his knife, buying enough time for reinforcements to arrive.

''We never considered surrender,'' Toloza reportedly said, ''I was trained to fight until the end.''

Phil Kosnett, who heads the Coalition Provisional Authority in Najaf, also has nothing but praise for the nearly 400 Salvadoran troops fighting shoulder to shoulder with American troops in Iraq. In fact, he is so impressed with their valor and dedication to duty, he has nominated six of them for the Bronze Star, and for good reason. The AP story goes on to explain that Kosnett himself believes he owes his life to them. Salvadoran troops, the story continues, ''repelled a well-executed insurgent attack on Kosnett's three-car convoy in March.''

Mr. Speaker, let us pay tribute to the sacrifices and heroism of our soldiers, as well as those of our allies, like Corporal Toloza, for their efforts and contributions to protecting freedom and on their efforts in the war on terror.

CELEBRATING THE LIFE OF MARY MCGRORY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. PELOSI) is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, it is with a great deal of sadness that I rise to pay tribute to Mary McGrory, who passed away 2 weeks ago at the age of 85. During her magnificent career with the Washington Star and The Washington Post, Mary informed and engaged her readers on every major event of the past half century.

Mary was a keen observer, an elegant writer and a tenacious journalist; and she was an inspiration to so many women. It was a joy to read her columns, and of course, we miss her terribly. That is why I am so pleased to join my colleagues here today, the gentlewoman from New York (Ms. SLAUGHTER), who was a very close personal friend of Mary McGrory, and our colleague, the gentleman from Massachusetts (Mr. MCGOVERN), who is in the Chamber now, as well as our colleague, the gentleman from Massachusetts (Mr. MARKEY), who had the honor of being pallbearers for Mary. What a tribute.

We loved Mary for her insights. No matter how many reporters covered an event, Mary always found the small detail that had large implications others may have overlooked.

She noted the manner in which Richard Nixon's staff reacted to his retirement press conference in 1962, the bearing of Secretary of Army Robert Stevens during the Army-McCarthy hearings, and so many other fine points. At times, it seemed that Mary grasped the significance of everything that she saw.

She saw nearly everything. We loved Mary for her diligence. She was one of the hardest-working people in Washington. Even into her eighties, she would come to Capitol Hill to see firsthand the events of the day.

She was always willing to have a cub reporter, even a senior editor, take her bags; but she would never ask someone else to take her notes.

She was legendary for looking after every detail, even writing out the instructions for her own funeral. She had directed her former Washington Star colleague, Phil Gailey, to talk about her beloved Star in the eulogy, and she told him: ''Don't go blubbering on me the way you do when you read a dog story with a sad ending.''

Mary's insight and her industry were matched only by her eloquence. We loved Mary for choosing every word with care.

Mary had a vocabulary that would send her editor reaching for his dictionary, and when she wrote about a retiring Congresswoman once that her ''black eyes still snap with the old fire,'' she gave her readers in eight words a better understanding of the congresswoman than lesser writers did in eight paragraphs.

From the Army-McCarthy hearings that brought her to Washington's attention, to her Watergate coverage for which she won the Pulitzer Prize, to her chronicling of the Iraq War debate which proved to be her swan song, her writing enriched our national dialogue. Those of us who were inspired by President John F. Kennedy, as she was, took sad solace in her loving reporting on his assassination.

Here, in the Congress, we were so fortunate to have the opportunity to honor Mary McGrory in March and to see the outpouring of affection and gratitude for her career. We were joined by many Members of the House of Representatives, many members of the United States Senate, many of her colleagues from the press corps. We were her fans, and we were there for her.

God blessed America with Mary McGrory, a beautiful writer, a wonderful person. Her passing is a tremendous loss for us all.

She loved Boston. She loved being Irish, but she also loved Italy; and she had a bond always with the Italians. She visited Italy frequently.

She loved her garden. We all know how much she loved her garden. One could talk all day about Mary McGrory and never be able to capture her in the way she would capture her. Nonetheless, it was an honor and a privilege, and, indeed, a joy to be able to call her friend.

Again, I know that I speak for many in this Chamber who will say thank you, Mary, for what you have given us. Thank you for being a blessing to our country. We will miss you sadly. Thank you.

WASHINGTON WASTE WATCHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HENSARLING) is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I rise again this week as part of the Washington Waste Watchers, a Republican working group dedicated to rooting out the rampant waste, fraud and

abuse that permeates every corner of the Federal bureaucracy.

I hope that soon the House of Representatives will be able to vote on a conference report for the fiscal year 2005 budget. Now, we have historically a large deficit in this Nation; and at this time, many of my Democrat colleagues suggest that it is time to yet again raise taxes on American families. Just last week, many voted against marriage penalty tax relief, the very same marriage penalty that would raise taxes on 30 million married couples by $369 next year.

Many Democrats keep demanding that we roll back the tax relief that is responsible for the unparalleled growth in our economy, the tax relief that is creating jobs; and the tax relief, if we look at the budget, amounts to 1 percent of the $28.3 trillion, trillion with a T, 10-year spending plan that we approved last year.

So if they are truly concerned about the budget deficit, perhaps they should focus on 99 percent of the challenge, and that is, the spending side of the equation, much of which, Mr. Speaker, unfortunately proves to be waste, fraud and abuse.

We must all realize that the deficit is the symptom. It is spending that is the disease. It is only the fourth time in the history of our Nation the Federal Government is now spending over $20,000 per household. This figure is up from just 5 years ago of $16,000 per household, representing the largest increase in the Federal Government in 50 years.

We have a spending problem in Washington, not a taxing problem; and I, for one, say it is not time to raise taxes on the American family as many Democrats seek to do, but it is time to get serious about rooting out the waste, the fraud, the abuse.

□ 1915

In other words, it is time to take out the trash in Washington. Let me give a few examples of waste in just one government agency. The Interior Department's Inspector General revealed that the Department now manages approximately 31,000 separate Web sites, presenting between 3 and 5 million pages of information with maintenance costs approaching $220 million a year. Now, AOL-Time Warner, who I believe is the largest Internet service provider in the world, manages in contrast about 50 sites, but the Interior Department manages 31,000 different Web sites. In an agency that employs 70,000, that means the Department of Interior has almost one Web site for every two employees.

Yet Democrats want to raise our taxes that would pay for more of this?

The Inspector General also reported at the Interior Department that we awarded $44 million in Federal contracts to the CEO of a tribal Indian corporation who stole and laundered a half million dollars in Federal funds.

The Guam Waterworks Authority, which receives Federal grants, incurred outrageous overtime costs of $8.6 million over a 3-year period, failed to collect delinquent accounts totaling $12.6 million, and failed to charge customers for a half million cost of water line extensions, all of this while using money from the Federal taxpayer. Yet Democrats want to raise taxes that will pay for more of this?

In another example, the National Park Service spent $800,000 on an outhouse, and it does not even work. The only thing it flushes is more of the American worker's hard-earned money down the drain. The list goes on and on and on.

Mr. Speaker, these are just a few examples of waste in just one Federal agency. The problem is we have over 10,000 Federal programs spread across 600 different agencies with little accountability to anyone. Republicans are trying to work to root out this waste of the American tax dollars. This should be a bipartisan issue, but many of our Democrat colleagues continue to fight us.

Last year our Committee on the Budget passed out a budget asking for authorizing committees to identify just 1 percent waste, fraud and abuse; just 1 percent. Yet Democrat leaders ridiculed the effort. One termed it a senseless and irresponsible exercise.

Mr. Speaker, I believe most Americans would disagree with that statement. In fact, I believe most would say saving taxpayer money and rooting out waste is common sense and the responsible thing to do with their money. The truth is there are many ways we can save money in Washington without cutting any needed services and without raising taxes on our hard-working American families because when it comes to Federal programs, it is not how much money that Washington spends that counts, it is how Washington spends the money.

CONGRESSIONAL OBLIGATION TO SEEK ANSWERS

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentleman from Illinois (Mr. EMANUEL) is recognized for 5 minutes.

Mr. EMANUEL. Mr. Speaker, today in Iraq, 138,000 American troops are putting their lives on the line. Despite the President's ''Mission Accomplished'' declaration, more of our brave service men and women died last month since any month since the war in Iraq. Deputy Defense Secretary Paul Wolfowitz does not know how much the war costs, or that 764 Americans have died, but that is typical of an administration that refuses to admit its mistakes or explain its policies.

The images of tortured prisoners, broadcast throughout the world, have done irreparable damage to our mission and credibility in the Middle East. Still the majority of the House and the chairman of the Committee on Armed Services said congressional hearings are unnecessary.

Let me quote President Kennedy. ''An error does not become a mistake until you refuse to correct it. Without debate, without criticism, no administration and no country can succeed, and no republic can survive.''

President Kennedy possessed the kind of leadership that allowed him to acknowledge mistakes and accept responsibility. But now there is a different standard, and today America received this response from House majority leader, the gentleman from Texas (Mr. DELAY), commenting on the possibility of a congressional investigation into the scandal of Iraq and the torture of its prisoners, ''A full-fledged investigation, that is like saying we need hearings on every case of police brutality. I do not think they are warranted.''

This Congress has an obligation to our constituents, to our country, to ask the how and the why about Iraq and seek answers. While refusing to hold hearings on Iraq, here is a list of what Congress has passed since the Easter break: Named, the John J. Pershing Post Office; named, the Wilkie D. Ferguson Courthouse; named, the Dosan Ahn Chang Ho Post Office; named, the Rhode Island Veterans Post Office; named, the Richard G. Wilson Postal Facility; named, the Paul Simon Federal Building; named, the James V. Hansen Federal Building; named, the Ronald Reagan Federal Building; commended the Garden Club of America; urged the release of Wang Bingzhang; recognized the importance of music education; congratulated the University of Connecticut basketball teams; congratulated the University of Denver men's hockey team; congratulated Kennesaw State University men's basketball team; authorized the use of Capitol grounds for the Soapbox Derby; authorized the use of Capitol grounds for the Police Officers' Memorial; honored Melvin Jones and Lions Clubs; supported the goals of Financial Literacy Month; supported the Green Chemistry Research and Development Act; authorized the Congressional Medal for Math and Science Education; supported Taiwan's entry into WHO; promoted freedom and democracy in Laos; recognized the importance of increasing autism awareness; increased Capital Access for Growing Business Act; and congratulated charter schools, to name a few.

As worthy as this legislation may be and while we passed all of this unanimously, here is what our brave men and women we all love to acknowledge and respect, here is what their headlines said: Insurgents kill 12 Marines in Sunni Triangle; al Qaeda claims responsibility for attacks in Iraq; As multifront uprising continues, U.S. loses control of Najaf, Kufa to Shiite Militia; Marines were Ambushed in Ramadi; Three more Marines killed in Iraq; Two U.S. troops killed; Sanchez declares current troop strength adequate as casualties mount; Fate of American hostage in Iraq still unknown; Apache helicopter reported

down; Nine Americans missing; Thirty-four foreign civilian kidnapped in Iraq; Five soldiers killed; April worst month for U.S. casualties; Pentagon extends tour of 20,000 troops in Iraq; Violence delays reconstruction projects; Ten U.S. soldiers killed across Iraq; U.S. troops in Iraq say Pentagon is failing to keep them equipped; Coast Guard seen as underfunded; General says Humvees are not up to the job in Iraq; Baghdad sniper kills American soldier; Ten U.S. troops killed on Thursday; Treasury agency has more employees tracking Castro than bin Laden; Eleven U.S. soldiers killed in four separate attacks by insurgents.

That is what our troops face and that is what Congress has done. We have an obligation to ask questions about Iraq and seek the answers. The Nation's standing in the world and people's lives are at stake. We have spent $112 billion to date on the war and reconstruction of Iraq. We owe it to our constituents to ask questions and seek the answers that they are asking and seeking.

And the breaking news this afternoon, the Bush administration is asking for an additional $25 billion without taking responsibility for what has happened to date.

As President Kennedy once said, to govern is to choose. While Congress has named its Post Offices and used the facilities for the Soapbox Derby here on the Hill, Americans at home have faced these headlines: Dow Chemical plans to cuts 3,000 jobs; Winn-Dixie plans to cut 10,000 jobs.

We can handle the Post Office naming and hold hearings into the whys and the hows of Iraq. We owe it to the people we represent. We are here to ask those questions and seek those answers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MARIO DIAZ-BALART) is recognized for 5 minutes.

(Mr. MARIO DIAZ-BALART of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to claim the time.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

SMART SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, I would like to say regarding the death of Mary McGrory that I just met here a year or so ago. She sized me up and said, you look good, but let us see what you are made of. Well, tonight let us go.

Mr. Speaker, last week the House voted unanimously to allow military reservists and National Guardsmen to make penalty-free withdrawals from their retirement accounts when they are called up for an extended period of active duty. Penalty-free withdrawals from their very own retirement accounts.

This bill seeks to help the one-third of Reservists who took a pay cut when called to duty in Iraq. Every Member of Congress supported this legislation because everyone supports the brave men and women who selflessly sacrifice their time, their energy, and increasingly their lives on behalf of this country. But we should not be proud of ourselves for unanimously passing this legislation. Instead of patting ourselves on the back for allowing our Reservists to raid their retirement accounts penalty free. We should be doing much more for those who defend this country during times of war.

Last November this Congress passed outrageous legislation to fund the war effort to the tune of $87 billion. That is on top of the $78 billion in supplemental funds that was appropriated in March 2003, yet reports show billions of those dollars are being misused, misappropriated and some even stolen in Iraq. On top of that, the Pentagon today is asking for $25 billion more in a 2005 supplemental package.

There is something drastically wrong when big companies like Halliburton and Bechtel get rich off the war effort, while the only riches paid to the Reservists who left their jobs to serve in the United States military are those that they raid from their own piggy banks.

There has to be a better way, and there is. One that emphasizes brains instead of brawn, one that is consistent with American values.

I have introduced legislation to create a SMART Security platform for the 21st century. SMART stands for Sensible, Multilateral American Response to Terrorism. It treats war as an absolute last resort. It fights terrorism with stronger intelligence and multilateral partnerships. It controls the spread of weapons of mass destruction with a renewed commitment to nonproliferation, and it aggressively invests in the development of impoverished Nations with an emphasis on women's health and women's education.

We need to shift our budget priorities to reflect the true needs of the American people. We must properly support the thousands of soldiers who sacrifice daily to serve and protect our Nation. SMART Security means equipping our troops with the tools essential to their survival, body armor capable of stopping bullets, armor for tanks that will help prevention the destruction of U.S. military conveys, and the necessary water equipment to keep the troops hydrated in the desert heat.

None of these things were funded fully, even after Congress approved $155 billion in supplemental spending last year.

SMART security means creating a permanent post-conflict unit that provides the first layer of reconstruction in countries that have been devastated by war and/or by oppressive dictators like Iraq and Afghanistan. And SMART would mean funding all Army peacekeeping units devoted to studying and preparing for future peacekeeping missions.

The Bush doctrine has been tried, and it has failed. It is time for a new national security strategy. SMART Security defends America by relying on the very best of America. Our commitment to peace, our commitment to freedom, our compassion for the people of the world, and our capacity for multilateral leadership. SMART Security is tough, SMART Security is pragmatic, SMART Security is patriotic. SMART Security is smart, and it will keep America safe.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

EXCHANGE OF SPECIAL ORDER TIME

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Oregon (Mr. DEFAZIO).

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

There was no objection.

CYBERSTALKING

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, America now knows the name of a woman who lives in my congressional district in Seattle. But she did not seek fame and would prefer anonymity.

Her name is Joelle Ligon. I rise to speak about her plight, her courage and the need for this Congress to act. Joelle deserves to live her life without fear, as everybody deserves. Unfortunately, Joelle's life was turned into a nightmare because of cyberstalking.

□ 1930

Today she is both a victim and an advocate, and she was invited to share her story the other day on ''Good Morning America.'' It was not easy for Joelle, but she knew it was important to warn America about the dangers lurking online. Joelle was 15 when she met and dated an 18-year-old young man in high school. Nothing unusual about that. Eventually Joelle severed

the relationship and moved on with her life. She married and began a career. A few years later, Joelle received an e-mail one day. It was supposedly sent from a woman she did not know, but whoever sent it knew her. Then a second e-mail came with more personal details that no stranger could possibly know. Joelle began to suspect that the woman was really a man. By the third e-mail, Joelle was sure the e-mails were coming from her former high school boyfriend. She wrote back, naming him, and telling him to stop. Things went from bad to bizarre. The e-mails got much worse. They began to include pornography and threats like this: ''Not only is it bad karma to have enemies, I'm a bad enemy to have.''

Joelle was terrified. Then came phone calls in the middle of the night. Her phone number had been posted online by someone urging men to call her for sex. Joelle went to the local police, but they concluded there was nothing they could do because no law had been broken. Joelle and her husband moved to Seattle, but within months the nightmare came back. Joelle started receiving calls at work from men who had seen her number posted online in sex chat rooms. She again went to the local police and to the FBI, but nothing was done. Finally, her coworkers and supervisors received an e-mail that accused her of falsifying her employment credentials and of sexual misconduct. The city of Seattle's computer security officer, Kirk Bailey, became the white knight. He got people involved, but progress was painfully slow because no laws specifically address cyberstalking. Eventually an assistant U.S. Attorney got involved, but finding a law to deal with a 21st century crime has been tough.

A break in the case came when the ex used her phone number in a chat room. Authorities acted, using title 47 of the Telecommunications Act for the first time in a case like this. The ex-boyfriend has been charged, but it has taken years and a courageous woman willing to see it through.

And it is not over yet. Joelle and millions of other Americans need our help. By some estimates, one out of every 12 women in America is stalked online. The problem extends to men as well. Some States, including Washington, have acted to toughen the laws, but it is time to recognize that cyberstalking is a national problem. We are using a 20th century law to fight 21st century crime. That has to change. Cyberspace has no State borders. Cyberpredators can reach across State lines to terrorize their victims wherever they live and work. Americans like Joelle need the protection that only the Federal Government can provide. We need to modernize our laws to make sure they protect Joelle and every American.

Cyberspace has opened doors we are just beginning to understand. This one, we already know. Everyone has the right to feel safe and be safe. Anything less is wrong and should be illegal with severe penalties. The first step is awareness. I am preparing a letter to circulate to my colleagues that will include newspaper accounts from Seattle about Joelle. We are going to work with the appropriate Members and committees in the House as soon as possible to tackle cyberstalking head-on. We will do what we need to do to clarify and strengthen our laws.

I urge both Republicans and Democrats to join me in protecting Joelle, to join me in protecting every American. Let the predators know that they are the only ones who should not feel safe today.

Joelle, you are not alone. Help is coming.

RECOGNITION OF UPCOMING ELECTIONS IN BELARUS

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, the world has seen some tremendous advancements in the last couple of months. We have had NATO enlarge with 10 new members. Just Friday we saw the EU expand also, now including 25 European nations. We do have a Europe united, whole and free. An exciting new thing about the new entrants to NATO and the new members of the European Union is that they are involved and they are engaged and they are dedicated to promoting freedom and democracy and liberty around the world, not just in our conflict with international terrorism; and many of the new entrants are part of the coalition of the willing, but also in neighboring states, being involved in helping promote the formation of democratic ideas, the formation of the rule of law, judicial courts. It is these new former Eastern Bloc countries, new entrants to the EU, new entrants to NATO that are engaged in transforming Europe to be united, whole, free and at peace.

However, Mr. Speaker, there is a glaring exception in Europe and that exception is the nation of Belarus of which I speak just for a few moments tonight. Belarus is the last dictatorship in Europe. As we follow and as I follow and the Nation follows the upcoming elections, I want the people of Belarus to know that the United States will be watching these upcoming elections and that they have a partner that wants to ensure democracy wins.

However, current events threaten those elections. Current events continue to plague the people of Belarus and those who want democratic reform and freedom. On May 3, Anatoly Lebedko, chairman of the United Civic Party, was questioned at Minsk's Sovetsky District Police Department over his alleged participation in the unsanctioned April 26 Charnobylski Shlyakh (Path of Chernobyl) march in Minsk. The police alleged that Lebedko was an ''offender'' for participating in the march and continued their interrogation until it was proven with their own video of the event that Lebedko had not even been there.

Despite that, Lebedko remains a target of the police and their harassment. Could it be that Lebedko has emerged as a threat to the current regime by advocating freedom and democracy? The important thing for the current regime in Belarus to understand is that Washington and the world are watching. The exciting thing about the upcoming election is that many of the parties that have for years been adversaries have been united, and they are united in forming a ticket from the UCP to the trade unionists. In fact, they call themselves the Group of Five, five diverse parties from the far left to the far right, united to have a strong presence on the ballot to give the people real choice, one choice that represents freedom and democracy versus an authoritarian totalitarian regime that we now find in Belarus.

I ask my colleagues here in this House to continue to keep the people of Belarus in their prayers as we hope and pray that they are the next European country that moves to full, free, and unhindered democratic government and principles and joins the world of nations and the EU as strong participants in the battle for freedom.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. WYNN) is recognized for 5 minutes.

(Mr. WYNN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. MCGOVERN. Mr. Speaker, I ask unanimous consent to take my Special Order out of order.

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

There was no objection.

IN MEMORY OF MARY MCGRORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, first of all I want to thank the gentlewoman from New York (Ms. SLAUGHTER) for urging many of us to come to the floor today to say a few words about Mary McGrory, who passed away 2 weeks ago.

Mr. Speaker, like countless people in this country and around the world, I loved Mary McGrory. She was an absolutely beautiful writer, and she was an absolutely beautiful person. To me, she was a treasured and dear friend. Mary's columns, which first appeared in the Washington Star and then in The Washington Post, were always well written and always right to the point.

She took on such subjects as Joe McCarthy, the war in Vietnam, Richard Nixon, and U.S. policy in Central America. And while she was an unabashed liberal and proud of it, many of her admirers included some of the most conservative politicians in America, in large part because they admired her integrity and her character. She called it as she saw it.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. MCGOVERN. I yield to the gentleman from California.

Mr. DREIER. I thank my friend for yielding.

Mr. Speaker, I would like to join and commend him and commend our Rules Committee colleague, the gentlewoman from New York, for focusing on the life of Mary McGrory. I think that the gentleman may have been referring to me with what he just said because I am a proud Republican who often, in fact I rarely agreed with Mary McGrory. But the fact of the matter is she was an incredible writer, an extraordinary human being, and very talented. I had many vigorous exchanges with her on a wide range of issues. Believe it or not, we did on more than a couple of occasions come down on the same side on an issue. She was thoughtful, she was dedicated, and she was very capable.

I just want to thank my friend and join as one of those Republicans who did have a great admiration for this great woman. I thank the gentleman for yielding and again thank the gentlewoman from New York.

Mr. MCGOVERN. I appreciate the gentleman's words.

Mr. Speaker, I would also remind those who are watching that her words that appeared in the Washington Star after the assassination of President Kennedy are still remembered and are still quoted today and are incredibly moving. She was also a rarity in that when she felt she was wrong, she said so. I remember that she was less than thrilled when President Bill Clinton gave Gerry Adams a visa to come to the United States to engage in talks about peace in Northern Ireland. It was a big deal to many of us who thought President Clinton was right because when you think of Irish, you think of Mary McGrory, and it was important to have her on your side. But later on Mary demonstrated the courage and the moral compass to publicly observe that her original words of skepticism might have been wrong. I admired that so much that she was willing to write in her column that she had a change of heart.

Over the years, Mr. Speaker, I had the privilege of being invited to many of Mary's famous dinner parties. These remarkable events were attended by who's who in Washington. There were politicians, journalists, administration officials. Oftentimes the Ambassadors of Ireland, Italy, and India were present. There were young people and some not-so-young people, and there were lots of people whom Mary just found interesting, friends of hers over the years. The conversations were always lively and off the record. I learned a lot about Washington and the world just by sitting back and listening.

These dinner parties, however, were about more than just politics and good conversation. They were parties that were also about entertainment and about fun. Mary liked to have people sing for their supper. Mark Gearan, a long-time aide to President Bill Clinton, former director of the Peace Corps and now president of Hobart and William Smith Colleges in Geneva, New York, was regularly enlisted to play the piano. Phil Gailey, a former coworker of Mary's at her beloved Washington Star and now with the St. Petersburg Times, would play some sort of harp instrument that to this day I still cannot identify.

Some of Mary's guests, like LOUISE SLAUGHTER and TOM DASCHLE and John Podesta and DICK GEPHARDT and ED MARKEY and Max Cleland and Mary Gearan and NANCY PELOSI, the late Tip O'Neill and my former boss, the late Joe Moakley, were often called upon to sing from Mary's song book. Some of her favorites included ''Amazing Grace'' and ''The Battle Hymn of the Republic'' and ''When Irish Eyes Are Smiling.'' Other people were asked to tell jokes or recite poetry. And then there were people like me with absolutely no talent who would hide in the back of the room, I was always afraid she would call on me, and watch this amazing show unfold.

Mary also did a great deal for this community. She was a huge supporter of St. Ann's Infant and Maternity Home in Hyattsville, Maryland. She volunteered there. She read to a lot of young kids, many of them who had no families. She gave them love, and she gave them hope. She used to take them to Hickory Hill, to Ethyl Kennedy's house, for swimming on a regular basis. A lot of the young kids could not pronounce her name, so they used to call her Mary Gloria instead of Mary McGrory. In fact they named a room after her called the Mary Gloria Room.

Mr. Speaker, let me just conclude with one final personal thought. When Mary died, she left instructions about how her funeral would be conducted. Her assistant Tina called me and said that Mary wanted me to be a pallbearer. I was so touched, and I thought it was such a great honor. It was to me an honor like getting an honorary degree from an Ivy League college or university because I admired this woman so much. She stood for all the right things, and she was a great woman of integrity and character.

Mr. Speaker, all of us who are gathered here today and I think all the people who are watching all throughout this country will miss Mary McGrory. I already do.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Ms. SLAUGHTER. Mr. Speaker, I ask unanimous consent to take my Special Order out of turn.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

□ 1945

CELEBRATING THE LIFE OF MARY MCGRORY

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from New York (Ms. SLAUGHTER) is recognized for 5 minutes.

Ms. SLAUGHTER. Mr. Speaker, I rise today to celebrate the life of a consummate patriot Mary McGrory, who passed away 2 weeks ago, and we may never see her like again. Mary was a loyal friend, a generous humanitarian, and most of all, a brilliant writer. Her lyrical commentary illustrated a command of the English language that was unparalleled. She used her talents to craft tough commentary, softened only by her steadfast compassion. Her allegiance to the defeat of injustice and the exposure of political phonies made her a champion to the underprivileged, a thorn in the side of policy makers, an icon to many, and a hero to me.

I met Mary McGrory shortly after coming to Washington when I was first elected in 1986. And as part of my campaign, I had run against the Contras. I thought everybody was. But Mary singled me out as being somewhat unusual, and she interviewed me for an article shortly after I got here that she was writing about the Iran Contra hearings, and we became very fast friends. I certainly never expected that wonderful national icon Mary McGrory to seek me out, but I had always loved her articles and I was awestruck by the fact that we were friends.

The passion with which she approached her life was remarkable. Nothing she did was done halfheartedly or without absolute conviction. As a result, her achievements as a journalist were preordained.

Mary's story serves as an inspiration to women working to achieve their dreams. When she entered the field of journalism, men dominated it. Journalism was not an easy profession for a woman to break into. Her first assignment in Washington was ''gender appropriate'' for the time, writing the book reviews for the Washington Star. But then she covered the Army-McCarthy hearings in 1954. Mary McGrory was the first person in the country to announce and denounce Joe McCarthy

as a bully. She then earned a national reputation as a serious and credible journalist of the first magnitude.

She grabbed the heart of the Nation with her coverage of President Kennedy's assassination. Her poetic tribute to his life and gentile commentary of his funeral comforted a grieving Nation.

The national spotlight shined on Mary again in 1974 when she was awarded the Pulitzer Prize for commentary for her coverage of the Watergate scandal. She was most proud that her coverage landed her a spot on President Nixon's notorious ''enemies list.'' That recognition served not as a warning to tame her merciless analysis but as a validation for her relentless work ethic.

When the Washington Star closed its doors in 1981, Mary was devastated. I am convinced, I believe, that she had lost her own true love. Although she would continue to write for the Washington Post, whom she also loved, her first allegiance was to the Star.

My colleague has already talked about the wonderful work that she did with the orphans and the children needing help in this city for more than 5 decades, but I can never forget Mary McGrory the entertainer. I was a proud member of the Lower Macomb Street Choral Society for which we had to audition. Whether one was a diplomat, a media member, or anybody, they had to audition for that group in the comfort of her living room. Her infamous lasagnas fed our stomachs and her favorite Irish songs fed our hearts. It was a coveted invitation to go to McComb Street, and then for the last 10 years, Mary and I have had dinner together here in the Capitol just before the State of the Union address, and the next one for me will be extremely lonely.

I last spoke with her on the day that the gentlewoman from California (Ms. PELOSI) rescued the portrait of Mary Theresa Norton from one of the Capitol closets. She had been the Chair of the Committee on Labor and was responsible for child labor laws and the fair labor standards, and we knew nothing about her. We were happy that day to find an article that Mary had written about Congresswoman Norton where she quoted the gentleman from Michigan's (Mr. DINGELL) father as saying that Mary Theresa Norton could do anything that any man could do and do it better and do it faster, and it was a great honor to pay to her.

I would like to end with one of Mary's favorite songs that we sang together with Phil Gailey sometimes at 2 and 3 in the morning, and they sang this at her funeral, and I know the gentleman from Georgia (Mr. LEWIS), who is here in the audience, will know this.

I'll meet you in the morning
With a how do you do
And will sit down the river
And with rapture old acquaintance renew.

You'll know me in the morning
By the smile that I wear
When I meet you in the morning
In the city Four Square.

I will meet you there, Mary.

ORDER OF BUSINESS

Mr. BLUMENAUER. 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 Oregon?

There was no objection.

ABU GHRAIB PRISON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, as an American, I am ashamed and disgusted by the horrendous unspeakable acts at Abu Ghraib prison caught in pictures and displayed around the world. The impact of these images is devastating precisely in the part of the world where we are already struggling to counter the widespread impression that we do not respect the Arab world and Islamic traditions.

There is no excuse for these pictures and the acts shown. There is no excuse for a Secretary of Defense to be out of the loop and then deliver an apology that sounds like a lecture. I have listened repeatedly to Secretary of Defense Donald Rumsfeld dismissively brush aside penetrating questions from Members of Congress about both his policies and their execution.

We have seen Rumsfeld and his civilian managers at the Pentagon fail to appreciate and understand concerns from their uniformed command structure. They have dismissed the truth tellers like General Eric Shinseki who gave an honest and accurate assessment of troop requirements. They have removed people within the administration like White House National Economic Council Director Larry Lindsey who was candid about the cost of this war.

At one time I thought Rumsfeld's refusal to put a price on the projected cost on the mission he was leading was because he was trying to hide it.

While it is true there has been no excess of candor from this crew, it is becoming more and more clear that another reason that Rumsfeld and his team have not been forthcoming is that they probably really do not know. They have not a clue and repeatedly do not appear to care that they do not know.

The most recent example from the guy who is always trying to look like he is in charge but not knowing what is going on is the report of the abuse of Iraqi prisoners which has forced the President into a series of embarrassing efforts to apologize. A war that has begun with the exaggerated threats of weapons of mass destruction has morphed into a war that is based upon, well, I frankly do not begin to understand the latest justification. It took reporters like Seymour Hersh of the New Yorker to force other reporters to know what they knew and only when the truth behind the administration's contradictions and misinformation is exposed does the administration acknowledge that there may be a problem. And now months after a report that highlighted these problems, there is a grudging acknowledgment and apparently some steps are being taken to correct it after widespread damage to our credibility, damage to our already low-standing in the Arab world, and giving a green light to people who take our troops and other American citizens hostage as we have lost moral authority to effectively protest abuse of our people.

The administration does not know what is going on and clearly they are unsure about what to do. They are spending huge sums of money on private contractors that is not just eating up far more than it would take to equip U.S. troops properly but blurs lines of responsibility. They do not know whom to hold accountable, and if they did, it is unclear what they can do to these independent contractors other than canceling a contract.

I think it is clear four things need to happen. First, we should open our Iraqi prisons to independent third-party monitoring by the United Nations and International Red Cross. There is a reason why we should honor constitutional protections and commit to international standards of law and prisoner treatment. We should stop delegating to unaccountable private contractors functions that should be under the direct control and supervision of United States military uniformed command. We need to get a new Secretary of Defense, somebody who really is on top of the situation and who does read reports, who is not dismissive of our allies, of Congress, and of his own uniformed command.

Most important, for those of us who are in Congress, we should be finding out ourselves about these issues, not relying on the New Yorker and CNN.

There was a time when congressional panels, oversight committees were exercising oversight. We can grumble about the administration, but failure to do our job is only our fault.

PRISONERS IN IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WATSON) is recognized for 5 minutes.

Ms. WATSON. Mr. Speaker, we are all shocked, saddened, and outraged by recent reports of the abuse of prisoners in Iraq and Afghanistan. The evidence cannot be in dispute. Graphic photos have gone from one end of the earth to the other that show stripped young Iraqi men forced to lie in a naked pile with a male and female soldier standing over them and hamming for the camera. Whether we like it or not, the

picture of a hooded, wired prisoner, which one commentator described as an eerie throwback to drawings from the Spanish Inquisition, has become the new image of the U.S. occupation of Iraq.

And this hooded image may be one of the kinder and gentler images to have yet seen the light of day. A highly critical report completed by the Pentagon in March paints a much more graphic and disturbing picture of prisoner abuse. The report outlines a number of intentional abuses, and I will quote partly from it: ''videotaping and photographing naked male and female detainees; forcibly arranging detainees in various sexually explicit positions for photographing,'' and ''a male MP guard having sex with a female detainee; sodomizing a detainee with a chemical light and perhaps a broomstick; and threatening male detainees with rape.''

Yes, we are all sickened and outraged by the photos and the reports. The President, his cabinet, military leaders, and the Secretary of Defense have all lined up to say that this is not what America is about; it is just the unfortunate handiwork of a few bad apples, and they will be held accountable for their actions. Perhaps. But as Philip Kennicott writes in today's Washington Post: ''These photos show us what we may become as occupation continues, anger and resentment grows and costs spiral. There's nothing surprising in this. These pictures are pictures of colonial behavior, the demeaning of occupied people, the insult to local tradition, the humiliation of the vanquished.''

Should it be surprising, however, that these events have occurred under the watchful eye of an administration that prizes secrecy and loyalty above all else?

Mr. Speaker, the prisoner abuse scandal demonstrates that the United States is on the precipice of a major foreign policy disaster. Our standing in the world has been lowered to the point that the United States has been isolated in the court of world opinion. President Mubarak has stated unequivocally that the United States is the most hated Nation in the Middle East. Ouch, that hurts. And sadly, even in other parts of the world, we are no longer viewed as peacemakers but instead as the principal threat to world peace.

To date, the war has cost the taxpayers over $150 billion. Now we are being told that the war will cost more and that 135,000 U.S. troops will remain in Iraq through 2005. Billions of dollars have been spent to enrich private corporations such as Halliburton and Bechtel. Private contractors are running around even interrogating prisoners with what appears to be less than optimal supervision. Congress has failed thus far to exercise its proper oversight of the war. What additional scandals and outrages are lurking just around the corner?

Mr. Speaker, now is the time to change course in Iraq. The principal architects of the war in Iraq, Secretary Rumsfeld and Deputy Secretary Wolfowitz, have presided over a failed policy. It is past due time for them to leave their posts and submit their resignations. The security, safety, and prestige of our Nation is at stake, and we will not win the hearts and the minds of Iraqis, the Arabs, and the rest of the world with blood in the sand.

□ 2000

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. WATSON. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I simply would like to say that while I disagree with the final conclusion that the gentlewoman has just drawn, the outrage that she began stating in her comments is outrage with which we totally agree; and we have been working over the last couple of days since this news came out to bring forward what we hope will be a bipartisan resolution from this House tomorrow. We are going to be meeting, it appears now, possibly early in the morning in the Committee on Rules to report out a resolution which will state our strong condemnation of the actions that we have seen taking place in the treatment of these Iraqi prisoners.

Mr. Speaker, I thank my friend for yielding me time so I could clarify this.

CELEBRATING NATIONAL ALLERGY AND ASTHMA AWARENESS MONTH AND ALLERGY AND ASTHMA AWARENESS DAY

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, this month we are celebrating National Allergy and Asthma Awareness Month. Yesterday was Allergy and Asthma Awareness Day.

Last night, while attending the Allergy and Asthma Network Mothers of Asthmatics Awards Recognition Dinner, I had the pleasure of meeting two dynamic young people who suffer from asthma and yet are doing amazing things to raise awareness about this respiratory disorder.

Evan Mungan of Arnold, Maryland, and Rachel Lambin of Gardenerville, Nevada, were the recipients of the AANMA Creative Kids Sunny Awards, which highlights drawings, paintings and writings by children who share their feelings about asthma.

Mr. Speaker, Evan won an award for his drawing entitled ''Good Day/Bad Day,'' which is here on the floor, which illustrates the difference between a healthy lung and a lung with asthma.

Rachel wrote this original composition, ''When I Can Breathe,'' which is here on the floor, which expresses her feelings when the weight of asthma has taken its toll on families.

Asthma is the most common chronic disease of childhood; and, unfortunately, the number of children and young people with asthma is increasing. About 17 million U.S. citizens have asthma; 5 million of these are children under the age of 18. About one in 13 school-age children has asthma. Health care costs related to asthma are estimated at $14 billion annually.

Both Rachel and Evan joined me on the floor today, Mr. Speaker, and they had the opportunity to be on the floor with their siblings, John Henry and Anabel, to take part in meeting Members and shaking their hands. They really did enjoy that.

But, Mr. Speaker, the faces of asthma sufferers are the faces of all of our children, and I believe we have a duty to help them. Earlier this Congress, I introduced the Asthma Awareness and Treatment Act of 2003. This legislation allows the HHS Secretary to award contracts for a national media campaign to inform the public and health care providers on asthma, allergies and related respiratory problems, especially in children, and provides research into whether there is a causal relationship between air pollutants and the occurrence of asthma, allergy and related respiratory problems.

I am also proud to cosponsor H.R. 2023, the Asthmatic Schoolchildren's Treatment and Health Management Act of 2003. This legislation would give funding preference to those States that protect students' rights to carry and use prescribed life-saving asthma and other medications.

I would like to thank the AANMA for all of their hard work in making this 7th Annual Asthma Awareness Day on Capitol Hill such a resounding success. I joined with my colleague, the gentleman from Texas (Mr. BARTON), to cochair this year's day on Capitol Hill.

TIME TO GET OUT OF IRAQ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEWIS) is recognized for 5 minutes.

Mr. LEWIS of Georgia. Mr. Speaker, I rise today with a heavy heart, but my conscience is clear. I am so sick and tired of seeing so many of our young men and our young women die in Iraq.

Why has our Commander in Chief led them to their deaths in this unnecessary war? What will we tell the parents who will never see their children again? What will we tell the children longing in vain for their mothers and fathers to come home? Why did they die? Why?

After the atrocities we have committed against the Iraq prisoners of war, after the physical and psychological damage we have inflicted on the people of that nation, we can no longer truthfully say we are leading Iraq to freedom. Before the war, we were told that we would be welcomed as liberators.

Mr. Speaker, I say to you today, we must take a good hard look at our leadership in America. I say to you today, we must hold them accountable for mistake after mistake we have committed in this war. We must hold them accountable for the deaths of our young people, and we must hold them accountable for the unjust torture of our prisoners of war.

Mr. Speaker, it is not a question of who committed these unbelievable acts of torture. It is not a question of who, but what. What led to this flagrant disregard for the humanity of our fellow human beings?

Those at the highest level of this government, the President, the Vice President and the Secretary of Defense, they have all created the climate and the environment that led to these abuses. They have disregarded the sovereignty of another nation. Now our soldiers have disregarded the humanity of the citizens of Iraq.

Violence begets violence, Mr. Speaker. A military overthrow of another government does not lead to a peaceful democracy.

American soldiers smiling as they humiliate citizens of Iraq. There must be a sense of righteous indignation in America about what happened in those prison cells, and there must be a sense of righteous indignation in this Congress against these unspeakable acts.

Mr. Speaker, I have said it in the past, and I will say it again today: war is messy. It is bloody. It tends to not just hide the truth, but to sacrifice the truth.

Why did it take so long for this information to come out? Why did the officials at the highest level of government try to hide these crimes against humanity? Why did they try to cover them up?

Mr. Speaker, we have made mistakes, yes; but it is not enough to issue an apology. It is not enough to say we are sorry. We should issue an apology, but we should say we are sorry also.

But, Mr. Speaker, the handwriting is on the wall. It is time for us to get out. It is time for us to bring our young men and our young women home. It is time for us to close this very dark and sordid chapter in the history of our great Nation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MEEHAN) is recognized for 5 minutes.

(Mr. MEEHAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. ESHOO) is recognized for 5 minutes.

(Ms. ESHOO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. HASTINGS) is recognized for 5 minutes.

(Mr. HASTINGS of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MARKEY) is recognized for 5 minutes.

Mr. MARKEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MEEKS) is recognized for 5 minutes.

(Mr. MEEKS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. VAN HOLLEN) is recognized for 5 minutes.

(Mr. VAN HOLLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

(Mr. GREEN of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RUSH) is recognized for 5 minutes.

(Mr. RUSH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. CORRINE BROWN) is recognized for 5 minutes.

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

CONDEMNING MISTREATMENT OF IRAQI PRISONERS AND REMARKS ON CREATING A DYNAMIC 21ST CENTURY ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. DREIER) is recognized for 60 minutes as the designee of the majority leader.

CONDEMNING MISTREATMENT OF IRAQI PRISONERS

Mr. DREIER. Mr. Speaker, I have some remarks that I am going to share with our colleagues on the 21st century economy and some of the challenges that we are going to face, but I would like to preface my remarks by responding to some of the issues that have been raised by my colleague, the gentleman from Oregon (Mr. BLUMENAUER), my colleague, the gentlewoman from California (Ms. WATSON), and the gentleman from Georgia (Mr. LEWIS), who spoke just before me.

There is in fact righteous indignation, as the gentleman from Georgia (Mr. LEWIS) just said, over what we as a Nation have seen take place in the Abu Ghraib prison in Iraq.

We as a Nation and as a people are outraged over this treatment of prisoners. It appears to be in clear violation of the Geneva Convention, and I believe that we have a responsibility to do everything that we can as a body to clearly state the outrage that we have.

As I said in response to the remarks being made by my colleague, the gentlewoman from California (Ms. WATSON), Mr. Speaker, we are working at this moment on a resolution that I hope very much can enjoy bipartisan support that will allow every single Member of this House to go on record expressing what the gentleman from Georgia (Mr. LEWIS) correctly describes as righteous indignation over what we have observed.

Now, the closing remarks that were just offered by the gentleman from Georgia (Mr. LEWIS) had to do with the call for our withdrawal from Iraq; and

I would take just a moment to respond to that, Mr. Speaker, by saying that it is very apparent that some seem to have forgotten what led to where we are today.

It was September 11, 2001, when our world changed. Following September 11, President Bush immediately moved in on al Qaeda and the Taliban and Osama bin Laden in Afghanistan. We also know that the global war on terrorism extended beyond Afghanistan. We know that in Iraq, Saddam Hussein had been a supporter of terrorist activities, clearly in his region; and we know that he had utilized weapons of mass destruction against his own people.

There is a reason that we are in Iraq today, Mr. Speaker; and it has to do clearly with our quest to do what only, only the United States of America is capable to do, and that is to stand up for freedom, liberty, human rights and independence as we struggle with this global war on terror. That is why I want to congratulate President Bush for the strong, unwavering, decisive leadership that he has shown in this global war on terror.

CREATING A DYNAMIC 21ST CENTURY ECONOMY

Mr. DREIER. Mr. Speaker, I would like to talk about the best ways for the American people to deal with the changes that are taking place in our economy right here at home.

I have actually been talking a lot about change in recent weeks and taking a look at the profound and rapid change that has been taking place in this country over the past 20 years. I have spoken a great deal about the transformation of our economy and the fact that that change has had a tremendous impact in the high-tech area. It has created this change, a dynamic 21st century economy, an economy largely based on serving customers, business customers, Mr. Speaker, customers like you and me.

We have an economy that is based on skilled workers harnessing new technologies, finding new ways to increase efficiency, boost productivity and better serve customers. This is all taking place in a very fast-paced and very competitive environment.

New technologies and new business practices develop practically overnight. In this 21st century economy, about the only thing that remains constant is the fact that things are constantly changing. And they are changing for the better. Over the past 2 decades, in the United States of America we have created 40 million new jobs, largely in high-wage sectors. Over that 2-decade period, real wages have increased by 30 percent and productivity has more than tripled, while the size of our economy has doubled to what is a nearly $11 trillion economy today, nearly twice the size of any other economy on the face of the Earth.

□ 2015

And, it is important to note that students here in the United States are graduating from college in unprecedented numbers.

Now, there is no doubt about it: 2 decades of change have significantly improved the quality of life of average Americans. But there is also no denying the fact that change, even profound change for the better, does breed anxiety, and anxiety can cause people to seek stability rather than pursue greater change for the better.

This desire for stability is certainly understandable. It also has a longstanding history in our economy. While the past 20 years have witnessed a remarkable rate of change and growth, massive change has swept through our economy before. At the time of our Nation's birth, we had a largely agrarian economy. America then underwent a long transition to become the world's leading heavy industrial economy. And this shift that took place certainly did not happen overnight, the shift from an agrarian economy to a heavy industrial economy.

While there are no clear starting and stopping points, the transformation of our agrarian economy to an industrial economy took about 100 years, about a century. Through the increasingly widespread use of heavy machinery in factories, transportation modes and, of course, on the farm, we gradually witnessed what became known as the industrial revolution. Throughout this period, there was a great deal of anxiety about the changes that were taking place. Workers whose families had been farmers for generations were suddenly faced with having to find new kinds of work, new ways of supporting their families. This often meant finding a job and a line of work their fathers and grandfathers had never even heard of. A farmer in 1885 certainly never dreamed that one day his son would head off to work in Henry Ford's assembly line. He probably spent his time wondering and worrying about the existing kinds of work that would be available for his children; the existing kinds of work that would be available for his children.

Again, we can all understand this anxiety in the face of fundamental change. Predicting the future is not easy. If it were, I and I am sure all the rest of us, Mr. Speaker, would have invested in Microsoft and Wal-Mart 2 decades ago. But now, with the benefit of a century of hindsight, we can clearly see that the industrial revolution was a good thing, that transition from an agrarian economy to a heavy industrial economy was, in fact, a good thing. The middle class exploded. Our standard of living increased rapidly. Life expectancies climbed as workplaces became safer and grueling manual labor was no longer commonplace. Transportation became faster and safer. Communications also became easier and quicker. More and more Americans had access to quality education.

The benefits of this massive transformation in our economy are so apparent, it seems absolutely absurd to ask the question if we are better off because of that transition from an agrarian economy to a heavy industrial economy. Who here today would go back to the lifestyle of the 1830s? Obviously, no one. The more interesting and more telling question is why did the loss of millions of agricultural jobs not bring about the collapse of the American economy? In the face of profound change, how was our economy able to change for the better?

The answer simple: our flexible and dynamic system created new and better jobs. Let me say that again, Mr. Speaker. It is a very simple response about this change from the agrarian to the heavy industrial economy. Our flexible and dynamic system, very inextricably tied to this free market process, created, yes, new and better jobs. Innovation led to new opportunities. Rather than viewing new technologies as job destroyers, hard-working Americans knew that these achievements in heavy machinery could be powerful job creators. They harnessed these new technologies and transformed our entire economy.

Because Americans had the freedom and flexibility to innovate, we did not stagnate and decline. We adapted and we grew. We call that progress.

Today, we are well into our second economic transformation from that heavy industrial economy to our 21st century, business-serving-customers economy. This time, the transformation is taking place far more quickly. Even during periods of very strong growth in job creation, the churning that takes place within our economy is rapid and very far-reaching.

For example, back in 1999, just 5 years ago, our economy was booming. It was a boom year for the U.S. economy, 1999. Growth was quite strong with a 4.5 percent GDP growth number, and unemployment was very low at 4.3 percent. Yet, Mr. Speaker, over the course of that year, we witnessed the destruction of 33 million jobs. Let me say that again. In 1999, we had 4.5 percent GDP growth. We had an unemployment rate of 4.3 percent. Yet, that year, we witnessed the destruction of 33 million American jobs. But, at the same time, 36 million new jobs were created.

Now, over that period, nearly 100,000 jobs were lost every day, but our dynamic, bold, strong, innovative, creative economy created even more jobs than those 100,000 that were lost every single day. And the result, of course, was a net increase of 3 million jobs.

Now let us look at a period of slower economic growth, just 2 years ago, in 2002. At that time, the economy was just beginning to emerge from economic recession. GDP growth chugged along at a 2.2 percent growth rate. Unemployment was right around 5.8 percent, and over the course of that year, 32 million jobs were lost, while 31.7 million new jobs were created. Now, of

course, the net effect of that was a loss, a net loss of 300,000 jobs. Remember, slow growth, emerging from recession, 2.2 percent GDP growth, an unemployment rate of 5.8 percent and, yet, we saw 32 million jobs lost, 31.7 million jobs created.

Now, this dynamism is often overlooked when we talk about our economy. In 1999, Mr. Speaker, news reports and economic commentary did not tell the story of 33 million jobs that were destroyed in this country. What we heard about was the net gain of 3 million jobs. In 2002, we did not hear about the creation of nearly 32 million jobs. What we heard about was the loss of 300,000 jobs. The net gain is, of course, the number that we are all interested in. We want to see exactly how many net jobs are created, and we all want that number to be just as big as possible. But I am highlighting the millions of jobs lost and the millions of jobs created because they are the two sides of the equation that ultimately determines net job creation.

In other words, there are two ways we could attempt to achieve job growth. We could either try to stop millions of jobs from being phased out, or we could, Mr. Speaker, focus on creating even more new jobs, many of which are obviously in new technologies, just as was the case back when that farmer never conceived of the fact that his or her son would one day work in Henry Ford's factory.

So as I say, we could either try to stop millions of jobs from being phased out, or we could focus on creating even more jobs.

I also highlight these numbers behind the numbers because they reveal something that is very interesting. In 2002, a year of relatively slow economic growth, as I said, about 2.2 percent GDP growth, fewer jobs were actually reported lost than in 1999, that year of booming job growth. Now, this is key. These numbers say we lost 33 million jobs in 1999, and only 32 million jobs in 2002. Thirty-three million jobs when we had very bold, 4.5 percent GDP growth, an unemployment rate of 4.3 percent, and 32 million jobs were lost when we saw very, very slow economic growth of 2.2 percent and an unemployment rate of 5.8 percent.

The fact that more jobs could be destroyed during the boom is hugely significant. This tells us that our job growth equation, with job losses on one side and job creation on the other side, the number we should be focusing on is the job creation number. Yet, many of my colleagues have proposed just the opposite as a public policy for us. The opposite are these proposals designed to simply prevent any jobs from being lost.

Now, there are several proposals making their way through the Congress and in State legislatures and, unfortunately, those proposals, Mr. Speaker, ignore the job creation numbers. They ignore the fact that 2002, a year of relatively slow economic growth, actually saw fewer jobs lost, fewer job losses than 1999, that boom year. And they seek to somehow spur job growth by keeping the job loss number from growing.

Now, the presumptive democratic nominee, JOHN KERRY, has proposed raising taxes on companies that invest globally as a way to preserve jobs here at home.

CHRIS DODD, the senior Senator from Connecticut, has a proposal which was adopted by the other body in the form of an amendment to the corporate tax reform bill. That amendment was designed to prevent globally-engaged companies from competing for Federal contracts, and we have this discussed in State legislatures for States.

My colleague, the gentlewoman from California (Ms. WATERS) has the same proposal here: preventing globally-engaged companies from competing for Federal contracts.

The Senate minority leader, TOM DASCHLE, has his Jobs For Americans Act, which is cosponsored by Senator KENNEDY. This legislation would impose new restrictions and regulations on any company, large or small, that invests in growing overseas markets. Each one of these proposals, intended to increase the number of jobs for Americans, attempts to control the job loss side of the jobs growth equation. But would they be effective? Can we boost job growth by trying to simply focus our attention on preserving existing jobs?

Well, again, the numbers from the past several years demonstrate that we cannot. But rather than attempting to make an educated guess based on the data we have, I have a better idea, Mr. Speaker. We should use empirical evidence. I think what we should do is draw our wisdom from the example put forth by our friends in Europe; specifically, the French. The people of France thought up job preservation proposals long before they ever occurred to any of the economic isolationists we deal with here in both Houses of Congress.

France, along with a number of other European Union countries, has been imposing these very kinds of restrictions for years. We do not have to predict if jobs will be created if we prohibit U.S. companies from freely competing on a worldwide basis. We can simply look at the French model and ask ourselves, is job growth strong? Is the capital creation that leads to job growth thriving? Do we want our economy to look like the French economy?

Well, the answer is a resounding no. We know that the French have twice the unemployment and half the job growth, the GDP growth that we enjoy in the United States. Like the proposal that our colleague, Senator DASCHLE has in his Jobs For Americans Act, France imposes strict requirements on all businesses that intend to lay off workers. These restrictions have been in place for many years. For instance, a French employer must notify any worker of an impending layoff, in writing.

□ 2030

The notification period varies from case to case, but the minimum is 6 weeks. And in some cases, employers must give their workers up to 9 months before laying them off. This notification is followed up by a hearing in which both the employer and employee can state their cases.

In the event that the employer does lay off a worker, he is required to provide a substantial severance package. In an effort to stem the exodus of businesses from their high tax, high regulations system, France began imposing, actually this is inconceivable, an exit tax. They began this back in 1998, an exit tax. The European Union recently struck down this provision, but for 6 years the French have used this highly burdensome tax on businesses to prevent them from moving to countries with less restrictive government regulations.

So with all of these ''job security'' measures in place, that are intended, very well intended, they are intended to prevent companies from laying off workers and moving offshore, you have to ask the question, are the French workers better off today? Has government regulation been able to save any jobs? Is new business creation, which would create new jobs, booming in France? The answer is an obvious no.

Since 1999 the unemployment rate in France has been stuck right at about 10 percent. While it dipped as low as 9.1 percent in the end of 2002, it is now back up to 9.5 percent. And it continues to rise at a time when the overall unemployment rate for OECD countries is falling. This decrease, I might add, is being led by falling employment right here in the United States of America.

Furthermore, France's economy overall is fairing quite poorly. Last year the GDP growth rate in France was 1.8 percent; and estimates for this year are at 1.7 percent. Its finance ministry recently announced that it is hopeful that the economy could grow by as much as 2.5 percent next year. But even they admitted that this relatively slow rate of growth will be very difficult to achieve.

I think it is important to note that this stagnation is not a recent or temporary situation in France. The French are not simply going through a few difficult years as all countries do from time to time and as ours clearly has. Average annual growth and GDP throughout all of the 1990s in France was 1.9 percent. Just over half the average GDP growth rate of 3.4 percent that we have had here in the United States, but maybe France is just an anomaly, Mr. Speaker.

France, their restrictive job security laws would have a different effect in a different economy. So let us look at another case. Germany. Germany has many labor regulations that are similar to France's. And like their neighbor to the west, these laws have been in place for many years. The Protection

Against Dismissal Act, which could have been the model for Senator DASCHLE's Jobs for Americans Act, was adopted a half century ago just after World War II. This statute requires every employer to justify the laying off of any employee taken into account, taking into account social justice factors.

Now, these factors include things like whether the employee is a single mother or elderly or disabled. Employers must give workers notice of layoffs between 1 and 7 months in advance, depending on how long a worker has been with a company. Employees can challenge any layoff in court and obtain preliminary injunction allowing them to remain on the job until their cases are decided. Preliminary injunctions can keep people on a job while their case is being decided, whether or not it is a good business decision for that operation.

These are very stringent requirements imposed on German companies, no doubt in an effort, well-intentioned, the effort, of course, to protect German workers. But are these workers better off, Mr. Speaker? Since the late 1990s, unemployment in Germany has hovered above the 8 percent level and has steadily climbed over the past year. In 2003, it inched up from 9 percent to 9.2 percent and continues to climb.

At the same time the GDP growth rate in Germany has, as has been the case in France, been a paltry 1.7 percent for the last 2 years.

Mr. Speaker, economic forecasters have recently downgraded their growth predictions for Germany from 1.8 percent to 1.6 percent, even lower than that anticipated in France. Just like France, economic stagnation has been a part of the German way of life for many years. Throughout the 1990s, economic growth averaged just 1.5 percent, an abysmal one-third of the economic growth rate that we have seen on average here in the United States economy. The long term numbers clearly do not stack up well against the United States. But let us compare the short-term numbers, Mr. Speaker.

French and German unemployment is at 9.5 and 9.2 percent, respectively, and those numbers are increasing. In the U.S., unemployment is at 5.7 percent. That is roughly half the levels of unemployment for both France and Germany. The same goes for economic growth. While the French and German economies have been inching along at less than 2 percent, GDP growth, the U.S. economy has been racing forward at a 4.1 percent annual growth rate, more than twice the growth rate of both France and Germany. And in the third quarter of 2003, the U.S. economy grew at a staggering 8.2 percent, our fastest growth rate in 20 years.

But perhaps the most telling numbers of all are what I will call innovation indicators. In terms of new patents, research and development, venture capital, the U.S. far outpaces France, Germany and the entire European Union. For example, the United States leads the world with 185,000 new patents granted every single year. This is almost four times the amount for the entire European Union.

In 2002, France granted fewer than 4,000 patents and Germany only granted 11,000 patents. In other words, U.S. innovators are producing 50 times the work of their French counterparts and 17 times the work of their German counterparts. A look at research and development shows a similar picture.

Last year, the United States spent almost $300 billion on research and development. That is nearly a third of a trillion dollars on research and development, including both public and private sources. This year we will spend $320 billion, an increase that stems in large part from the President's commitment to increase Federal research and development funding. In fact, the President's proposed R&D budget of $132 billion marks a 42 percent increase since he took office.

France, by contrast, spends only $30 billion a year, a tenth of what the United States spends. Germany devotes $37 billion a year to R&D which is less than one-sixth of the U.S. total. Once again, the United States of America is the global leader while France and Germany trail far behind.

Another important innovation indicator is venture capital. Business and individual investors provided over $21 billion in venture capital in 2002 right here in the United States. That compares with less than $2 billion in France and about a billion dollars in Germany. In both cases, a tiny fraction of the venture capital investment that we have here in the United States. In fact, the amount of venture capital raised each year in all of western Europe barely equals a third of the amount raised here in the United States.

Mr. Speaker, each one of these innovation indicators which demonstrate the vitality and dynamism of an economy together with factors like unemployment and growth and gross domestic product, clearly shows that our economy is creating far more and far better opportunities for workers than any place else. It seems that the ''job security restrictions'' might not be quite the boon to workers that their proponents would have us believe. Europe's failed attempts to artificially retain existing jobs have guaranteed economic stagnation, not future prosperity for their workers.

The French and German models demonstrate that job growth cannot be achieved simply by trying to prevent any jobs from being phased out. Instead, we need to focus on the other side of that jobs equation that I have discussed earlier. The job creation side.

In light of our economic history, this should come as absolutely no surprise whatsoever. Our Nation's economic strength has always been based on the ability of industry, workers, and consumers to innovate, adapt and create new and better opportunities. As we saw with the shift from an agrarian economy to an industrial economy, success did not stem from our ability to prevent the loss of agricultural jobs. Our success was a result of our ability to harness new technologies and create entirely new fields of work. And we transformed our economy into a global leader in the process.

Today it is just as critical as ever that we reject the path of stagnation and choose the path of progress instead. The path that encourages companies to innovate, raise productivity, compete abroad, and create the new kind of jobs that reflect our uniquely American ability to adapt to the changes of the future. This is the American model for job growth.

But if this has been our formula for success and global economic leadership for nearly 200 years, why are our current job growth numbers not as strong as we would like? After all, our economy has been out of recession for over 2 years. In fact, growth is clipping along at a brisk 4.1 percent. The stock market is performing well, real wages are growing, consumer confidence and spending remain high, and home ownership is at record levels. All indicators point to 2004 looking a lot more like the boom of 1999 than the relatively slow growth that we saw in 2002.

Yet, while the job growth numbers have recently grown much stronger, the overall job creation picture still looks a little weaker than expected. Now, Mr. Speaker, I believe that there are three reasons why the job creation numbers have not yet matched the exuberance of the rest of the economy. First, we quite simply are not counting all of the new jobs. Our jobs statistics, the number of new jobs that comes out on the first Friday of every month are derived from the payroll survey known as the Establishment Survey. The data are collected by asking a sampling of businesses how many people they employ and if they are adding or reducing jobs.

The problem is that the payroll survey only looks at the established businesses. That is why they call it the Establishment Survey. There is no means for counting the self-employed, the independent contractors, the enough business start-ups. These entrepreneurs are completely left out by our job creation number. But we do know that they are out there. And we know that the number is growing.

Significant anecdotal evidence from established businesses shows that companies are increasingly relying on more fluid business models. Independent contracting gives both businesses and skilled workers greater flexibility in coordinating projects and meeting their individual needs. While the payroll survey misses these types of workers, they do get counted in the household survey. The Department of Labor's household survey goes directly to individuals and asks them if they have a job and what kind of work they are doing.

Now, Mr. Speaker, because the household survey looks at the entire workforce and the payroll survey only looks at a certain kind of employment, it is no surprise at all that the household survey shows a net gain of over 1.5 million jobs since the end of the recession in November of 2001. Over the same period, the payroll survey shows a net loss of about 350,000 jobs. While even the payroll survey has not recently begun indicating robust job growth, 308,000 new jobs in the month of March and 204,000 new jobs in the previous 2 months, the two surveys still show a discrepancy of almost two million jobs since the end of the recession.

□ 2045

Furthermore, trends in job creation indicate that the payroll survey is increasingly inadequate for counting new jobs. The household survey shows that one-third of all new job creation is in self-employment. This means that the fastest-growing part of our workforce is missed entirely by the payroll or establishment survey. If we are going to have an accurate picture on job creation, we need jobs statistics that account for the kinds of jobs our 21st century economy is creating.

The second reason I believe job creation has not yet reached expectation is that our economy is in the process of creating entirely new types of jobs in entirely new types of fields.

In recent decades, job losses and gains have primarily been the product of the business cycle. Employers would be forced to lay off workers during tough economic times and would rehire them during the recovery. Because the job opportunities before and after a recovery looked very similar, reemployment happened very quickly.

Today, we still go through cyclical change, but we are also experiencing a great deal of structural change. As I discussed earlier, we are in the midst of a major economic transformation. In our 21st century economy, a new job is often new in every sense of the word, new work in a new field demanding completely new skills.

Rather than simply going back to their old jobs, workers are increasingly finding work in cutting-edge fields and learning very, very different skills. Part of our focus in the 21st century economy should be helping to match workers with employers so that reemployment can take place so that we can see reemployment take place just as quickly as possible. We need to help match workers with employers, workers who were laid off so that we can help them.

The third factor, Mr. Speaker, that I believe is affecting net job creation in this country, and the perception that we are experiencing a jobless recovery is the fact that there are very real barriers to job creation that still exist here in America. These include the rising cost of providing health care for workers, frivolous lawsuits, the cost of complying with ever-growing government regulations, and a Byzantine corporate Tax Code.

In fact, the National Association of Manufacturers estimates that these factors raise the cost of doing business in the United States by almost 25 percent, that is, these factors, the things that exist, the frivolous lawsuits, the regulations, the tax burden and the cost of health care, they have increased the cost of doing business by almost a quarter. That can be devastating to any company, particularly small- and medium-sized businesses, and it can significantly impede the ability of entrepreneurs to turn their innovations into new jobs for Americans.

These three factors, inadequate job statistics, the structural changes that are taking place in our economy and the barriers to job creation, are all impacting our jobs numbers; and each presents an opportunity for us, Mr. Speaker, as policy-makers.

Improving our data analysis, helping to match workers with new jobs and training for new skills, seeking reforms that will lower the cost of doing business in the United States from tort reform to health savings accounts, these are a number of initiatives that the Congress of the United States can pursue to boost job creation in this country. The most important part is that we keep our focus on the job creation side of the equation.

It is true that, as in an earlier era of buggy whip makers and blacksmiths, some jobs are disappearing forever; but I reject the belief that we have reached the end of American innovation. Call centers in India are simply not a harbinger of stagnation and decline. To say that they are is defeatism in its most basic form.

Admittedly, I cannot stand here and tell my colleagues exactly what the jobs of tomorrow will be, just as a defeatist in 1850 could not have foreseen jobs in film production or software engineering. What I can tell my colleagues, Mr. Speaker, is that Americans have a long history of adapting and growing and being innovative and creative. If we allow workers to continue down that road towards innovation, we will continue to create lots of new opportunities for Americans.

Mr. Speaker, Senator KERRY and many on the other side of the aisle want us to pursue the French and German models; and we know from that experience that what we have seen from the French and the Germans does, in fact, create stagnation and stifling regulation and jeopardizes the ability for Americans to be innovative and creative.

Mr. Speaker, I will take the American way, with confidence in the American worker and the American employer for the future.

VISIT TO THE CAPITOL OF HAITI'S SO-CALLED PRIME MINISTER

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, I would like to take this opportunity to place on the record what happened here today with the visit by Mr. Gerard Latortue, who is the illegally appointed Prime Minister of Haiti. Somebody invited him to come here to the House of Representatives; and two meetings were set up, one at 10:30 where members of the Congressional Black Caucus were invited to meet with him, and a later one at 1:30 where members of the Committee on International Relations were invited to meet with him.

Those meetings were not attended in any appreciable numbers by either the members of the Congressional Black Caucus at the 10:30 meeting or the members of the Committee on International Relations. Of the 39 members of the Congressional Black Caucus, I am told that perhaps maybe six people showed up; and for the Committee on International Relations, where there are 49 Members, 26 Republicans and 23 Democrats, only about six members of that committee showed up.

I think it is important to note that this took place. It is important for the world community to know and understand that just as CARICOM, that is, the nations of the Caribbean, rejected Latortue, and do not accept him as a legitimate representative of that government, the Congressional Black Caucus does not accept him and recognize him as a legitimate Prime Minister for Haiti; and it was indicated today by the lack of attendance.

It is important for me to say this because Latortue is trying to make the world community believe that he is gaining the support of the Congressional Black Caucus. That absolutely is not true. We consider that he was illegally appointed. It is in violation of the Haiti Constitution, and he is presiding over crisis and chaos in Haiti.

Haiti is worse off than it has ever been. Not only do we have killings that are going on every night; we have members of the Lavalas Party, the party of President Aristide, in hiding. They are being killed. Their lives are being threatened; but worse than that, this so-called Prime Minister, Mr. Gerard Latortue, embraced the known killers who have occupied the northern part of Haiti and recently appeared on a platform with Mr. Guy Philippe, Mr. Louis Jodel Chamblain, Mr. Jean Tatoun, all of whom are known to be criminals. Mr. Guy Philippe is a known drug trafficker. Mr. Chamblain and Mr. Tatoun have been convicted in absentia for their role in the massacre of thousands of Haitians at Raboteau in 1994.

They were all in exile. They were all recruited to come back into Haiti and join with the so-called opposition, and they played a role in the coup d'etat. They threatened to kill President Aristide, and they are still running around Haiti, armed, trying to reestablish an army, recruiting Haitians,

burning down police stations and killing members of Lavalas. This so-called Prime Minister called them in a public meeting freedom fighters. It is so outrageous, it is so ridiculous, and that is one of the reasons he is not being accepted. He is not being respected, and he is not considered as a serious person with any leadership ability or any vision for Haiti's future.

So, let the record indicate that he came to the Capitol; that he was not received by any appreciable number of people; that he did not get his message across. We have said to the State Department and to Secretary Colin Powell that it is important, it is imperative that they arrest and incarcerate the thugs and the criminals who are in control of Haiti. There is no way that they can ask us to recognize this puppet and this puppet government and to recognize this illegally appointed so-called Prime Minister until at least they take those steps.

THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, I appreciate the words of my friend from California (Ms. WATERS) and her passion about what has happened in Haiti and how our government has not been exactly on the right side of that. Equally important, I want to say something about my friend from California (Mr. DREIER) and his comments.

To try to make it sound like the Democrats and Senator KERRY want the French and the German model, while he wants the red, white, blue American model is just a bit much. We are all proud of the economic growth. We are all proud of the freedoms of our country. We are all proud of our strong environmental laws, our worker safety laws, our laws to protect the public and the dynamic economy we have. No one is arguing, nobody I know, JOHN KERRY, anybody else is arguing we want the French economy or we want to be Germany.

What we are arguing is that we can do better with this economy than George Bush has done. We look back at the 1990s during Bill Clinton's 8 years and saw 25 million jobs created. We look at George Bush's 3½ years and see 3 million jobs lost, and we see a President who, during his term, will be the first since Herbert Hoover that has expressed, that has experienced a net loss of jobs.

I look at my State when I hear the gentleman from California (Mr. DREIER) speaking about this incredible economy. Then I look at my State, and we hope we had an economy like he was talking about. I do not think very many places in this country, if any places, do have that kind of economy, the picture he painted; but we know what we need to do to make the economy better.

Instead, President Bush has used the same old tired bromides, tax cuts for the wealthiest people in the society. If you make a million dollars in a year under the Bush plan, you get a $20,000 tax cut. The Republicans hope this tax cut will trickle down and create jobs. It clearly has not worked. We lost 3 million jobs in the last 3½ years.

The second part of his economic plan over and over is let us do more NAFTAs, let us do more trade agreements that continue to ship jobs overseas, that outsource, that hemorrhage jobs to China and Mexico. That clearly is not working, but I understand my friend from California. I understand his viewpoint.

Members of Congress do not feel the anxiety that my constituents feel. In my State, we have lost 177,000 manufacturing jobs. One out of six manufacturing jobs in my State has simply disappeared during George Bush's Presidency. Yet George Bush's answer continues to be more tax cuts for the most privileged and continues to be trade agreements that do not work and continues to be this ideological mission to give tax cuts and say that automatically tax cuts to the wealthy automatically create jobs. It simply has not worked.

What we need to do is extend unemployment benefits to the 1 million Americans, fifty-some thousand Ohioans, whose benefits have expired since January. We need to, instead of rewarding those companies that go offshore and change their corporate headquarters to Bermuda so they can avoid taxes and have continued to get various kinds of Federal contracts, on-bid contracts in the case of Halliburton, and all of that, we need to pass legislation that will actually give tax breaks to those companies that stay in the United States and manufacture here.

□ 2100

Several manufacturing companies from my State came to see me today. They cannot believe we continue to give tax breaks to these big, multinational corporations who ship jobs overseas, who outsource to India, and we do not give any kind of tax incentives to American manufacturers. I just wanted to say that in response to my friend from California.

Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I know we are going to talk about prescription drugs tonight, but I just want to say that I heard the gentleman from California also, and he kept referencing France and Germany and how their economies were not doing well and the U.S. was doing so well. I do not know how he can make those comparisons because I do not think the United States is doing well at all.

I saw an analysis yesterday in terms of what was happening to the United States in terms of job losses as opposed to Canada, and it showed dramatically that even though the Canadian economy is very dependent on the U.S. economy, the Canadian economy actually increased the number of jobs over the 4 years at the same time that jobs were being lost here under President Bush's Presidency. It said the reason was because in Canada, although they gave tax cuts, the tax cuts all went to the middle class and working people, and those people basically got that money and reinvested it and created more jobs, and it also talked about how productivity in Canada and the United States increased at about the same amount over the last 4 years, but in the United States the profits from the increased productivity went to corporate profit whereas in Canada, the increase in productivity was passed on to workers in higher wages and they invested it and created more jobs.

The gentleman from California was comparing other countries, and he did not mention Canada. The reality is if we look at the Canadian experience in the last 4 years, it is the Republican policies in the United States, huge tax cuts to the rich, taking the money from increased productivity and giving it back in corporate profits and not giving it to workers, this has resulted in a huge difference between our two countries. We lose the jobs, and in Canada they increase the number of jobs.

It is the President's policies which have caused these job losses. It is not something that is inevitable, it is something that he has caused with his Republican majority.

Mr. BROWN of Ohio. Mr. Speaker, tonight I am joined by the gentleman from New Jersey (Mr. PALLONE), the gentleman from Maine (Mr. ALLEN), the gentlewoman from Ohio (Mrs. JONES), the gentleman from Ohio (Mr. STRICKLAND), and the gentleman from Washington (Mr. INSLEE) and I want to talk about Medicare and the discount card program that has been unveiled this week.

Enrollment began for the prescription drug discount card through the Medicare bill passed last year. For some seniors in Ohio, this can mean $600 in prescription drug benefits. On the surface that sounds good, and we want seniors to look into these cards. If they can get any help, that is a good thing.

However, the real story about the discount cards is found in the details. The discount drug cards will further complicate an already confusing process for America's seniors. Instead of implementing a prescription drug benefit under one program, Medicare, the simplest, cleanest and the deepest discount available and possible, which 40 million of America's seniors know and trust, the administration fought on behalf of the insurance and the drug companies, who really wrote this bill, the administration fought to create an unnecessarily complex system that diverts money away from benefits and gives it to drug companies, insurance

companies, and to these discount card companies that we will talk about in a moment.

The big drug companies under this original $400 billion bill, the big drug companies will profit an additional $150 billion from this bill, and insurance companies will get $46 billion. The insurance companies get a direct subsidy, a direct payment of my tax dollars and your tax dollars directly into their pockets for this bill.

No wonder, considering the drug companies, we hear on the streets of Washington, the drug companies are going to give $100 million to President Bush's reelection. They have already given tens of millions. No wonder the President wrote this bill so these companies benefited.

The drug card portion of the bill was in part crafted by friends of the President, such as David Halbert, CEO of Advanced PCS, one of the discount card companies, a man who set President Bush up in business before he was President and before he was governor, around the time he ran unsuccessfully for Congress, Mr. Halbert set President Bush up in business and helped President Bush make his first million in an unsuccessful oil company.

It is no surprise then that this system features 70 cards by 70 different private companies. It is a lot like the multiple HMO system that my Republican friends are trying to foist on Medicare beneficiaries. The gentleman from Maine (Mr. ALLEN) has said on the House floor that seniors want a choice of doctors and hospitals and prescription drugs, they do not want a choice of insurance agents or fancy brochures or insurance companies. Unfortunately, what this discount card does is give seniors a choice of a whole bunch of discount cards, and it is almost impossible to figure out which one is the best.

A senior in Akron in my district will have to research through 50 cards to find one that works. Under our plan, they could have used one card. Under the Republican plan, they are going to have to go through 50 cards. They are going to have 50 cards that they need to sort through. Let me see, I am taking Fosamax. This card covers Fosamax, this card covers Vioxx, but this card covers Zoloft, but this card covers Celebrex.

Why do they make this more confusing instead of allowing seniors one card, one discount, one plan. Instead, the Republicans have 50 cards, 50 plans, 50 insurance companies, 50 mailings coming to their house, 50 insurance agents knocking on their doors representing 50 different insurance companies. The answer is why would they choose this over this? The answer is pretty obvious. It just might, and correct me if I am wrong, I ask my friends from Washington and Ohio and Maine and New Jersey, it might have something to do with the insurance industry, the drug industry, and Mr. Halbert, CEO of Advanced PCS, that makes these cards, it might have something to do with the fact that they gave lots of money to President Bush's reelection.

We have all read in the paper that President Bush has set all kinds of fund-raising records. One week it is 150, then he flies Air Force One out to Cleveland or Portland or New Jersey or Washington State, does a little bit of government business so he can charge it off to the government, and then he does another fund-raiser and raises another $3 million. It just keeps going up, setting records every week. No wonder he can raise $200 million when he does things like this instead of doing it right.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Once a senior goes through all these cards and finally reaches a decision, and that is going to be difficult to do, once they reach a decision and select a particular card, they are stuck with that card for an entire year. Yet the sponsors of that card every 7 days can either increase or reduce, but they are most likely to increase the costs of the drugs that are a part of that card. And every 7 days, the sponsor of the card can change the medicine covered by that card.

Mr. BROWN of Ohio. So I look through these cards. I am a senior and I decide Fosamax is here, and they also do Claritin and Zoloft, so I want this card. I pay $30 and sign up for the whole year. And then Mr. Halbert's company, if it is his card, he can change it, but I have to stay with this card, is that how it works?

Mr. STRICKLAND. You can start out by getting a discount of 10 percent, and in 7 days that discount can be reduced down to 5 percent. I ask the gentleman from New Jersey (Mr. PALLONE) to clarify this, but, for example, I am a senior citizen and I have high cholesterol, and I take Lipitor to control my level of cholesterol. I sign up for a card that has Lipitor as one of the medicines that is available under that card, and I am stuck with that card for an entire year, but 2 weeks after I sign up for that particular card, the card's sponsor decides they are not going to provide Lipitor any longer for high cholesterol, they may decide to provide Pravachol or some other drug, and I am left without the ability to get the drug with a discount that my doctor says I need.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, I choose a card and I get a decent discount, even though the price goes up 20 or 30 percent per year. So you are the card maker, you can both cut the discount and you can take my drug off the discount card list totally?

Mr. STRICKLAND. Every 7 days, I am able to make those kinds of changes in the level of discount and in the drugs that are actually covered by that discount card, and yet the senior will be stuck with that particular card for an entire year. So I am locked into one card for an entire year, and the sponsor of that card has the ability to make all of these changes and I am the victim. I am helpless to do anything about it.

Mr. PALLONE. Mr. Speaker, everything the gentleman said is absolutely true. I saw the gentleman from Ohio (Mr. BROWN) show the variation cards, and I think he has to make it clear, they are not getting all those cards. They are just going to choose one.

Mr. BROWN of Ohio. One card for $30.

Mr. PALLONE. Also, I do not know how the senior citizens will be able to make a decision which card to use. They have a Web site and you can go on that Website, and they will give you the different cards and tell you what is covered and what the cost is going to be today, but a lot of seniors are not just taking one drug, too. So they are supposed to look through all these different cards and decide which is the best based on the particular cost for the particular medicine or several medicines at a given time, but there is no guarantee of anything. There is no guarantee that discount is going to be there the next day because it can be changed. My understanding is they have to provide some type of drug like Lipitor, but they do not need to provide Lipitor.

Mr. STRICKLAND. They have to provide one drug in every class of medications; but there are many medications that are prescribed for high cholesterol. I can tell Members that I took one drug for high cholesterol for over a year, and it did not control my cholesterol. It was not until my physician changed my prescription that I was actually to find control for my cholesterol level. That is an example of the problems that seniors are likely to face.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Last year when my mother was very ill, she had to get five prescriptions on her health care plan. I went to the pharmacist to pick up these various drugs. Three were within the plan. One cost $10, another $10 and another $11; but two were not within the formulary and so one cost $263 for 30 days and the other cost $250. Seniors can choose what prescription drug they will cover. So, for example, my mother had congestive heart failure and kidney failure, and her doctor prescribed some of the newest drugs treating those types of conditions, but those drugs were not covered by the formulary; therefore, they were paying significant dollars, and I anticipate that will be the same problem for seniors.

Mr. PALLONE. Mr. Speaker, they are only comparing cards on this Web site and the fact of the matter is if we look at any one of these drugs, and I am going to use Lipitor. This is from the National Committee to Preserve Social Security and Medicare, what they did is they not only posted the prices for

drug cards, but also what you can get at some drug companies like cvs.com or drugstore.com or costco.com or what the price might be in a Canadian drugstore.

Lipitor, for example, the cheapest is actually at drugstore.com. It may very well be there is a card that is not even on the list that will give a better discount, or you can get it online through one of the other companies or drugstores that is offered online; and certainly in almost every case, the price is less in Canada.

So the whole notion of trying to give seniors a choice is just based on the notion that somehow these cards sponsored by the government are going to give them a good choice. Reality is they are not. The same drug is cheaper elsewhere on the Internet.

Mr. STRICKLAND. I believe this is an election year scam, and America's senior citizens are going to be so confused. They are not going to know what choices to make, and we are doing it because an election is coming up in November and we want to present to our senior citizens that we are actually doing something meaningful when the drug companies are telling us that they expect their drugs to be increased by about 18 percent this year and these discount cards are likely to provide much less in discounts than that.

□ 2115

So seniors are going to end up paying more even with these discount cards than they have been paying.

Mr. BROWN of Ohio. Mr. Speaker, it is hard to say that it is a good deal when the drug companies raised the price 20 percent and President Bush has a discount card that might be 12 or 13 percent, and then it happens again and again.

Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN), who has done so much in this whole issue.

Mr. ALLEN. Mr. Speaker, several people are saying how much seniors are going to have to pay for these drugs. The trouble is, one part of the problem is, it is their tax money that is being used to promote the program. We have just seen the Federal Government spend tens of millions of dollars to promote the underlying prescription drug benefit that will not take effect until January of 2006. Now there is an $18 million taxpayer-funded campaign hitting the airwaves to promote these new Medicare cards.

So the public has to pay for the TV advertising, to persuade them of something that is not true, that is, that these cards will actually help them.

There was an article in the Portland paper today quoting one woman, 70-year-old Jean Houston of Waterville, Maine, who said she has already tried calling the Federal Government's toll-free number to enroll. She has not gotten through yet. ''I tried to sign up,'' she said. ''I called five times yesterday and three times today.'' How long will it take Jean Houston just to get through?

Now, CMS says, well, they have got a Web site. They can just go to the Web site. Most seniors do not have computers that are linked to the Internet. That is just a fact. And the idea that they are going to sit down and try to choose among 50 different cards with all sorts of different drugs when the pharmaceutical companies can change the drugs that are on the cards any given week, week after week after week, this is just absolutely nonsense. But there is an explanation. My staff tells me that CMS has now admitted that if we get seniors to work through this absolute maze, this absolute nightmare of 50 different prescription drug cards, it will help prepare them.

It will get seniors used to working with private plans, private insurance plans. Instead of the Medicare plan, which has the same benefit and the same additional premium for everyone in the country no matter where they live, we are going to have lots and lots of private insurance plans. The systems that are failing the small business community today are going to be inflicted on seniors in Medicare, and it is not right.

Mr. BROWN of Ohio. Mr. Speaker, it is almost like NAFTA. People lose their jobs. We are retraining them. We are retraining seniors so they can negotiate private health plans.

Think about what the gentleman from Maine (Mr. ALLEN) said now. We had a choice. We could do what President Bush wanted to do on behalf of his friends that own the drug companies and the insurance companies. We could have 50 cards to choose from and seniors can go through and try to choose the best one and pay $30 and the cardholder changes the way it works and changes the discount, changes what drugs are available. We can look at 50 cards and choose and get about a 10 or 15 percent discount, or we could use one card and we could tell the government to negotiate price, tell the government to negotiate on behalf of 39 million Medicare beneficiaries a better price the way Canada does. Canada's prices are 30, 40, 50, 60, 70 percent lower than the United States because the Canadian government on behalf of the whole country, 29 million people, negotiates drug prices.

Why could we not use a card like this, give this to every senior, and then negotiate prices on behalf of every senior in this country, 39, 40 million beneficiaries? They go to a drug store and they show this card and they automatically get that 30, 40, 50, 60, 70 percent discount. Instead, because President Bush receives so much money from the drug and insurance industry, he has given us 50 cards for seniors to choose one of the 50, and then maybe, if they are lucky, get a consistent 10 or 15 percent discount. So we have one card that could do 50, 60, 70 percent discount or a choice of 50 that might do a 10, 15, 20 percent discount.

I yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I thank the gentleman for yielding to me.

And the shame of it all is here we have seniors who are in the twilight of their life. The last thing they want to do is to be surfing the Internet or looking through booklets trying to figure out where to buy their drug, what discount they want, how will they choose. It is really just ridiculous. It is a shame that we would put the burden on the backs of seniors to require them to negotiate through this process. Even with this proposal that will allow lower-income seniors a $600 benefit, they are probably going to spend so much time trying to manipulate or make it through the process that they are not going to be payable able to benefit from this at all.

It is almost like the lottery. One gets a lottery ticket and they scratch off on it. Does this work? No, that does not work. Let me go to the next scratch off, and I am going to scratch off again. And it is almost similar to how much benefit we in Ohio got from the lottery in terms of education right now, and here we are imposing upon the seniors across this country the responsibility to figure out not only what plan to go to, but how do they figure out the benefit, and then in 2006 they are going to have to go back and figure out what plan to take and what plan will benefit them or not benefit them.

It is a shame that we are not standing up for seniors and saying, seniors, just like Medicare used to go to work, they can go to the doctor, get their Medicare. They can go to the pharmacist, get their prescription, and they can move on without all this hassle. And I agree with the gentleman from Ohio (Mr. BROWN) that we ought to make sure seniors understand the dilemma they have been placed in by this legislation.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Ohio (Mrs. JONES).

It is just incredible that the Congress has passed something to put more confusion in seniors' lives, to make the choices more difficult, more complicated. One of 50 cards that gives a small discount instead of using the buying power of 40 million Medicare beneficiaries to get one good discount that every senior can put in his wallet or in her purse and get a good 30, 40, 50 percent discount like the Canadians and the French and the Germans and the Japanese and the Israelis and the Swedes and everybody else.

Mrs. JONES of Ohio. Even in Cuba, Mr. Speaker.

Mr. BROWN of Ohio. Everywhere, Mr. Speaker. And I cannot think of any other reason. It is all because President Bush has received literally millions of dollars in campaign contributions from the drug industry, from the insurance industry, and from Mr. Halbert, the CEO of AdvancePCS and his company and other companies that make these prescription drug cards.

I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I would just like to follow up by what the gentleman is saying because this may seem to many people in this country to be a very odd result. Why on earth would the Republicans in Congress and the President put pass this kind of complicated plan? Well, remember what they said when they passed it. They said that in the long run, this would help save money, this would be cost efficient. We would have competition between plans and that would drive down costs.

Not exactly. Right now, right now, the private plans are being paid 107 percent of the cost to Medicare. That clunky old government-run fee-for-service Medicare program that the Republicans wanted it to get rid of. The private plans are being paid 100 percent more than it cost Medicare to deal with the average Medicare beneficiary. We will pay those private insurance plans $46 billion more than it costs the government-run fee-for-service Medicare plan. In other words, we are paying private insurance companies more than it costs to deliver Medicare to Medicare beneficiaries today and for what reason? Why on earth? Well, the insurance industry knows it is money in their pocket. Not millions of dollars, not hundreds of millions of dollars, but billions of dollars. The pharmaceutical industry knows as well.

Mr. BROWN of Ohio. Mr. Speaker, think about this. We are giving the insurance industry $46 billion just direct, reach in taxpayers' pockets, put $46 billion from taxpayers' pockets into insurance companies' coffers. I mean, there is no doubt about that, $46 billion. That is actually $1,100 for every single senior in this country. There are 40 million Medicare beneficiaries. That is more than $1,000 for every senior in this country. So instead of giving $1,000 to seniors to buy a drug benefit, which is a lot of money and most seniors have drug costs not much more than that, and many have a lot more, but $1,000 goes a long way for anybody, instead of giving $1,000 to every senior, we are giving the insurance industry $46 billion, $46 billion that could go to all kinds of things. But how much money did they give President Bush and the gentleman from Texas (Mr. DELAY) and the Republican leadership?

Mrs. JONES of Ohio. Mr. Speaker, will the gentleman yield on just that point?

Mr. BROWN of Ohio. I yield to the gentlewoman from Ohio.

Mrs. JONES of Ohio. Mr. Speaker, I will be short. Not only are we giving them this money up front. When the seniors finally do get a prescription drug benefit in 2006, we are going to be forcing the seniors to pay the premium every month into the plan and they will get no coverage when their drug costs are between $2,000 and $5,000, that doughnut hole we have been talking about. So these plans will get money while the seniors get no benefit on top of the billions of dollars we have already paid.

Mr. BROWN of Ohio. Mr. Speaker, it is hard to think when this bill was written by my friends on the other side of the aisle, if my colleagues remember, during the debate on that, they started the debate at midnight. The vote was cast at 3 in the morning, not finished until 6 in the morning, so they could twist enough arms and do enough drug company contributions to get it through, it is hard to think that seniors were ever in the calculation. It was about the drug industry and the insurance industry.

Mr. STRICKLAND. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, I noticed that we have got some people in the balcony tonight, and many of our constituents obviously are watching through C–SPAN. I think it is appropriate that we just take a moment and explain.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman will refrain from noticing guests in the gallery.

Mr. STRICKLAND. Mr. Speaker, I am very glad that there are those watching us tonight and are paying attention to what we are saying because we have lots of constituents. I have lots of constituents back in Ohio certainly that are watching, and I am sure there are constituents watching from Maine and New Jersey and elsewhere. And I think they need to know how this bill came into being. We received this bill as a body, over 700 pages, I believe, on a Friday morning. We began that debate. We debated Friday afternoon and through the night and at three o'clock in the morning when most of the people who are watching us tonight were probably asleep.

They finally called the vote. I would remind my colleagues that this is probably the most important piece of domestic legislation that this body has considered maybe in many years, and we recall that the President told us it was going to cost $400 billion. Now we find out that his own administration's actuary had indicated it was going to cost over $550 billion, and apparently he was told he would be fired if he told the Congress, those of us who are supposed to be representing the people of this country. He was told he would be fired if he told us the actual cost, an action that the CRS, the Congressional Research Service, is now saying was probably an illegal act.

But anyway, at three o'clock in the morning they called the vote here in the people's House. And at the end of that 15-minute voting period, the bill had lost because it is a bad bill. And they kept the vote open, not for 15 minutes, not for 30 minutes, not for an hour, not for 2 hours, but for 3 hours. And the press said that they got the President out of bed at four o'clock in the morning so that he could start twisting arms. And then the gentleman from Michigan (Mr. SMITH), who is retiring and whose son is running in a Republican primary, indicates that he was approached on the floor of this House, the people's House, and offered $100,000 for his son's campaign if he would change his vote. Think of that. Think of that. And at 6 o'clock in the morning as the sun was coming up, they finally convinced enough Members to change their votes, and the bill passed.

That is not how an important piece of public policy should be crafted in a democracy. And we walked home that morning, as the gentleman recalls, as the sun was coming up after that kind of shameful behavior had taken place in this Chamber. And now they are spending $18 million on TV ads to try to convince America's senior citizens that it is a good thing. Shame on this administration for this kind of political shenanigans.

Mr. BROWN of Ohio. Mr. Speaker, I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding to me.

I want to follow along with what the gentleman from Ohio (Mr. STRICKLAND) has been talking about because just this Monday, the Congressional Research Service issued an important report, and in that report they concluded a couple of things. First of all, they were looking at this issue that was raised by Richard Foster, the Medicare actuary who has testified that he was threatened by his boss, Tom Scully, the head of CMS, that if Foster went to Congress and told them the truth about his projections for what the Medicare bill would cost, which was $150 billion more than what administration was saying, if he went to Congress and told them that, he would be fired.

Let us look at this report. This report was just made public on Monday. One point here it says ''Congress's right to receive truthful information from Federal agencies to assist in its legislative functions is clear and unassailable.''

□ 2130

They go back to say that according to the report, attorneys at CRS said these gag orders have been expressly prohibited by Federal law since 1912.

Let me read you one of applicable laws. It is at 5 U.S.C. Section 7211. ''The right of employees individually or collectively to petition Congress or a Member of Congress or to furnish information to either House of Congress or to a committee or Member thereof may not be interfered with or denied.''

But the truth is that the head of CMS, appointed by this President, refused to allow his employee, the Medicare actuary, to tell Congress the truth. So on the night of that vote, Republicans and Democrats believed that the only applicable projection was that this law would cost $400 billion over 10

years, when Medicare program officials themselves knew it would be $550 billion.

We have talked about this before, all this money going to the insurance industry, $46 billion more than it cost the government-run program. No wonder it is not cost-efficient. No wonder it breaks the bank. No wonder that it delivers a very small benefit, given the amount of money being spent on it.

This report makes it clear: The law was violated when the Congress was not told what the cost of this bill would be, what the projections of the Medicare actuary would be, and that in itself makes it clear, it never would have passed this Chamber if we had been told the truth.

Mr. BROWN of Ohio. Mr. Speaker, reclaiming my time, imagine if everybody in this Chamber had known, Democrats over here, Republicans, if all of us had known that this bill would send 46 billion taxpayer dollars directly to insurance company coffers. If people in this hall had known that, Members of Congress had known that that would mean $1,100 for every Medicare beneficiary would just be a gift to the insurance industry, no matter how much money the drug companies gave to Republican leaders, no matter how many calls George Bush had made to Republican Members, no matter how many arms they twisted, no matter how many drug company lobbyists had descended like vultures into this institution, no matter all of that, if we had known, if they had not broken the law and been honest with us, if we had known 46 billion in taxpayer dollars were going directly from taxpayer pockets to insurance companies, there was no way this bill would have passed. There is just no way. No matter how many lobbyists, how much campaign money, how many calls from the President, this bill simply would not have passed.

I yield to my friend, the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I want to dovetail on this, to reference why this is so spectacularly ironic. About an hour ago one of our Republican colleagues was railing about the only problem with the Federal Government is waste, fraud and abuse, that that is the only problem, and just if the Democrats would stop all this waste, fraud and abuse we would have no problems.

I thought that was interesting, because this entire government is run by the Republican Party, a Republican President, a Republican Senate and a Republican House, yet he pointed out all this waste, fraud and abuse in the Federal Government. I wanted to stand up and say, who is in charge of the waste, fraud and abuse? Obviously it is the Republican Party, because that is who is running this government right now.

But here is this gentleman wailing about waste, fraud and abuse, when his party foisted down the throats of Congress and the American people this situation where they are giving $46 billion of taxpayer money to the insurance industry, which is totally unnecessary, because we could have given exactly the same benefits through Medicare.

Now, I challenge any Republican, any Republican or any Democrat, or any Green Party or socialist or independent, to show me a larger portion of waste, fraud and abuse than the $46 billion of taxpayer money going to the insurance industry, that does not deliver one penny of additional prescription drug benefit to seniors than Medicare could have done, had we not been involved in the shenanigan, not to pay off, but to pay benefits to people who are very, very powerful political forces in this town.

This I would nominate for the largest piece of waste, fraud and abuse, foisted on this country by the Republican Party, and it is an abomination. When you think about the generation having this done to them, think about who the victims of this fraud are, it is the men and women who we will be celebrating on Memorial Day down when we dedicate the World War II memorial. My dad is coming in. He was a World War II veteran.

This is the greatest generation. They prevailed in World War II, and how do we treat them? We foist this abomination, that can only pass this Chamber through fraud itself, a situation where my colleagues have talked about the 3-hour delay.

It reminds me of when we beat the Russians in 1964 in the Olympics in the basketball game. The only way the Russians won was to put time back on the clock. This was a Russian-style democracy, when they put 3 hours back on the clock. But during that 3 hours, what happened? There was a Republican Congressman who reported that he was offered a $100,000 bribe, in essence, to his son's campaign, if he would switch his vote. Does the greatest generation deserve that type of contempt for democracy in this Chamber, which has sullied the name of Congress and Medicare?

I have to tell you one thing, I will tell you, my Republican colleagues, this dog is not hunting with our constituents. I had meeting with 200 senior citizens in Edmonds, Washington, many of whom are stalwart Republicans, two weeks ago. I asked for their hands. This is a nonpartisan senior citizens group, just a bunch of folks concerned about this.

We talked about this bill in some detail, and I asked how many people believe this bill was substantially beneficial in their lives and that it deserved passage by Congress? Not one single hand was raised of those senior citizens, who were an eclectic group of conservatives and not-so-conservatives and Democrats and Republicans.

It is not playing, it is not being accepted, and because it is not accepted, people understand this, and people need to know why their taxpayer money is being wasted in another great incident of waste, fraud and abuse on this $18 million plan to try to sell this to the American people. Why is that waste, fraud and abuse taking place?

Well, there is a reason for it, and the reason about it is that this administration understands that the seniors have figured out it is an Edsel, and the seniors know about the Edsel. Maybe some of our younger constituents do not, but it is a turkey.

The seniors know it is an Edsel, and that is why these guys are spending millions of dollars of taxpayer money to try to dig themselves out of this horrible hole they have dug us into. It is an abomination.

I have to tell you, I am glad we all are here talking about it tonight.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend for his compassionate commitment.

I yield to my friend, the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I am glad the gentleman mentioned this $18 million payday. I do not have it in front of us to show, but I wanted to read one of the ads that began airing this week.

It shows a line of older people at a pharmacy. Most have Medicare-approved cards that emit a blue light. The announcer says, ''Good news for those with Medicare. You can get savings on prescriptions.''

At the end, there is a disappointed looking man that steps to the pharmacy counter without a Medicare-approved card, and the announcer says, ''Because you either have the power to save, or you do not.''

Essentially, the whole emphasis here is that you are going to save money. As my colleague from Washington said, it is essentially a lie. I guess we cannot use the word ''lie'' here. It is just a total misrepresentation of the truth.

In some ways, I do not want to say I am glad, because it is such a tragedy and it is almost immoral, as the gentleman pointed out, but in some ways I am almost glad we have this experience with the discount drug cards for the next 6 months or 2 years before the year 2006 when the so-called Medicare prescription drug benefit gets into place, because I strongly believe that when the seniors see what this discounts card is and what a fraud and sham it is, they are going to want to repeal this whole bill, and maybe we'll have the opportunity over the next 6 months or a year to show what a sham this discount card is and actually get the votes to repeal this lousy bill that is not helping anybody.

One of the things that I did not mention, and I think we should, we mentioned the fact there is no guaranteed discount from the card sponsors. We said that. Then we said there is no guaranteed discount on particular medicines. Then we also said there is no guarantee that the discount offered by a particular card will be the lowest price available for a particular individual, because they might be able to

get another card or go on the Internet and find a lower price.

But what we did not mention is there is no guaranteed access to any particular pharmacy, and that the final price paid for prescriptions will vary from pharmacy to pharmacy. So even if you get the card and you think you are going to get the savings, which you do not necessarily get, because they can change it from day to day, or you do not necessarily get the drug you think you are getting because they can change the drug, you may not be able to go to your local pharmacy or any particular pharmacy nearby, because that pharmacy may decide they are not going to honor the card.

Then, in addition to that, the way I understand it, is they can charge a different price, because they can decide at the pharmacy whether they are going to make a little more profit or not on the particular drug they sell.

We have also have had some the companies, this web site has only been on, I do not know how long, I guess a few days or maybe a few weeks, but already some of the companies are writing back, and I had one of them, saying that the information that is being given on the web site about their card is not accurate.

I just have never seen so much misinformation, untruth. I do not know how to describe it.

Mr. BROWN of Ohio. When it could have been so simple. When it could have simply been one discount card where the government negotiated price, using 40 million beneficiaries as the negotiating pool, could have gotten one much lower price. Instead of that, because the drug and insurance companies wanted it, the President made it very, very confusing.

Mr. PALLONE. Essentially it is a lie, because it is not the truth, because they are saying that the main goal here is to save money. There is no reason to believe that.

But I just go back to what my colleague from Maine said. The purpose of all this is to get people used to privatization, and not used to a government program like Medicare. And I am beginning to believe, maybe I am too optimistic, that when people see how lousy the private sector is, if this is an example of it, they are not going to want it and they are going to reject it. That is the only positive thing I can see coming out of this.

Mr. BROWN of Ohio. I yield to my colleague, the gentlewoman next door in Ohio (Mrs. JONES).

Mrs. JONES of Ohio. First of all, I want to commend my colleague the gentleman from Ohio (Mr. BROWN) for his leadership on this issue. He has been right on top of all of this as long as I have been in Congress, and this is my sixth year in Congress, and I am just so proud to be a part of the delegation in which he is one of our more senior Members. That is no offense to you, talking about ''senior.''

But to the gentleman from Ohio (Mr. BROWN) and to the gentleman from Washington (Mr. INSLEE) and to the gentleman from Ohio (Mr. STRICKLAND) and to the gentleman from Maine (Mr. ALLEN), this story is almost like the story our mothers used to read to us when we were growing up, The Emperor Has No Clothes.

Remember this person came to the emperor's palace and said, ''Okay, emperor, I want to make you this finest robe out of this wool. The wool is so fine, you will not be able to see it. I am going to go to the barn and I am going to string it and so forth and so on and I am going to come back with this gorgeous robe.''

The emperor kept saying, ''I cannot see it, I cannot see it.''

He kept saying, ''But it is there. It is there. I am going to put it on you, and you are going to walk down the street of your community, and everybody is going to go, oh, what a beautiful robe you have on, emperor.''

Come to find out, the emperor walked down the street with no clothes on, naked, just with his underwear on. And that is what this bill is like. It is naked. It is saying to seniors, I am going to give you this great bill, you are going to get all these benefits. But it is like the bill has no clothes. It is a piece of paper with no benefit for senior citizens. It is a card that gives them nothing. It is a premium that they are given for a period of time, and they get nothing.

The fact is, it is a misrepresentation, and it is just like that emperor walking down the street without any clothes.

I just want to thank all my colleagues for their leadership on this issue.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentlewoman from Ohio.

I yield to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Speaker, I want to thank also my friend the gentleman from Ohio (Mr. BROWN) for leading this discussion tonight.

I really believe what we are dealing with here is an administration that truly does not believe in Medicare, and this effort is not going over well with our senior citizens.

As my friend the gentleman from Washington (Mr. INSLEE) said, the experience that he had with his seniors, I have had the same experience with the seniors in my district. When I sit down with them and I explain this bill, I explain how it came into being, the shenanigans that occurred right here in the people's chamber, the benefits that are so difficult to understand, the benefits that are really going not to the senior citizen, but to the insurance companies and to the pharmaceutical companies, they are outraged.

They say to me, ''What can I do to respond? Who can I talk to? How can I express the anger that I feel?'' And that is what is happening across this country, and the administration is starting to feel the heat, and that is why they are taking I think $18 million of public tax dollars and putting these ads on TV, trying to convince our seniors that they are doing something good for them.

Well, America's seniors are a pretty wise bunch. They have lived through a lot. Many of them have lived through the Depression. They have lived through the wars. These are not children in their understanding. They have watched government. They know those who are for them and those who are against them.

□ 2145

And America's senior citizens are angry tonight, because they desperately need help with the cost of their medications. There are seniors in this country I believe losing their lives because they are unable to afford the medicines that they so desperately need. They know that this bill that was passed here in the Chamber under these terrible circumstances specifically prohibits the reimportation of cheaper drugs from Canada. They know that the Secretary of Health and Human Services is specifically prohibited from negotiating discounts for our senior citizens, although the Veterans Administration negotiates discounts as a savings of, I think, about 40 percent. They know that this bill was written by and for the pharmaceutical industry, and they are angry.

And I think they are going to express themselves come November, because they are sick and tired of being used as political pawns, of being given false and exaggerated information; and I think they are going to stand up and say, we have had enough. We built this country. We fought the wars. We built our schools and our hospitals. We have made the sacrifice to make America what it is today, and we are sick and tired of being treated like second-class citizens. I think America's seniors are going to be expressing themselves loudly and clearly, and the best way they can do that is to do it with their vote. That is the one way they can fight back.

Mrs. JONES of Ohio. Mr. Speaker, if the gentleman will yield just for a moment, can we imagine if the seniors in Ohio had been able to ask these same questions of President Bush when he was parading through Ohio. Can we imagine if they had been able to say, President Bush, what am I getting from this prescription drug benefit? I mean, the day that the card was issued, here he was parading around Ohio, but he was not talking about the nonprescription benefit. He was talking about the jobs that we did not get in Ohio as well.

So those seniors could have said, President Bush, President Bush, I need a prescription drug benefit. Can you help me?

Mr. BROWN of Ohio. Mr. Speaker, I want to thank all of my colleagues together tonight: the gentleman from Ohio (Mr. STRICKLAND), the gentleman from Washington (Mr. INSLEE), the gentlewoman from Ohio (Mrs. JONES), the

gentleman from New Jersey (Mr. PALLONE), and the gentleman from Maine (Mr. Alan).

I want to close with an interesting point that the gentleman from Ohio (Mr. STRICKLAND) raised. He said it just seems that Republicans do not much like the Medicare program. On the surface, that does not sound like it makes sense, because I have a whole lot of Republican constituents who love Medicare. They know it has saved their lives and let them live longer, let them live healthier lives; but there is something about Republican politicians and their relationship with Medicare.

Back in 1965, 12 Republicans, 12 Republicans total voted for Medicare, to create Medicare. Bob Dole voted against it, Gerald Ford voted against it, Strom Thurmond voted against it, Donald Rumsfeld voted against it. Then, 30 years later, the first time the Republicans had control of this House and the majority, they tried to cut $270 billion, with a B, billion from Medicare. That failed because President Clinton got out his veto pen and said, Do not even try.

Then, in 2002, or in 1999, Congressman Armey, the second top Republican in Congress, said, in a free society, we would not have Medicare; we would not want something like Medicare. Whatever that meant. Then, in 2002, another Southern Republican Congressman in the leadership, the gentleman from Georgia (Mr. LINDER), said that Medicare is a Soviet-style program, whatever that meant.

The fact is that a lot of us in this institution, every single Democrat and some of the Republicans, care deeply about Medicare and want to preserve it, and that is why we fought against the privatization of Medicare that President Bush tried to foist upon us. That is why instead of these 50 cards, we want to see one discount card where seniors get a good benefit under Medicare, get a 30 or 40 or 50 or 60 percent discount like our neighbors to the north, the Canadians have, and like our neighbors across the ocean in Europe have. Instead, what we got was a bill written by the drug discount card companies, written by the insurance companies, written by the drug companies, all of whom are major contributors to the President of the United States.

Mr. Speaker, it was a sad day last December when this bill passed. It was a sad day when President Bush signed this bill. We all have work to do.

AMERICA'S WAR HISTORY

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. ROHRABACHER) is recognized for 60 minutes.

Mr. ROHRABACHER. Mr. Speaker, just a few thoughts about the controversy concerning the abuse of prisoners by American contractors and military personnel, if accurate. Some of these charges, of course, must be accurate. No American should deny the truth, nor ignore this unacceptable and illegal behavior. In fact, the source of information and photos documenting wrongdoing appears to have come from an investigation, an investigation that was set forth and set in motion by the Pentagon itself. The Pentagon launched an investigation in order to end any abuse of prisoners that may have been taking place. Americans can be proud that we have standards that will not tolerate such abuse, and the Pentagon moved to correct it before it was publicly known.

We Americans should not flagellate ourselves because of a tiny number of American personnel who humiliated or abused prisoners. Certainly, the vast, vast majority, if not 99.99 percent, of our troops in Iraq and Afghanistan have conducted themselves in a courageous and honorable way. But such abuses and such mishaps and wrongdoing have occurred in every war. From the American Revolution on, we have seen soldiers who perhaps lose a friend and are struck by grief and lash out with revenge, killing a person or killing a prisoner or mistreating a prisoner or, we find, in some cases, a person with sadistic tendencies ends up overseeing the prisoners that have been taken. This happens in every war and conflict. Yes, things like this may have happened in this war as well.

The question, however, is what is to be done? Our government has declared such treatment of prisoners as wrong and illegal. We have thus maintained an honorable standard that we can be proud of.

Many of those criticizing us now or jumping to criticize us have no such standard. They murder their own people. Saddam Hussein, for example, butchered hundreds of thousands of his own countrymen. We found the mass graves, and in those mass graves were thousands and thousands of children.

Now, the world, the Arab world in particular, criticizes us over and over again, finding everything that they could possibly criticize us about, for trying to remove this sadist Saddam Hussein from power. Most of those Arab countries who criticize us or Arab organizations that criticize us, well, let us take a look at the criticism. Yes, it is wrong to abuse prisoners, and to the extent that they were, we were wrong. But we are actually trying to correct the problem. But those people, most of those people or many of those people who are criticizing us do not come anywhere close to a humanitarian standard of their own. They should not be pointing fingers at us or at our troops. This is sort of like the drunk down the street who has been arrested for drunk driving and had his license taken away pointing his finger at a neighbor because the neighbor is drinking a beer on the front porch.

Well, this hypocrisy comes from nitpickers, naysayers, and America-bashers. It is a bit too much. We are correcting a bad situation. We are admitting our failures, and we are correcting it. But we recognize that any noble cause, any war that has a noble cause is messy, just like all wars are messy and brutal undertakings. And for Americans, war is usually thrust upon us.

Tonight, I rise to discuss the war on terrorism, a war that was thrust upon us. This great challenge to our generation is the challenge we must face. History records that the people of the United States rose up and courageously defeated the forces of evil that threatened this planet during the last century. First we defeated the combined might of the German Nazi and Imperial Japanese war machines. Without the strength, courage, and sacrifice of the American people, this would have been a far different world dominated by the likes of Tojo and Hitler. And, yes, in that war there were some abuses and some mistakes by American military personnel, but does that mean that our cause of eliminating Hitler and Tojo was wrong? Certainly not. And we moved to correct those abuses, just as we have moved in this case when we have found some people who were misbehaving and doing some immoral things.

After World War II, Americans believed they had earned a better and a more peaceful life, only to realize that another evilism, communism, would destroy democracy unless America acted. The Cold War was upon us. Had it not been for the tenacity of the American people, for our love of liberty and, yes, our willingness to bear the burden for a sometimes ungrateful world, a Marxist-Leninist dictatorship would undoubtedly be dominating this planet.

Do our Muslim friends really believe that it would have been better for us not to have won the Cold War? Do they believe that the Marxist-Leninist regimes like they had in Yemen would have been better throughout the Muslim world? Certainly the rest of the world understands that communism was an evil force, and we can be proud of ourselves that we helped defeat that force, and it would not have happened without America.

I am proud to have served in the White House during a pivotal time in that Cold War. For 7 years I was a speech writer and special assistant to President Ronald Reagan. It is clear now that it was the tough policies put in place by President Reagan that brought the collapse of the Soviet Union and brought the collapse of Soviet communism and an end to the Cold War, but it was not easy. It was not a historic inevitability, as we are being told now; and it would not have happened on its own.

So please do not tell me also of the bipartisan spirit that enabled President Reagan to rebuild our defenses, that enabled President Reagan to support those fighting Communist domination, that bipartisan spirit that enabled President Reagan to vigorously

expose the immoral underpinnings of Communist power. No, do not tell me that. I can testify to the Herculean effort that was needed to end the Cold War and that I never saw the bipartisanship the Democrats now remember so vividly.

What I remember is that every time we took a stand, as when we opposed a freeze on nuclear weapons production, that freeze which would have permitted the Soviet Union to dominate Western Europe, and as when we supported those resisting the Communist Sandinista regime in Nicaragua, the liberal wing of the Democratic Party, amplified by their friends in the media, blasted Reagan and blasted those of us on his team as warmongers, as if America and as if we were responsible for the conflict between East and West, and we were, of course, portrayed as the bad guys, even though we were promoting democracy.

The dictatorial concepts that are special to Leninism were just shrugged off. By the way, the Sandinistas, who the American left heralded as the representatives of the Nicaraguan people, have lost every free election that has been held in that country since President Reagan insisted that free elections be part of any peace plan there.

Ironically, one fight in the Cold War that did have bipartisan support was in Afghanistan. There we supported the Mujahidin, local insurgents who fought courageously for 10 years against a Soviet occupation army with all of its artillery, tanks, helicopter gun ships, and a willingness to do anything to destroy its enemies. Here was the greatest victory of the Cold War, which broke the will of the Communist Party bosses in Moscow.

However, the Afghan people paid an enormous price for this victory: millions dead or wounded, families, villages, and a way of life destroyed; people living in abject poverty, with a million babies dying of dehydration and other easily curable conditions and diseases.

The retreat of Soviet troops from the Afghan war marked the end of the Cold War. It was not the German people, let us note, who brought down the Berlin Wall; it was the bravery and sacrifice of the Afghans. And while we celebrated and prospered, the Afghans continued to suffer. Not only now are we helping remove the millions of landmines planted throughout their country, many of which we supplied ourselves to the Afghans; and these landmines, which we are only now helping to remove, kill and maim young Afghan children even to this day.

The roots of our current terrorist challenge lie not in our support, not in our support for the Afghan people and their fight against the Soviet occupation, but in our unconscionable decision in 1990 to walk away and leave them in their rubble and suffer their misery.

□ 2200

Walking away was a policy decision. It was wrong. It was dead wrong. President George Bush, father of our current President, has to accept the lion's share of the blame for this cowardly, arrogant and selfish policy.

There would be no Marshall Plan for Afghanistan or anything else from the United States because when we left, we left everything up to the Saudis and the Pakistanis. Unfortunately, the Saudis and Pakistanis had their own agenda.

This was an unholy alliance doing the bidding of radical anti-western Muslims in their own countries, meaning Saudi Arabia and Pakistan. And while the majority of the Muslims even in a Saudi Arabia and Pakistan are wonderful people, there are large numbers of others who believe they have a right to commit horrendous acts of violence in the name of Allah, or as we would say, in the name of God.

Instead of trying to defeat, control or subdue these elements, the leadership of Saudi Arabia and Pakistan has tried to buy them off, compromise with them and as is evident now, the leaders of Pakistan and Saudi Arabia, many of these leaders, sympathized and allied themselves with Muslim extremists who would make war on the west and were intent on destroying our way of life, the American way of life.

I first became aware of these vile forces within the Muslim world while I was still at the Reagan White House. One of the worst of these blood soaked monsters was Gulbuddin Hekmatyar, a fanatic who in college was known to have thrown acid into the face of women who refused to cover themselves. It is shameful that a disproportionate share of what America sent to Afghanistan to fight the Soviets went to this beast. Even when objections were registered, and I can assure you that strenuous objections and complaints were made, the CIA and the State Department continued to the policy of channeling our aid through Pakistani intelligence, the ISI, who then passed on much of it to their first choice, to their golden boy, Gulbuddin Hekmatyar.

So we knew crazies were out there and we knew the Saudis and the Pakistanis supported them. Yet, we walked away and left them in charge.

Later, I learned, after I left the White House, that the problem was even worse than I suspected. After I left the White House, I left the White House in 1988 to run for Congress and I won that election in early November of 1988. And while other Members of Congress took vacations during their 2-month break between the time they were elected and sworn in, I instead went to Afghanistan. I went to Afghanistan and joined for about a week an Afghan military unit, an infantry unit that marched into the battle, and it was the last major battle with Soviet troops in the war of Afghanistan, the Battle of Jalalabad. As I was hiking into that battle with this Mujahedin unit, we hiked where we could see a group of tents in the distance.

Now, I was dressed as an Afghan and I was dressed as a Mujahedin soldier. I had a beard, et cetera. We could see these tents. They were luxurious tents. It was more like a modern day camping expedition by some rich people with SUVs than a Mujahedin camp, that was for sure.

But I was told immediately that that was the camp of the Saudis and that I should keep my mouth shut and that no English would be spoken until we were far away from that camp because they said there was a crazy man in that camp who hated Americans, worse than he hated the Soviets, even though we Americans were there helping to defeat the Soviet Army.

They said that man's name is bin Laden, and if he finds out we have an American with us, he would come to kill us just as he would kill the Soviet soldiers. So it was no surprise and it should have been no surprise that there was a real potential threat there in Afghanistan, waiting in the wings to take hold of that country. But instead of rebuilding Afghanistan, Pakistan and Saudi Arabia turned it into a mid evil kingdom run by psychotic, religious fanatics.

Now, in hindsight we know the horrific role the Saudis and Pakistanis have played in formulating anti-western Islamic terrorism, and we should also note that many of them today have committed themselves, many of the leaders of those two countries have committed themselves in an opposite course. They are trying to correct what was done wrong 10 years ago which helped create this problem. And we hope that they are sincere when they joined us in our effort in our war against terrorism and the war of the west against this terrorist threat. But, let us note that when this was happening and the Soviet and the Saudi leadership and the Pakistanis were actually helping the terrorist element or the anti-western element within the Muslims in Afghanistan, that part of the world, we should have seen it coming.

But just as the Saudis and Pakistani leaders subsidized and even assisted in this type of insanity, our government stepped aside and permitted the Saudis and Pakistanis to have their way.

So the Saudi and Pakistani leadership either helped or stood aside as these radical Muslims who hate the west and would make war on us began to take control, and then we stepped aside and let the Saudis and Pakistanis have the decision and make the decision. Yes, and we even helped the Saudis and the Pakistanis make that decision.

What was U.S. policy? We need to look at what the U.S. policy was in the 1990s that brought about this situation that we are in today. One of the things that I find most disturbing about the current hearing into the tragedy of 9–11 is that it downplays the importance of American policy in the laying of the foundation of 9–11. They would rather

talk, meaning those people who are conducting this investigation, would rather talk about flow charts and organizational structure and a lack of a shared data base and no central coordination than trying to fix responsibility.

We keep hearing that setting the blame, they call it the blame game, wrong is wrong. It is a bad thing to do. Well, I am sorry, 9–11 represented not an unavoidable tragedy but a dramatic failure of policy and of people. Those who put the policy in place should be held accountable. The individual leaders in our intelligence, the national security system who failed to thwart 9–11 because of their own incompetence and bureaucratic arrogance should be held accountable.

Tonight I will provide a number of examples of policies that led to the empowerment of the hostile radical Islamic movement that we face today and to the policies and to the people who enabled these weird, feudalistic religious fanatics to become a major threat to the western world and especially a threat to the people of the United States.

September 11 was the greatest massacre of American civilians in the history of our country. Yes, we are in the process of hunting down the perpetrators of this monstrous crime and destroying their terrorist network. And I strongly believe our President is resolved to do what is necessary to get the job done and secure our country and our world in the future. He and our military are doing a superb job under the most difficult and dangerous of circumstances and they are being nit picked and naysayed to death every time a mistake is made. People are trying to undermine the general effort and the noble cause in which our troops are fighting.

President Bush has a long-term strategy. That is why we are in an Iraq, for example. We are trying to build a democratic society. Our success will not just be measured in the removal of this vicious and powerful dictator, Saddam Hussein, who hated us, who would have this man had an all-encompassing grudge against us that would have only been satisfied when he inflicted the death and destruction upon our people and the future whenever he had a chance to do so; but getting rid of him was not the only thing we accomplished.

We not only did that but we freed the Iraqi people from their oppressor and we have also provided an opportunity to build in Iraq that will serve as a model for the rest of the Muslim world. We are providing Muslim people, especially the young people, an alternative a choice not to destroy western civilization, but to be part of it and to open the door of a new Renaissance of relations when Christians, Jews and others can live in the same world and benefit from each other. Even though we are distinct from each other, we can interact and trade and we can be friends. That is the better world President Bush is trying to build. But it must start in Iraq. And if we lose in Iraq, the evil forces that would separate the west from the east and would have us fighting among various religious factions, they will then dominate this planet and we will not be able to stop them except at much greater expense of blood.

It is a strong vision that President Bush has. It is a noble vision; and it is the vision of a world living at peace where Muslims, Christians, Jews live together and this vision is stronger than what the radicals are advocating. They were trying to basically obliterate the faith and the culture of others. And our President is trying to make sure that the world is safe for us to live together in peace and harmony, no matter what our faith is. And we must succeed in Iraq. And I am here to today to applaud the President, and there has never been an action that has been perfect, but he is doing a tremendous job, as have our troops. As we support that, if we have succeed, we must hold those in our government, however, when we will hold them and we will make sure that they get the praise for a successful policy when and if we succeed, which I believe we will in Iraq.

But we must also, when we have a failure of policies, recognize what that policy was, what made us vulnerable to the attack on 9–11, for example, and we must hold those people accountable who failed to protect us and failed to put the policy that would best serve the United States and the western world. This is not the blame game that I am talking about. It is holding people accountable for decisions that they have made while in public service and while they have held authority from the people. So when I speak of bad policy, what am I talking about? What is this bad policy that led to 9–11?

Well, chaos and blood shed in Afghanistan, as I said, continued long after the Soviet Army left and America walked away. During this time in the early 1990s, I felt a personal debt to the Afghan people. I had been there when we were fighting the Soviets. I knew the sacrifices they made, so I felt that we owed them something, and I tried to do my best to find a solution but no one was listening. But it was not hard to find a solution. It was not hard for me to come up with an idea, with a plan that would have helped the Afghan people. But implementing that idea and finding that and making sure that solutions became policy was another matter.

So what was the solution? It did not take a genius to determine the best way to restore order and a stable government to Afghanistan was to bring back the honest and beloved former king, Zaire Shah, who had been living in Rome, Italy since his exile began in 1973. He was an elderly man, but he still had a good mind and an impressive stature. He was one person all factions of Afghanistan knew would not seek vengeance upon him if he was returned to power.

After visiting him in Rome and being beaten by him in a chess game, I took it upon myself to promote the exiled monarch as the logical choice to bring normalcy back to Afghanistan. So it is not like there was not an alternative to the policies that were put in place. It was the logical choice. Yes, it was the logical choice except for the opposition of Pakistan and Saudi Arabia. The Pakistanis knew they could not control Zaire Shah.

Zaire Shah had ruled over that country for 40 years. He was independent and a fair and honest man. When he was in a charge of Afghanistan, they lived a relative peace for 40 years. But the Pakistanis were intent on dominating Afghanistan as many of them still are and they ruled out bringing back King Zaire Shah. The Saudi wanted to placate their own radicals. That is why they did not like Zaire Shah, the old exiled king. They wanted to placate the Wahabis who are their radical sector in Saudi Arabia. So they too, the Saudis, nixed the return of the king.

But most disturbing to me is as I sojourned throughout that region on my own, sometimes at great personal risk, promoting the Zaire Shah alternative, U.S. State Department officials would follow me explaining that I was speaking for myself and that I was a lone junior Member of Congress not to be taken seriously.

These arrogant and amoral policymakers of our State Department could have given Afghanistan a chance for a leader who was decent and caring and peace loving, who loved his people and were loved by them.

□ 2215

Instead, they chose to play politics; and they chose the Taliban, make no mistake about it.

It is only when I spoke to the head of the Saudi Arabia's CIA, Prince Turki, that I was tipped off that another plan was in the works. Prince Turki was fired immediately after 9/11. Just keep that in mind, but until 9/11, he was the man who I could say was most responsible for Saudi policy in that region.

He explained to me personally that instead of the former king coming back, that they were creating a third force, and it was being created specifically to go into Afghanistan, and it would be comprised of religious students who had spent most of the war in the Islamic schools in Pakistan. These Taliban, which means student by the way, using their religious credentials, would dominate Afghanistan; and he assured me that they would not be involved in anything outside of Afghanistan.

These Taliban, by the way, with certain exceptions as I say, were not veterans of the war against the Soviets. They were not Mujahedin. A lot of people make that mistake. The Mujahedin fought the Soviets. The Taliban came

in well after the Soviets left; and in fact, when we felt, after we were attacked, we needed to drive the Taliban out, it was the remnants of the Mujahedin who joined with us and also drove the Taliban out of Afghanistan.

For a long time, I blamed the Saudis and the Pakistanis for creating a force of religious fanatics and putting them in power. It is clear now, however, that it was not just the Pakistanis and the Saudis. Prince Turki, in Washington, when he tipped me off about the creation of Taliban, certainly he was there at the beginning and certainly the Pakistanis were there at the beginning, but other people were there as well.

Last year, I found out about this. Last year, the current former minister of Pakistan visited Southern California; and when he was exasperated by my criticism of Pakistan, that they had created the Taliban, he was upset and he blurted out that Americans were in the room and part of the bargain that created the Taliban as well. There were three parties in that room. Well, that revelation was no surprise to me. I had been trying to get a confirmation of that for years.

During the latter years of the Clinton administration, I charged that the administration policy was secretly supporting the Taliban. After making that charge at a public hearing, I was labeled as ''delusional'' by a senior Democratic colleague. When I insisted, with the support of Ben Gilman, who was then chairman of the Committee on International Relations, that the State Department provide the documents that would clarify America's real position, we were stonewalled, even though Secretary of State Madeleine Albright personally pledged to comply with this request. Here we are; that is our job to oversee American foreign policy. We requested the documents on the creation of the Taliban. The State Department thumbed its nose at us, gave us documents that were meaningless, that had a bunch of newspaper clippings, et cetera.

Let us be clear and understandable on this point. I am charging that during the Clinton administration it was U.S. policy to create the Taliban, and once in power, the United States Government supported these Islamic fanatics. It was the policy of our government under Bill Clinton. This policy was fully supported and probably created by our State Department, and if one wants to accept the responsibilities for the policies that eventually led to 9/11, start right here, and those in the State Department, those who oppose the return of King Zaire Shah and undercut anyone who is resisting the Taliban, they have the blood of innocent Americans on their hands, those Americans who were slaughtered on 9/11.

Let us accept that rejecting King Zaire Shah, and that option was dead wrong, but let us accept also it was understandable perhaps that our foreign policy establishment felt that way. They longed for stability, and they could not imagine stability without having the Saudis and the Pakistanis having their way, even though it is America that is supposed to be providing the leadership and not the other way around.

After the fighting stopped and the Taliban were in control, and this is after the third force was then unleashed, the Soviets had been gone for several years, this third force was unleashed. The Taliban swept across two-thirds of Afghanistan, and they took the capital city of Kabul.

Well, I have been trying to fight that for many, many months and many years; and I took a stand back, and just like everybody else, I wished the people of Afghanistan the best and I laid down a marker to the Taliban. I remember giving an interview where basically I said I would have a wait and see, and we expected them not to do things outside of their own country, and we expected them not to be a totalitarian force but a religious force. Of course, I tried to stop them from getting in power in the first place. There was nothing I could do at that point but hope for the best.

After about a month, it became obvious that I had been right all along and that this new force, the Taliban, were Islamic Nazis; and as such, if they were not stopped, they would hurt our friends or they would even hurt us.

So even after coming to power, our State Department, get into this, even after coming to power, our State Department closed its eyes to the increasing evidence of the nature of the Taliban; and they kept supporting the Taliban anyway. For several years, I was a lone voice, helped by Chairman Ben Gilman, then chairman of the Committee on International Relations, warning of the potential consequences of leaving such a fanatical, religious sect in power.

I even went to Afghanistan during this time and met with leaders resisting the Taliban, men like General Dostum, Commander Masood, Abdul Haq, and Ismail Khan. Masood, of course, is the most impressive of the lot, but of course, none of them are pure. Everybody makes mistakes; everybody has made bad judgments; everybody has done things wrong after they have been fighting for as long as these people have been fighting. They all made a certain number of terrible decisions; but unlike the Taliban, they were not totalitarian psychos who believed that God was talking to them and justifying the wholesale slaughter and control of other peoples.

Unfortunately, all of them and the rest of the Afghan people, when I say all of them I mean the leaders who were opposed to the Taliban, and the rest of the Afghan people, believed America was supporting the Taliban. So let us make this straight. Even after the Taliban took power, when it was no longer theoretical, it appeared to everyone, and I suggest that it was the case, America was still supporting the Taliban.

Why should these people not, these Afghans, think that? Was not our aid going to the Taliban-controlled areas? I myself had been thwarted by the State Department under leadership of Clinton appointee Rick Enderfurth in getting humanitarian aid to parts of Afghanistan not under Taliban control. So it is okay for the aid to go to Taliban areas, American aid; but when I tried to get some aid to some of the other areas, that aid was thwarted.

If there were any doubts, my suspicions about U.S. policy were confirmed in 1997 when the Taliban was saved from total defeat by high-level executives from the Clinton administration. What happened was in April of 1997, the Taliban launched a major offensive aimed at taking control over the northern third of Afghanistan. So they had already controlled two-thirds of Afghanistan; but up until that point, one-third of Afghanistan, the northern part, the northern alliance, were free from Taliban control, and yes, they were under the control, you might say, of regional leaders who were called and are called today warlords, but they are regional leaders. We can debate about the title.

An Afghan general named Malik was one of those regional leaders; and when the Taliban attacked northern Afghanistan, General Malik tricked the Taliban and managed to capture almost all of their front line troops, along with all of their heavy weaponry. It was an utter disaster for the Taliban. The road to the capital, Kabul, was wide open. The Taliban were totally vulnerable and could have been wiped out.

We are talking about early in April of 1997. I sent a message to my friends in northern Afghanistan that Kabul should be taken and that King Zaire Shah should be brought back to oversee a transition government that would eventually evolve and inevitably evolve as well into a democratically elected government, perhaps like what they did in Spain when the King went back and Spain, after the Franco dictatorship, evolved into a democracy; but before the anti-Taliban forces could strike, Assistant Secretary of State Richard Enderfurth and United Nations Ambassador Bill Richardson, both Clinton appointees, flew to northern Afghanistan and convinced the anti-Taliban forces this was not the time for an offensive. This, they said, was the time for a cease-fire and an arms embargo. This was the United States policy. When the Taliban were vulnerable, it became time for a cease-fire.

These two top foreign policy leaders of the Clinton administration were there to convince the anti-Taliban forces not to take advantage of the one opportunity they had to defeat their enemy, this Frankenstein monster that provided a base of operations to kill thousands of Americans. These Clinton

appointees saved the Taliban. Right after the cease-fire and release of prisoners that was brokered by Mr. Enderfurth and Mr. Richardson, the Pakistanis began a Berlin-like air lift to resupply and re-equip the Taliban. So much for the arms embargo, which just happened as it always does, worked as an embargo against the good guys, but the bad guys, we just turned the other way.

If I knew, which I did, of this massive resupply effort that was going on for the Taliban, the Clinton administration had to know about this. So they just let the scenario happen while still enforcing the arms embargo against the Taliban's adversaries.

Let us note here that Richard Clarke, the man who testified on the hearings on 9/11, who cast aspersions on our President, who is now trying to take care of business, Richard Clarke was then a high-level official in the Clinton administration's foreign policy establishment. He undoubtedly knew about this effort to save the Taliban, was probably involved in all of these things that I am talking about, and probably approved it. So when you consider his self-serving testimony in which Mr. Clarke besmirched President Bush before the 9/11 investigation panel, keep in mind the role that he played in creating and supporting the Taliban.

Dick Clarke has no credibility. By the way, after this episode had run its course, the newly equipped Taliban army launched another offensive. This time they took almost all of what was left of Afghanistan, except the Panjshir Valley, which was dominated and remained the domain of my friend Commander Masood, the only hold-out against the Taliban, and America did nothing to help them, even as a new gang of radical cutthroats moved in and made Afghanistan its base of operations.

What am I talking about? Al Qaeda. What about al Qaeda? What about bin Laden? Where does he come from? So the reemergence of bin Laden.

Nowadays Osama bin Laden is a household name. Yes, he fought in Afghanistan against the Soviets. I saw his tents and his luxurious living conditions. No, United States money did not train him or supply him. The Saudis had plenty of money to take care of that. So the United States Government did not train and supply bin Laden, but he was there; and after the Soviets left, this is an important point, bin Laden left. Not only did America leave but bin Laden himself left. He could have financed the reconstruction of Afghanistan. He came from one of the wealthiest Saudi families. He had contacts all over the gulf region where they were swimming in petrol dollars.

□ 2230

He had all of the money and contacts needed for this noble deed of rebuilding Afghanistan. Instead he left, and it was during this time when he was making even more billions of dollars for his family that he began to focus on the United States as the prime enemy of his faith and he committed himself not to the reconstruction of Afghanistan, but to the destruction of America. So this is how God talks to bin Laden. Do not help people, do not help rebuild, just kill innocent women and children and try to terrorize a Nation. Bin Laden is from an enormously wealthy Saudi family. And while our petroleum dollars flowed into Saudi Arabia by the hundreds of billions, the Saudi establishment not only turned a blind eye, but attempted to buy off this and other Islam radicals in their country.

Bin Laden's hatred for us grew during Gulf War I. Our presence in Saudi Arabia was an insult to his faith. The slaughter of unarmed people is consistent with his faith? In the late 1990s, bin Laden began to set up his terrorist underground army for a war that he intended to wage on America. In the mid-1990s he operated not out of Afghanistan, but out of Sudan. America's official position was that bin Laden was a terrorist and was on the most wanted list. In fact, CIA director George Tenet had declared bin Laden as America's number one target. While designated as such, this self-aggrandizing monster organized, financed and implemented attacks that cost tens of billions of dollars and the death of thousands of innocent people, and not just in the United States, but worldwide we have seen these attacks.

Yet the same CIA that declared bin Laden their number one target with all of the power and assets that the CIA has, they could not thwart 9/11 and they did not warn us about 9/11? If this is not incompetence, what is incompetence? But this everybody knows. Unfortunately, this is mind-boggling evidence. The fact is, the very basis is they did not warn us, and 9/11 happened and he was their number one target. What more evidence do we need of incompetence on the part of our government and CIA in particular.

Vanity Fair has an interesting report about bin Laden and perhaps America's policy toward bin Laden and why he succeeded. Vanity Fair suggested that when bin Laden was in the Sudan, the Sudanese government cataloged all of the people he spoke to on the phone and in person. Here was a listing of all of the members of the bin Laden network, and the Sudanese government was abruptly turned down when they offered to give the United States the entire catalog. According to Vanity Fair, Madeleine Albright made the decision to turn down the offer and instructed no one to look at or copy the material.

The Sudanese former ambassador personally told me that he tried to hand this list to a representative of the United States Government. It would have permitted us to apprehend bin Laden's entire network, but we threw it back in his face. By the way, Dick Clarke had to know about this decision, too. This is the man who cast aspersions on our President. That was back during the Clinton administration, of course.

Then, an even more personal incident happened when we want to talk about our government's ability to protect us and what was going on during the Clinton administration that led to 9/11. In April and May of 1999, America had an incredible opportunity to capture bin Laden. I was involved, and I am here to report yet another example of the incompetence of those we trusted to protect us from an attack like what occurred on 9/11.

In April 1999, I was contacted by a long-time friend who had been deeply involved in the Afghan fight against the Soviet occupation troops. My friend, an American, had impeccable credentials. He had been in Afghanistan, and was widely known and admired by the Afghan people. My friend called me to tip me off that bin Laden was outside of Afghanistan and could be easily captured. I told him I would pass on his name and phone number and that he would be contacted as soon as possible by the CIA.

The very next day I briefed the CIA and I passed on my friend's phone number and name, and briefed them on his credentials, and told them he could hand them bin Laden on a platter. I called my friend after a week. The CIA had not called him yet. I went back to the Agency, and this time they were adamant they would contact my friend. There was still a chance to get bin Laden. Another week passed. The CIA did not call my friend. This time I went to the gentleman from Florida (Mr. GOSS) who is the chairman of the Intelligence Committee. When the gentleman from Florida (Mr. GOSS) heard my story, he arranged a meeting for me the next day.

So the next day at the appointed time I went to a secure room in a secret and heavily guarded part of the Capitol where I went to meet with the representatives from the CIA. When I got there, there was a CIA representative and National Security Agency and the FBI. That was the bin Laden task force. They were all there, and they apologized for the dunderheads at the CIA who had not called my friend to get the information, and they were going to fall up on it immediately.

A week later I called my friend and he still had not been contacted. I mentioned it to the gentleman from Florida (Mr. GOSS) who was appalled. The next day a representative from an intelligence agency finally called my friend. The caller's tone of voice suggested that the inquiry was obligatory. It did not make any difference because the trail was already cold.

This incident is bad enough, but then there is the episode of Julie Sears. At the same time I watched the CIA stiff my friend who wanted to tip them off about the whereabouts of bin Laden, there was a young woman who came to my office seeking help. Her name is Julie Sears. She was an analyst at the

Defense Intelligence Agency. She knew I was the only one who understood what was going on in Afghanistan, and was seeking my help because she had been fired from the Defense Intelligence Agency.

Julie Sears has an interesting story. She had worked at the Defense Intelligence Agency for 3 years. She was an Afghanistan analyst. That was her specialty. She went to Afghanistan and was permitted to go to the Taliban areas only. When she returned, she did her study and realized there was information in Northern Afghanistan that was vital for the Pentagon to know if they were to understand the threat that might be taking place and building in Afghanistan. Julie Sears was forbidden to go to the non-Taliban areas of Afghanistan, so she decided to go on her own.

She told her boss she was taking leave, then reported where she was going, officially to the Agency's office that approves that. It was approved that she could go, and she went to Northern Afghanistan on her own and met with Commander Masood and others and came back with some information that was vital. That information was that Commander Masood was telling her that he was capturing troops from the Taliban who were from all over the world and that apparently bin Laden was bringing in huge numbers of people into Afghanistan, training them for terrorist activity, and then letting them fight Masood's forces to get wet behind the ears in battle. And when he captured these people, they were from all over the world. He was talking about the creation of al Qaeda.

Julie Sears came back with that information and she was fired on the spot, and the director of the Defense Intelligence Agency even refused to let her brief other members of the government and refused to have her report be officially put forward, and no one got that information.

I called in the head of the Defense Intelligence Agency. I called him to my office and he came there. He was a general, and we will not go any further than that. He had been in charge of the DIA for several years during the Clinton administration. I told him General, this woman risked her life in order to get this information. She is a hero.

His answer was, She is insubordinate.

I said General, I think she risked her life and spent her own money to try to get information for the safety of our country, let us compromise at the very least. Give her back her job, I will not call her a hero, you will not call her insubordinate, we will leave it the way it is.

He said, No, I cannot do that.

I said General, do it and if you blame somebody, blame me. Blame this politician who is politically interfering with the way you manage your operation.

He went back to his office and fired Julie Sears. That is the type of arrogant, bureaucratic attitude that ended up with 9/11.

Finally, there are two other instances that have colored my view of how we ended up with this war in terrorism which could have been avoided, but we were ill-served.

A few days before September 11, my friend anti-Taliban leader Commander Masood was murdered by al Qaeda. After the shock of seeing that my friend had been murdered, I figured it out. Bin Laden had sent his people to kill Masood because he knew the United States would rally behind Masood if there was a major terrorist attack against our people. Bin Laden's terrorist army planned to attack us. It was not hard for me to figure out. They killed Masood so we could not counterattack against them by supporting Masood. Bin Laden's terrorist army was going to attack us. Perhaps Masood's death was a signal to move the plan that was already put in place forward.

The day before 9/11, I called the White House and asked to see National Security adviser Condoleezza Rice, it was an emergency. The purpose was to warn her of an imminent terrorist attack on the United States. One of her assistants came on the line and apologized, she was really busy that day but she made an appointment to see me the next day. Yes, on 9/11 I had an appointment to see Condoleezza Rice in the early afternoon to warn her of a major terrorist attack that was about to happen.

The question that needs to be asked was how was I able to figure this out. I have one staff member who is my foreign policy military staff member who helps me with foreign policy issues, why I was able to figure it out but the CIA was not able to figure it out. We know why the DIA was not, but why would the CIA, with billions of dollars at its disposal, hundreds of analysts and bin Laden the number one target, that they could not figure it out.

Incompetence. We need to blame people for their failures, and we need to blame the policies that brought about the problem. Finally on 9/11, once the planes started slamming into buildings, I knew right away what was going on. It did not take a genius at that point, but what also dawned on me, without Masood, there was only one person left on this planet who the Taliban and al Qaeda knew threatened their base, and that was the old king of Afghanistan in Rome. The exiled king, they knew without Masood, he was the only man the Afghan people could rally behind in order to launch a counterattack.

I called the king. I was dumbfounded to hear there was no one there to protect him. This is hours and hours after the planes slammed into the buildings. He was totally exposed. Our number one asset in a war that we were just entering was totally exposed.

I called the American Embassy in Rome and then I called one of the top leaders of the CIA who concurred with me that the king was a primary target of the band of terrorists with whom we were now at war. Yes, he needed to take care of that, and the king would be protected. Five hours later, by chance, I had the opportunity to speak with this very top CIA official again, one of the top leaders of the CIA. And when I asked him if the king was now protected, he said, ''You do not expect us to act that fast?''

So there you have it. We are at war. Thousands of Americans were being slaughtered and the CIA official in charge of protecting us does not take the initiative to try to protect our number one asset that we needed to thwart the Taliban and thwart the people who were murdering our people.

Why did we have 9/11? There you go. Let us remember George Tenet was appointed by Bill Clinton, and he is still the director of the CIA. People tell me that since 9/11, he has been doing a better job, and that some people who were not doing a good job over at the Agency are doing a superb job now. Let me note that.

But when we talk about why 9/11 happened and who was responsible, especially when we have a committee who is trying to besmirch our President who is now taking care of business, let us look at the policies that people who created this.

□ 2245

The committee now investigating 9–11 can tell us about lack of information sharing; but we know that within the FBI itself, there were agents who were begging higher-ups to pay more attention to the possible threat of suspected terrorists who were receiving pilot training. No, there was not an obstruction there. There was not lack of communication or agencies did not talk to each other. That was right within the FBI. But, no, someone in that line of command was arrogant and told them to forget it. There was no absolute proof that this was going to happen. This is called bureaucratic arrogance and bureaucratic inertia or perhaps maybe the arrogance of officialdom or just plain incompetence. Couple that with the policies of the Clinton years that created and nurtured the Taliban and turned Afghanistan into a terrorist training base and a staging area for terrorism, take those things together, that is what brought us into this situation that we find ourselves in today.

Those who run our government should be held accountable for the policies that they advocated that created this Frankenstein monster, and they must have the commitment and be held responsible and accountable for their lack of commitment of getting their job done if their job was to thwart attacks on the United States. 9–11 happened because of the actions or lack of actions of certain people with authority and because of fundamentally bad policy.

Today we have a fundamentally good policy at hand when our President is taking care of business in Iraq. He is

not kicking the can down the road like they did during the last administration. He is going to see that the people of Iraq develop an alternative to radical Islam, and by doing that he has a strategic vision that will build a better tomorrow rather than ignoring any potential threats and permitting the Frankenstein monsters that appeared in the late 1990s to reappear.

If America is to be secure, we must do our job, and that is our job in Congress, and that is to hold people who fail accountable, and we should quit whining about it and quit playing politics. That is our job in Congress, to hold people accountable, to oversee what is happening in the other branches of government and to pass rules and regulations and to make sure that our military is equipped and doing the right job.

We too have to be held accountable perhaps in the 1990s for not stepping forward but instead being focused on other things. The United States Congress was not focused on Afghanistan. It was not focused on these problems as well. And today I think we have a chance to make up for that. We have a chance to work with our President and, instead of playing politics, make sure we win this battle in Iraq and help create a better world.

I am very proud of our President, and I am very confident that our children will not have to suffer another 9–11 because we are doing what is right today.

IRAQ WATCH

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 60 minutes.

Mr. DELAHUNT. Mr. Speaker, we are back here this evening for another installment of our weekly Iraq Watch. Tonight I am joined initially by the gentleman from the State of Washington (Mr. INSLEE); and I expect, as the hour proceeds, other members of Iraq Watch will join us for our weekly discussion.

The revelations of the past several days concerning abuses of detainees or prisoners under the auspices of American military have shocked and appalled the world. And as many have indicated, including the President, Secretary Powell, and Secretary Rumsfeld, this is unacceptable, unconscionable, and un-American. It is an embarrassment to our country, to our military; and it is my understanding that a variety of congressional committees intend to address this particular issue.

But what concerns me is something that is fundamental to what we have been talking about these past months about our policy in Iraq and the Middle East in the war on terror, and that is credibility, competence, and the willingness of this White House, this administration, to consult with Congress. I think that there is a growing realization that this President, this Vice President, and this administration have failed on all accounts.

There was a report today in the media which quoted President Bush regarding these appalling revelations. And I would like to read to my friend and to the Speaker and to those who might be viewing us this evening as we have our weekly conversation excerpts from those reports in the international as well as the American media:

''The first time I saw or heard about pictures was on TV,' the President,'' referring to President Bush, ''said, leaving open the question of when he first learned about the substance of the allegations that prompted an initial investigation in January of this year. But General Peter Pace, Deputy Chair of the Joint Chiefs of Staff, said that 'Everyone was kept appraised orally of the ongoing investigation.' Asked whether Bush and General Richard Myers, Chairman of the Joint Chiefs of Staff, his direct supervisor, were well aware of the situation, General Pace responded, 'Yes.' Myers, the country's top general, raised eyebrows over the weekend when he said that he had not read a report completed in early March that documented the widespread abuses in Abu Ghraib. Secretary of Defense Donald Rumsfeld had also not read the report that was completed in March by this Monday,'' by this past Monday, ''5 days after the damning photographs were first shown on the CBS television program 60 minutes, a spokesman said.''

I find that absolutely incredible. The Secretary of Defense had not read the report until this past Monday, and the report was completed in March. What is going on? One can only describe this as ineptitude of the highest order.

Let me continue: ''Congressional leaders have bitterly complained that they were kept out of the loop and were particularly incensed after the Pentagon reported Tuesday the deaths of 25 prisoners in Iraq and Afghanistan including at least two confirmed homicides. The Congress has not been notified of the murders that took place. 'There have been no reports of these abuses,' Republican Senator John McCain, himself a prisoner during the Vietnam War, told ABC television on Wednesday.''

From the Cox News Services, Senator MCCAIN went on: ''The Congress should have been notified of this situation a long time ago. It's a neglect of the responsibilities that Secretary Rumsfeld and the civilian leaders of the Pentagon have to keep the Congress informed of an issue of this magnitude.''

I agree with Senator MCCAIN. Even the majority leader of this House, this body, who certainly has taken the most hawkish position possible when it comes to the issue of Iraq and Afghanistan had this to say: ''We are being briefed all the time. If we are going to be a part and a partner in this war on terror, then we are to be completely briefed, not just briefed on those things they want us to hear.'' Of course, the majority leader of this body is the gentleman from Texas (Mr. DELAY).

I see the gentleman from Washington (Mr. INSLEE), and he has a look in his face that he wants to make a comment.

Mr. INSLEE. Mr. Speaker, it is difficult, while our proud men and women are serving in the field in Iraq, to tell some very unfortunate truths about the failure of the executive branch of this government to live up to their service in Iraq. It is difficult to say the truth, which is there has been gross incompetence, deception, manipulation of the truth, failure to recognize reality in Iraq which has got us in such an unholy mess by the executive branch of the Federal Government. That is not pleasant to say given what our troops face in Iraq tonight. But it is necessary to say it.

And the reason it brought hope to me when I was visiting a family that lost a son and a husband in Iraq while serving in an incident where he earned the Bronze Star posthumously, a man who will not be coming home to his children, when I talked to his widow, the one thing she impressed upon me that she wanted me to do is to not fail to blow the whistle on executive branch incompetence which has created such problems in Iraq or at least not responded to them the way they should. And this body, the people's House, has an obligation to blow the whistle on these multiple failures, and they are multiple. And tonight I think we are going to talk about 10 failures of the executive branch of the government, which has been responsible in part for some of the difficulties that we face in Iraq.

And the first one I would like to mention is the one that leads in part to some of the problems we face with handling prisoners of war. The public is well aware of what happened here. I heard a conservative commentator yesterday just describe this as the soldiers just having a good time, just blowing off steam. It is that kind of attitude that apparently permeated our command and control structure in our prisoner of war camps, and that kind of attitude has the potential to inflame the Arab world and create more enemies of the war we are fighting against al Qaeda right now. It is a gross mistake.

□ 2300

It is a failure of a command and control structure.

One of the problems this Congress needs to get right to the bottom of is this scandal regarding private contractors in Iraq. We have heard of multiple scandals involving overpayments to the Halliburton Corporation, multiple scandals involving mispayments and overpayments for oil to these corporations, many of whom are great political donors, I might add, in the United States political system.

But there is another one we need to get at, and that is why we have private contractors doing interrogation of prisoners of war in Iraq, who are outside

the command and control structure, who are not subject to military discipline, and who apparently were instrumental in this debacle in our prisoner of war system. There is an error and failure that we need to get to the bottom of.

Mr. DELAHUNT. Mr. Speaker, reclaiming my time, I do not know if my friend was aware, but the second largest army in Iraq today is not the army of the United Kingdom, but it is this army of private contractors. Let us call them what they really are, they are mercenaries.

I dare say, to privatize a war without the command and control of American generals and American officers is a very, very dangerous precedent that is being established.

I think what we are seeing here tonight, what we are talking about tonight, rather, is an example of where it can lead. We all have to acknowledge and remember that the entire world is now viewing, not just simply the photographs, but the realities of the war on the ground and the fact that the United States of America is privatizing its military, privatizing its war, delegating to those who are not necessarily responsible and accountable to American military command absolutely significant duties.

Mr. INSLEE. If the gentleman will yield further, this is starting to permeate our whole system. We are finding that contractors are going to leave when the temperature gets too hot. We have got these private contractors doing interrogation and involved in this scandal in our prisoner of war camp.

Let me suggest this is part and parcel of the second failure. The first problem we talked about is a failure of command and control. But the second failure of this executive branch is the failure to be honest with the American people as to what this war is costing and their desire to fight a war on the cheap. While our people are losing their lives in Iraq, this administration refuses to be honest with the American people about the real cost of this war.

Let me suggest two reasons that I know that is true. Number one, instead of having a military system that is capable of fighting this war and putting the troops on the ground that were really needed, they tried to do it with these private contractors, many of whom are, again, engaged in the political process in this system and are political allies of those making executive decisions about this war. Number one.

Number two, as of this moment, in the middle of this war, while our soldiers, men and women are putting their lives on the line, this President has not shown how to pay for this war, and today I am told now proposed another $25 billion of deficit spending to pay for this war.

If our soldiers can put their lives on the line, this executive branch ought to say what this war is really going to cost us and how long we are going to be there and how we are going to pay for this war. And just adding it open to the backs of our children just will not wash. Maybe that is the politically expedient thing to do. Maybe when you start a war based on false information, and we now learned it is false, maybe you want to kind of sweep it under the rug, how many billions of dollars it is going to cost the American taxpayers. But it is the wrong thing to do, like it is the wrong thing to do to fight this war on the cheap, to have contractors in there instead of folks in your command and control system. We need to get to the bottom of that failure number two.

Mr. DELAHUNT. Reclaiming my time, Mr. Speaker, I think it is appropriate that we speak about the contractors and their roles, this private army, these mercenaries. It is also important again to go back to what I spoke to earlier, the incompetence and the ineptitude that is so rank and so disturbing.

It is as if nobody knows what is happening. The President of the United States is seeing this on TV. The Secretary of Defense has not read the report until this week, and the report was completed in March. If that is the case, if that is the fact, and we do not know that, I cannot understand what is going on in terms of this administration and its efforts.

Mr. ABERCROMBIE. If the gentleman would yield, I think that in the context gentleman has just enunciated, that the notification to the Congress this afternoon of the $25 billion request is in order for examination. It is characterized as a ''supplemental package.'' There is nothing supplemental about this. This is an ongoing cost, an expense.

What is being outlined here in terms of what private contractors are doing, the package that has been put forward by the White House says it is for military operations in Iraq and the war on terrorism.

Now, I realize, and I think the gentleman would agree, that this has to be paid for. We cannot leave our troops out there without their proper equipment, many of the things that speakers in Iraq Watch have brought up before on this. But would the gentleman agree then, before this $25 billion is voted on, we need to find out where this money is going, who is going to get the money, what are the operations that are envisioned?

Mr. DELAHUNT. What the gentleman is saying is that we need at this point in time a bona fide consultation, unlike what we have had to date. And this is not a partisan attack on the administration. This was the opinion of Republicans who supported the war dating back to January of 2003 in a column by Robert Novak of the Sun Times in Chicago. Let me quote again some excerpts that I think are very revealing about the attitude of this White House and this administration towards this institution and towards a shroud of secrecy that has been unparalleled in our history.

''Republican Senators gathering last Wednesday for their first session retreat should have been happy, blessed with a regained majority and a popular President. They were not. Instead, they complained bitterly of arrogance by the Bush administration, especially the Pentagon, in treatment of Congress all along the road to war. It informed the White House Chief of Staff Andrew Card that there were grievances from President Bush's Senate base; that it is ignored and insulted by the administration, particularly by Defense Secretary Donald Rumsfeld in preparing for the war against Iraq. Recitals of complaints began with Senator JOHN WARNER, a pillar of the Senate GOP establishment. WARNER had his colleagues' attention when he addressed Card. 'I will not tolerate,' he boomed, 'a continuation of what has been going on over the last 2 years.' He cited cavalier treatment that denies information even to the venerable top Senate Republican on Armed Services.

''Next up was Senator PAT ROBERTS, a former Marine officer who has spent the last 40 years on Capitol Hill. ROBERTS, a plain-spoken midwesterner from Kansas, is the new Senate Intelligence Committee Chair. He told Andrew Card to mark him down agreeing with everything WARNER just said. Senator KIT BOND of Missouri got up next and repeated similar concerns.''

So this is not a partisan attack on the President. This is a bipartisan concern that this administration act competently and consult with Congress. These issues are too serious.

Mr. ABERCROMBIE. If the gentleman will yield further, last evening I had an opportunity to speak in a special order, and I indicated then and I indicate again tonight in the wake of the gentleman's suggestion that the President was ill-served by those in authority who failed to inform him fully as to what all the conditions and circumstances were.

There is no excuse for the leadership in the Department of Defense not informing the President of the United States as to what he might be facing with respect to the outcome that was here. I pointed out last night that this situation did not just develop with CBS on 60 Minutes II within the last 7 days. A report by the Provost Marshal of the United States Army, Major General Donald Ryder, in November of 2003, was in the hands of General Sanchez and in the hands of the Department of Defense and the Secretary in the fall of last year.

□ 2310

In the wake of that, I have here and am displaying to my colleagues, Mr. Speaker, Article 15–6, investigation of the 800th Military Police Brigade. This was the report that was requested on January 19, 2004, subsequent to the

Provost Marshal's investigation and report, which indicated severe difficulties, tensions between military intelligence-gathering and proper prison conduct by those in charge of the prisons, indicating that there were training problems, operational problems that needed to be addressed. And so on January 19, Lieutenant General Sanchez, Lieutenant General Sanchez, the commander of the Combined Joint Task Force 7, requested that the U.S. Central Command appoint an investigating officer, and that investigating officer, of course, was General Taguba. His report responded to the admonitions of Lieutenant General Sanchez that an investigation of detention and internment operations be undertaken, starting from November of 2003. November of 2003 is when the report went in, indicating that there had to be steps taken to address these questions.

Let me quote from the opening paragraph. ''Lieutenant General Sanchez cited recent reports of detainee abuse, escapes from confinement facilities, and accountability lapses, which indicated systemic problems within the brigade and suggested a lack of clear standards, proficiency, and leadership.''

Fifty-three pages later, and if the gentleman will grant now, I will not cite over and over again what is taking place in here, but one shocking event after another.

This 53-page report, and this comes from CQ Today, Congressional Quarterly Today by Neil Soros from the CQ staff, and he quotes, ''The 53-page report drafted by Army General Antonio Taguba, and based on an investigation into the abuse allegations,'' that is this report that I hold in my hand, ''that began in January was finished in April. The report was detailed in this week's New Yorker magazine. At a Pentagon news conference today, Secretary Rumsfeld defended the time it takes to release such information.''

Now, this information was available from November of last year.

Quote: ''I recognize the appetite of people for instant information and instant conclusions,'' he said. That is to say Secretary Rumsfeld. ''These things are complicated. They take some time. It required interviewing people back in the States who had already left Iraq that required discussions with people. They are proceeding in a very systematic and appropriate way, and to the extent I conclude at any time there is some slice of it that has not been investigated, has not been looked at properly, you can be sure I will undertake such an investigation.''

Clearly, the Secretary of Defense is dissembling and somehow thinks that everybody in this country can be fooled as to what his responsibility is. The Secretary of Defense has known, at least since November of last year, what was going on and did not even inform the President of the United States, because the Secretary of Defense, as I said last night, apparently has assumed that he is the chief operating officer of this country and that he does not need to inform the Congress, he does not only not need to inform the Congress, but does not even need to inform the President of the United States.

I yield to the gentleman from Ohio.

Mr. STRICKLAND. Mr. Speaker, I would just like to say that I think the Secretary of Defense, Secretary Rumsfeld, should resign. He was quoted in the paper today responding to a question as to why he had not asked to see the pictures, and he indicated that he had asked, but they were not available.

Now, if the Secretary of Defense of this country cannot acquire pictures that he asks for, is it any wonder that we have troops in Iraq tonight who are driving around in unarmored vehicles? Is it any wonder that we had troops in Iraq for an entire year without protective body armor? If the Secretary of Defense cannot get pictures that he requests, my God, what are we facing over there? It just is indescribable.

I yield to my friend, the gentleman from Washington State.

Mr. INSLEE. Mr. Speaker, if it was one failure, wars are tough, some things go wrong; and if it was one failure, maybe we would be in the excusing mode. But it is interesting. Of all of the failures that have happened in Iraq from day one, not one single person has lost their job, except maybe recently in this POW camp situation.

Mr. ABERCROMBIE. Mr. Speaker, if the gentleman would just yield on that point, yes, somebody has lost their job: the people who published the pictures of the coffins coming home.

Mr. INSLEE. Who is my constituent, by the way, and we will talk about that in a few minutes. But let me suggest that there is not one failure, there are 10 failures. And before the night is out, I want to list the 10 failures of this executive branch which are significant which have gotten us into this mess.

Failure number 1. They told us and the world that Iraq had weapons of mass destruction. The President of the United States said on August 26, 2002, ''Simply stated, there is no doubt that Saddam Hussein now has weapons of mass destruction.'' That statement was false.

Number 2. They told us they had clear and convincing evidence of the connection between Saddam Hussein and the attack of September 11 and al Qaeda. No matter how many times that is said, that statement is false. We have now seen the intelligence briefing. There was no such evidence. That statement was false.

Third: they told the American people that we would be greeted as liberators, rose petals strewn at our feet, happy convocations of democracy-seeking Iraqis greeting our personnel carriers. As a result of that failure, Americans died, because they refused to send armor that would have protected our soldiers from these improvised explosive devices along our roadways, and they sent them with thin skin, sheet metal Humvees not as thick as your washing machine that did not protect our soldiers.

Now, why did they make that such fundamental error? Why did they not send our armored personnel carriers that we have 11,000 of them sitting in warehouses around this country, why did they not send those? Well, there is a reason. It is because they were so, and I have no other word to put it but arrogant, to believe that their wisdom would be accepted by the entire Mideast when they came into Iraq, and they were wrong, and our people died.

Issue number 4: they ignored clear evidence that we needed more troops on the ground after the collapse of the Iraqi Army. General Shinseki, General Zinni, many people told them, when the Iraqi Army collapses, there is going to be massive looting and chaos and you are going to need hundreds of thousands of troops to protect us and the Iraqis, and they ignored it. Why? Because of arrogance.

Issue number 5: they refused to say we needed the U.N. Now the President is now saying we needed the U.N., now. Well, it is a little late now when the rest of the world is refusing to become involved.

Number 6: they refused to have elections. I am told Jay Garner, the first provost they had, suggested they needed elections. That is kind of what democracy is about. Now, proposedly, the President is going to turn over sovereignty on June 30. What a joke. The only thing these people are going to control in Iraq after we hand-pick these people are who gets library cards. Every single thing else is going to be run by us, and Iraq knows it. I will go quickly.

Number 7: No command and control and adequate training in handling these POWs with a massive black eye to the United States of America. When we have tens of thousands of people doing a great job in Iraq, our reputation has been soiled.

Number 8: no armor. We talked about that.

Number 9: no plan to pay for Iraq. We have over $130 billion of payment of Iraqi expenses, and this President has not suggested one single dollar except deficit spending to pay for this war.

Number 10, and this is the one maybe that is the most no-brainer to me I can think of. They sent 130,000 troops into Iraq without body armor, knowing that you are sending them into the war and into the dens of modern combat without modern flap jackets. That is 10, and that is enough.

Mr. STRICKLAND. Mr. Speaker, if the gentleman will yield, I wrote Secretary Rumsfeld about the body armor issue months ago and he wrote me back and he said all of our troops will be protected with this body armor by November.

□ 2320

A day later I get a letter from General Myers, and he says it will be December. Before we leave here for the

holidays, they had a briefing at the Pentagon; they said it is going to be January. Do you realize it was March of this year, one full year after the beginning of this war, before the Pentagon was willing to say that all of our troops had been equipped? And now they are over there without uparmored Humvees, and they are driving over these roadway explosives. They are getting their arms and legs blown off. They are losing their lives, and we are not correcting that problem as quickly as we are capable of correcting it.

How do I know that? Because the only company the Pentagon has a contract with to provide these uparmored Humvees is an Ohio company located in Fairfield, Ohio. They are capable of producing in November of this year, by November of this year, 500 of these uparmored Humvees per month. How many is the Pentagon willing to buy? Only 300 per month. That means that we are not addressing this problem as quickly as it is possible to address it.

How can the President, how can the Secretary of Defense, how can Paul Wolfowitz look the American citizen, the American family, the American soldier in the eye and explain to them why we are not doing everything as quickly as possible to protect our soldiers?

One more thing before I yield, Deputy Secretary Wolfowitz, who I believe and I think most people believe was largely responsible for helping formulate this policy of going into Iraq as we did, was asked a few days ago how many American soldiers had been killed. And he indicated that it was something over 500. And at that time we had lost well over 700 American soldiers. To think that the Deputy Secretary of Defense was not paying attention to the number of American deaths is almost unthinkable, almost unthinkable.

I have got 8th and 9th grade students who come to Washington, D.C. from my district, to visit me in Washington, D.C., who are better informed about the price this country is paying in terms of deaths and the injuries of our soldiers than apparently is the Deputy Secretary of Defense, Paul Wolfowitz. He should be ashamed of himself.

I cannot fathom that one in his high position would not on a daily basis take note of the number of American soldiers who have lost their lives in this conflict.

Mr. INSLEE. I just want to offer a brief suggestion why that is. How could the Assistant Secretary of Defense not know our casualties? How could you possibly explain that? Well, there is an explanation.

This administration has got us into a war and is pursuing a war based on wishful thinking rather than hard reality. Now, wishful thinking is fine in Hollywood. It makes some great dramas, but it is a lousy way to win a war; and it costs people's lives, and that is what is happening tonight. They have wishful thinking: if we just stay the course, the Iraqis will accept the government we are trying to force down their throats. It is wishful thinking that the ID are going to stop and the Humvees are going to stop the attacks on our soldiers. It is wishful thinking that somehow we will find $150 billion a year to pay for this war.

They refuse to recognize the hard cold reality that our soldiers are facing every day in Iraq. It is morally, ethically, and democratically wrong; and that is why we are here tonight.

Mr. DELAHUNT. Just to pick up on the point by my friend, the gentleman from Ohio (Mr. STRICKLAND), it is beyond the incompetence and the ineptitude that seems to characterize the civilian leadership of the Department of Defense. That can only be called callousness, and it is rank and raw. And maybe he ought to join us as we attend the funerals of those who have died in the service of this country. I have already attended two, two funerals. A young man in Quincy and just recently a young man in Plymouth. This Saturday I am attending another funeral. And just maybe if Under Secretary Wolfowitz was at that funeral with me, he might know the number of Americans that have died in this war. But maybe it is just simply ineptitude.

We were talking earlier about these contractors, these mercenaries, these Hessians, if you will. A report exists that has targeted two individuals who worked for contractors. Now, I am not going to reach a conclusion, because everyone deserves due process, everyone deserves the implementation of the rule of law as we know it in our democracy; but they have not even received notice. Just imagine that. They have heard nothing from the Pentagon.

It is in a report and there has been no communication to these private companies. Yesterday in the New York Times the lead contractors implicated in prison abuse remain on the job. They are still there. More than 2 months after a classified Army report found that the two contract workers were implicated in the abuse of Iraqis at a prison outside of Baghdad, the companies that employ them say they have heard nothing from the Pentagon and that they have not removed any employees from Iraq.

For one of the employees, the Army report recommended termination of employment and revocation of a security clearance. For the other, it urged an official reprimand, whatever that means, and review of his security clearance. Military spokesmen in Washington and Baghdad said Monday evening they had no information on whether the workers were still on the job or why the report had not been conveyed to the companies. One of the principles in the company noted with apparent irritation that the military still had not provided the company with a copy of the report completed February 22.

What is going on with the civilian leadership under the direction of this Secretary?

Mr. ABERCROMBIE. Mr. Speaker, I can tell you who has been notified. I can tell you who has been held responsible.

The New York Times, perhaps the same article, indicated yesterday, the senior American commander in Iraq has ordered the first punishments in the abuse of prisoners by American soldiers there, issuing severe reprimand to six who served in supervisory positions and milder levels of admonishment to a seventh. Those in supervisory positions received a reprimand or a letter of admonishment. However, six subordinates accused of carrying out the abuse already face criminal charges.

Mr. DELAHUNT. It just gets worse.

Mr. ABERCROMBIE. A moment longer.

''''They did not know or participate in any crimes,' a senior American officer in Baghdad said of the officers who received the reprimand.'' Who determined that they did not know or participate in any crimes? A senior American officer unnamed says in Baghdad, but they know that the six subordinates, the poor grunts on the ground, they know that they have got to face criminal charges. In addition, issued the reprimand. Their responsibility is to set the standards in the organization. They should have known, but they did not. So they just get a reprimand.

They are the ones setting the standards in the organization by the administration of senior officers in Baghdad. We already know what is happening. The grunts on the ground are taking the fall. That is what is happening. That is the reality. And the officers are running and hiding, and they are being allowed to do it despite the fact that we know that reports existed as far back as last November pointing out what the difficulties and challenges were.

□ 2330

Mr. DELAHUNT. Mr. Speaker, the chief executive of one of the civilian contractors said in an interview this past Monday, just stop and pause and think of that, this past Monday, said we have not received any information or direction from the client regarding our work in-country. No charge, no communications, no citations, no calls to appear at the Pentagon.

Mr. STRICKLAND. Mr. Speaker, if my friend would yield, I dare to say that this smells like a cover-up, and I think Secretary Rumsfeld has to assume responsibility. He is the Secretary of Defense of this Nation, and when he was asked, have you asked, Mr. Secretary, to see all of these pictures depicting this abuse, and he indicates, as was reported in the paper, well, I was told they were not available, I mean, talk about someone trying to shirk responsibility. It is almost laughable. He is the Secretary of Defense.

Then General Myers, I saw him interviewed just a couple of days ago, and

he had indicated that he had not even read this outrageous report. He had not read it, and so it seems to me, rather than the grunts on the ground, that someone like General Myers and Secretary Rumsfeld should step up, assume responsibility, admit their failure of leadership and have the good graces to submit their resignations to the President of the United States, and if he is not willing to do it, I would hope the President would ask for it.

Mr. ABERCROMBIE. If the gentleman would yield on that point, would the gentleman from Massachusetts kindly read back to us the last sentence that he just read from that report with respect to the client. I believe there was a sentence that the contractors were making reference to who their client was. Could the gentleman read that sentence.

Mr. DELAHUNT. That is exactly the word. I will look through. We have not received any information or direction from the client.

Mr. ABERCROMBIE. The client.

Mr. DELAHUNT. The client is the American taxpayer. That is who the client is, the American people.

Mr. ABERCROMBIE. If the gentleman will yield back, yes, the client that is referred to presumably is the Department of Defense.

I have before me a letter that was received by the ranking member of the Committee on Armed Services, the gentleman from Missouri (Mr. SKELTON) yesterday on May 4, from the Secretary of Defense, Mr. Rumsfeld, where he states with respect to private security companies, known as PSCs, private security companies, where he states, It is my understanding that most of the PSCs doing business in Iraq do not work directly for the U.S. government.

Mr. STRICKLAND. Who do they work for?

Mr. ABERCROMBIE. I am about to tell you. I am about to tell you.

They work under subcontracts to prime contractors to provide for the protection of their employees. They are apparently just manifesting themselves like spontaneous combustion or immaculate conceptions in Iraq.

Many PSCs, and I am quoting the Secretary of Defense here, many PSCs are hired by other entities such as Iraqi companies or private foreign companies seeking business opportunities in Iraq.

We are in the middle of a war zone and the Secretary of Defense says, well, 10- or 20,000 people over here with guns and going anyplace they please and causing anything to happen that they want, what does it have to do with me and my 135,000 people?

The CPA, the Coalition Provisional Authority, has established a PSC working group to provide a forum, a forum, a discussion group, in which PSCs exchange information, and approximately 50 PSCs are actively involved in this group. He has a list of 60 that is attached to this. Apparently 10 of them do not even bother to show up at the forum. God knows what kind of rules they are operating under.

The Secretary goes on to say, The Department of Defense is drafting uniform guidance regarding PSCs employed in Iraq under contracts using U.S. appropriations, which means as of May 4, 2004, there is no uniform guidance from the Department of Defense regarding the utilization of private contractors being paid from U.S. appropriations.

This is dereliction of duty. How is it possible for the Secretary of Defense to tell the American people and tell the American Congress that he has no rules whatsoever and is in the process of forming what he calls uniform guidance, whatever the hell that is? That is what the Secretary of Defense has done. He has undermined completely the policies of this country, has failed his President, failed this Congress and failed his duty.

Mr. DELAHUNT. As my colleague knows, at least it has been reported in the paper, that the Secretary will appear before the Senate Foreign Relations Committee or some other committee of the United States Senate to respond to the concerns that Republicans and Democrats and everybody has articulated over the last several days.

I would hope that one additional question might be asked of this Secretary who stands here next to the President of Uzbekistan, who is a tyrant, a despot and a dictator, who some day will rival Saddam Hussein as a gross violator and threat to regional stability, but is now part of the coalition of the willing, but I digress.

From the book which was offered regarding the experiences of the former Secretary of Treasury Paul O'Neill, there is related an anecdote, and I think it needs an answer because I do not want to make an accusation, but this anecdote occurred on February of 2001, months before our national tragedy of September 11, but the preparations were underway to do something about Iraq, to do something about Iraq.

On page 96, let me read, Beneath the surface was a battle, O'Neill, that seemed brewing since the National Security Council meeting on January 30. Remember, the President had been in office for a week. It was Powell and his moderates at the State Department versus hard-liners like Rumsfeld, Cheney and Wolfowitz, who were already planning the next war in Iraq in the shape of a post-Saddam country. Documents were being prepared by the Defense Intelligence Agency, Rumsfeld's intelligence arm, mapping Iraqi oil fields and exploration areas enlisting companies that might be interested in leveraging the precious asset. This is less than a month after President Bush was inaugurated.

One document entitled Foreign Suitors for Iraqi Oil Field Contracts lists companies from 30 countries, their specialty, bidding histories and, in some cases, their particular areas of history. He expressed the desire to dissuade countries from engaging in asymmetrical challenges to the United States, as Rumsfeld said in his January articulation, of the demonstrative value of a pre-emptive attack.

I would like to have a response to that particular page. What was the memory of Secretary Donald Rumsfeld? Why was he preparing at that point, cutting up the pie, if you will, allocating oil contracts months before 9/11?

Mr. INSLEE. Mr. Speaker, will the gentleman yield.

Mr. DELAHUNT. I yield to the gentleman from Washington.

□ 2340

Mr. INSLEE. Mr. Speaker, I think it is important to say what is happening in Iraq due to the deception and falsehood by this administration is not only a threat to our soldiers, it is a threat to democracy itself. There is no greater violation of the democratic principle than an administration that does not tell the truth to the American people, and we are not getting the truth. We know we did not get the truth about WMD or a connection to 9/11, but now we find it was months and months before we got to the truth because somebody leaked pictures about this scandalous situation in our POW camps.

This is a direct threat to the democratic principle. If you want to know how bad things are going to go, when the government does not tell the truth to the American people, I want to quote something I read today. I was with the gentleman from Ohio (Mr. STRICKLAND) at the Library of Congress this evening, and they have an exhibit about Winston Churchill. On page 42 of this pamphlet, it has a picture of Winston Churchill and Lawrence of Arabia taken in 1921 at the Cairo Conference. It says, ''During this meeting, Churchill helped establish the government ethnic composition and political boundaries of Iraq and other portions of the Middle East.''

When the British did that, they told their people they would be there for a year or two and they would help bring democracy to Iraq. Lawrence of Arabia told them they were crazy because they did not understand the ethnic composition of that part of the world.

Do Members know the year they left Iraq after getting in in 1922, the British Empire, 1953; 31 years. What is 31 years, that is 2035 if we have a similar misunderstanding as to what is going on in Iraq.

The sad situation is this administration has demonstrated repeated failures to understand the challenges we have in Iraq. I want to offer one idea. We have offered a lot of criticism and we have called for accountability of people which is a democratic principle. We have called for accountability of people in this administration who should be removed because of their repeated failures, misjudgment and deception.

There is only one way we are going to get out of Iraq, and that is allow the Iraqi people to seize their own destiny, and that destiny may not be perfect according to what the Oval Office wants it to be, but this President has to recognize he cannot run Iraq from the Oval Office. The Iraqi people are going to have to fashion their own destiny.

That is why I believe we should call for early elections this summer if possible, as was done in the town of Tar and the village of Shatra, a town of 250,000. They have had elections. They have done it using their ration cards. In these towns, they have already had elections. You bring in your ration card, you stamp it when there is a vote, and you pick who you think should be in charge of your destiny.

The Iraqis need to get involved in their country's future. Right now they are dependent on us for everything. They are dependent on us to do all of the dying and spending. We need Iraqis to grasp their own destiny, and the best way to do it is through elections. Those elections may not be as good as the one in Florida in 2000, but it would be a lot better than us picking the people that we are going to shove down the Iraqi's throats in this bizarre situation.

Mr. ABERCROMBIE. Mr. Speaker, it was just about a year ago, just about this time that the first congressional delegation under the leadership of the gentleman from California (Mr. HUNTER) went into Baghdad from the Baghdad Airport up Kirkuk, the first opportunity that Members of Congress had to actually meet face to face in Baghdad itself with General Garner and Ambassador Bremer. We got into Baghdad the same day, or within 24 hours or so of the time Ambassador Bremer was replacing or complementing the service of General Garner.

I can tell the gentleman because I believe it was the gentleman from Washington (Mr. INSLEE) who mentioned that General Garner had some ideas about what needed to be done vis-á-vis reconstruction. I can affirm to the gentleman based on his suggestion which he just made about elections that General Garner felt very strongly at that time that councils of one kind and another should be allowed to be set up, that we could go to the Iraqi people and trust that they would put these together with a minimum of structure, if you will, from the United States. That is to say we could help provide the logistical capacity to help conduct the elections, but he felt they should move forward expeditiously.

And I can tell you his suggestions were made in a context in which he was shoved laterally just about as fast as he could go. I think we are going to find General Garner, who was kind of dismissed as someone who did not quite understand what was going on, from the point of view of history will be shown as having a clear idea of what needed to be done.

Mr. STRICKLAND. Mr. Speaker, the history of this administration is anyone who questions is shoved aside. General Shinseki said we would need hundreds of thousands of troops. He was literally ridiculed by the Secretary of Defense and others.

Mr. ABERCROMBIE. He was rebuked publicly.

Mr. STRICKLAND. Absolutely, because you do not question these folks. They seem to know everything.

What we are finding out is that their understanding is so immature that they are almost child-like in their fantasies. It is almost like a make-believe. They want the world to be a certain way, and so they just assume it is; and then who pays the price? The American people pay the price, the families of our soldiers and the soldiers pay the price.

If I can say something about the need to come up with a plan as the gentleman from Washington (Mr. INSLEE) and the gentleman from Hawaii (Mr. ABERCROMBIE) have suggested. The papers reported today that the troop levels that we are going to have in Iraq will stay at about 135,000 throughout 2005. I submit that is just the beginning. It is going to be 2005, 2006, 2007, we know not when this is going to come to an end.

This is my prediction. My prediction is this: If we do not change our policies, if we do not come up with a plan to extricate ourselves honorably from that situation, we are going to find ourselves facing the strong possibility of a military draft and the moms and dads in this country who may feel very detached from this war right now because they have a 13 or 14 or 15-year-old son or daughter, and they do not think it is going to touch them, we cannot sustain our military needs around the world and continue to do what we are doing in Iraq without the possibility, I think the strong possibility of a military draft.

If we have a military draft, I do not think we will have those exemptions that we had when I and Vice President CHENEY were draft age. I think every person of draft age will be subjected to it. I hold that out not as a threat, but I think it is realistic. We have National Guard persons and Reservists over there, and they are being extended beyond the normal time of service. We cannot continue this for years and years and years into the future.

Mr. ABERCROMBIE. Mr. Speaker, the indication today was from the Department of Defense that Reservists and National Guard can look forward to 16,000 more being called up in the next year to supplement those already in service.

Mr. DELAHUNT. Mr. Speaker, meanwhile, what is happening in terms of the war on terror. We are talking about Iraq, and yet all over the world, murky, small, nebulous cells of fundamental Islamics who hate America are being spawned.

Mr. Speaker, maybe tomorrow if we have some time we will come back and do a wrap-up. Again, I thank my colleagues for this installment of Iraq watch.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COLE). The Chair reminds all Members that it is not in order in debate to refer to Senators except as provided in clause 1, rule XVII.

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 11 o'clock and 50 minutes p.m.), the House stood in recess subject to the call of the Chair.

N O T I C E

Incomplete record of House proceedings. Except for concluding business which follows, today's House proceedings will be continued in the next issue of the Record.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

7953. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Buy-to-Budget Acquisition of End Items [DFARS Case 2002-D036] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7954. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Multiyear Contracting Authority Revisions [DFARS Case 2002-D041] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7955. A letter from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting the Department's final rule — Defense Federal Acquisition Regulation Supplement; Contract

Period for Task and Delivery Order Contracts [DFARS Case 2003-D097] received April 28, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

7956. A letter from the Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule — Community Technology Centers Program (RIN: 1830-ZA05) received April 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7957. A letter from the Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule — Family Educational Rights and Privacy Act (RIN: 1855-AA00) received April 22, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7958. A letter from the Assistant Secretary of Labor, Employment and Training Administration, Department of Labor, transmitting the Department's final rule — Senior Community Service Employment Program (RIN: 1205-AB28) received April 21, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7959. A letter from the Senior Regulatory Officer, Wage and Hour Div., Department of Labor, transmitting the Department's final rule — Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees (RIN: 1215-AA14) received April 29, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

7960. A letter from the Special Advisor to the Bureau Chief, Media Bureau, Federal Communications Commission, transmitting the Commission's final rule — Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Mangum and Erick, Oklahoma) [MM Docket No. 01-218; RM-10237] received April 19, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

7961. A letter from the Director, Division for Strategic Human Resources Policy, Office of Personnel Management, transmitting the Office's final rule — Agency Use of Appropriated Funds for Child Care Costs for Lower Income Employees (RIN: 3206-AJ77) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

7962. A letter from the Federal Register Certifying Officer, Department of the Treasury, transmitting the Department's final rule — Indorsement and Payment of Checks Drawn on the United States Treasury (RIN: 1510-AA45) received March 30, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7963. A letter from the Acting Under Secretary and Acting Director, U.S. Patent and Trademark Office, Department of Commerce, transmitting the Department's final rule — Revision of Patent Term Extension and Patent Term Adjustment Provisions [Docket No. 2003-P-029] (RIN: 0651-AB71) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7964. A letter from the Acting Assistant Counsel for Regulatory Law, Office of Environment, Saftey, and Health, Department of Energy, transmitting the Department's final rule — Guidelines for Physician Panel Determinations on Worker Requests for Assistance in Filing for State Worker's Compensation Benefits; Procedural Amendments (RIN: 1901-AB13) received April 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7965. A letter from the Rules Administrator, Federal Bureau of Prisons, Department of Justice, transmitting the Department's final rule — Smoking/No Smoking Areas [BOP-1084-F] (RIN: 1120-AA79) received April 6, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

7966. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of the NASA FAR Supplement Subchapters A and B Consistent with the Federal Acquisition Regulations System Guidance and Policy (RIN: 2700-AC65) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7967. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — NASA Grant and Cooperative Agreement Handbook — Certifications, Disclosures, and Assurances (RIN: 2700-AC96) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7968. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of NASA FAR Supplement Subchapter D (RIN: 2700-AC84) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7969. A letter from the Assistant Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule — Re-Issuance of NASA FAR Supplement Parts 1813 and 1817 (RIN: 2700-AC83) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

7970. A letter from the Director, Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule — State Cemetery Grants (RIN: 2900-AH46) received April 9, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7971. A letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule — Board of Veterans' Appeals: Rules of Practice — Medical Opinions From the Veterans Health Administration (RIN: 2900-A K52) received April 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

7972. A letter from the Chief, Regulations & Procedures Division, Alcohol & Tobaco Tax & Trade Bureau, Department of the Treasury, transmitting the Department's final rule — Temecula Valley Viticultural Area (2001R-280P) [T.D. TTB-10; Re: ATF Notice No. 958] (RIN: 1513-AA40) received April 27, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

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PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, our Father, high above all yet in all, the burdens of our world are great and our hands often seem so small. Keep us from becoming weary in doing well and use us as Your instruments in these challenging times. Forgive us when we have failed to reach out to the lost, the lonely, and the least.

Empower us to bring Your freedom to those shackled by the manacles of fear. Help us to lift some burden that is too heavy for our neighbors to carry. Renew our strength and enable us to bring light to the growing darkness. As we seek to lead by example, may others praise You because we have stood firm against evil.

We pray for the Members of our Senate. Lengthen their sight that they may see beyond today and make decisions that will have an impact for eternity. Prepare our hearts to respond to You and to live for Your glory. Help each of us to find the special purpose You have in mind for our life.

Sustain our military in the heat of its challenges.

We pray this in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK, a Senator from the State of Kansas, 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 5, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. BROWNBACK thereupon assumed the Chair as Acting President pro tempore.

LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of leader time under the standing order.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business for 60 minutes with the first 30 minutes under the control of the Democratic leader or his designee, and the second 30 minutes under the control of the majority leader or his designee.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Democratic leader is recognized.

RISING GASOLINE PRICES

Mr. DASCHLE. Mr. President, I intend to use my leader time this morning and comment, if I may, on gasoline prices. They continue to hit record highs.

According to the Department of Energy, the average retail price of a gallon of gasoline in America is more than $1.84, up 23 cents in the last two months, 33 cents in the last year, and 37 cents in the past 36 months.

In my State of South Dakota, the average price of gasoline is $1.80 per gallon, with many communities seeing much higher prices than that. Even more troubling, the Department of Energy expects prices to remain high through the summer. This is of particular concern for rural States such as South Dakota, where many people have no choice but to drive long distances daily to get to their jobs, to receive health care, or just to shop for essentials. Americans are increasingly frustrated with skyrocketing gas prices and want to know what the Federal Government is going to do about it. And they want action now.

In March, I sent a letter to the President recommending that he take several initiatives that could curb gasoline prices at home. First, I suggested that he use the prestige of his office and his relationships with foreign leaders to press the Organization of Petroleum Exporting Countries—OPEC—to increase production, thereby relieving some of the pressure on gas prices in the United States in the long term. This is not a radical idea. In fact, on more than one occasion in the fall of 2000, then-candidate Bush put the challenge directly to the President. His message was clear:

What I think the President ought to do is he ought to get on the phone with the OPEC cartel and say, ''We expect you to open the spigots.''

If that was good advice then, it is certainly sound counsel now. Unfortunately, President Bush has not followed his own advice.

Secretary of Energy Abraham announced earlier this year that the Bush

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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administration would not call on OPEC to roll back their scheduled production cuts. Secretary Abraham said, ''The United States is not going to go around the world begging for oil.'' On April 1, OPEC went ahead with the production cuts.

In my March letter, I also asked the President to follow the Senate's advice and stop diverting oil from the marketplace to fill the Strategic Petroleum Reserve. On March 11, the Senate voted 52 to 43 for an amendment that would stop the diversions of oil. Simply put, it is illogical to be taking oil out of the marketplace when gasoline prices are so high. If anything, we should be doing just the opposite. The President has ignored the Senate's advice, and gasoline prices continue to rise.

To add insult to injury, we now know that the large oil companies are reaping record profits as a result of the volatility in the gasoline market, while consumers are struggling with higher prices at the pump. Over the past year, the ''Big Four'' oil companies have seen an average increase in their U.S. profits of 157 percent. Chevron-Texaco has seen a 294 percent increase in its U.S. refining and marketing profits. BP has seen a 165 percent increase. ExxonMobil has seen a 125 percent increase. And Conoco-Phillips has seen a 44 percent increase.

Consumers have reason to be upset. While the big oil companies are raking in record profits, President Bush remains reluctant to take steps that could reduce the costs consumers face. It is time to reconsider this posture.

In the short term, I hope that President Bush will take another look at the value of encouraging OPEC to increase production now.

Senator WYDEN, who is on the floor this morning, has introduced a resolution calling on the President to do just that. I hope the Senate would ratify it and would encourage, on a bipartisan basis, the President to take this action with the passage of the resolution. This resolution contains the same language as the resolution the Senate passed unanimously in 2000, when then-Senators Ashcroft and Abraham joined others in offering it. I hope that the Senate will act on the Wyden resolution soon.

I also encourage the President to reconsider his decision to continue filling the Strategic Petroleum Reserve. But short-term fixes are not the answer to our longer-term energy supply problem. The Nation needs a balanced, national energy policy. This Congress has considered comprehensive energy legislation. I have voted for the conference version of this legislation twice—once in November when it contained the controversial MTBE liability relief provision, and again last week when Senator DOMENICI offered a slimmed down version with the MTBE rider as an amendment to the Internet tax bill. It was defeated both times by bipartisan votes.

It is no secret that I strongly support the renewable fuels standard provision of the comprehensive energy bill. That section would double the amount of ethanol produced in the United States over the next 10 years. In the process, it would boost rural income, improve air quality, and extend domestic gasoline supply.

The use of domestically produced, renewable ethanol has effectively lowered gasoline prices to motorists whenever it has been made available during its 25-year history. This is because high-octane, clean-burning renewable fuels, especially ethanol, increase available volume of finished gasoline by more than 10 percent today and give gasoline markets more supply options.

In addition, the reduced tax that is imposed on renewable fuel also saved consumers millions of dollars each year as ethanol blends are nearly always priced lower than conventional gasoline.

Reenactment of the renewable fuel standard would result in more than 500,000 barrels per day of high-octane, refined ethanol for blending with gasoline, saving the United States $4 billion in imported oil each year because we would double the use of renewable fuels.

Unlike the comprehensive Energy bill which remains stalled by bipartisan opposition to specific provisions, the renewable fuel standard enjoys strong bipartisan support. It has been reported out of the Environment and Public Works Committee twice and passed by the Senate twice, both times by more than a two-thirds vote. It is still pending in the Senate today. Last June, 68 Senators voted in favor of RFS when then-Majority Leader FRIST and I offered it as an amendment to the Energy bill. The renewable fuel standard will help blunt rising gasoline prices. If Congress is not able to pass the RFS as part of a comprehensive energy bill, it should pass it on its own. It is the right thing to do for consumers.

Beyond that, we have to recognize this country cannot sustain its current consumption of gasoline and of transportation fuels. We have to find ways in a comprehensive energy policy to deal with an issue that many on the other side are unwilling to deal with, and that is conservation. We have the capacity to improve conservation, to reduce per capita demand. We have a capacity now to use the technological innovation, the extraordinary research that has been offered in the last 20 years to bring down consumption in both comprehensive as well as in individual and specific ways. I have absolutely every confidence that if our Members would continue to work on comprehensive energy legislation with an understanding of the importance of conservation, of reduction of our insatiable appetite for more and more energy, we could do it. It must be a part of any long-term energy policy if, indeed, we are going to bring this country to a balanced and a pragmatic appreciation of the extraordinary implications of current energy policy and demand in this country today.

Again, I hope we all recognize the volatility and the extraordinary danger economically and financially we put our country and all Americans in if we are not prepared to address energy prices, gasoline prices, more effectively than we have so far at the Federal level.

Mr. REID. Will the Senator yield?

Mr. DASCHLE. I am happy to yield.

Mr. REID. We worked yesterday at great length on the FSC bill and were able to get the amendment we have been trying to get a vote on for several months dealing with overtime. The amendment, of course, passed. That is out of the way.

The Democrats are offering lots of amendments. We have amendments that are pending that have been offered by a number of Democratic Senators, amendments we have in the queue, and other Democrats have indicated they are willing to offer their amendments.

I say to my friend, the distinguished Democratic leader, on our side we feel this bill is doable and we can do it quite quickly. I want the record to be spread with a statement from the Democratic leader that we want the bill to pass. If it does not pass, it is not going to be anything that has been done by the minority. The FSC bill is important. We realize it has been important for some time and have done everything we can to get it passed.

Would the Democratic leader indicate his feelings about this most important piece of legislation.

Mr. DASCHLE. Mr. President, I respond to the distinguished assistant Democratic leader by first thanking him for again clarifying our circumstances with regard to the FSC bill. I said in the Senate yesterday, and I know he has reiterated our commitment, that we will pass the bill this week if we can get the cooperation of Senators on both sides.

Working with the distinguished assistant Democratic leader, we have winnowed down the number of amendments on our side to a handful. We are very confident we can finish the consideration of the pending Democratic amendments, certainly within the next couple of days. I have yet to hear from our Republican colleagues as to the status of the 55 amendments that were offered on their side. I have no information that would lead me to believe they have had similar success. I hope that is not the case. I hope they have been able to convince Republican Senators that 55 amendments, as prolific as that sounds, would make it impossible to finish the bill this week.

We are prepared to continue to work to see we bring our debate on this bill to closure. I am confident we can do that, at least on our side, and I appreciate very much the Senator from Nevada working so diligently with the managers of the bill to accommodate our optimism about our success in completing the bill this week.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oregon.

STRATEGIC PETROLEUM RESERVE

Mr. WYDEN. Mr. President, at a time when there are record gasoline prices for the American consumer and record oil company profits, the Bush administration is filling our Strategic Petroleum Reserve at 2½ times the average fill rate. Over the last 2 years, the average fill rate has been about 120,000 barrels a day. Recently, it has been hovering around 300,000 barrels a day. Using the figures provided by the administration's Energy Information Administration Office, these policies would raise the price of oil per barrel about $1.50.

I come to the Senate today to say I believe the Bush administration's policies with respect to the Strategic Petroleum Reserve are hitting the American people with a double whammy. For the American people, more of their tax dollars are now being spent for filling the Strategic Petroleum Reserve and more of their take-home dollars are being spent on gasoline at the pump.

I come today to say if the Bush administration is not willing to at least reduce the fill rate of the Strategic Petroleum Reserve, I ask the Bush administration to stop filling the Strategic Petroleum Reserve with a firehose. It is that simple.

Over the course of the year, the administration may say, we reach an average fill rate of 120,000 barrels a day. There is a great amount of oil in some months and no oil in other months.

To that, I say the months before the peak driving season, when gasoline is already at record prices, are not the months to go whole hog in filling the Strategic Petroleum Reserve. This is not the time to pour in the maximum amount of oil. One reason is because oil prices are already so high that American taxpayers are spending top dollar for the oil being put into the reserve. Anyone who has ever had to run their own family finances knows when prices are high, sometimes you wait until the price comes down to buy what you want.

There is another, more compelling reason to slow the rate of fill in the Strategic Petroleum Reserve. It is because this administration's policy is actually contributing to the high gas prices shellacking working Americans' pocketbooks every day from coast to coast.

I am of the view the American consumer is about to get hit by a perfect storm with respect to these gasoline prices. The combination of OPEC cutbacks, the fact the Federal Trade Commission—the agency that is supposed to protect our consumers—is sitting on its hands, the fact you actually get a tax break for closing a profitable oil refinery, these Strategic Petroleum Reserve policies, is going to create a perfect storm that is going to be devastating for American consumers across our country.

I know my colleagues are here and want to talk about this issue, as well, so I will abbreviate my statement.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from the great State of New Jersey.

Mr. CORZINE. Thank you, Mr. President.

Mr. REID. Mr. President, will the Senator yield in order for me to make a unanimous consent request.

Mr. CORZINE. Certainly.

ORDER OF PROCEDURE

Mr. REID. Mr. President, on the Democratic side, how much time do we have?

The ACTING PRESIDENT pro tempore. Twenty-five and a half minutes.

Mr. REID. Mr. President, we would, on this side, yield 7½ minutes to Senator CORZINE, 7½ minutes to Senator SCHUMER, and 7½ minutes to Senator BREAUX. I ask unanimous consent that be the order.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from New Jersey.

GAS PRICES

Mr. CORZINE. Mr. President, first of all, let me go back and compliment my colleague from Oregon, who I think has analyzed a problem that fits into a pattern of economic pressure that we see building on the middle class in America.

There is nothing more fundamental today in life than filling the car with gasoline and using it for commuting and taking the kids to school and doing all the normal tasks that we have going on. We see the same problem, by the way, with health care costs, tuition costs, and with property taxes across this country.

While there may be some good economic statistics out there, middle-class Americans are being hit unbelievably hard on the fundamentals that drive their basic budgets. Nothing—nothing—more clearly demonstrates this than these rising gasoline prices we have been experiencing this year. There has been a 23-cent increase in the price of gasoline. Nationally, the average price for gasoline is $1.84 a gallon. Many places in the country it is over $2 a gallon.

This comes from flawed simple economics 101, supply and demand. This administration is doing everything that you can imagine to hold back supply by filling the petroleum reserve at accelerated rates, when it is already about 95 percent full. It does not need to be in this position.

As we go into the summer season, the ''perfect storm'' the Senator from Oregon talks about is also being implemented with regard to other policies. It is counter to any basic economic analysis that you would want, to be taking supply off the market that would run down prices. I don't know what people are thinking when they implement policies that are going to restrict supply, and when they are unwilling to confront OPEC as they are cutting back supply. What we are getting is the natural result of rising prices, which is coming right out of the pocketbook of middle-class Americans. It is just absolutely wrong.

If you are cynical, you can also say, well, maybe it is because some people benefit from these higher prices. Being someone who worked in the private sector for 25 years of my life, I don't think profits are a bad thing. But when the American people are suffering from this erosion of their quality of life—because of the rise in property taxes, health care costs, tuition costs, and now gas prices—you wonder why it is so appropriate that Exxon-Mobil's profits were up 125 percent in the first quarter of this year; BP's profits were up 165 percent; and Chevron-Texaco's profits were up 294 percent. Is that economic fairness, in any context, particularly when you put it into the perspective that what the Bush administration is doing is restricting supply?

This is just wrong. It is out of the context of what is best for the American economy and for growth and the quality of life of Americans. It needs to be addressed. We are creating a windfall for American business at the expense of middle-class Americans. And it is happening day after day after day.

I do not begrudge profits, but I don't think it ought to be done on the backs of the American middle class because of the general macroeconomic policies of the President. And that is exactly what we have right now. It is wrong and needs to be pushed back, just as we need to confront Saudi Arabia with regard to its leadership in OPEC. If they are our ally, as they claim to be, then we ought to be speaking to them about increasing the production of oil out of OPEC as opposed to the restrictions we have seen.

From what we understand from all news reports and actually the Saudi Foreign Minister has said, there has not been one word of contact from this administration to the Saudis about OPEC production.

So now we have two of those very large ingredients into the supply and demand equation. That is why we are getting high prices. That is why gas is $1.84 a gallon, on average, in the country. And that is why it is $2 a gallon on the coast and most of the places where our larger population segments work.

It is really troubling we cannot put together a response to something that is eroding the quality of life in the aftertax base of middle-class Americans to actually operate in a sound way. So I hope we will all follow Senator WYDEN's lead. He has done a terrific job of bringing focus to it, as has the Senator from New York, talking about pushing back against OPEC on production cutbacks. We really need to take a stand for the American people, not for the oil companies and the profitability we are seeing brought forth.

At a time when we still have not recovered those 2.6 million private sector

job losses, when 8.5 million Americans are unemployed, why we are putting more pressure on middle-class Americans and their quality of life is just hard to believe. It is time for a change. Supporting the proposition of the Senator from Oregon is one that I think we all ought to get out and get to work on.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

ORDER OF PROCEDURE

Mr. REID. Mr. President, of the time allocated to the Democrats, I would yield 4 minutes to the Senator from Illinois, Mr. DURBIN. Do we have the ability to do that, allocating the 4 minutes? If the Senator from New Jersey used all his time, we do not.

The ACTING PRESIDENT pro tempore. There are 4 minutes for you to be able to yield.

Mr. REID. I yield the 4 minutes to Senator DURBIN.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator from Nevada. And I thank my colleague from New York, who will follow me.

ABUSE OF IRAQI PRISONERS

Mr. DURBIN. Mr. President, there is not an American today who woke up and did not hear the lead news story, a story which has, frankly, brought us to a position of embarrassment with the abuses that have been sadly documented and have been spread across the world relating to the treatment of Iraqi prisoners.

The word is that the President of the United States is going to address the Arab nations through their own television network to talk about his disappointment, and I hope with an apology for what has occurred.

But we have a responsibility on Capitol Hill. We have a responsibility in the Senate. I believe we should move, and move decisively, No. 1, to entertain and pass a resolution on this floor that makes it clear that what happened in that Iraqi prison is not what America is all about, and that those responsible for it—from those whose photographs were taken, all the way up the chain of command—need to be held accountable for their actions. Nothing less than that should be tolerated.

Secondly, the Secretary of Defense, Don Rumsfeld, should be appearing before a committee on Capitol Hill, on a timely basis, as quickly as possible, to explain exactly what happened. It is absolutely incredible that the Secretary of Defense had no knowledge of this event, nor of the investigation that followed.

Finally, let me say this. Many of us believe what happened last week with the appearance of the Secretary of Defense on Capitol Hill was extremely troubling. Last Thursday, Secretary of Defense Don Rumsfeld appeared in a classified briefing on Capitol Hill, telling the Senate membership the state of affairs in Iraq. It was the same day that this story was to be aired on ''60 Minutes II,'' the story relating to Iraqi prisoners.

The fact is, the Secretary testified without even indicating to the Members of the Senate that this story existed or was about to be disclosed to the American people. That is unacceptable.

The Secretary of Defense needs to return to Capitol Hill tomorrow to give another classified briefing to the Members of the Senate, to tell us exactly what transpired, why he did not disclose this to Members of the Senate, and why there is this veil of secrecy in this administration when it comes to one of the most troubling stories that has emerged since our invasion of Iraq.

I have spoken to our Democratic leader, Tom Daschle. He has been in conversation and dialogue with Senator FRIST, the Republican leader, and has an agreement that all three things that I have just outlined will occur: a resolution on the floor relative to the Iraqi prison scandal; secondly, an appearance by Secretary Rumsfeld in open hearing before a committee as soon as possible; and, third, a request that the Secretary come to Congress, on a classified basis, and meet with us tomorrow, before this week ends, before this Senate leaves, to explain to us what has happened in this terrible episode.

Those who are responsible for this need to be held accountable—whether they are the soldiers involved in it and right up the chain of command to the leadership that failed. If we do not do this, frankly, we are jeopardizing the security of this country and the safety of our men and women in uniform, who still continue to struggle in Iraq to find peace and stability in that country.

We need to move now. We need to move decisively. We need to show the leadership on Capitol Hill which has failed to this point. The way to do it is through these three approaches.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, through the Chair to my friend from Illinois, I appreciate very much his statement. I am hopeful and confident that agreement on those strategies will be reached today. I am terribly disappointed, and not only in what we did not hear from the Secretary of Defense.

Mr. SCHUMER. Mr. President, I think I have 6½ minutes. I yield a minute of my time to the Senator from Nevada.

Mr. REID. Mr. President, there was more brass in 407 last Thursday than would make up a band, four stars all over the place, including the Chairman of the Joint Chiefs of Staff. Not a single one of those people in the chain of command even breathed a word of the impending scandal that they knew about as they briefed us. It is a terrible situation when we meet in secret up in room 407 and something as scandalous as American troops killing—we now have confirmed two homicides—prisoners of war in addition to humiliating them through sexual pictures and doing other things that speak so poorly of our military that I am sickened to my stomach.

Mr. President, we will take 1 minute from Senator BREAUX.

Mr. DURBIN. I ask unanimous consent for 1 additional minute through Senator BREAUX's time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. I agree completely with the Senator from Nevada. I have a feeling of embarrassment and also sadness, sadness for the thousands of men and women in uniform risking their lives today, serving us so nobly in Iraq, who are going to be swept into this vortex. We have to make certain the soldiers who are responsible for this as well as their leaders in command are brought out and held accountable so that our fine men and women who are fighting in the military in Iraq do not have to bear this burden. They are our best and brightest. We owe them the greatest respect. But let us be honest; what happened here is not typical of America, certainly not typical of our military. Unless we are forthright and open in accountability, it is going to sweep all of them into this veil of blame. That would be unfortunate.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 6 minutes.

Mr. SCHUMER. I thank my colleagues from Nevada and Illinois for what they have said. The bottom line is, of course, very little could be more counterproductive to this war effort than what has happened. The best way to deal with it is to come clean and come clean quickly, to find out how often it happened, where it happened, how high up the chain of command, and exorcise it. Because to the overwhelming majority of our troops and our military leadership this is abhorrent. The sooner we can exorcise this cancer, the better off we will all be. Keeping this secret is not going to work. It is going to come out. It has come out. I join my colleagues. I hope we can get Secretary Rumsfeld to come back before us very quickly and give us a full and complete briefing on what has happened. That should happen this week, because last week he gave a briefing in room 407 and didn't even mention this, even though it was going to appear on TV that night.

All of us who care so much about our troops, who are risking their lives with bravery, hate to see any stain upon them. The quicker we deal with this, the better it will be for everybody. Don't hide it. Don't underplay it. Just get it out, exorcise it, and go forward. That is what we have to do. I hope Mr. Rumsfeld will come before us quickly.

OIL PRICES

Mr. SCHUMER. Mr. President, I rise to discuss oil prices, another problem vexing America. Everywhere I go in my State, people are just amazed that gasoline prices are through the roof. It is hurting everybody. There was a report last week that people were buying a little less food. You know you are getting down to the bare bones. Costs of everything could go up. Inflation, thankfully, has stayed low, but if energy prices stay this high for this long, they are going to get higher. What is so troubling is that we have the tools to bring the prices back down. The administration is fiddling while high-priced gasoline burns, if you will.

The No. 1 culprit is not the lack of refineries. Let me make clear: We do have a shortage of refineries. We have had a shortage for 15 years. The price has not been this high for 15 years. The price was a lot lower a year ago with the same number of refineries.

The problem is OPEC. OPEC has gotten together, led by the Saudis, and decided that the old ceiling of $28 a barrel is no longer the ceiling. It is approaching $40 a barrel. That is danger for our people, our economy. Senator CORZINE mentioned before, you see the great economic numbers and then you talk to average folks and they are having as much trouble paying the bills and making ends meet as they ever did before. My view of my role as Senator is to help those folks with their daily lives, not to just look at numbers in the newspaper and say, the numbers are good but, rather, to talk to average people and say: How are you doing? When I ask that, they say: Well, I would be doing a lot better if gasoline prices were lower.

We have a weapon. We have the Strategic Petroleum Reserve. The Strategic Petroleum Reserve's first and foremost purpose is to be there in an emergency. But we changed the law. I helped change it. It can be used when gasoline prices are too high as a temporary way of bringing them down. That is what we should be doing.

The bottom line is, instead of actually putting more oil on the market to lower the price, we are increasing the reserve as we speak, raising the price even further, even though the reserve is over 90 percent full.

I have a resolution I hope to introduce on some bill soon enough that asks the President to confront OPEC, not to play footsie with them, not to just tell the Saudis we understand.

I understand there has been a close relationship between many in this administration and the Saudis and the oil companies. It is sort of a Bermuda Triangle into which oil prices just go. But enough is enough. We should be putting a million barrels of oil out into the market for 30 or 60 days and watch, the price will come down.

I don't regard this as a partisan activity. I pushed President Clinton to do this for 8 months. He did it in October of 2002. The price went down and stayed down. Do you know why it stayed down? Not just the new oil on the market, although oil prices are decided at the margin, but because OPEC knew they couldn't play around with us. When Spence Abraham, the Secretary of Energy, says we are not using the SPR, it gives a green light to OPEC that says: Raise prices as high as you want.

Is that leadership? Is that what the average American needs? Again, the average American is not looking at the newspaper and saying: Gee, the economy is great. They are sitting down at the dinner table Friday night and tearing out their hair about how they are going to pay their bills. The high price of gasoline makes it much worse. We have a way to combat it, to tell the Saudis and OPEC, the heck with you. And we are sitting there. This administration just sits and twiddles its thumbs as the price goes up and up and up. In fact, we send them little signals that it is perfectly OK.

The resolution I will be drafting—and I know my colleagues from California and Oregon are interested because we have talked about this—asks that we immediately, for 30 days, and then with the option for another 30 days, put a million barrels of oil out there. The price will come down.

I ask my fellow New Yorkers and Americans, don't think there is nothing we can do about high oil prices. As my good colleague from Oregon who led this debate said and as my colleague from New Jersey said, if we would simply use the SPR to reduce prices instead of now having it raise prices, the price would come down.

Again, our job as Senator is not to just look at these macrostatistics—that is part of the job—it is to figure out what the average family needs. And they need lower prices.

We can do it. I urge the administration, I urge this body to stop ignoring this problem, to get working on this problem, and bring those prices down in a variety of ways. What I have been pushing is the SPR, release some oil from the SPR. Prices will come down. It happened when President Clinton did it.

I hope this body will act quickly. Just because there is big oil, because there are Saudis, does not mean we should have to roll over. The President should be standing up for the average American, not standing up for the oil companies and not patting the Saudis on the back.

I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, how much time remains on the Democratic side?

The PRESIDING OFFICER. Four minutes 45 seconds.

Mr. DASCHLE. Mr. President, I will use part or all of that time. I know Senator BREAUX was planning to come to the floor but has now changed his plans.

RESPONSE TO PRISONER ABUSE

Mr. DASCHLE. Mr. President, I had hoped to come to the floor when Senator DURBIN spoke with regard to the need for a Senate response on the matter of prisoner abuse. Senator DURBIN related, as I understand it, some conversations I have had with the distinguished majority leader, and I confirm I have had some very good conversations with the majority leader about some of the actions Senator DURBIN outlined.

The majority leader shares my view, and I know he will want to speak to the matter himself, that the Senate needs to address this matter, asking Secretary Rumsfeld to come to room S–407 this week so we can ask questions directly and clarify why it was when they met with us last week we were not told of this information, and share with us as much as he and the Pentagon know about the degree of abuse, what other circumstances may be involved, and whatever has been learned so far through the investigation, and a full airing of the report.

He also indicated his view that the Secretary ought to come before the appropriate committees and testify with regard to these actions so the American people have a better understanding of what we know and what actions are being taken to address this circumstance so we can say without equivocation it will not happen again, and that we can reiterate to the world community this is not the practice, not the policy, and certainly not in keeping with the character of the American people.

Finally, Senator FRIST and I have talked extensively about the importance of passing a resolution this week denouncing this abuse and expressing our abhorrence on a bipartisan basis and sending as clear a message as we can to all the world community that this is unacceptable behavior, it is not in keeping with our practice, with our philosophy, with our character, and we want as much as possible to rectify what damage has been done and to assure those who would in some way make any effort to use this for their own purposes as an anti-American propaganda tool that that will not be tolerated.

This is not America. This is not the practice of our country. This is not the practice of 99.9 percent of the military serving so admirably in Iraq today. They deserve better than that. And to tarnish their reputation and the contributions they have made is abhorrent as well.

We need to make sure those points are made, but, first and foremost, we need to have a better understanding. We are shooting in the dark. We have no information other than what we have read in the newspaper, and that is not acceptable. Secretary Rumsfeld ought to be here, he ought to explain himself and the Pentagon, and we ought to say, after having acquired that information, as unequivocally and

with whatever authority we have, this will not happen again.

I yield the floor.

Mr. WARNER. Mr. President, before the distinguished minority leader departs, I join, as does the majority leader, in his request. As he may know, yesterday the Armed Services Committee had a 2-hour briefing with the top military leaders from the Department of the Army. Senator LEVIN and I felt it important to proceed very quickly. Following that, we had a press conference in which both Senator LEVIN and I spoke of the need for the Secretary of Defense, Mr. Rumsfeld, to come up.

I have been working on that steadily, and I can assure the leader, having talked to my leader last night, Senator FRIST—presumably shortly after the two leaders had discussed it—that Senator FRIST has joined with Senator DASCHLE and others to get that done.

I anticipate, however—and I think it is probably wise—that the President of the United States is going to address this issue, and I think immediately following that, I will presume, say, Thursday morning, tomorrow morning, that we could hope to have the Secretary before the Armed Services Committee. And then subject to the leadership, perhaps he could work with other Senators in another forum later sometime tomorrow. That would be my advice.

I commend the leader, my good friend, for his incorporation in his remarks the need for every Senator as they address this issue to reflect on the, as he said, 99.99 percent of extraordinary professionalism and courage rendered by the men and women in the Armed Forces, not just in Iraq, not just in Afghanistan, but all over the world. No one should have their wonderful works and sacrifices and those of their families in any way tarnished by these serious allegations.

I thank my good friend and leader.

Mr. DASCHLE. Mr. President, if I can respond, I thank the distinguished chairman of the Armed Services Committee for his comments and for the work he has already undertaken to ensure many of these issues can be addressed. He has shown real leadership. I applaud that and look forward to working with him in the days ahead.

I yield the floor.

Mr. WARNER. Mr. President, I thank my good friend and colleague of many years.

I should now like to proceed, if the Chair will kindly advise this Senator the amount of time under the control of this side of the aisle.

The PRESIDING OFFICER. There are 30 minutes in morning business under the control of the majority leader or his designee.

Mr. WARNER. I should like to take approximately 10 minutes of that time.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

SUPPORT FOR OUR MEN AND WOMEN IN UNIFORM

Mr. WARNER. Mr. President, in my colloquy with the distinguished Democratic leader, I reviewed my great concern that as Senators—indeed, as people all over the United States and, indeed, the world—wish to address the extraordinary, tragic information flowing about alleged atrocities perpetrated by U.S. forces and perhaps others that they incorporate in every statement a reference to the courage, the sacrifice, of the men and women in the Armed Forces of our Nation, of the coalition forces who are fighting with us in Iraq, as well as Afghanistan and elsewhere around the world, and, indeed, the impact of this tragic series of revelations on their families back here at home, and to be ever mindful that in the United States and in the homes of the coalition forces in other nations are the wives, the children, mothers, fathers, and others who are in strong support of their loved one beyond the shores, and how ever so hard this story hits home with them.

I do hope my colleagues and others, as they address this issue, take the time to include reference to the valiant work being done by uniformed people of the armed forces of many nations and their families.

The allegations of mistreatment of the prisoners by some members of the Armed Forces, if proven, represent an appalling and totally unacceptable breach of military regulations and conduct that could—and I repeat—could undermine much of the greatest works and sacrifices of our forces in Iraq and around the world in the war on terror.

The vast majority of our men and women—as the Democratic leader said, 99.99 percent—fully understand their obligations to conduct themselves in accordance with military, national, and international standards, most particularly the standards of professional conduct that are taught each soldier, sailor, airman, and marine of our forces.

The mistreatment of prisoners, no matter what their reason for incarceration, is not what the uniform of the United States stands for. It is not what the United States stands for as a Nation. It is not the way for anyone who wears that uniform to conduct themselves.

The Armed Services Committee received a briefing from senior Army officials yesterday. We did receive a considerable amount of information that is not freely in the press today. I think in due course that information will be and should be shared publicly. Nevertheless, we have begun our probe of this particular case. I commend the committee for its actions so far. We had three-quarters of the members of the committee in attendance yesterday. There was a very vigorous questioning of the Army witness. While informative, the briefing revealed the need for more extensive public hearings from civilian and military officials. I made a request for such hearings immediately following our hearing yesterday. I was joined by Senator LEVIN, the ranking member.

We must always remember that under our Constitution, it is very clear in the long traditions of this country that civilians control the U.S. military. They have the ultimate responsibility of the actions of the men and women in uniform. They are the ones who promulgate the orders from the Commander in Chief, the President, to the unit commanders. Consequently, the civilians must accept that responsibility.

Secretary Rumsfeld, in a press conference yesterday, addressed the Nation. As I said, I have been in consultation with him and his office about an appearance, which I anticipate will take place very shortly following the public statements to be issued, I believe, today by the President of the United States.

I fully believe the most constructive course of action at this point is to fully understand the extent of this problem, no matter how much time it requires to gather all of the facts, no matter how difficult it is to get all of those facts, no matter how embarrassing those facts may be—get the facts out and the story, so that not only the Congress of the United States can reach its judgment but, indeed, the American public and others around the world, because this is an around-the-world story at this point in time.

Our great Nation has had a symbol of freedom and hope for its entire existence. The world looks to us as the standard bearer of how best to bring about freedom for others, how best to protect those values which we hold so dearly and for which men and women have gone forth for generations from these shores not to conquer or take land, but they have gone forth in the cause of freedom.

I believe in due course, once this story is fully understood, we will have the ability as a Nation to apologize to our Chief Executive, the President, through others, through this humble Senator, for the actions taken and, most importantly, give the assurances to the world that we will not ever again see a repeat.

I have had the privilege to have had association with the men and women of uniform for over 50 years. When I was a young sailor in the closing year of World War II, I began my career in the training commands of the U.S. Navy. I have had many opportunities in the ensuing years to work with the men and women of the U.S. military. During the war in Korea, I served as a marine. During the Vietnam war, I was privileged to serve over 5 years as the Navy Secretary. We had our problems during that conflict, but I doubt if any of those problems parallel the seriousness and consequences of this framework of allegations today.

Therefore, it is a duty upon us to leave no stone unturned, to reveal all

of the facts, to give the assurance that it will not happen again, and to place into the military such authorities as they need. I doubt if there is anything under statute law that needs to be added, but the authorities need to uphold those laws and regulations, and training should follow so that this will never be repeated.

Again, as we proceed over the next days and weeks, we must be mindful of the millions of men and women in uniform, past and present, who have honorably, with great sacrifice, defended the laws, rules, traditions, and values enshrined in the U.S. Constitution and in the American way of life. The actions of a few must not be allowed to tarnish that image.

Of course, I am very mindful of the fact that Memorial Day is in a few weeks, and we will dedicate a magnificent set of structures on our Mall to the men and women who served during World War II—some 16 million. I had the privilege of going down the other day with Senator Dole, a former colleague, whose wisdom and energies have contributed greatly to this magnificent memorial. As we walked there together with other Senators from this Chamber—totaling 7, who served in World War II—Senator Dole said that, yes, the monument stands as a symbol for the sacrifices of those in uniform, some 16 million, but he said it also stands as a monument and testimony of the homefront. Those of us who have memories of that period remember how well this country was unified. We had rationing; we had war production; we worked around the clock not only to supply and equip our troops but to provide equipment for our Allied forces. It was a magnificent chapter in American history. That cannot be tarnished by the actions of a few here.

There is clearly room for a constructive debate on how best to proceed in Iraq, but we must not allow recent events to obscure the overall stakes for our Nation and the world in this region. We must be unified in overall purpose that success in Iraq is essential and that we, the Congress, stand squarely behind our men and women in uniform.

Our troops in Iraq deserve this. They deserve the best support we can give them. To appear divided while our sons and daughters are in harm's way runs counter to the traditions of this Chamber. There should be debate, but let it be reasoned and measured, and focused on the way forward in this war on terrorism.

The brave young men and women of the U.S. Armed Forces have answered their Nation's call to service. They deserve nothing less than our absolute, unwavering commitment to their success. Nothing less.

I yield the floor.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Virginia for helping to explain to the world how sad all of us are about the developments in Iraq with the prisoners. I appreciate the distinguished Senator, the chairman of the Armed Services Committee, moving forward and asking Secretary Rumsfeld to come and testify in public. It is our hope that Secretary Rumsfeld will also brief the entire Senate, along with the distinguished committee. I appreciate the leadership of the Senator from Virginia very much.

Mr. WARNER. Mr. President, I thank our colleague from Texas. Let me assure all that I have been in contact with Secretary Rumsfeld. There is no reluctance whatsoever on his part to come forward. He desires to do so, but I believe it should be following the Commander in Chief, the President, when he addresses indeed the Nation and the world in a short time.

Mrs. HUTCHISON. I thank the Senator from Virginia and also agree that would be proper. The President should have the ability to represent the American people and the world. I know that he is going to do that in a very effective way. Thank you, Mr. President.

Mr. President, I ask the Senator from Iowa to take the next 10 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

MEDICARE DISCOUNT CARD

Mr. GRASSLEY. Mr. President, I am going to address issues about the Medicare discount card, and I particularly want to respond to criticism that we heard yesterday from the other side.

Listening yesterday, as I did, and then listening today to the criticism about the high price of gasoline, I have come to the conclusion that over the last several days members of the other party have a guilt complex about some of the votes they have cast in recent months. For instance, only 13 out of 49 Democrats voted to break the filibuster on the national energy policy. If we had a national energy policy, they would not have any worry about high gasoline prices.

Then, of course, all but about 12 of them voted against the drug discount card to give seniors reasonably priced prescription drugs. So they come in and trash the bill we passed in a bipartisan way. I hope they realize they made big mistakes on some of their votes last year and suck it up and move on.

In regard to what was said yesterday about Medicare, first, yesterday was a very historic day for Medicare beneficiaries in my home State of Iowa and all the other 49 States. Before then, many beneficiaries paid some of the highest prices for drugs. Now they can begin shopping for a Medicare-approved discount card that will help them pay less, a lot less.

With discounts taking effect June 1, this program will provide Medicare beneficiaries with immediate savings on their medicines until the comprehensive Medicare drug benefit begins in 2006. According to the Centers for Medicare and Medicaid Services, beneficiaries will save $4 billion to $5 billion over the next year and a half on drugs. That is not chickenfeed. That is saving a lot of money for our seniors.

Older Americans and individuals with disabilities can choose a card that gets them the lowest prices on drugs they need.

Finding the best card could not be simpler. Contrary to what one of the Senators told us yesterday about how complicated this process is, they are hoping the seniors, whom they consider their political property, will believe them that it is complicated and they will not bother to look at it because it is too complicated. Do the seniors of America need to have Democrats scare them more?

This is how simple it is: Call 1–800–MEDICARE any time, 24 hours a day. They can call their State Health Insurance Information Program, SHIP as it is called, and get counselors at the local level. Most of them are very well-trained volunteers to help seniors decide. They can go online themselves if they want to, or with a family member, to compare prices offered by different cards.

They can find low or no-cost cards that include their neighborhood pharmacies, all by making one telephone call any time in a 24-hour day to a 1–800–MEDICARE number.

Using their Medicare-approved drug discount card, beneficiaries will save at least 10 to 25 percent on the cost of their drugs.

Like the drug benefit itself, the Medicare-approved drug discount card targets assistance to those most in need. Beneficiaries with low incomes, that is less than $12,600 for an individual and $16,900 for a married couple, will qualify for a $600 credit this year, another new $600 credit next year. If there are two in the family, that is $1,200 this year and $1,200 next year. If they do not carry it all this year, it can carry over to next year. If they do not use it all up before the new insurance program for prescription drugs is put in place, they can carry it over into 2006 until it is used up.

Some people have said these cards will not offer good discounts. That is what we heard yesterday. So I did some checking. To give an example, let us take a woman enrolled in Medicare in the largest city close to my farm, in Iowa, with an income of $12,000 a year. Let us call her Helen, to be short. Helen needs to fill prescriptions for Celebrex, Norvasc, and Zocor. With no discounts, she would pay $7,297 at her local pharmacies for these drugs from June of this year until the end of 2005. Helen goes to this pharmacy because she knows and trusts this pharmacy. She does not want to order her drugs through the mail.

With a basic discount card offered by this legislation, she would save $1,213—that is 17 percent—off of her drugs. Now the $1,200 by itself is a pretty big savings, but that is like giving her the drugstore.com price at her local pharmacy.

Helen has a fixed income of $1,000 a month. This means she also qualifies for the transitional assistance and does not have to pay an enrollment fee. By applying for the card and qualifying for the $600 credit, she also learns she is eligible for other assistance programs, such as those offered by drug manufacturers. With the $600 on her card in both 2004 and 2005, combined with these additional discounts, she will save $6,894.

I will repeat that because that is very significant. She will be saving almost $6,900 off of her drug bill. That is a 95-percent savings for her.

I ask the people who were criticizing this program yesterday if they consider that chickenfeed. For someone living on a fixed income, what a relief that is going to be. About a third of her income will be freed up for other priorities.

Since enrollment began Monday, May 3, we have heard some Members come to this Chamber to criticize the drug discount card. That is a shame. The discount card program will mean real savings for beneficiaries, especially with low incomes. Seniors have been waiting a long time to get relief from high prescription drug costs. This legislation delivers that relief.

I know this is an election year, but this is not the time or the issue to play politics at their expense and to scare the seniors of America. More than 300 organizations—I wish these people on the other side of the aisle would put this in their pipe and smoke it—endorse this legislation. They will say this drug discount card is a first step toward making drugs more affordable for all Medicare beneficiaries.

The president of the National Council on Aging described the new Medicare law as the single most important opportunity to help low-income Medicare beneficiaries to have emerged in the past 35 years.

This is what the president, Robert Hayes, said:

> (Low-income) people should run—not walk to sign up.

This is especially true for the estimated 4.3 million low-income beneficiaries who will see immediate relief with a combined $1,200 this year and the next which they can use to buy their lifesaving prescription drugs.

What I find alarming is that some would try to score political points rather than help low-income beneficiaries get some much needed help with their drugs. So my colleagues voted against this bill last year. Suck it up and move on.

I was personally involved in the negotiations last year. I can tell my colleagues that during the Medicare conference, both Republicans and Democrats—that is bipartisan—strongly supported the creation of a drug discount card.

While some would like people to believe otherwise, this Medicare-approved drug discount card is a good deal. Since January of this year, I have held 39 town meetings throughout Iowa to tell my constituents about this drug discount card program and what it does. As Members of Congress, we should use this opportunity to educate beneficiaries and to tell them about the $600 credit. I am concerned about a political environment that confuses and misleads Medicare beneficiaries and that in the end causes more harm than good. They deserve better than that.

I want to address a couple of criticisms that people have been making. First, some have said that prices are going to change every week. Drug card sponsors can only increase the price if there is a change in the sponsor's cost. Card sponsors can lower prices at any time, which will have a positive impact.

I have been assured that CMS will aggressively monitor the prices charged by card sponsors to make sure that they treat beneficiaries fairly.

CMS will track any changes made in drug prices and complaints received by 1–800–MEDICARE and other sources. They also will ''mystery shop'' to make sure that sponsors are not falsely advertising.

If CMS finds that a card sponsor is taking advantage of seniors, they can freeze enrollment, impose fines or kick the sponsor out of the program entirely.

Lastly, some have been saying that prices on the Medicare Web site are inaccurate. CMS has assured me that the prices are the right ones. Prices on the Web site are the best prices that the cards can guarantee. So they cannot be higher, but they could be lower.

I said this last week and I will say it again: We should move on and not lose sight of what really matters. And that is helping beneficiaries like Helen from Waterloo and the millions like her get drugs at lower prices. The bottom line is that the discount card program is a really good deal for our Nation's Medicare beneficiaries.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. How much time do we have remaining?

The PRESIDING OFFICER. Seven minutes 40 seconds.

Mrs. HUTCHISON. Mr. President, I would like to be notified when I have used 2 minutes and 40 seconds, after which I am going to yield the final 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator has that right.

Mrs. HUTCHISON. I thank the Senator from Iowa for talking about the Medicare discount drug card. I think it is so important that seniors know they can easily compare prices; they can determine which is the best card for them. This is going to help anyone who does not have other coverage.

I hope our seniors know they can call 1–800–MEDICARE and get further information. If they call their local Medicare office, the Medicare people are going to be very accommodating. I am appreciative that the Senator from Iowa clarified that because all the rhetoric we are hearing could scare our seniors.

PASSING THE ENERGY BILL

Mrs. HUTCHISON. I want to address the energy issue. I heard Senators on the floor earlier today talking about the high price of gasoline, as if it is the President's fault. I would remind everyone we have an energy bill we are two votes short of having cloture to pass. We passed it in the Senate. We passed it in the House. We have 58 votes to move it forward and we can't get the 60 votes it takes to break a filibuster. I ask the Senators who are concerned about high energy prices if they would consider voting to get the energy conference report agreed to so the President can sign it because it is a bill that will provide incentives for exploring, incentives for creating new energy resources, incentives for bringing Alaska gas down—which will be a huge help toward self-sufficiency in our country. It has incentives for renewable fuel, for the kind of fuel that will be burning clean, such as nuclear powerplants, and to have clean coal-burning and other new technologies.

There is so much in the Energy bill that would bring our country into self-sufficiency and we can't get the Energy bill passed. I think Congress should take the responsibility to see this bill goes through. We have tried to pass an energy bill for 10 years and we need to do it. We need to take control ourselves. It is time for us to do this for the American people. The high price of gasoline is set at our feet, and we can do something about it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

PRISONERS IN IRAQ

Mr. COLEMAN. Mr. President, the world has witnessed something in the last few weeks about the treatment of prisoners in Iraq that does not represent what America is all about. It doesn't represent our cause. It doesn't represent our mission. It doesn't represent our hopes and dreams for the Iraqi people and for all of us—ultimately for democracy in Iraq.

I applaud the President of the United States for his speaking out, condemning without qualification what has occurred. He, as I understand it, went forth to speak to the Arab world, face to face, the leader of the free world speaking to the Arab world to let them know this is not what America is all about. I think that is important. We all, at every level, have to reject it. Those who are responsible at every level have to be held to account. I know the Commander in Chief will do that.

As we deal with this terrible situation, I hope we do not lose focus on our

mission. Our men and women are in harm's way and our mission is freedom and security in Iraq. The critics of this war, do they want us to cut and run? Do they want to create a place of instability, a haven for terrorism? I can't believe that.

Someone once said a critic is someone who thinks he knows the way but doesn't know how to drive the car. It is not a time for critics. Let us deal with this terrible incident. Let us show America has standards and America is there for a reason. The reason is one of hope. The reason is one of freedom. What occurred is something that will never occur again. I am confident our President will make sure of that.

At the same time, we have to stand with our President, stand with our troops. Teddy Roosevelt once said it is not the critic who counts, but it is the person in the arena. It is a tough arena right now. But the cause is just. We have lost life and it is a sacrifice, but the cause is just. We have seen that with Qadhafi giving up his nuclear weapons programs, Iran understanding the serious consequences of their action.

Let us be true to the cause. Let us ferret out those who committed these reprehensible acts. Let us support the President going forth to the world, to the Arab community, to say this is wrong. Let us continue to stay true to the course, to understand that the lives that have been sacrificed have not been sacrificed in vain, that the world is safer today. It is safer with Saddam gone. It will be safer with peace and stability and democracy in the Middle East.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 1637, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization findings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Dorgan amendment No. 3110, to provide for the taxation of income of controlled foreign corporations attributable to imported property.

Graham (FL) amendment No. 3112, to strike the deduction relating to income attributable to United States production activities and the international tax provisions and allow a credit for manufacturing wages.

Cantwell/Voinovich amendment No. 3114, to extend the Temporary Extended Unemployment Compensation Act of 2002.

The PRESIDING OFFICER. The Senator from Louisiana.

AMENDMENT NO. 3117

Mr. BREAUX. Mr. President, I call up an amendment that is at the desk, No. 3117, Breaux-Feinstein.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes an amendment numbered 3117.

Mr. BREAUX. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To limit the amount of deferred foreign income that can be repatriated at a lower rate)

On page 88, between lines 17 and 18, insert:

''(4) DOLLAR LIMITATION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the excess qualified foreign distribution amount shall not exceed the lesser of—

''(i) the amount shown on the applicable financial statement as earnings permanently reinvested outside the United States, or

''(ii) the excess (if any) of—

''(I) the estimated aggregate qualified expenditures of the corporation for taxable years ending in 2005, 2006, and 2007, over

''(II) the aggregate qualified expenditures of the corporation for taxable years ending in 2001, 2002, and 2003.

''(B) EARNINGS PERMANENTLY REINVESTED OUTSIDE THE UNITED STATES.—

''(i) IN GENERAL.—If an amount on an applicable financial statement is shown as Federal income taxes not required to be reserved by reason of the permanent reinvestment of earnings outside the United States, subparagraph (A)(i) shall be applied by reference to the earnings to which such taxes relate.

''(ii) NO STATEMENT OR STATED AMOUNT.—If there is no applicable financial statement or such a statement fails to show a specific amount described in subparagraph (A)(i) or clause (i), such amount shall be treated as being zero.

''(iii) APPLICABLE FINANCIAL STATEMENT.—For purposes of this paragraph, the term 'applicable financial statement' means the most recently audited financial statement (including notes and other documents which accompany such statement)—

''(I) which is certified on or before March 31, 2004, as being prepared in accordance with generally accepted accounting principles, and

''(II) which is used for the purposes of a statement or report to creditors, to shareholders, or for any other substantial nontax purpose.

In the case of a corporation required to file a financial statement with the Securities and Exchange Commission, such term means the most recent such statement filed on or before March 31, 2004.

''(C) QUALIFIED EXPENDITURES.—For purposes of this paragraph, the term 'qualified expenditures' means—

''(i) wages (as defined in section 3121(a)),

''(ii) additions to capital accounts for property located within the United States (including any amount which would be so added but for a provision of this title providing for the expensing of such amount),

''(iii) qualified research expenses (as defined in section 41(b)) and basic research payments (as defined in section 41(e)(2)), and

''(iv) irrevocable contributions to a qualified employer plan (as defined in section 72(p)(4)) but only if no deduction is allowed under this chapter with respect to such contributions.

''(D) RECAPTURE.—If the taxpayer's estimate of qualified expenditures under subparagraph (A)(ii)(I) is greater than the actual expenditures, then the tax imposed by this chapter for the taxpayer's last taxable year ending in 2007 shall be increased by the sum of—

''(i) the increase (if any) in tax which would have resulted in the taxable year for which the deduction under this section was allowed if the actual expenditures were used in lieu of the estimated expenditures, plus

''(ii) interest at the underpayment rate, determined as if the increase in tax described in clause (i) were an underpayment for the taxable year of the deduction.

''(5) LIMITATION ON CONTROLLED FOREIGN CORPORATIONS IN POSSESSIONS.—In computing the excess qualified foreign distribution amount under paragraph (1) and the base dividend amount under paragraph (2), there shall not be taken into account dividends received from any controlled foreign corporation created or organized under the laws of any possession of the United States.

Mr. BREAUX. Mr. President, this is a jobs bill. That is the title of the bill. Presumably a jobs bill is intended to create jobs and hopefully is created to create jobs in America. That is the legislation that is before us. It is absolutely essential that this legislation be adopted.

But one of the provisions in the legislation gives me great concern. I offered an amendment in the Finance Committee. It was unanimously supported by every single Democrat in the Finance Committee and it lost by a partisan vote because our Republican colleagues at that time did not feel they could support the amendment I offered. It was unanimously supported by every single Democrat member of the Finance Committee.

The question deals with how we treat companies that have earnings they have stashed away in foreign countries. These amounts of money, many of them, are in fact earned overseas. Companies know if they bring those earnings back to the United States, the United States, on a worldwide tax basis, will tax those earnings with a deduction for the amount of tax they have paid in the country in which they earned those revenues. They pay the regular corporate rate minus the tax credit they get for having paid taxes on those earnings in the foreign country. However, there is no tax consequence to those companies if the money in fact stays in the foreign country. That is called deferral. We defer any U.S. tax on foreign earnings as long as the earnings stay in the foreign country in which they are earned.

The legislation before this body now says we are going to give a very special break to U.S. companies that have money overseas, in many cases in tax havens. We are going to let you bring that money back, not as other companies in the past have brought it back,

paying U.S. tax minus what they paid overseas, but we are going to cut you a special sweetheart deal. We are going to give you a sweetheart deal of an 85-percent tax credit by reducing the amount of taxes you would pay if you bring it back to the United States—not to pay what every other corporation pays, 35 percent—we are going to ask you to pay 5 percent, 5.25 percent. That is an 85-percent tax reward to companies that have stashed money in tax havens, in many cases overseas, for the sole purpose of avoiding U.S. taxation.

The IRS has recently cited a number of companies that have these types of tax shelters and overseas tax havens, such as in The Netherlands, Barbados, the Cayman Islands and Bermuda—you name the tax havens. Companies that earn money in one country will bring it over to a tax haven and keep it there, avoiding U.S. taxes. But some now say that is such a great idea, we are going to give them a real tax break and ask them to please bring it back over to the United States. If you do so, we are only going to tax you at about a 5-percent rate.

That is what the legislation says. The legislation says bring it back, you get a huge tax reward for keeping money overseas and now bringing it back to the United States, unlike what other companies have had to do.

Every person we have talked to says we are going to bring it back to create jobs. I say, All right, if that is what you are going to do, bring it back to create jobs in the United States of America, we will let you do the 5-percent tax break. We will allow you to do it.

My amendment simply says two things are different from the bill before the Senate. No. 1, it says you can bring it back for job creation, for hiring more people. If you want to use it for that purpose, OK. If you want to use it for research and development—pharmaceutical industry or other electronic types of industry—OK, we will let you use it for that. If you want to use it for capital expending, you want to build another plant, OK, we will let you use it for that. If you want to use it for your underfunded pension funds, OK, we will let you use it for that.

But we will not let you use it for something as nebulous as financial stabilization of the company, which is in the bill but not defined. What does that mean? Buy another Gulfstream? Yes, that might financially stabilize the company. Stock buybacks? Yes, that might be a good idea for a few people, but it does not create a lot of jobs, if any.

Second, there has to be an enforcement mechanism, more than filing a plan; and there is no responsibility if you do not follow it.

My amendment says: All right, companies, if you bring it back for those purposes, we want proof you actually use it for those purposes. You can use the next 3 years to take these billions of dollars and use it for legitimate purposes, but we would like some proof. We know it by seeing you have actually spent more in the next 3 years in these areas than in the previous 3 years. That is very important.

Here is an interesting statistic from the Joint Committee on Tax. Where is the money like this coming from? From tax havens: Bermuda, Cayman Islands, Hong Kong, Ireland, Luxembourg, Switzerland. How much money are we going to let flow into the United States at a 5-percent rate when it should come in at the regular corporate rate minus what they pay in the foreign country?

Our legislation, the Breaux-Feinstein amendment, is about responsibility and accountability, about creating jobs in this country, not stock buybacks that enrich a few at the expense of jobs in this country.

There is a legitimate argument we ought to look at the whole tax system and see whether we should go to a territorial system or not, but that is not before the Senate at this time.

This legislation is absolutely essential if we are going to maintain any credibility on creating jobs instead of enforcing or creating tax havens. We have enough tax havens. We should not encourage more. This amendment helps stop that.

How much time remains?

The PRESIDING OFFICER. There are 23 minutes.

Mr. BREAUX. We have an hour equally divided?

The PRESIDING OFFICER. Exactly.

Mr. BREAUX. I yield 10 minutes to the distinguished Senator, the cosponsor of the amendment.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I will try and be brief. I thank the Senator from Louisiana for his leadership on this, particularly since this is the last year that he will be in the Senate. I have had the great privilege of working with him now for 12 years on the centrist coalition and in other endeavors. He has always strived to bring parties together and to work across the aisle. Frankly, it is something that I admire and I want him to know that.

The underlying bill, as I understand it, allows companies to bring foreign-earned profits back at a greatly reduced rate. The Senator from Louisiana spelled that out. That is a rate of 5.25 percent. Remember, the minimum income tax bracket for individuals in this country is 10 percent. So it is at a rate half of what the poorest Americans pay in Federal income taxes.

Under this amendment, companies could bring foreign-earned profits back to the U.S. at this reduced rate provided these repatriated profits promote job growth and benefit employees.

Our amendment is specific. It allows for spending on R&D, acquiring plants and equipment, deducting increases in wages or the cost of creating a new job—capped at the Social Security wage limit of $87,900—and fully funding employee retirement plans.

Why is it necessary to be so specific? It is necessary because J.P. Morgan, which has conducted a survey of companies that would repatriate money, determined that most corporations will reuse the repatriated profits for buying back debt, for increasing levels of liquid assets, or even retiring equity. This is what a study of the very companies that are involved have shown. None of these items necessarily produces new jobs.

One of the things the Senate, as well as Americans, should understand is that there are a large number of American companies that take advantage of loopholes in U.S. tax law and pay no taxes. I recently took a look at a GAO study entitled ''Comparison of the Reported Tax Liabilities of Foreign and United States Controlled Corporations.'' It covers the period from 1996 to 2000. Let me give you an idea of what they find: 61 percent of U.S.-controlled corporations pay no taxes; 71 percent of foreign-owned corporations operating in the United States reported no tax liability from 1996 to 2000.

This is stunning. I had no idea. So I began to look a little bit at the history. Let me tell you a little bit about what it was like in 1945. In 1945, income taxes from corporations accounted for 35 percent of Federal receipts. In 1970, these income taxes accounted for only 17 percent of Federal revenue. So between 1945 and 1970 there was a dramatic decline. Today, corporate income taxes account for only 7.8 percent of Federal revenues.

We are giving companies that have sequestered profits abroad the ability to bring those profits back at one-half the tax rate the poorest American pays, and we have a specific study that shows that for the most part, these corporations will not use these moneys for areas that produce jobs.

What Senator BREAUX and I have tried to do is to narrow the language that describes what companies may spend repatriated profits on. We have narrowed the language to specific spending categories—categories which produce jobs. I don't think that is too much to ask.

How much will be repatriated? There are various estimates. J.P. Morgan estimates $300 billion be repatriated. The U.S. Treasury estimates it will be between $200 and $300 billion. The Homeland Investment Act Coalition, a coalition of major corporations, estimates $500 billion will come back to the United States.

Without this amendment, it is likely that corporations will take advantage of the reduced corporation tax rate and use the repatriated profits to shore up their finances. The items I have read from the J.P. Morgan study indicate just that. I will summarize the section of this J.P. Morgan study.

These were 28 firms in the study. They indicated that 46 percent of them would pay down outstanding debt with

the money, 39 percent would finance capital spending, 39 percent would fund R&D venture capital or acquisition, 18 percent would buy back stock, 11 percent would use cash for working capital, 11 percent might pay dividends if double taxation ends, and 4 percent would fund underfunded pension funds.

I have been told many of these companies would like to use the money for mergers and acquisitions, which very clearly could result in a reduction in jobs. I would not like to see this Senate have egg on its face by giving some of the largest and most profitable corporations in America the ability to repatriate funds at one-half the tax rate the poorest Americans pay and have those funds used for mergers and acquisitions which would result in employees being fired for so-called efficiency reasons. I think without this language that narrows the use of this money, that is exactly what could happen.

So I thank the Senator from Louisiana for his leadership. I want to indicate my strong support for this amendment. I hope Members will vote for this amendment.

Mr. President, I yield back the remainder of my time to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. Mr. President, I believe on our side we have 30 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. SMITH. Mr. President, I am going to speak for hopefully less than 5 minutes and then allow my colleague from California to speak. Senator ENSIGN and, I believe, Senator ALLEN may wish to speak to this as well.

Mr. President, this is ultimately about whether we want the dollars of these American multinational corporations to be brought back to America or left in places like this. We can either put these dollars to work here or we can leave them over there.

If you are interested in creating jobs, I think it is important to remind folks what we are talking about is a minimum of $400 billion coming back into this country within the 1-year window that is allowed by this legislation. It has been estimated, on a conservative basis, that it will create 660,000 jobs. It will reduce the Federal deficit, over the next 5 years, by $75 billion. If ever there were a win-win, this amendment on the JOBS bill is a win-win.

As I listen to my colleagues, both of whom I esteem as friends, I am astounded so much emphasis is put into the dislike of business and what they might do with this money. I, frankly, have to wonder what is wrong with companies bringing money back here and being allowed to shore up the strength of their business. What is wrong with that? That is exactly what we want them to do. I do not believe, as a former businessman myself, that it is in this country's interest to micromanage how they will reinvest it in this country.

Specifically excluded by this legislation is executive compensation. Executive compensation cannot be the target; but plant and equipment, shoring up pension plans, buying back stock, these kinds of things that improve the values of corporations and their competitiveness are exactly what we ought to be doing if we are actually interested in creating jobs.

I think it is also very important to point out that our American companies that compete overseas are competing against German and French and other companies in those countries that also have foreign earnings. In these countries—competitor countries—they allow their earnings abroad to have what they call a free walk back. We are not allowing them a free walk back. We are saying, for 1 year, the corporate tax rate will fall from 35 percent to 5.25 percent. The effect will be immediate. It will be beneficial. It will help our economy. It will create jobs. But, moreover, it will, for 1 year, create a level playing field for American corporations as against German or French or Japanese corporations whose countries have tax codes that allow them to take their foreign earnings back to their native lands to be put into their local economies, to strengthen them when they need the strength.

Right now, our economy could use $400 billion. If our deficit could be reduced by $75 billion, that would be wonderful. If we could create 660,000 jobs on a short-term basis—we hope that money then stays here—then we have done a tremendous thing for the American worker and the American economy, and we have done it in a way that does not try to micromanage every business decision made in the corporate boardrooms of America.

Mr. BREAUX. Will the Senator from Oregon yield for a question?

Mr. SMITH. I am happy to yield for a question.

Mr. BREAUX. Mr. President, would the Senator point out anything in the legislation before this body now that would take any action against any companies if they did not abide by what they said they were going to use it for? Do they lose their tax deduction? Is there anything in the legislation, without my amendment, that would say what would happen to companies if they use it for something totally different from what their plans say they are going to use it for?

Suppose they decided to use it for something totally unrelated to job creation. Is there anything, without my amendment, that says what would happen to those companies?

Mr. SMITH. The Senator, I guess, does not trust they will use it for what they say they will use it for.

Mr. BREAUX. Trust but verify.

Mr. SMITH. I believe when they establish a plan and get the approval for their plan they will follow through on that.

Mr. BREAUX. Suppose you have somebody who may not do that. Is there any provision in the bill that says what will happen to the company that does not abide by the plan? I believe in trust but verify. If you don't do what you say you are going to do, you should have consequences. Is there anything in the bill that says they would lose their deduction?

Mr. SMITH. I don't think there is a penalty, I say to the Senator. I am happy to admit that because, frankly, I believe what companies are trying to do is get their money back here on a basis that allows them to be competitive with other multinational companies from other countries. I think what they are interested in doing is a return on investment to their investors. When they give a return on investment to their investors, what they are also doing is creating jobs. They are investing in plant and equipment. And I, for one, do not think it is in the interest of this country to micromanage the Tax Code any more than we already do.

So, Mr. President, with that, I will turn the time to my colleague from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I ask the Senator, may I have 10 minutes?

Mr. SMITH. Yes, you may.

Mrs. BOXER. I thank the Senator.

Mr. President, first of all, let's get matters straight from the get-go. Senator BREAUX never liked this in the first place. And I have tremendous respect for him. We just do not agree on this tax provision. As a matter of fact, he voted to strip it out completely when actually we tried—Senator ENSIGN and I—to get this in before. We won this 75–25. Only 25 colleagues voted against us. Senator BREAUX was leading the charge.

Now he says he is just making a correction. Well, I have read his correction. It is a poison pill for many reasons, which I will go into. But I think we ought to get it straight. We are being offered an amendment and told it is enhancing our bill, but it is offered by Senator BREAUX, who never liked it in the first place. I think he would be the first one to admit it because he was quite open on the point before.

Now, I am proud to stand with my colleagues today to stop this amendment. I think it is very important. I am going to call on the 75 Senators from both sides of the aisle who supported us the last time. I particularly thank Senator SMITH because he took the Ensign-Boxer bill into the committee and he got it into this bill, which was most important for us. Now we are here to protect that work.

I will say this from the get-go. You could say all you want that we are building trust into this. Well, there is a little more than trust. We are not saying in this bill anywhere that I have seen that the IRS cannot prosecute someone who is not telling the truth. This is not some plan that is done in the dead of night at the accountant's office. There is a committee that has

to put together the plan and they have to show how they plan to use the funds. If they lie in that, under an audit, as any of us might have, they have to show that in fact they deserve the deduction. If the IRS says, no, they did not follow the plan, then they will not get those deductions, just like all of us. There is nothing in our bill that absolves these corporations of the usual procedure when you pay your taxes. So I would like to get that out of the way.

I want to talk about jobs, because, God knows, in my State we have lost a lot. I want to put up what the various experts are saying, from liberal to conservative, about this Invest in the USA Act that I am so proud to coauthor with my friend, Senator ENSIGN.

What is the potential impact on the U.S. economy? J.P. Morgan says, as a result of enacting the Invest in the USA Act, U.S. companies will increase investment profits earned abroad in the United States by $300 billion. Bank of America forecasts the increase will be $400 billion. Dr. Allen Sinai of Decision Economics estimates that this additional investment in the U.S. economy will generate 660,000 jobs.

Finally, we are doing something. The highway bill is stalled. A lot of us are upset about that on both sides of the aisle. That will create 800,000 jobs.

Here we will create 660,000 jobs, and Allen Sinai says that is a conservative estimate of how many jobs would be created. And guess what. The Treasury is getting money because these profits are sitting abroad. They are not coming home. They are not being taxed. And we are going to tax them at a 5-percent rate, and that is going to bring funds into the Treasury. There are some estimates that we will receive as much as $4 billion into the Treasury because of this Invest in the USA Act.

So how could we take such a good idea and mess it up? That is what we would do if this amendment passes. We know those funds are not going to be brought back.

Under the Breaux amendment, let me read to you examples of spending that is not permitted, and you tell me if you agree with this.

You cannot use the money that you bring back for job training for workers. You cannot use it for many unemployment benefits. You cannot use it for worker health, dental and hospital expenses. You cannot use it for most employee childcare. You cannot use it to reimburse employees for injuries and accidents. You cannot use it for workers compensation and black lung benefits. You cannot use it for most employee meals and lodging. You cannot use it for worker relocation reimbursement. You cannot use it for employee tuition assistance. You cannot use it for an environmental cleanup and impact analysis. You cannot use it for employee travel reimbursement.

You can buy jets with it under the Breaux amendment, but you can't use it for employee travel reimbursements. You can buy limousines with it, but you can't reimburse for the rental of parking spaces for your employees.

Here we have an amendment that we have crafted that is actually a bill that is incorporated into the underlying bill, which gives the business community a chance for 1 year to bring these funds home that are parked outside our shores, funds that are sitting out there and not being brought back. We are going to see what happens. We are told by economists from the left to the right it is going to mean job creation. We want to make sure it is used for the things that these corporations need.

Instead, you have the Breaux amendment which is micromanaging this deal in such a way that it will affect things as important as job training for workers. Let's just say a business is changing its work product and they have a new way to deal with their workers. They have to teach them how to use new computers and new programming, machinery. They cannot use the money they bring back to job train.

Senator FEINSTEIN called this a perfecting amendment. It is not perfecting. It is a poison pill.

I am very proud to be part of this group in the Senate that has been pushing for this for all this time. Any statement that we are not going to go after cheaters is ridiculous because we have highlighted in our bill the fact that the company has to set up a committee. They have to print a plan. They have to say how they are spending their money. And if they undergo an audit, they are going to have to stand behind it.

The question is whether you want accumulated foreign earnings invested here or abroad. The answer that we get from our colleagues is going to be very important. We can send a wonderful message today if we stand with this underlying language that we are serious about job creation. We are serious about getting this capital back. I believe we are doing a very wise thing.

I yield the rest of my time to the Senator from Oregon, Mr. SMITH.

Mr. SMITH. Mr. President, I emphasize the point that Senator BOXER made in answering Senator BREAUX. We did not include special penalties in this bill, but the truth is, when you file your tax returns, you have to own up to what the plan is. You have to live up to that. If you don't, you lose the deduction.

Can the IRS impose other penalties? Of course it can. But it then has to make the case against the person. When people file their tax returns, they know they are shooting with real bullets on this stuff.

I have every confidence that people will be honest about this and utilize the revenues for the purposes intended in creating jobs.

Mr. President, how much time remains?

The PRESIDING OFFICER. Fourteen minutes 45 seconds.

Mr. SMITH. I would like to yield 9 minutes to Senator ENSIGN and 4 or 5 minutes to Senator ALLEN and, if I could, have 30 seconds to wrap up.

Mr. BREAUX. How much time do I have remaining?

The PRESIDING OFFICER. Fourteen minutes 44 seconds.

Mr. BREAUX. Are we going to rotate? Are we just going to hear one side?

Mr. SMITH. It would be fine with us to let the Senator speak.

Mr. BREAUX. Mr. President, I will take 2 minutes off the time.

I wonder if anybody in this body remembers Enron. Let's trust that they are going to do right. They are a U.S. corporation that created more tax shelters than the IRS could count. It took a group of Philadelphia lawyers 2 months to even add up the number of tax shelters they had around the world. They had so many the IRS couldn't even follow it.

If you are going to give people who have tax shelters and a stash in income in foreign tax havens a huge benefit to bring the money back into this country, we ought to make sure they are going to use it for job creation. Without my amendment, they have to file a plan that says this is what they are going to spend it on. Suppose they don't spend one nickel more than they did last year on job creation. Suppose they don't spend one nickel more on capital expenditures than they did last year. Suppose they don't spend one more nickel on pensions for the workers than they did last year, but they comply with what they said they were going to do in their little plan. They are fine. They don't have to spend one nickel more under the committee bill, with all this money they are going to bring back at a 5-percent tax rate, in terms of creating jobs than they did before.

The Breaux-Feinstein amendment says: If you want to bring it back for that purpose, you have to show us that is what you are using it for. That, in fact, you have spent more money in the next 3 years than you would have the previous year on job creation. That is not too much to ask.

When we are giving a multinational corporation an enormous tax gift of having to pay not 35 percent but only 5 percent, at least get a requirement that they are using it for something to do with job creation and that they spend at least something more than they did the year before. Without the Breaux-Feinstein amendment, there is no requirement that they spend one nickel more on job creation than they did previously after bringing this money back.

Guess what. You talk about an incentive to locate overseas. There will be a whole group of people saying: We did it for 1 year. Let's do it next year, a third year; let's continue this. How about making this 5 percent permanent so we can put all the jobs overseas, knowing Congress is going to take care of us every time there is a downturn in the economy and there is another amendment to extend the 5-percent tax break

1 more year. We will just move everything over to the Caymen Islands. We will move everything ever over to a Third World country. Because, guess what, Congress is going to let us bring it back at 5 percent because the pressure will be there, because the economy is not doing well, and all the jobs go overseas. The only thing the Breaux-Feinstein amendment says is, if you are going to bring it back for job creation, prove it, tell us you spent a little bit more than you would have ordinarily. Without Breaux-Feinstein, there is no requirement that they spend one nickel more than they did before. That is a big difference in what we are trying to accomplish.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ALLEN. Mr. President, I rise today to join with Senators SMITH, ENSIGN, and BOXER in opposition to the Breaux-Feinstein amendment. In the midst of this JOBS bill, we are trying to make sure manufacturers in this country can compete internationally. I am one who is always arguing, whether it is tax policy, regulatory policy, our laws in the United States ought to make America more desirable and conducive toward investment and job creation.

The underlying provision—the idea of repatriation or reinvesting in the United States helps make the United States more conducive and more attractive for investment and jobs. Let's use some common sense. If you are a company that does business overseas, and you have profits overseas, whatever country you are in you are going to have to pay taxes. If you bring that money back into this country, you are going to be paying 35 percent in taxes. You are going to pay one way or another, whether to that country or to the United States.

However, if you take those profits and keep investing them in China, in South Korea, in Malaysia, or in the Philippines, or wherever else it may be, you are going to continue investing them over there if you are going to be subjected to this 35-percent tax.

The idea is, for 1 year, reduce that tax burden to 5.25 percent, bring those profits back into this country, invest them in the United States in a variety of ways that actually helps your business; thus, it creates more jobs. This is a law that I certainly think ought to be passed, not diminished or micromanaged or pestered with this amendment.

Studies, for example, by the Joint Committee on Taxation have determined that the provision we are supporting in the bill would inject approximately $135 billion into our economy for jobs, capital, investment, and economic growth. The Joint Committee on Taxation also said it would bring in an additional $4 billion in tax revenues to the U.S. Treasury. Of course, the profits are coming back; therefore, they are going to be taxed. Whereas, if you do not change this law, that money will stay overseas.

J.P. Morgan economists talked about job creation—660,000 new jobs created, $75 billion in debt reduction, and an increase in capital spending of up to $78 billion, by bringing approximately $300 billion in foreign earnings back into this country.

The Breaux amendment has several problems. One, it is a poison pill—as was said by other speakers—limiting benefits in such a way that it makes it impracticable. Two, it requires that money be spent for narrow purposes only; third, it requires companies to spend it in 3 years; fourth, it excludes amounts brought back from Puerto Rico and other possessions. That last one would treat Puerto Rico and our possessions worse than investments made in the rest of the world.

Senator BOXER brought up examples of what would not be permitted with the Breaux amendment. In addition to the job training, they could not spend it on job training to upgrade the skills and capabilities and productivity of their workers in the United States. They could not fund startup businesses. Why would we not want them to fund startup businesses? Why would we want to prohibit the injection of new capital into cash-starved projects?

Mr. President, the point is that the amendment would limit the job creation incentive and, unfortunately, not have the full potential to make this country more desirable for jobs and investment. I respectfully urge my colleagues to defeat the Breaux amendment, support Senator SMITH in his efforts, and those of Senator ENSIGN and others, who have fought gallantly and wisely for more jobs and investment in the United States of America.

I yield the floor.

Mr. BREAUX. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 11 minutes 47 seconds.

Mr. BREAUX. I thank the Chair. I will take 2 additional minutes.

Again, I don't have any basic argument with those who say we ought to let the money come back that has been sitting in tax savings into this country. I will even go along with saying you can bring it back at 5 percent, if you are going to use it for job creation or research and development, for capital expenditures. And If you are going to use it to rebuild your pension fund for workers, OK, let's do it for 1 year at 5 percent. But, by gosh, can't we at least have some standards to be able to enforce it?

Under the committee bill, without the Breaux-Feinstein amendment, there is no obligation that they spend one nickel more on job creation than they did last year or the year before. The only thing they have to do is say, if last year we spent $10 billion on capital expenditures, guess what. We will spend $10 billion this year. They don't have to spend one nickel, one penny more on capital expenditures or job creation or research and development in order to get this huge break. They can spend exactly what they spent last year—no requirement, zip, zero. Yet we are going to give them one of the biggest tax breaks.

We already passed tax cuts of $3 trillion for job creation. Are we much better off today after all of that, some of which I supported? That is a debatable issue. Let's not make the same mistake and say we are going to give them an 85-percent tax cut if they are doing business overseas and if they bring some of that money back and spend it on job creation. And by the way, there is no requirement that you do anything more than you did last year. What kind of nonsense is that, as far as trying to create more jobs in this country, instead of providing a huge incentive to locate overseas, bring workers overseas, and we are going to have Congress let us bring it all back at 5 percent? How unfair is that to the people who play by the rules, to other companies who do business and hire people in this country.

There is no requirement, without the Breaux-Feinstein amendment, that companies that bring this money back at a 5-percent rate spend one dime more than they have in the past on the creation of jobs. They can spend what they spent last year. In fact, they can spend less than they spent last year. The only thing they have to show is they have a plan—no enforcement, nothing.

The Senator from Nevada has a sign up that says 660,000 jobs. Suppose they decide not to create one more job than they did last year. They will still get the 5-percent tax break. There is no requirement that they create six jobs. If they created six last year, they can do that this year. They only have to show that the money is used for job creation. They can take all the money they spent on capital expenditures last year and not spend any of it next year. They can just use this overseas money and not do one thing more than they did the year before. There is no enforcement that they do what the plan says. There is no penalty if they don't. They don't lose their tax deduction. They still get it and they do not have to spend one nickel more in any category without the Breaux-Feinstein amendment.

We say: Look what you did in the last 3 years, and what you are going to do in the future 3 years, and see if you did more than you did in the past. If you did, you get the 5-percent break. But, by golly, if you don't, you don't get it. I think that is fair. I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, I want to first talk about the underlying legislation and then talk about the Breaux-Feinstein amendment.

Allen Sinai is one of the most respected economists in the United

States—not a Republican or a Democratic economist—a bipartisan economist. These 660,000 jobs he said this underlying bill will create is based on our language. He is not saying what Senator BREAUX just said, that they are not guaranteed to bring the jobs back. He is doing an independent analysis based on the money coming back into the United States and based on that determining how many jobs it will create, and this is a very conservative number.

What else will this underlying bill do? It will reduce the deficit, according to his study, also by $75 billion over 5 years because of the economic stimulus that will occur in the United States. The money that will come back—there have been studies—the first J.P. Morgan study was around $300 billion. They have updated their numbers. It is expected to be around $500 billion. Allen Sinai's numbers, once again, an independent economist, was based on the $300 billion figure. We heard $300 billion all the way up to $600 billion will come back to the United States. That is more money than all of the IPOs, initial public offerings, on the stock market from 1996 to 2002. That is a lot of economic activity.

We hear a lot today about outsourcing. Lou Dobbs talks about it almost every night—outsourcing, outsourcing, outsourcing. This bill is insourcing. This insources jobs to the United States. Mr. President, $500 billion will create a lot of jobs in the United States.

Here is the language, by the way, Senator BREAUX is talking about in our bill when he says there really is not any kind of enforcement mechanism:

> . . . described in domestic reinvestment plan approved by the taxpayers, president, CEO or comparable official before the payment of such dividends and subsequently approved by the taxpayers board of directors, management committee, executive committee, or similar body, which plan shall provide for the reinvestment of such dividends in the United States, including as a source of funding of worker hiring and training, infrastructure, research and development, capital investments or for the financial stabilization of the corporation for purposes of job retention or creation.

Why is that language important in our bill and how is that enforced today? We are in a post-Enron environment. The markets look at the governance of corporations. The IRS certainly looks at it. With Sarbanes-Oxley on the books, CEOs are very sensitive to complying with federal laws such as this. Companies are required to develop a plan, and they have to stick with the plan, otherwise the stock markets will punish their stocks if they are not doing this. That is one of the ways the markets actually enforce what is going on.

I want to point out some of the other items that other countries do on a comparative basis. These are just corporate tax rate comparisons. The United States has the highest of all of these countries, and these are countries with which we deal and compete. The United States has the highest corporate tax rate of any of the countries—Korea, Indonesia, Japan, EU, average, Ireland, 12.5 percent. That makes a little more sense in terms of why they are competing a little better than we are.

In fact, in Ireland, they call it the Celtic Tiger because their success has been so incredible as a result of lowering their tax rates to attract capital.

The money right stranded overseas now will not come back in the United States without our bill. That is the bottom line. People say it is not fair to allow the money to come back in at lower tax rates than American companies are paying today in the United States. The bottom line is, fine, if it is not fair, then do we just want to leave this money overseas? The money is not going to come back to the United States to create jobs without our bill.

How do other countries treat this money that comes back into their countries compared to what the United States does currently? The United States is up to a 35-percent tax. France, Germany, Canada, Australia, the United Kingdom—zero, and they have no restrictions on how the money can be spent. It just comes back and gets reinvested in their countries. That is why we are saying let's bring it back within that 1-year period of time, and we will charge you 5.25 percent, which is still higher than all of these countries. The companies want to bring that money back to invest in the United States.

By the way, paying down debt is not allowed under the Breaux-Feinstein amendment. If you are a company and you are burdened with debt and now you have to lay off people, doesn't it make sense to allow them to pay the debt down instead of laying off people? That just makes common sense to anybody who has ever been in business. If you are in tough financial times, having money from overseas come back and reducing your balance sheet debt for the companies located in the United States makes sense. It makes them more financially solvent.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. ENSIGN. Yes, I will yield.

Mr. SMITH. Mr. President, we talk about 660,000 jobs for the whole country. Isn't it also true that California stands to gain 75,000 new jobs, and Louisiana stands to gain nearly 10,000 new jobs; Nevada, over 5,000 new jobs; Oregon, nearly 30,000 jobs; and Virginia, nearly 14,000 new jobs that can be created in a very short period of time. Doesn't it really go to our individual States to show just how dramatic a benefit this brings to America and our States?

Mr. ENSIGN. Mr. President, I say to the Senator, I think those are very conservative estimates at a time when we are talking about jobs. The rest of the economy is doing well, and the job numbers are picking up. This can be the extra boost the U.S. job market needs.

These are the items not allowed under the Breaux amendment when it comes back: debt reduction I just talked about, job training, and tuition reimbursement, better health care benefits for workers, childcare for employees getting back to work, and materials for new manufacturing.

There are a lot of items the money would not be allowed to be used for under the Breaux amendment. This really is a poison pill. The companies are telling us if the Breaux-Feinstein amendment is adopted, it basically kills their incentive to bring the money back.

Let's have some common sense here. If money is overseas and it is being invested over there because tax rates are too high to bring it back to the U.S., let's lower the tax rates so the capital comes back to the United States to create jobs. That is the bottom line; it will create jobs in the United States. It will make American business more competitive in this global marketplace.

If my colleagues are worried about outsourcing, defeat the Breaux amendment and keep the provision in the bill. The Invest in the USA Act is a great piece of legislation. That is why on the floor of the Senate last year it received 75 votes to 25 votes against it. With 75 votes, in a bipartisan manner, we adopted our bill last year. We need to keep this provision intact in the underlying bill.

I encourage all Senators who voted last year with us to stay with us on this point and defeat the poison pill of the Breaux-Feinstein amendment.

I reserve the remainder of our time.

Mr. BREAUX. Mr. President, how much time do we have?

The PRESIDING OFFICER. Eight minutes four seconds.

Mr. BREAUX. I yield myself 3 minutes.

It is interesting that they said Louisiana would gain 10,000 jobs if this passed. We probably lost 50,000 jobs with people moving overseas. So with this legislation, we are still 40,000 jobs short.

What we are doing in this legislation is rewarding companies that operate overseas. We say, if you operate overseas and you hire foreign workers in foreign countries and put your money in a tax haven, somehow that is good policy, and we are going to let you take those earnings and only pay 5-percent tax on that. What kind of logic is that? That is a huge incentive to continue to hire workers overseas knowing Congress is going to let you bring earnings back, not at 35 percent, which every other company that hires U.S. workers in my State or any other State has to pay. No, if you do it overseas, you are only going to have to pay 5 percent if you give us a plan that tells us you will use the money for the financial stabilization of the corporation, whatever the heck that means.

If we are going to create so many jobs and if we are going to reduce the deficit, when you look at this and score it impartially, why does the Joint Committee on Taxation say this is going to cost the Treasury $3.7 billion? If we are going to create so many more jobs and so many more people are going to pay taxes, why does this provision in the current bill cost the U.S. taxpayers $3.7 billion? That is the score from the Joint Committee on Taxation when they looked at this provision. It is not going to reduce the deficit. It is going to cost the taxpayers almost $4 billion.

When someone makes the point that the IRS will audit these companies, audits are down on corporate America by over 60 percent. They are doing 60 percent fewer corporate audits. One wonders why Enron got away with everything? Because the Treasury does not have the wherewithal to do the audits they need.

The principal argument I have with the Breaux-Feinstein amendment is simply this: If people say they are going to bring it back at a 5-percent rate and they are going to use it to create more jobs, I say, OK, let them do it, but let's have some mechanism to ensure they really do create more jobs than they created in the past. That is all the Breaux-Feinstein amendment really says. It says: Show us, Mr. Corporate America, that, in fact, you are creating more jobs than you did before. And if you did, fine, you are off the hook; you get a 5-percent tax rate, but if you do not create any more than you did in previous years or you create less, then something is wrong with this proposition, and we are not going to let you pay only 5-percent taxes.

It is an enforcement mechanism. I agree, use it for pensions, use it for research and development, use it for capital expenditures, use it for job creation, but please show us that it was used for that purpose.

The PRESIDING OFFICER. The Senator has used 3 minutes.

Mr. BREAUX. I reserve the remainder of my time.

Mr. SMITH. The time remaining on our side is 1 minute 40 seconds?

The PRESIDING OFFICER. One minute forty-eight seconds.

Mr. SMITH. I yield 1 minute to the Senator from California, and I will use the remainder.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mrs. BOXER. As we wind down this debate, I thank Senators SMITH, ENSIGN, and ALLEN. I think we have had a good debate. I want to thank Senator BREAUX for his passion. My colleague, Senator FEINSTEIN, and I do not see this eye to eye.

Here is how I would sum it up: On May 15, 2003, the Senate voted 75 to 25 for the Ensign-Boxer-Smith Invest in the USA Act. It was a very clear statement that we want to see job creation. What we are proposing is a 1-year only chance for corporations that have parked their foreign earnings abroad, and that have no intention of bringing them back, to bring it back at a lower tax rate. It would infuse our Treasury with about $4 billion in revenue, and Allen Sinai, a respected economist, says it will create 660,000 jobs.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. BOXER. I hope we will vote against the Breaux-Feinstein amendment and once and for all make this important bill the law of the land.

Mr. BREAUX. Parliamentary inquiry: What is the status on remaining time?

The PRESIDING OFFICER. Thirty-nine seconds for Senator SMITH and four minutes fifty-four seconds for Senator BREAUX.

Mr. BREAUX. I will close on my amendment.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, I close on this amendment with the following comments: In this legislation, we are giving U.S. companies that hire foreign workers in foreign countries and putting their money that they earned in tax savings the opportunity, the gift, to bring back to this country those earnings and not pay what every other U.S. corporation pays in taxes but to give them an 85-percent tax cut because they operated overseas and hired foreign workers and made products in foreign countries. We are going to give them an 85-percent tax cut over current law if they bring the money back over here.

The argument is that somehow that is going to create more jobs over here. But there is no requirement that a single additional job be created. They do not have to create one more job or spend one more dollar on research and development than they did last year under the current bill without the Breaux-Feinstein amendment.

The Breaux-Feinstein amendment seeks to install responsibility that says: All right, if corporations want to bring it back for those purposes, even though it is going to cost the taxpayer $3.7 billion—some people outside of Washington may think that is a lot of money; I think it is a lot of money—$3.7 billion is the cost of this legislation without the Breaux-Feinstein amendment. The bottom line is there is no guarantee that they will spend one dollar more on creating a job, capital expenditures, or research and development than they did last year. The Breaux-Feinstein amendment says, yes, corporations can do this and we will give them this huge tax break if they spend more on job creation and create more jobs than they did in the past. That is our only requirement, and that is not too much of a requirement.

They already say that is what they are going to do. The only thing our amendment says is, yes, they have to do that, and if they do not they are not going to get the break.

Without the Breaux-Feinstein amendment, they do not have to create one single additional job more than they did in previous years. We have an enforcement mechanism that says: Look, if they do not spend it for what they say they are going to spend it, then they are not going to get the tax break. They are going to have to give it back. They are going to have to be treated as any other company that does business in this country.

They call this a poison pill. I think it is more a vitamin pill to a deficient bill to try and help improve it to give it some strength, to give it some credibility, to say, yes, we agree, let's do it for this purpose, but please have a requirement that it is actually used for that purpose.

The legislation does not have that. The only thing they have to do is come up with a description, a domestic reinvestment plan that does not require it be spent. It certainly does not require that they spend more in the future than they did in the past. But if the corporations put what they are thinking about doing in a domestic investment plan, then they are OK, but there is no requirement that they spend a nickel more than they did in the past. That is the real principle that we are trying to address with the Breaux-Feinstein amendment. I think it makes sense.

It still allows money to come back, but it only requires that they, in fact, use those dollars for what they said they were going to use them. If they do that, if they create more jobs, do research and development, make capital expenditures, do things that they say they are going to do with it, let's please have some mechanism in the legislation that really requires them to do what they say they are going to do.

The history of this country with regard to recent scandals in corporate America show that we have to be vigilant and diligent, and we have to have some pretty clear parameters about what people can and cannot do. This legislation, without the Breaux-Feinstein amendment, falls short in that particular provision.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. Mr. President, if Senator BREAUX were offering a perfecting amendment, I would take it. But he is offering a poisonous amendment. What his amendment would effectively do is limit the ways that these dollars can be used in America to create American jobs.

The more it is limited, the more jobs will be limited. So if my colleagues vote for his amendment, they are voting against job creation in their State.

The Senator says he wants a guarantee. My mother used to say the only guarantees in life are death and taxes. What is in this bill are penalties to the Tax Code. If my colleagues want to make sure these things are spent the way they are described, then these

companies have to follow the plan they lay out before the IRS. If they do not, they lose the deduction and the penalties attached in the Tax Code will attach to them as well.

I urge my colleagues to vote against the Breaux-Feinstein amendment. This bill is important to create American jobs.

Mr. BREAUX. How much time remains?

The PRESIDING OFFICER. Fifty seconds.

Mr. BREAUX. Mr. President, we are saying if corporate America wants to get this huge tax gift, OK, let's do it. But let's make sure they use it for the right purpose. Let's make sure they actually use it for job creation. Breaux-Feinstein simply says they have to show that they spend more in future years, the next year, and the next year than they did in the previous years in terms of job creation and doing what they said they were going to do.

Without the Breaux-Feinstein amendment, the only thing a company has to do is file a plan. If they do not follow the plan, well, too bad; they do not get audited, too bad. There is no requirement that more money is spent to create jobs, and we are talking about a jobs bill that creates jobs in this country, I thought, not in a foreign country.

I do not think we can go back home to our constituents and say we are going to give corporate America an 85-percent break for money they earned overseas. If they want to bring it back for job creation, OK, but let's make sure that is what it is used for.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired. The amendment is set aside.

The Senator from Nevada.

Mr. REID. I know the Senator from New Mexico wishes to speak as in morning business for 5 minutes, and certainly we would have no objection to that. I just want to lay out for Members what is going to transpire in the next few hours. The two managers are necessarily absent this morning but they have instructed us what should be done on this legislation. We have completed debate on the Breaux amendment. We are next going to move to the amendment that has been filed by the Senator from North Dakota, Mr. DORGAN.

Following that, unless the majority decides they want to offer an amendment, we are going to finish debate on the Graham amendment, which is also laid down.

We had an agreed-upon time on the Dorgan amendment, but as a result of the fact that we have been told a Senator may offer a second-degree amendment to his amendment, it would be difficult for us to agree to a limit on that. So debate will go forward on the Dorgan amendment, and those who are trying to determine whether they are going to offer an amendment can do so and at that time perhaps we can work out a time agreement. If they don't offer a second-degree amendment, that will be easier.

On the amendment of the Senator from Florida, Mr. GRAHAM, he needs a half hour himself on that amendment, which we understand. There may be a few others who wish to take some time. We could agree to 45 minutes, maybe, to an hour, on our side. I doubt if the full hour will be used.

So it is my understanding that the leadership, when debate is completed on those amendments, would set a time for voting on all three amendments or maybe even four would be pending.

That is where we are. I think it indicates we are moving on this bill fairly rapidly. As Senator DASCHLE and I indicated this morning, on our side we are winding down our amendments. We have a few others that will be offered, not many. We hope the majority will also make a decision in the near future as to whether they want to finish this bill. We want to finish this bill. We hope the majority does also.

Mr. SMITH. Point of clarification?

Mr. REID. Yes.

Mr. SMITH. It was my understanding that it was 70 minutes on the Dorgan amendment and my request is that that include the debate, equally divided, on the Republican substitute?

Mr. REID. It would include debate on the substitute?

Mr. SMITH. On what will be offered on this side.

Mr. REID. Mr. President, I, first, didn't ask unanimous consent that that would be the case. During the time Senator DOMENICI is speaking, we will take a look at that. I just wanted to notify Senators what we were trying to accomplish. Senator DORGAN is on the floor and we will make a decision.

Mr. SMITH. That is fine.

Mr. REID. I ask unanimous consent that Senator DOMENICI be recognized for 5 minutes as in morning business and sometime during the day the Democrats be allotted the same privilege, 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

ENERGY

Mr. DOMENICI. Mr. President, I wish I could have come to the floor earlier but sometimes you are surprised to hear arguments that you never expected. All Senators on that side of the aisle who have come down here to rail against President Bush about high gasoline prices need to take a look in the mirror and blame themselves. I have been down here for months trying to get a comprehensive energy bill passed that will promote a policy of greater energy security and independence. Some of these very Senators are blocking these efforts.

The Energy bill is not a silver bullet to lower prices for gasoline or for natural gas. No such thing exists. There is no silver bullet. It is disingenuous for Democrats to imply that one exists. They know better.

Our bill is long term, to deal with our supply and manage our demand. That is the only responsible strategy. We need more domestic oil and more natural gas production. The Energy bill provides the open door for that to occur. We need alternative fuel sources. The Energy bill promotes for sources such as wind and solar. It promotes clean coal technology, and, yes, eventually, nuclear power. We need this broader portfolio to reduce risks of overdependence on one source. The occupant of the chair knows that as well as anyone. One source of energy is disaster for this great country. Natural gas, as the sole energy to produce electricity, is a disaster.

Senator SCHUMER said: ''Don't think there is nothing we can do about high oil prices.''

He is right. He suggests remedies—stop filling the SPR. That is wrong. But I do agree we can do something about oil, natural gas, and gasoline prices. Changes to our Strategic Petroleum Reserve, the SPR, are short term, shortsighted, and bad policy.

The SPR is a national security asset. It is there to serve for an emergency, in an emergency situation, when there is a severe energy disruption. It is not a price control mechanism. If we alter the SPR practices, then we can assume that OPEC will alter their production output. This leads to more volatility in the market and a disastrous result.

President Clinton tried to use SPR to deal with high oil prices. He failed. Gasoline prices—believe this—dropped by one penny. That is all, a single penny. Risking our national security by depleting or playing around with the SPR got us a total impact of one penny.

I know we are all concerned about high gasoline prices. On average, gasoline demand in the United States is about 9 million barrels a day. That is roughly 378 million gallons of gasoline a day. Some parts of the country are experiencing $2-a-gallon price, and others have prices in the $1.70 range.

According to the Energy Information Administration, the national monthly average regular gasoline pump prices are expected to peak at about $1.87. One of the reported reasons that we hear for high gasoline prices is the high oil price demanded by OPEC. In 2003, we imported 42 percent of our total petroleum imports from OPEC countries. Supplies from OPEC provides about 26 percent of our domestic crude oil.

Senator WYDEN introduced a resolution about OPEC. I agree with some points of his resolution. The resolution says the President should communicate with members of OPEC and maintain strong relations. Of course, that is a given. We need to work together in a cohesive fashion in our relations with exporting countries and send a strong message that we want reliable supplies at fair prices.

Senator WYDEN's resolution also says that Congress should take short-term and long-term approaches to reducing

and stabilizing oil prices. If we pass the Energy bill now, in the short term, then in the long term we will see the benefits of lower oil prices.

The last part of Senator WYDEN's resolution lists some things that can be done to lower oil prices. I particularly agree that we consider lifting regulations that interfere with the ability of the U.S. domestic oil and coal, hydroelectric, biomass, and other alternative fuels to supply a greater percentage of the energy needs of the United States. That is an excellent description of the Energy bill pending before the Senate. Isn't it interesting, instead of passing the bill, we recommend resolutions that do the same thing but the resolution will not accomplish the same thing. We all know that.

If Senator WYDEN is serious that he wants these things, he should be voting to pass the Energy bill that includes the very list contained in his resolution.

I thank the Senate for listening. I am ready at any time to come down and debate the Energy bill and its content, because it is time we quit talking and start doing. It is time those on the other side look in the mirror. In the mirror, they will see they are responsible for what is happening because they will not help us pass an energy bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, after consideration during the speech of Senator DOMENICI, we believe the action of the Senate will be as follows: Senator DORGAN will speak on behalf of his amendment. Senator MIKULSKI will speak on behalf of that amendment. It will take probably a half hour for them to do it, but that is not in the form of a unanimous consent request.

Following that debate, we will move off that amendment because the majority is finding what vehicle they are going to use for a second-degree amendment. When they finish, when Senators DORGAN and MIKULSKI finish, we will move immediately to the Graham amendment. At that time, we will lock in a 2-hour time agreement. It is probably likely that each side will not use its full hour.

Following that, it will be the desire of the majority to have a vote on the Breaux amendment and then on the amendment of the Senator from Florida. We will have two amendments and then go back to the amendment by the Senator from North Dakota.

I ask that we go to the Dorgan amendment. The Senator is on the floor. Following debate on that, I ask unanimous consent that we go to the Graham amendment.

The PRESIDING OFFICER (Ms. MURKOWSKI). Without objection, it is so ordered.

Mr. REID. And that there be 2 hours equally divided on the Graham amendment, with no second-degree amendments in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota.

Mr. DORGAN. Madam President, tempted as I am to respond to the last comments just offered by the Senator from New Mexico, I will refrain and do that at a later time. Suffice it to say it provides little benefit to come to the Senate and say, they are responsible for us not having an energy bill. We all understand why we do not have an energy bill. I was one who signed the conference report, worked on the bill, voted for the bill in the Senate. We do not have an energy bill because it failed by two votes. It failed by two votes because the majority leader of the other body insisted on a retroactive waiver for liability of MTBE. He was told it would kill the bill, and it killed the bill.

I don't have much patience with Members who point to one side or the other and say they killed the Energy bill. The Energy bill should be in the Senate right now and should have been in the Senate last week. We ought to do an energy bill. I said I would refrain from commenting. I just commented.

There is no Republican or Democrat way to pay inflated gas prices. The way you pay inflated gas prices is stick the hose in the tank and you have to fork over a bunch of bills when you are done filling the tank. We ought to get a bill through here. My colleagues on both sides of the aisle believe that. In my judgment, it ought to be a priority.

AMENDMENT NO. 3110

Having said that, I have come to the Senate floor to speak to an amendment I offered yesterday on behalf of myself and Senator MIKULSKI. The amendment is supported and cosponsored by other Members of the Senate.

Senator MIKULSKI and I offer an amendment that deals with the issue of the embedded tax incentive in our Tax Code that actually incentivizes companies to shut down their U.S. operation, move jobs overseas, and then send the product from those jobs back into the United States. Let me describe the amendment and let me describe why I believe it is important. The amendment offered by myself and Senator MIKULSKI is also cosponsored by Senator HARKIN, Senator FEINGOLD, Senator KENNEDY, and Senator EDWARDS.

This amendment partially repeals a tax subsidy called deferral. This subsidy is only partially repealed because it is repealed for those U.S. companies that move their operation to a foreign subsidiary, produce the same product, and ship the product back into this country. They lose deferral on that kind of economic activity.

The amendment has several other provisions that require notification of communities, agencies, and workers when jobs are going to be lost and jobs are going to be offshored. It requires the Department of Labor to supply statistics on jobs sent overseas.

The key part is to shut down the perverse provision in tax law that incentivizes the movement of jobs overseas. If you look at this Tax Code, which itself is a Byzantine set of complexities, there is not a section that says: In this part of the Tax Code, this chapter is entitled ''Incentive for Sending U.S. Jobs Overseas.'' There is no such part of the Tax Code. There is no chapter, title or provision that says this is the benefit you get from sending jobs overseas. But that benefit does exist in the Tax Code, and I intend to describe how and why it exists.

Mr. REID. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. REID. We now have agreement that we can have those two votes. I have already indicated that following the remarks of Senator DORGAN and Senator MIKULSKI, we would move to the Graham amendment No. 3112 and the time would be equally divided, 2 hours equally divided. Following the debate on that, I ask we move to vote in relation to the Graham amendment No. 3112. Prior to that, we vote on the Breaux amendment No. 3117. There will be 2 minutes equally divided prior to each of the votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota.

Mr. DORGAN. Madam President, this is a picture of a little red wagon. On the side of this little red wagon it says ''Radio Flyer.'' Most of us understand what this little red wagon is because we have actually had one of these red wagons. I had one. My guess is the person now occupying the Chair has had a little red wagon. Even in Nevada they have little red wagons. Senator REID, no doubt, has ridden in one of these. I didn't know until recently much about the red wagons, but that they were wonderful and fun, and if you turn the front wheels too sharp, sometimes they tip over.

This little red wagon is enjoyed by these two young children as it has been enjoyed for decades and decades. This wagon is called the Radio Flyer. It comes from a company created in 1917 by an Italian immigrant woodworker named Antonio Pasin. He had a one-room workshop in New York City where he made wooden wagons by hand. He called them Liberty Coasters, after the Statue of Liberty. He later renamed them ''Radio Flyers'' because he always had an admiration for airplanes. That is how Radio Flyers came on the side of little red wagons sold all over the country.

The company was inherited by Antonio's children and then inherited by his grandchildren located in Chicago, IL. For almost a century, they turned out these marvelous little red metal wagons made here in this country by working men and women who are proud to make them—that is, until earlier last month. They announced these little red wagons would now be made in China. These American Flyers, these red wagons, will now be sent to our country to be enjoyed by our children, but they will no longer be made in America;

they will be made in the country of China. That is an American icon, moving to China.

Huffy bicycles. Huffy bicycles have 20 percent of the American marketplace. Everybody knows about Huffy bicycles. Buy them at Sears, Kmart, Wal-Mart. In fact, for many years, Huffy bicycles had a little decal between the handle bars and the front fender. That decal was of the American flag, made by proud men and women working in a manufacturing plant in Ohio. Those men and women made $11 an hour, but they don't work there anymore. They lost their jobs. They came to work one day to find out they were fired. Why? Because Huffy bicycles were moving to China. Why were they moving to China? Because $11 an hour was too much to pay an American worker when you could hire a worker in China for 33 cents an hour.

By the way, when you move the little red wagon to China and you move Huffy bicycles to China, you also get a tax break. By the way, if you just close your manufacturing plant in the United States and move it to China, you get a tax break.

Huffy bicycles are not here anymore. They are in China. They are made by people who make 33 cents an hour. They work 7 days a week, 12 to 14 hours a day. Both of these companies get a tax cut for going to China. How does that work? How do they get a tax cut for doing that? We have something in our Tax Code called deferral. It is a foreign language to most people unless you are an accountant who works in all these areas. Deferral. It says: Tell you what, if you have two bicycle manufacturers side by side in the same town competing for the same marketplace, they pay the same wage; they hire the same number of workers; they produce the same number of bicycles, one of them decides to move to China or just move overseas, the bicycle manufacturer that stays in your hometown in this country will pay higher taxes than the bicycle manufacturer that leaves because the bicycle manufacturer that leaves to go produce in China is not going to have to pay U.S. income taxes on its income until and unless it is repatriated into this country. That is called deferral. So it will earn income that is untaxed under something called deferral.

We are told from the latest estimates we received recently that this deferral benefit for companies that move overseas to produce the same product and ship it back into our marketplace in the U.S. is over $6 billion in 10 years.

Now I am not talking about an American company, for example, that is in the suburbs of Toledo, OH, and it decides: I am going to move a manufacturing operation to Sri Lanka or Indonesia so I can, less expensively, produce a product to market in Japan or South Korea. That is not what I am talking about. That is not what this amendment Senator MIKULSKI and I are offering is talking about. We are talking about an American company that decides it should be benefited with rewards from our tax system for producing a product overseas that is going to come back into our marketplace to be sold in this country.

It is unfair to U.S. domestic companies to compete against another company that decides to send its production overseas, get rid of its American workers, and then end up competing against its former competitors that stayed in this country, but compete in a way that provides this company that left this tremendous advantage because they now pay lower taxes. They got a tax incentive for leaving.

We are going to hear, I think, a lot of obfuscation about this issue and huffing and puffing and blue smoke in the air over all this. But I think there is a simple proposition to understand. If two companies that make bicycles exist in the same city, and one goes to China to make bicycles to ship back to the United States, the one that left gets a tax break. That is in current law. You can either vote to support current law and say, ''I support continuing to give this insidious tax break to those who want to move offshore to ship back into this marketplace,'' or you can decide this is wrong.

Those companies that stay here, those companies that produce here, ought not to have to compete against others that now have a lower tax rate because they left. That is a simple proposition. There is a lot more we should do, but we don't do it in this bill. I will give you some examples.

Companies that want to run subsidiaries through tax havens, what we ought to do is decide if you don't have a business operation, you just want to run your business accounting through a tax-haven country, we are going to treat you as if you never left this country. That is what we ought to do.

And this last goofy provision that is in the underlying bill says to companies, Oh, by the way, you left, and you now have deferred income, for which you have never paid a tax; why don't you bring it back here and pay a 5-percent tax on it. What an incredibly goofy idea. You think there would be some embarrassment about putting that in the bill, but there is not. There is no embarrassment, apparently. But Tom Paxon, many years ago, wrote this song ''I'm Changing My Name to Poland.'' That is when Poland got some sort of bailout loan from the United States. ''I'm Changing My Name to Poland.'' Maybe the American people ought to get the same benefit that is being proposed in this bill of a 5-percent income tax rate. If it is good enough for people who have $10 billion in deferred income overseas, to repatriate it and pay a 5-percent rate, why shouldn't every single American working family pay the same 5-percent rate? Are they unworthy? Are they less worthy? Why not give them the same opportunity?

There are a dozen things we ought to do to this Tax Code to make it fair. With respect to this issue of international provisions in the Tax Code, we do one, narrow thing. It is very simple. In my judgment, no one here will be able to say I did not understand it. It is very simple. If you are an American corporation and you decide to produce overseas for the purpose of selling into our country, we are not going to give you a tax break any longer for continuing to do it. We are not going to give you a tax break.

Now let me just go through a couple of things that describe the circumstances that exist in this country. Imports from foreign affiliates of U.S. corporations have doubled since 1993. Is a lot of this happening? You bet. Is it happening in a much more accelerated way? Of course. And the perverse thing is, we have a Tax Code that incentivizes this to happen.

Here is employment in U.S. manufacturing. It has fallen by 2.7 million jobs since the year 2000. You see what is happening to the manufacturing sector in this country. No country is going to long remain a world economic power without a robust, healthy manufacturing sector.

I used Radio Flyer wagons—and Huffy bicycles. I could have used any number of products to describe what is happening to the manufacturing base of the country. And our Tax Code subsidizes it. It says: If you have a plant, shut it down and move. We will give you a tax cut.

Employment in foreign affiliates as a percent of U.S. manufacturing has gone from 23 percent to 34 percent. I do not need to make the case any more than this, except to say when we do this—and I often come to the floor to talk about trade issues—it relates to a whole myriad of issues. I mentioned Radio Flyers and Huffy bicycles going to China. I have not visited the plants where they are made.

I regret, and am enormously disappointed, after a century of making little red wagons in our country, the company that makes them has decided to make them elsewhere. I regret bicycles that were made here are made in China. But let me describe the circumstance of all of these issues. And I have talked about this before. This is a Washington Post article. It is about labor provisions in China. This gets to the issue of fair trade. But this is not just fair trade. It is also the perverse tax incentive that says: Oh, by the way, ship your jobs overseas.

It says:

> On the night she died, Li Chunmei must have been exhausted.
>
> Co-workers said she had been on her feet for nearly 16 hours, running back and forth inside the Banain Toy Factory, carrying toy parts from machine to machine.

This was the busy season, before Christmas. They worked 7 days a week. The exact cause of her death remains unknown. They found her after the lights went out:

> Her roommates had already fallen asleep when she started coughing up blood. They

found her in the bathroom a few hours later, curled up on the floor, moaning softly in the dark, bleeding from her nose and mouth. Someone called an ambulance, but she died before it arrived.

The exact cause of [her] death remains unknown. But what happened in this industrial town in southeastern Guangdong province is described by family, friends and co-workers as an example of what [Chinese] newspapers call ''guolaosi.'' The phrase means ''overwork death''. . . .

They actually have a term for it in China.

So these people, who used to make Radio Flyers, the people who used to make Huffy bicycles are supposed to compete with that? We are supposed to believe this is the way competition works in the world? I do not think so.

But aside from that, aside from the perversity of setting up a competition in circumstances where kids are worked to death, and paid pennies, and live 12 to a room, work 7 days a week, 12 hours a day, aside from that, we, in this Tax Code, have an incentive that says: If you do this, you pay less in taxes. If you do this, move your jobs elsewhere, you actually get a tax break. My colleague Senator MIKULSKI and I think that is perverse, as I have said.

This proposal is very carefully targeted. It ends tax deferral only where U.S. multinationals produce goods abroad and ship those goods back into the U.S. marketplace. For others who might be surprised by this amendment, let me say to them, it is not new. President John F. Kennedy tried to shut down deferral—a much larger proposition than ours in this amendment. Richard Nixon supported shutting down deferral. The House of Representatives actually voted in the 1980s to shut this down. This is not new.

I might also say, the Senate has previously voted on an amendment very similar to this about 8 years ago. But if we are dealing with international taxation—and we certainly are with respect to the underlying bill brought to the floor by the Finance Committee; and we are doing it in some ways that are quite disappointing, some ways that are fine—if we are dealing with that subject, we cannot fail to deal with the subject of incentives that now exist for companies to eliminate U.S. jobs and shipping those U.S. jobs overseas.

I am not someone who believes our country ought to put up walls. We have a global economy; I understand that. I don't think the rules for globalization have nearly kept pace with globalization. That is why you can't hold discussions on trade anywhere where there is a population center these days, so they take them to Qatar, someplace where there are no hotel rooms.

The fact is, we are now increasingly a global economy. But as we globalize, the rules must keep pace. As we globalize this country, this world economic power needs to be concerned about its future, its job base, and its manufacturing base. Precious little attention is paid to it. We will have Members come to the floor this afternoon aggressively supporting the proposition that deferral is good for our country, good for our taxpayers, good for our job base. Nonsense. Sheer nonsense. It is not good under any set of circumstances for us to say if you have two companies, one that stays in America, and one that leaves our country, both to produce products to sell in our marketplace, that we will advantage the company that left. We will give an advantage to the company that fired its workers and left to take its jobs to Sri Lanka or to Indonesia or Taiwan or China or Bangladesh. It makes no sense. It never has. And it makes no sense today to decide that we will provide significant financial incentives to those who make the decision to shut down American jobs, shut down manufacturing plants, move them overseas, and reward them for doing so.

This country ought to stand up for its economic interests, not to the detriment of others but for its economic interests. That is what this amendment does. It is about jobs. It is about economic strength. It is about a manufacturing base that needs to be strong and vibrant and growing. And it is about fairness. Finally and most importantly, it is about common sense.

I come to this Chamber from a very small town, 300 people in southwestern North Dakota, a sparsely populated State. One heavy dose of common sense here would be that we would pass this amendment and say that this defies logic. Go to the cafe in my hometown and ask folks: Do you think it makes sense for us to have an embedded provision in the American Tax Code that rewards a company that leaves and puts the company that stays at a competitive disadvantage? Try defending that. If you will defend that in any cafe, any city in this country, let me be there while you do it so I can tell the other side of this story.

There will come a point when this Congress—perhaps it is today when we start down this road—has to decide to stand up for the economic interests at home, take care of matters at home. This is a first step.

Let me end where I began, with bicycles and wagons, just as a symbol. Both have now decided that they will not produce in the United States. They will produce instead in China. Those jobs, these wheels, these pedals, those handlebars, and this red paint used to be applied by American workers. They are not any longer. I am not saying we ought to keep every job here. I am not saying it is not a global economy. But I am saying we can take the first commonsense step to say we will no longer have an embedded perverse incentive to reward companies to move their jobs overseas. If we can't take that step, this is going to be a mighty short journey for this country's economy.

At a time when we worry about jobs, people worry about security; they sit around the supper table at night and talk about their lives ''What kind of job do I have? Do I have job security? Does it pay well?'' At a time when we discuss these things and know we have lost 2.7 million manufacturing jobs in a few recent years, the question for this Congress is: Will you decide to end the perverse incentive in the Tax Code that actually ships jobs elsewhere? Yes or no. There is not ''maybe'' as a potential answer. It is yes or no. That is what we will vote on this afternoon.

My colleague, Senator MIKULSKI, comes from a wonderful State, a different State than mine. She comes from more of an industrial State, the State of Maryland. But she has worked with me tirelessly in creating this amendment. I know she has a lot to say as well on behalf of American workers. Let me yield the floor to my colleague from Maryland.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Madam President, I ask unanimous consent to print in the RECORD letters in support of the Dorgan-Mikulski amendment from the boilermakers and the shipbuilders, from the electrical workers, from the U.A.W., and from the AFL–CIO.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS & HELPERS,

Fairfax, VA, May 4, 2004.

DEAR SENATOR: Today, the Senate is expected to vote on the Dorgan-Mikulski amendments to S. 1637, which would end tax deferral for U.S. companies that outsource manufacturing facilities and jobs to foreign countries, only to ship foreign made goods back to the United States. On behalf of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, I strongly urge you to support the Dorgan-Mikulski amendment and end the ''Runaway Plant/U.S. Job Export'' subsidy.

The Dorgan-Mikulski amendment will help stop the flow of good-paying manufacturing jobs out of the United States. In the last 3 years, 2.7 million jobs that could support the typical American family have disappeared. Part of this decline is due to tax incentives that encourage companies to shift their operations abroad. Under current law, a U.S. company that shifts a manufacturing operation to a foreign based subsidiary can indefinitely defer paying U.S. taxes on its profits until it sends those profits back to the U.S. as dividends.

U.S. taxpayers should not subsidize manufacturing expatriates. This unfair and arcane tax provision rewards U.S. companies that move American jobs offshore and puts taxpaying domestic companies at a severe disadvantage, while costing American taxpayers $6.5 billion over 10 years. Multinational companies should not be encouraged to move jobs abroad and avoid paying their fair share of taxes on income gained from the U.S. market.

Repealing the jobs exports tax subsidy will allow American manufacturers to compete fairly. This amendment not only repeals this ill-advised job export subsidy, but it uses those savings to accelerate the tax cuts provided in S. 1637 for domestic manufacturing.

Corporations will be held accountable to the communities they leave behind. Workers

and their families deserve to know when their jobs are being sent abroad. This amendment will shed new light on corporate practices by requiring companies to disclose to workers and the public whenever they lay off more than 15 workers to send jobs overseas.

Once again, I urge you to remedy the unfair tax incentive that sends American jobs overseas by supporting the Dorgan-Mikulski amendment to S. 1637. Thank you for your attention to this important matter.

Sincerely,

BRIDGET P. MARTIN,
Assistant to the International President, Director of Government Affairs.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
Washington, DC, May 4, 2004.

Hon. DANIEL K. AKAKA,
U.S. Senate, Hart Office Building, Washington, DC.

DEAR SENATOR AKAKA: Today, the Senate is expected to vote on the Dorgan-Mikulski amendment to S. 1637, which would end tax deferral for U.S. companies that outsource manufacturing facilities and jobs to foreign countries, only to ship foreign made goods back to the United States. On behalf of the 780,000 members of the International Brotherhood of Electrical Workers (IBEW), I strongly urge you to support the Dorgan-Mikulski amendment and end the ''Runaway Plant/U.S. Job Export'' subsidy.

The Dorgan-Mikulski amendment will help stop the flow of good-paying manufacturing jobs out of the United States. In the last 3 years, 2.7 million jobs that could support the typical American family have disappeared. Part of this decline is due to tax incentives that encourage companies to shift their operations abroad. Under currnet law, a U.S. company that shifts a manufacturing operation to a foreign based subsidiary can indefinitely defer paying U.S. taxes on its profits until it sends those profits back to the U.S. as dividends.

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Corporations will be held accountable to the communities they leave behind. Workers and their families deserve to know when their jobs are being sent abroad. This amendment will shed new light on corporate practices by requiring companies to disclose to workers and the public whenever they lay off more than 15 workers to send jobs overseas.

Once again, I urge you to remedy the unfair tax incentives that sends American jobs overseas by supporting the Dorgan-Mikulski amendment to S. 1637. Thank you for your attention to this important matter.

Sincerely,

EDWIN D. HILL,
International President.

Washington, DC, May 4, 2004.

DEAR SENATOR. The AFL–CIO urges to support the Dorgan-Mikulski amendment to S. 1637. The amendment would eliminate foreign tax deferral for companies that export jobs.

Under current tax law, companies that manufacture in the United States must pay corporate taxes, but American companies that manufacture abroad can indefinitely defer their taxes on that income. The Dorgan-Mikulski amendment would eliminate deferral so companies are taxed the same whether they produce and invest in the United States, or invest abroad and export back to the United States. This change would save taxpayers nearly $7 billion and eliminate a major incentive in the tax code to ship jobs overseas.

The amendment comes at a critical time for American workers. More than 2.8 million manufacturing jobs have been destroyed since President Bush took office. According to a recent survey of American CEOs, 47 percent of them plan to ship more manufacturing jobs overseas this year. The US tax code should not encourage companies to export jobs, which is why the Senate should adopt the Dorgan-Mikulski amendment.

Thank you for considering our views on this important issue.

Sincerely,

WILLIAM SAMUEL,
Director, Department of Legislation.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA-UAW
Washington, DC, May 4, 2004.

DEAR SENATOR: This week the Senate will be considering amendments to the FSC/ETI tax replacement legislation. The UAW wishes to share with you our views on this important measure.

The UAW strongly supports the Specter-Bayh manufacturer's tax equity amendment. As currently structured, the FSC/ETI bill provides a deduction that only certain U.S. manufacturers are able to utilize. Unfortunately, this deduction does not provide any benefit to many capital-intensive industries—including major auto and steel companies—because they do not have sufficient ''manufacturing'' income due to their extremely high ''legacy'' health care and pension costs. The net result is that domestic portion of the FSC/ETI bill fails to provide any assistance to a major portion of our manufacturing base that is crucial to maintaining thousands of good paying jobs.

To correct this deficiency, the Specter-Bayh amendment would allow manufacturers to elect either to take the deduction currently in the bill, or in lieu of that to receive a tax credit equal to 10 percent of their health care expenditures for active and retired workers aged 55–64. This election would effectively allow auto and steel companies to receive a tax benefit equivalent to that received by other domestic manufacturers. In addition, it would provide significant relief for their ''legacy'' costs, and enable them to increase investments and create additional jobs for American workers. The UAW urges you vote for the Specter-Bayh amendment and to insist that it be incorporated into the FSC/ETI bill.

The UAW also urges you to support amendments to reduce or eliminate tax breaks for the overseas operations of multinational corporations. This includes the Dorgan-Mikulski amendment on runaway shops, the Harkin amendment disallowing deductions for outsourcing, and the Hollings amendment striking the international provisions in the bill. These amendments would eliminate tax breaks that are exacerbating the loss of manufacturing jobs in this country. Instead of subsidizing companies that ship jobs overseas, the UAW believes Congress should target assistance to domestic manufacturers who create jobs for American workers.

Thank you for considering our views on these important issues.

Sincerely,

ALAN REUTHER,
Legislative Director.

Ms. MIKULSKI. Madam President, I want to thank the Senator from North Dakota for his passion and vigor in presenting this amendment. I also thank him for his story about the Red Ryder, a good old wagon. I had a Red Ryder wagon. Growing up in a blue-collar neighborhood in Baltimore during World War II, my father had a little neighborhood grocery store. And one of the ways the groceries got delivered was in this good old red wagon we had. I could use the wagon for a couple things.

Dad would sometimes say: Barb, take the wagon down to Mrs. Smith or Yankowski or Coalino. It was a very ethnic neighborhood. They called in and ordered late. Run down those oranges and take the wagon.

I loved that red wagon. I was also a Girl Scout during World War II. Dad would let me use the wagon to go around the neighborhood to collect newspapers because we were recycling a variety of things for the war effort. I felt like a little soldier on the move with my red wagon and my little Girl Scout uniform, along with other kids from the troop. I was the kid with the wagon. I loved that wagon. I loved that neighborhood so much because in that neighborhood there were men sent off to World War II, saving Western civilization, saving the world.

We were the neighborhood of factories. We made liberty ships. We turned out a liberty ship, one ship every 3 weeks. We put out turbo steel to make the tanks. Glenn L. Martin made the seaplanes that helped win the battle of the Pacific. We were in the manufacturing business. We were in the war effort business. And this little girl in her Girl Scout uniform with the little red wagon made in the USA felt she was doing her bit.

Guess what. Those jobs now are leaving. Our shipyard jobs have left. Our steel mills have shrunk to miniscule levels. We don't make ships. We don't make steel. We don't make clothing. We are really down. The blue-collar Baltimore of World War II and Korea and Vietnam just isn't what it used to be.

Where did those jobs go? Those jobs are on a slow boat to China. They are on a fast track to Mexico. And other jobs are in a dial 1–800 anywhere. And why did they go? They went because there were tax breaks that rewarded those corporations to move not only the red wagons but so much of this manufacturing overseas.

Today, as we know, if you are in business and in the good old United States of America, you get a tax break if you move those jobs overseas. I think it is wrong to give companies incentives to send millions of jobs to other countries when millions of Americans are losing their jobs. It is wrong to put companies

who stay in America at a competitive disadvantage because they have their business and hire their workers at home, pay their share of taxes, and provide health care to their employees.

We should be rewarding these companies with good guy tax breaks for hiring and building their businesses right here in the United States. We should be giving good guy bonuses to American corporations who are providing health care to their workers and to their retirees. But, no, we give tax breaks to those people who want to take their jobs and evacuate to another country.

It is time we look at our Tax Code and call for a patriotic Tax Code. I want a patriotic Tax Code. We walk around the floor of the Senate, we go to rallies. We love to be in parades. We wear our flags because we want to stand up for our troops—and stand up for our troops we should—but we have to stand up for America.

We have to stand up for America by having a strong economy. That is why I want a patriotic Tax Code. This amendment we are proposing is about patriotism. It is about economic patriotism. We have to start putting our might and our muscle and our votes behind this in the Senate.

What does a patriotic Tax Code do? I think it would focus on bringing our jobs back home and bringing our money back home. That is what a patriotic Tax Code would do. The Dorgan-Mikulski amendment is step one. It ends these huge tax breaks for manufacturing companies that send jobs overseas, only to sell the products they make right here in the United States of America. The current Tax Code lets these companies move the jobs and not pay taxes on the profits, even though they earn the profits by their sales of those products in the United States.

Our amendment tells these companies if you want to export jobs out of America, you need to pay the taxes on your profits. Our amendment says the Tax Code can no longer be used to boost corporate rewards at the expense of American workers. I have watched those jobs I have talked about leave. A couple months ago, we were hard hit on the eastern shore. There is a company headquartered in Maryland called Black and Decker. It makes many of the wonderful tools you use in your home. It was started by a Maryland family. The jobs were in America. Now the headquarters is in America, but the jobs are not here. The eastern shore jobs at that major manufacturing facility have left. Over a thousand people were laid off; 1,000 people in a little community like Talbot County. That is a tremendous impact. The impact has been felt by the whole community. People lost their jobs, and people had to cut back in terms of their homes, the way they shop at their grocery store; and there is great shrinkage in the United Fund. I could go on about that. Those jobs left this country.

At the same time, there are other examples. Take Maytag. Oh, gosh, every woman in America loves Maytag and that friendly guy who comes to service them. Well, I hope he speaks a foreign language to try to read the manual, because those Maytags are made somewhere else. By the way, they used to be made in Illinois. So those 1,500 jobs left. They were washed out, if you will, in this country.

Then there is Levi Strauss, which closed six U.S. plants, cutting over 5,000 jobs. So the jeans that made America famous are now being made in other countries.

We could go on to furniture that used to be made in our Southern States, like Virginia and North Carolina. Many of you might have read in the paper over the weekend what is happening in Roanoke, VA, where many people have lost their jobs in manufacturing, in metal working, in furniture, and in other materials. Their divorce rate is so high that almost 50 percent of the people in Roanoke, VA, are now divorced. It is becoming the divorce capital, with the highest divorce rate in the Nation. Why did that happen? You can look at the divorce rate and chart it along with the decline in those manufacturing jobs. We have seen it in manufacturing. There is the exit of the service jobs now. A lot of people in manufacturing who lost their jobs busted their backs and their butts to send their kids to higher education, community college, or college. They said go to college, kids, learn technology; it is the new field. You are not going to be laid off like me. You are going to have a future. America will be the tech country of the world. Well, guess what happened. Now the tech jobs are going. In the next few years, the IT sector will move over 500,000 jobs overseas. People are saying train—you have to be kidding. Even our State governments are outsourcing jobs by hiring companies to do call centers overseas. I joined with Senator DODD to stop the outsourcing of Federal jobs overseas to call centers.

That is why I stand here today with my colleague from North Dakota to call on us to think about economic patriotism, think about a patriotic Tax Code that, first of all, gives rewards to American companies that keep jobs here, and also a tax code that gives good bonuses to those companies that provide health insurance to their workers and also look out for their retirees.

Then the other thing is to end the despicable process and breaks and rewarding those companies who move not only the little red wagons, but very big manufacturing items overseas. That is why I want to stand up today for what I believe is the right thing to do. I call upon my colleagues to think about where America is going in the 21st century. Where are we going to be? Are we going to create more opportunity? Are we going to create more jobs that pay living wages, that have a benefit structure you can reward? Or are we going to resemble the economy of a third world country?

I really want to have a tax code that brings our jobs back home, brings our money back home, stands up for America. So pass the Dorgan-Mikulski amendment and take your first step toward economic patriotism.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, thanks to the Senator from Maryland for her comments and her hard work on this amendment. I hope we will be able to pass this amendment. I expect we will vote on it later today. I wanted to make a couple of additional points.

First of all, on this broader issue of deferring tax, Presidents Kennedy, Nixon, and Carter all tried in vain to actually end deferral. In 1975, the Senate voted to end it. In 1987, the House voted to end it. But in each case, of course, it never got to the President's desk for signature. So we have this thing called deferral. That sounds less ominous than it really is.

With respect to the products manufactured abroad to be sold in our marketplace by U.S. corporations, this deferral is a title that says there is a tax break for U.S. companies to move jobs overseas in order to sell back into our marketplace. There is now $640 billion in foreign earnings that have not been repatriated. Many of them, of course, are parked in tax havens indefinitely—$640 billion.

My colleague also talked about some products. What is more American than Levis? Well, Levis are gone. Before, when you put on a pair of pants, you were putting on an American pair of pants. Not anymore. You are putting on Mexican or Chinese pants.

Then there is Fruit of the Loom. It is one thing to lose your shirt, but Fruit of the Loom is gone. They used to be manufactured here. They are manufacturing them in Mexico and, I believe, some in China. By the way, if you want to order up Mexican food, order Fig Newtons. We all grew up with them. Fig Newton cookies used to be American. Now this cookie is made in Mexico. Next time you order Mexican food, ask whether they will bring you some Fig Newtons.

The point is, we are not only shifting these jobs out of our country for the purpose of manufacturing to sell back into our country, our Tax Code says please do this and we will give you a $6.5 billion benefit over the coming 10 years.

If the Congress cannot take this baby step in addressing this perversion, then the Congress cannot find its way through public policy in a way that reflects any modicum of common sense.

I wanted to mention that while I think there is much to criticize in the underlying bill, there is a provision in the underlying bill that addresses so-called ''inversion.'' I commend the committee, Senator GRASSLEY, and Senator BAUCUS for that position. The inversion is a circumstance where a U.S. corporation says I want to renounce my American citizenship for

the purpose of saving tax money. Well, we have seen some of that. My colleague from Maryland asks, where is the economic patriotism? The committee, in my judgment, did the right thing with respect to this issue of inversions in the underlying bill. I congratulate them for that.

My hope is we will this afternoon have some additional debate on this amendment. I don't know what is going to be offered as a substitute, but, hopefully, we will have votes on both, and we will be able to continue and complete this debate this afternoon. I hope when the dust settles Congress will have done something that meets some basic commonsense test.

My understanding is Senator GRAHAM of Florida is going to be involved in the coming 2 hours. He is in the Chamber. Let me at this point yield the floor with the understanding I will continue this discussion this afternoon when we return to this amendment.

I yield the floor.

AMENDMENT NO. 3112

The PRESIDING OFFICER (Mr. HAGEL). Under the previous order, there will now be 2 hours of debate equally divided on the Graham amendment No. 3112.

The Senator from Florida.

Mr. GRAHAM of Florida. Mr. President, I first thank my colleagues, Senator DORGAN and Senator MIKULSKI, who have raised the issue of will it be American jobs the JOBS bill will create. That is a core question which is raised by the amendment I have brought to the Senate. We are about to spend $170 billion over the next 10 years with the stated objective being to create jobs for American men and women. The question is: How effective will this legislation be in achieving that goal? Is it worth $170 billion under these conditions to be spent or is there not a better way to allocate that same amount of money that will have a greater likelihood of actually creating jobs in the United States?

I would like to put this into some context. The context is where have we been in the recent past and where are we today in terms of jobs for American men and women.

The manufacturing sector of the American economy has lost 2.8 million jobs since January of 2001. It may well be this administration will end up as the first administration in 70 years, since the administration of President Herbert Hoover, to preside over a net decline in private sector employment in the United States.

The unemployment rate has increased 36 percent since January of 2001. The number of long-term unemployed has increased 175 percent. There have been policies and expectations advanced to reverse that situation. The President said, for instance, in his 2003 Economic Report that based on the steps Congress had taken since his administration commenced, in the year 2003 there would be 1.9 million new jobs created in America. The actual increase in jobs in America was 100,000.

The administration has stated the weak employment situation is the result of a dramatic increase in productivity. They argue this increased productivity has raised our standard of living. There are a lot of Americans out there who have not seen this rising tide of standard of living.

Since this administration took office, real earnings growth has slowed dramatically, particularly for those at the lower income scale. Real earnings at the middle of the income distribution rose only two-tenths of 1 percent per year in 2000, 2001, 2002, and 2003.

To put this in comparison, this is a marked deterioration from the successes of the 1990s. Between 1996 and 2000, real earnings growth for those in the middle income was 1.7 percent per year.

We also find ourselves with another growing deficit, and that is a growing trade deficit. The U.S. trade deficit, the excess of goods and services we buy from others over the amount of goods and services we sell to others, has varied over the years, generally in tandem with the economy. For example, in 1981, we had a slight trade surplus. In 1986, the trade deficit had risen to a then record of 2.8 percent of gross domestic product. Remember that number, in 1986, a record historic trade deficit in the United States of 2.8 percent of gross domestic product.

In 1991, our trade deficit had fallen back to a mere two-tenths of 1 percent of our gross domestic product. We see in the last several years, as there has been deterioration in jobs within America, there has also been a deterioration in our international trade balance. For 2003, our trade deficit reached a new record of 5.5 percent of GDP. Compare that with the record of 1986 of 2.8 percent of gross domestic product.

I present this information as the context within which to consider the legislation which is before us and the amendment I have offered—the need for strategic, energetic, and efficient stimulation to our economy, particularly our manufacturing economy and particularly to that part of the manufacturing economy which has been so damaged by the deterioration of our international trade.

The current impasse on this JOBS bill which has caused several weeks delay may turn out to be a blessing in disguise. The delay has provided the Senate with an opportunity to reassess the fundamental merits of this legislation and then to consider what might be better alternatives for working men and women in this country.

I see this bill, the JOBS Act, as having five goals.

The first goal is to meet our obligation under the World Trade Organization by repealing the existing laws, rules, and regulations and, therefore, reverse the retaliatory sanctions which are being imposed by European countries on products of the United States, many of which have nothing to do with the underlying current international tax incentives for American manufacturers. That is goal No. 1.

Goal No. 2 is to avoid enacting a provision that makes it more advantageous than it is today for U.S. companies to move jobs abroad.

Goal No. 3 is to enact provisions that encourage job creation in the United States of America.

Goal No. 4 is to simplify the Tax Code.

Goal No. 5 is to minimize extraneous tax matters that detract from the purpose of this legislation—jobs in America.

Let me review the degree to which this legislation achieves these five very important goals.

Goal No. 1, comply with the adverse WTO ruling. The World Trade Organization, of which the United States is a charter member, has ruled the extraterritorial income tax incentive enacted in 2000 violates the WTO prohibition against export subsidies. The extraterritorial income tax incentive, acronymed ETI, was enacted to replace a similar export-related tax benefit, the foreign sales corporation regime, which also came under fire by the WTO.

Under the ETI regime, a taxpayer can exclude a portion of its income related to goods sold, leased, or rented for direct use or consumption or disposition outside the United States. The amount excluded under the ETI law is 15 percent of the net income derived from the transaction.

The WTO's ruling is unfortunate because it perpetuates an unfair advantage which the European businesses have in relation to the United States firms selling into that market.

Nevertheless, because we rely on the WTO to make sure other countries adhere to international trade rules, we must abide by its decision. It is the rule of trade law.

In addition to meeting our trade obligations, we need to enact this bill to rescue those companies and their employees from the punitive tariffs which are currently being imposed on U.S. exports into the European Union. Currently, those tariffs equal 7 percent of the price of a product being exported to Europe. That tariff will increase 1 percent per month for each month we delay in repealing these offending provisions.

What is most unfortunate is the companies that had benefited from the ETI provisions which have now been ruled illegal often do not make the products which are now the subject of European sanction and retaliation. Innocent businesses and their employees are caught in this crossfire. The JOBS Act meets this first goal by repealing the ETI provisions in our Tax Code. Repealing these provisions will increase Federal income tax receipts by $45 billion over the next 10 years.

Goal No. 2: Avoid exacerbating the current tax incentives for further outsourcing of jobs by U.S. corporations. The JOBS Act does a poor job in

meeting this objective. The provisions in title II of the bill, by definition, are designed to lower the tax burden on U.S. companies' foreign operations. The effect of that: To make it even more attractive to move operations and jobs outside the United States to a foreign base of operation.

The total cost of the changes we are making in this underlying law, which will have the effect of increasing the incentives to leave the United States, is $37 billion over the next 10 years. As stunning as it is, we are about to spend $37 billion to give additional incentives for firms to move jobs out of the United States.

I will provide a couple of examples of how specific provisions will affect U.S. multinational investment decisions. First I will say to anyone who is listening that if they would like to take a nap, this would be a good time to do it because it gets real tough going at this point.

Example one, there is a provision in this bill that changes the tax treatment of payments between affiliated foreign companies. The law today is that the U.S. tax on income earned by a foreign subsidiary of a U.S. multinational is deferred until that income is paid to the U.S. parent in the form of a dividend. Dividends paid by one foreign subsidiary to another foreign subsidiary are treated as though they were paid to the U.S. parent and are therefore subject to U.S. tax.

The JOBS Act changes this treatment by continuing the deferral of U.S. tax on dividends paid by one foreign subsidiary to another located in a different country. The effect of this legislation will be to make it more attractive for a U.S. multinational to invest excess cash in a foreign subsidiary in any country except the United States of America. Payment to the U.S. parent would trigger the tax, but payment to an affiliated foreign subsidiary would remain tax deferred.

An example: If an American firm operating businesses in several foreign countries—let's say one of those was India and another was China—if the Indian subsidiary earned substantial profits and the company was making the decision will I use those profits to reinvest in India, will I use those profits by bringing them back to the United States in the form of a dividend to invest in the United States, or will I move those profits to China, today the last two choices have the same tax implications. U.S. tax will be paid if the money was brought back home or if the money was sent to China. Under this legislation, the only time the tax will be paid is when it comes back to the United States. If the exact same dollars go in the form of a dividend from India to China, there is no tax.

We are creating a very substantial new incentive for American companies to use their income earned outside the United States frequently, as Senators DORGAN and MIKULSKI have just said, to create a platform to export back into the United States. We are increasing the incentive to do so.

This bill includes a ''temporary period'' during which dividend payments from foreign affiliates to a U.S. parent receive a substantial reduction in their tax rate. The regular corporate tax rate is 35 percent. It would be reduced for an American corporation which has set up a subsidiary in a foreign country, has earned a profit in that foreign country, is going to send that profit back to the United States. Instead of being subject to the normal tax of 35 percent, they would only be subject to a tax of 5.75 percent.

This provision reduces Federal revenues by $3.8 billion over the next 10 years. What are American working men and women going to get for their $3.8 billion? The rationale for this proposal is that reducing the tax rate will encourage U.S. multinational companies to expatriate income held offshore in order to make investments in the United States that will create jobs.

Let me just point out one little practical fact. In order to take advantage of this; that is, for a U.S. firm operating outside the United States to be able to repatriate a substantial amount of funds during a narrow window of opportunity, it has to be a firm that has a substantial amount of cash on hand in order to be able to take advantage of that. If they have been investing the profits they have earned offshore to expand their offshore operations, they will have limited means by which to avail themselves of this opportunity.

My concern is that what we are really creating is a tax incentive for tax shelters because it is those tax shelters, as opposed to companies that are actively engaged in the production of goods and services, that are the most likely firms to take advantage of this window. They are the least likely firms to create jobs in the United States.

Another concern about this temporary window proposal is it will not be very temporary. How many times have we heard in the Senate, when a tax cut has been passed but might not go into effect for several years in the future, and then today someone says, let's reconsider: was that really a wise thing to do, to cut the tax rates beginning in the year 2009? Should we not reevaluate that in the context of our current deficit situation and the war and the other challenges America faces?

What is the response to that reasonable question? The response is, of course we should not consider it because if a tax is precluded that is already on the books from staying on the books or going into effect at a future date, do my colleagues know what has just happened? They have raised taxes, and that is the ultimate charge that can be made against an American politician.

Imagine what it is going to be like when this temporary window is ready to expire and the same argument is made; if one does not vote for extending this window, preferably if they do not vote for making this window permanent, as the President is urging that we do, taxes have been raised.

Now, this is not a fanciful suggestion. In fact, this very bill includes 21 tax provisions which when they were enacted were for a specific time period, which has long since passed. Every year, as we get close to these tax provisions that are about to expire, we pass legislation to extend them for yet a few more years.

For instance, in this bill we have a number of items that were intended to be for a specific duration that we are now going to extend substantially into the future. These include items such as the deduction for electric vehicles, deduction for teachers' school expenses—other items which may in and of themselves be worthy. But they are illustrative of the difficulty of ever saying that something which was supposed to be temporary is, in fact, temporary.

If extended, the effect of this repatriation proposal will be to create a permanent reduced tax rate for U.S. multinationals' foreign investment, a tax rate which is 85-percent less than the tax rate that same corporation would pay on income earned inside the United States. So we have a dismal failure on goal No. 2, which is to avoid giving any further incentives to U.S. multinationals outsourcing jobs.

Goal No. 3 is to encourage the creation of jobs in the United States. The primary provision for this encouragement is the creation of a U.S. job provision in the form of a manufacturers' deduction. As currently constituted, this manufacturers' deduction, which is in this legislation, will reduce Federal revenues by $65 billion over the next 10 years. What are we getting for our $65 billion? The deduction is computed as a percentage of the employer's income from production activities located within the United States.

The fact the deduction is based on income, however, creates the perverse effect of rewarding manufacturers that locate at least a portion of their operations in a low-cost jurisdiction outside the United States. When fully phased in, the deduction equals 9 percent of the profit earned from production activities conducted in the United States. To qualify for the deduction, the item must be produced, in whole or a significant part, within the United States. The deduction has some limitations. It is limited to an amount that equals 50 percent of the wages paid by the employer. To the extent that the taxpayer has manufacturing operations outside the United States, the deduction is further reduced by the fraction representing the ratio of the firm's U.S. activity to its worldwide activities. These limitations, which are frequently referred to as haircuts, are supposed to assure that the incentive is targeted at U.S. production.

However, they do not always work in that manner. Let me show a couple of charts as to how this provision, the 9-percent manufacturers' deduction, is likely to work in real life.

The first chart is a simple explanation of how the deduction is computed. In this example, the firm has all of its production operations located inside the United States. It earns $100 in sales for its products. It incurs costs totaling $70 to produce them. The costs, $70, are distributed as follows: materials cost $40, wages inside the United States cost $27, other wages, $3. That is a total of $70.

The company's profit is $30. Its manufacturers' deduction is computed as a percentage of that income. At the fully phased-in rate of 9 percent, the deduction would equal $2.70 to that firm.

Let's look at how the manufacturers' deduction is computed if the taxpayer outsources a share of its manufacturing in order to reduce labor costs. Chart No. 2 illustrates the effect of this change.

In this example, 80 percent of the firm's manufacturing occurs offshore, which results in a 90-percent reduction in its manufacturing wages. The firm still earns the $100 that it did in the first example; that is $100 on the sale of its product, but its costs are substantially lower than the $70 in the first example. In this case, the materials continue to cost $40, manufacturing wages in the United States have dropped to $5 since a substantial amount of the cost of production, not including materials, has now moved outside the United States to a low-wage area. Foreign manufacturing wages are $7. So what this firm used to pay $27 to get—the manufacturing labor to assemble its products—is now getting it for $12. The other wages in the United States continue at $3.

The firm's profit, therefore, is dramatically improved by moving its operation or a substantial portion of its operation outside the United States. It now earns a profit, instead of $30, of $45.

Under the general rule, the manufacturers' deduction would be 9 percent of $45, which would be $4.05. However, there is this separate limitation that you cannot have a deduction that is more than half your U.S. wages. In this instance, U.S. wages for manufacturing are $5, other wages paid in the United States are $3, for a total of $8; 50 percent of $8 is $4. So the firm would get a $4 tax deduction as a result of this procedure.

The result is this: As a result of moving significant parts of its operation outside the United States, this firm was able to qualify for a greater tax incentive under this bill than they would if they had kept their operation in the United States. They get a $2.70 deduction by keeping the operation in the United States; they get a $4 deduction by moving it offshore.

Some of the sponsors of this legislation may argue there is another haircut in these limitations and that is because a firm cannot qualify for the deduction unless the goods are produced ''in whole or in significant part by the taxpayer within the United States.'' They will argue that a firm that utilizes foreign sources to provide 80 percent of the production activity will not meet that standard.

We cannot be assured of that because nowhere in this legislation is the term ''in significant part'' defined for most products. In fact, a firm doesn't have to move anything near 80 percent of its production offshore to get the benefit of this deduction. In my example, using the same numbers but modified to reflect one-quarter of production being moved offshore, this would still yield a greater tax incentive than keeping 100 percent of the production in the United States.

Let me repeat that. If a firm keeps 75 percent of its production in the United States, moves 25 percent abroad, under this calculation it will get a $3.15 deduction against its U.S. income tax versus if it keeps 100 percent in the United States it will get a $2.70 deduction.

Does that make common sense? It was certainly contemplated that some portion of the final product's production could occur outside the United States. Otherwise, the statute would have been drafted without the reference to ''significant part.'' It would have required that all the production be in the United States in order to qualify. It would have been drafted so it applies only to goods solely produced in the United States.

My concern is the new deduction created by this legislation will provide U.S. employers with a positive incentive to move a larger amount of their production offshore. The sponsors will also argue the extent of offshore production activity is conducted by a subsidiary of the U.S. taxpayer. The deduction will be reduced proportionately as a result of the haircut. My example, however, does not assume an affiliate of the taxpayer is conducting the offshore activity. In fact, it assumes what is the predominant reality, that manufacturing businesses inside the United States contract with manufacturers outside the United States to provide component parts. So there is no affiliated relationship other than a contract between the U.S. manufacturer and the foreign producer of the products. The haircut—although it is widely cited as a means by which these kinds of abuses will be restrained—does nothing to protect the job of unaffiliated U.S. suppliers.

As I mentioned earlier, this new incentive will reduce the revenues of the Federal Government by $65 billion over the next 10 years and will have the perverse effect of actually creating yet another incentive to move jobs out of the United States.

As my examples indicate, I don't think this is a piece of legislation that can be defended as spending American taxpayers' dollars in the most efficient manner possible to create jobs in America. There is a better approach. To provide the most effective tax incentive for job creation, we should link the benefits more specifically to the title of this bill, JOBS. Our proposal is to exchange the bill's incentive based on profits with an incentive based on jobs. Our proposal would redirect the $60 billion raised by repealing the ETI and the $37 billion currently directed to the international tax changes and use those funds to create an income tax credit. That credit would be used to partially offset the payroll taxes paid by U.S. manufacturing employers.

One of the true disincentives imposed by the Federal Government on job maintenance and creation in the United States is the fact we impose a 7.6 percent tax on the employer for his employees which then becomes the payroll tax that then supports Social Security and Medicare. I am not proposing we do anything to the payments that are made into the Social Security and Medicare trust fund. Rather, what I am suggesting is we take the now almost $100 billion we will have over 10 years, and use it in the form of a credit whereby it incorporates for all of its employees the first $35,000 of earnings, and will be able to deduct a credit which would amount to approximately 20 percent of the payroll taxes paid by the employer, or a 1.66 percentage point against their corporate income tax.

The employers who qualify for this new incentive are the same ones who would have benefited under the manufacturers' deduction. The difference is our proposal bases the incentive on American jobs, not on profits. The difference is our proposal does not create the incentive. As this chart indicates, we are creating additional outsourcing of American jobs if we use the almost $100 billion in the manner the underlying legislation directs.

It seems to me to be a much better approach to link the benefit to jobs rather than to link the benefit to profits, and one which has a much greater likelihood of achieving the goal of creating jobs in the United States.

A fourth goal of this legislation, and one I have been very interested in, is the simplification of the Tax Code. Several years ago I suggested to the Finance Committee attempting to simplify the United States Tax Code, all 17,000 pages of it, at one time is a task no one has the life expectancy, nor do their children nor probably their grandchildren, to see through to accomplishment. Therefore, we ought to break down the Tax Code into its constituent parts and try to simplify each part at a time, in a rational, sequenced basis. I further suggested these international tax rules would be a good place to start.

I am pleased to say under the leadership of Chairman GRASSLEY and Ranking Member BAUCUS, we started on that path. The Finance Committee has established a working group to study our international tax rules with the goal of simplifying. This product is one of the results of that effort at simplification. However, I suggest this legislation

misses the mark by a wide range in terms of simplifying the income tax law. In fact, it would add another 378 pages to the income tax law. We are starting with the goal of simplification and we are substantially increasing the quantity and the complexity of the income tax code.

Goal No. 5 is to minimize extraneous tax matters that detract from the purpose of this legislation. We are going to spend $170 billion over 10 years to create jobs in America. We ought to be concerned we are spending that $170 billion for that purpose and spending it as effectively as possible.

In an effort to conclude action on this legislation and secure the maximum number of votes, there has been an open encouragement to Senators to file amendments to this bill on smaller tax changes they would like to see adopted. I am confident many of these are worthy and could be supported on their merits. But we are never going to have a discussion of their merits because now they are buried in two so-called managers' amendments inside this legislation. Many of them have relatively little or zero relationship to creating jobs in the United States.

Let me mention a few of those. There is a tax break for Oldsmobile dealers. I am certain they are facing some distress as General Motors canceled that line of Oldsmobiles. Does it deserve to be in a JOBS bill and carry a cost of $189 million over 10 years?

There is capital gains relief for owners of horses. I assume that is good for the owners, and may be good for the horses. It costs $64 million over 10 years.

There is a tax break for the makers of distilled spirits. That might make some of our people happier, but whether it will get them a job is less certain. That costs us $484 million over 10 years.

There is a tax-exempt bond proposal for purchase of forest land. I happen to think purchase of forest land is probably a good idea, but is it the place to spend $252 million over 10 years to create jobs in America?

There are tax credits for costs incurred for railroad track maintenance. Again, it may be a good idea, but it is questionable as to whether $492 million we will spend over the next 10 years will create a requisite number of American jobs.

Then there are tax breaks for amounts received under the Student Loan Repayment Program for the National Health Service Corps. That is $54 million over 10 years.

In the spirit of full disclosure, the bill includes proposals which myself and my staff have worked with the Finance Committee to include in this legislation. One such proposal delays the implementation of regulations governing the exclusion of income from the international operation of ships and aircraft. That has an $8 million cost over 10 years.

Another provision is the extension of the credit for producing electricity from biomass. That lowers Federal tax revenues by $4.2 billion over 10 years.

These additional provisions have obviously expanded the cost of the bill and the purpose of the bill. So the amendment I have offered would do essentially the following:

One, it would repeal ETI. That is the issue that brought us here in the first place. Second, it would repeal the changes in international tax law, many of which will give further incentives to moving jobs offshore. Third, it will repeal most of the targeted tax cuts. It will then take the money that has been saved from the ETI, from not adopting the 9-percent corporate tax deduction, and from the individual items, and use it to finance a serious effort at reducing the payroll tax cost to the employer and, thereby, reducing a significant disincentive to maintaining and hiring people in jobs in America.

I close by describing the choices we are making in this legislation. We are going to spend $170 billion over 10 years, or rounded to $17 billion per year. What could we do with $17 billion if we did not use it in a targeted and effective means to create jobs for U.S. men and women?

Well, $17 billion would reduce this year's projected Federal deficit by about 4 percent, not an insignificant amount. The $17 billion would fully fund No Child Left Behind, plus it would fund veterans health care and the FIRE and SAFER grant programs that provide critical assistance to our Nation's first responders. All of those could be purchased for $17 billion.

Mr. President, $17 billion would be more than we spend annually on Pell grants, to assure access to higher education for our young people.

Now more than ever, we need to make sure the money we spend will achieve the results we seek. I have set forth the reasons why I do not believe the incentives in the underlying bill will protect or will promote U.S. jobs. The proposals in the underlying bill target profits in the hopes that profits will trickle down and create jobs.

The amendment Senator DAYTON and I have offered is a better approach because it specifically targets U.S. jobs. Firms will get a bigger tax break to the extent they employ more U.S. workers. Since U.S. jobs are the goal of this legislation—U.S. JOBS is the title of this legislation—our approach should be adopted. The working men and women of America will appreciate this action by the Senate.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, how much time is left under Senator GRAHAM's amendment on this side?

The PRESIDING OFFICER. On your side, 16 minutes 40 seconds.

Mr. REID. Mr. President, I will claim the 5 minutes we have under morning business. It is all part of the order of the Senate already. Then I will yield to my friend from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada.

CHAIN OF COMMAND

Mr. REID. Mr. President, the Presiding Officer stands for many things, but, in my mind, one of the things you stand for is what is good about the United States military: A person who put himself in harm's way, with his brother, and has created a story that is intriguing and interesting and shows the bravery of the Presiding Officer in a time of crisis.

Mr. President, you are the role model for the troops we have in Iraq today. Our men and women there are fighting valiantly, and each day find themselves in harm's way, in many different avenues.

I came to the Senate floor this morning and talked about how I felt—this Senator—on last Thursday I had been misled and not treated fairly. We had a briefing up in 407, and we had the Secretary of Defense there. As I indicated this morning, we had enough brass to fill a brass band. We had four-star generals. We had the Chairman of the Joint Chiefs of Staff. I do not want all the blame focused on Secretary Rumsfeld. I feel those military officers should have told Democratic and Republican Senators last Thursday what was going to break on ''60 Minutes'' that night. I feel terribly misled and disappointed in their not doing that.

I say that because by their not telling us what was going to come out—certainly all or most of them knew something was going to come out; and if they did not know, they should have known—each Senator was blindsided.

Now, Mr. President, the reason I mentioned you as a role model for the troops in Iraq, Afghanistan, and around the rest of the world is virtually every man and woman serving in the military does the right thing. Obviously, from the photographs and information we have, some of them did not. But I do not want just the enlisted men, so to speak, to be the scapegoats for what has obviously transpired. There is a chain of command, and there is responsibility in that chain of command.

I am terribly disappointed what went on in 407 with the chain of command, and so I do not want my remarks at all to reflect adversely on the fighting men and women of this country—the Pat Tillmans of our country. There are lots of Pat Tillmans. We admire and respect him so much because he gave up a multimillion-dollar contract to go fight in the war. But lots of other people gave up lots of things to go fight in these wars, and there are lots of Pat Tillmans. I admire him and his family and his brother, who went in with him, as your brother went in with you.

So, Mr. President, I hope the chain of command understands their responsibility and does not try to pass the buck off on these people who needed, obviously, supervision and control.

I think also we have to take a look at what is going on in Iraq today with the so-called security guards who are being hired, because it is obvious some wrong

took place there as a result of what they did.

I appreciate my friend from Minnesota allowing me to speak prior to him. The Senator now has 16 minutes under the order.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I certainly support the statement of the distinguished Senator from Nevada.

AMENDMENT NO. 3112

Mr. President, we are referring to the JOBS Act, and to Senator GRAHAM's excellent amendment. I am very proud to be a cosponsor and to have this opportunity to speak on behalf of the Graham-Dayton amendment. As Senator GRAHAM pointed out to our colleagues, this bill is called the JOBS Act. In fact, in the House, they call it the American JOBS Act because, as we all know, we are missing a lot of jobs in America today. Over 8 million Americans are out of work. Many have exhausted their unemployment benefits because they cannot find work anywhere.

This amendment offered by Senator GRAHAM would make the bill live up to its name. You could call it the ''Put the Jobs Into the JOBS Act'' amendment. It also would put the truth into that title. Because the truth now is most of this bill has nothing to do with providing jobs—at least not American jobs. It provides additional tax cuts to already profitable corporations, whether they provide jobs or not.

According to a recent Washington Post article on the bill, it is:

> One of the most complex, special-interest riddled corporate tax bills in years, lawmakers, Senate aides, and tax lobbyists say. The 930 page epic is packed with $170 billion in tax cuts aimed at cruise ship operators, foreign dog-race gamblers, NASCAR track owners, bow-and-arrow makers, and Oldsmobile dealers, to name a few.

Continuing on to quote the article:

> Even one of the tax lobbyists involved in drafting it conceded that the bill ''has risen to a new level of sleaze.''

I think that is quite instructive in its statement: ''even one of the tax lobbyists involved in drafting it.'' I am not on the Senate Finance Committee. I am told that committee, as the Appropriations Committee, requires many years of seniority before someone can gain access to it, so I don't know what goes on in the drafting of legislation. But when the article says tax lobbyists were involved in drafting the bill that is before us or, as my colleague Senator GRAHAM said, drafting the additions to this bill that are not before us, that are in the so-called managers' amendments which are not disclosed to those of us voting, which are not disclosed to the American people, then there is something pretty putrid in that process.

In fact, the provisions the article mentions, questionable as they are, are not even the worst provisions in the legislation. This bill contains over $39 billion worth of tax advantages to American businesses and investors for their foreign operations. At a time when we say we are concerned about losing American jobs to foreign businesses,—and we should be concerned; we should be alarmed—this bill would make it more profitable and thus more appealing to expand foreign businesses instead of ones in the United States. Why in the world would we want to do that? Most of these provisions are rich man's tax avoidance games and gimmicks.

For example, U.S. businesses or individuals can claim a tax credit under U.S. taxes equal to any foreign taxes they have paid. A tax credit is a dollar-for-dollar reduction in the amount of the tax that is owed. So this arrangement means the U.S. Treasury gets paid last. If some company here owes the French Government $100 in taxes and the U.S. Government $150 in taxes, the company pays the French Government the $100 it owes and it only pays the U.S. Government $50. If foreign taxes were treated as a business expense, like any other cost of doing business, the loss to the U.S. Treasury would be far less severe. But this bill goes even further in the other direction. This would allow the company or business or the individual to be able to use those foreign tax credits for 20 years into the future in order to reduce their future U.S. taxes owed.

Most U.S. citizens can't do that. A farmer with additional revenues, profits in a good year, a salesman with high sales and, therefore, high commissions has to pay higher taxes on his or her income for that year. They can't finagle their incomes and expenses over the next 20 years to lower their tax liabilities. As I said, these are rich man's games and gimmicks.

The other foreign tax breaks are pretty much the same. They are just more ways to avoid paying U.S. taxes owed on U.S. profits or income, more special treatment for businesses in other countries, employing workers in those other countries, jobs, many of which used to be here in this country for American workers. We are going to reward those actions even more than we have already, at a cost of $39 billion to the U.S. Treasury over the next 10 years, at a time when the Federal Government is running annual deficits of over $500 billion.

This bill purports to be revenue neutral. In other words, the tax increases equal or offset the tax reductions. Well, yes and no. As usual around here, with all the smart Members and staffs, and I guess the tax lobbyists who write their special interest tax cuts into the bill, some curious revenue increases are cited. Some are actually good public policy—the elimination of tax shelters, offshore and domestic—some are questionable. Some of the so-called revenue gains are simply downright curious.

For example, over $17 billion of revenue gains is cited from extending customs user fees over the next 10 years. That is something we obviously should do and will do. There are existing fees now, and we will extend them over the life of the 10 years that this is scored for budget purposes. We haven't done it yet. But that is a continuation of the status quo; yet that is being counted as if it were new tax revenue for the purposes of this bill to offset some of these new tax breaks for foreign subsidiaries and operations.

We are adding vaccines for hepatitis A to the list of taxable vaccines, $87 million over 10 years. I don't myself understand the reason for that.

We are limiting charitable contributions of ''patents or similar property'' to their cost basis to the donor. ''Similar property'' is open to interpretation, but it requires some kind of fairly broad interpretation because the revenue gains expected over the decade are $4 billion. These are charitable contributions. So if an artist, for example, paints a painting, a well-known artist, the cost basis of that actual picture—the materials, the canvas and the paints and the like—the actual cost of it is quite low. The value of it might be worth tens of thousands, hundreds of thousands, even millions of dollars. The cost basis, if it is just the materials, is going to be a huge disincentive for people who are in that situation to donate their creations, patents to nonprofit charitable organizations. We are going to gain $4 billion from doing that.

Another of the revenue gains repeals the 10 percent rehabilitation credit for nonhistoric buildings. That is going to generate $1 billion in revenues. In Minnesota, there aren't many buildings old enough to be ''historic,'' but rehabilitation of other buildings that are dilapidated is certainly a worthwhile public purpose. Yet we are incorporating these kinds of tax increases to offset tax breaks we are providing for foreign business operations. That doesn't make any sense to me at all.

Senator GRAHAM has discussed very well—and I won't repeat his comments—the advantages of this amendment over the existing bill for creating American jobs, jobs in the United States for American workers. That is what we need. That is what the bill purports to be. That is what we ought to be doing.

This bill, as it relates to domestic manufacturers, is a general tax reduction. It requires them to do nothing in return. That is a lot better than providing tax breaks to foreign operations and subsidiaries and the investors in them, but it is not good enough. American businesses reported record profits in the fourth quarter of last year, $76 billion in the quarter, above the previous record profits of $70 billion in the third quarter of last year. Overall corporate profits were up 20 percent last year from the year before. Now we are coming out of a recession.

That is great news for America. That is not uniform across the board, but that shows a very healthy profit picture for most American businesses and

one that, unfortunately, has not translated into the job increases we would expect to see, given that kind of profitability and coming out of a recession and employment contraction. That is what this bill should be focused on.

That is what the Graham amendment does, which is why I am glad to be a cosponsor. It provides incentive and a reward for providing American jobs. If do you that, you get the benefit. If you don't do that, you don't get the benefit because you don't need it right now.

Between 1996 and 2000, 71 percent of the foreign companies doing business in the United States reported no U.S. tax liability at all. Sixty-one percent of U.S.-controlled corporations during that time, those 5 years from 1996 to 2000, also reported no U.S. tax liability.

In the year 2000, 82 percent of large U.S. corporations reported a U.S. tax liability of less than 5 percent of their income; 76 percent of large foreign-controlled companies reported U.S. tax liability of less than 5 percent of their income. These large corporations are not overtaxed. Some of them are not taxed at all. Now, with these foreign credits that extend forward for 20 years, not only will they not pay taxes, they will be owed rebates.

This has to be the theater of the absurd. We are giving away tax revenues for outyears—especially from 2008 to 2013, which is where this bill is backloaded—that we don't have, that we are going to be short of to do the things we have committed to do, that will add up and extend beyond that to a point in time that it will add to the crisis we are going to face in the following decade fiscally. We are doing all that for no reason whatsoever, except that someone said the tax lobbyists have had their field day and they got this riddled into the bill.

We are trying to get it out so it can be put to use for the American workers, and especially those who want to be American workers, who don't have jobs and have paid taxes on what they have earned, whatever amount that may be, and are looking for a job and will pay taxes on that. We should not be getting into more tax avoidance schemes to send jobs overseas. That is what the Graham amendment would prevent.

I yield the floor.

Mr. GRAHAM of Florida. How much time do I have remaining?

The PRESIDING OFFICER (Mr. COLEMAN). The Senator has 3 minutes 20 seconds.

Mr. GRAHAM of Florida. First, I want to clarify a statement I made at the conclusion of my remarks. The individual tax items I referred to are included in a managers' amendment. They are not part of the amendment that I have offered as a replacement essentially for the legislation. They are not dealt with.

Mr. President, we have a very serious issue. I see that we have been joined by the chairman of the Finance Committee, Senator GRASSLEY. I got to know a lot about highways last year. I visited on two or three occasions Ottumwa, IA, which is in the southeast corner of the State. Senator GRASSLEY knows the statistics a lot better than I do. If I misstate them, he can correct me.

By the end of World War II, Ottumwa had a population of more than 30,000 people, which was a combination of a strong agricultural economy and a growing number of industrial plants, many of which provided parts for other industries, such as a company that provides parts for Deere Tractor, another Iowa firm. In 2003, the population had slipped to below 25,000, and much of that job loss was due to the fact those plants of 150 to 500 people had picked up and left. Maybe they left for Mexico or for China, but they were not in Ottumwa, IA, anymore.

When you talked to people in that town, whether it was the clerk registering you into the motel or the person who was bringing you your dinner, you heard a lot about the pain that was coming from that loss of a job base, the loss of the future, and the loss of the children of Ottumwa, as they began to question whether they had a future there.

I don't believe it is the role of the Government to stand up and hold back the tide of normal economic flows. The fact is, capitalism is a very aggressive form of economy. Companies go out of business; companies come into business; companies make decisions as to where they can be the most successful. I don't believe we should socialize our economy in an attempt to avoid that. We are not talking about affirmative socialization. We are talking about, through the Tax Code, what I would call incentivized socialization. We are trying to affect the decision that company in Ottumwa makes by saying it will be more profitable for them to take these 250 jobs and move them out of the United States.

This legislation, I am sad to say, adds to those incentives. I don't think that is what we should do in a bill that has as its title ''JOBS.''

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, before I respond in a specific way to the amendment before us, everything Senator GRAHAM said about Ottumwa, IA, is accurate, I believe. Obviously, when anyone in America loses a job, it is a very personal hurt to that individual, particularly if they liked their job and if they had been in that job for a long period of time, and particularly if they were older people and not looking to retrain or even spend the time and investment in retraining.

So considering those personal hurts, and not without proper regard for the economic consequences of people hurt by being laid off, it is a simple matter, not only in the United States but all over the world, that there are less jobs in manufacturing than previously. It is mostly because of the enhanced productivity in manufacturing. When people can get machines to do work that individuals do, obviously, that enhances productivity and it is done for the sole purpose of being more accurate and cutting down on the number of jobs—also, not to denigrate productivity, because productivity being enhanced is the only way in America or anyplace else in the world you are going to increase the standard of living of Americans.

When you increase productivity, people become more productive, they earn more money, and their standard of living goes up. We want that for everybody. So enhancing productivity is very basic to the increasing of the standard of living.

Now, there are fewer jobs in manufacturing today than there have ever been. But manufacturing is still a very major component of our economy. It is still around 15, 16 percent of our economy, I believe. If you go back 40 or 50 years, it was probably 20 or 21 percent of the economy. But there was a period of time when we lost 2 million jobs in manufacturing during the 1980s, and we still had manufacturing as 20 percent of the economy. So manufacturing is very important, but it is maintaining its importance with less jobs doing the work that needs to be done to manufacture whatever we want in America.

Now, several times on this issue I have quoted former Secretary of Labor Reich from the Clinton administration. He is now a professor at Harvard, I believe. He wrote on December 26 of last year in the Wall Street Journal about the problems of manufacturing and declining employment in manufacturing. Secretary Reich pointed out that, yes, America has 10-percent fewer jobs in manufacturing now than they did in the previous benchmark. But he also pointed out during that same period of time, whereas the United States lost 10 percent of their manufacturing jobs, China had lost 15 percent of their jobs in manufacturing. So you see, even though we are legitimately concerned about outsourcing of manufacturing going to China, we are also seeing China finding ways to be more efficient in their manufacturing.

It is quite obvious, if you look at this historically, that this is progress: enhancing productivity to raise wages to raise the standard of living.

This is not the era of Luddites, when people are going to go into factories and smash machinery because they think it is taking jobs away from people. If the Luddite philosophy were legitimate, we would still be making the common pin by hand.

We are producing by machine so we can enhance productivity to enhance wages to enhance the standard of living. The American people would not be satisfied today with 96 percent of the American population being on farms, as it was in 1790 when this country was a brand new country. Today about 2 percent of the people in the United States are producing the food for the

other 98 percent, and each farmer produces for 145 people. The United States exports about 40 percent of its food and farm products, because we cannot consume it domestically.

Whether it is in manufacturing or whether it is in farming, if 5 percent of the market is the American people, then we are not going to have a very high standard of living. The other 95 percent of the market are the people outside the United States of America. If we still had 96 percent of the people in America involved in farming, we would have a subsistence level of livelihood.

We have to accept the fact that every month in America, 7 million jobs go out of existence and 7 million new jobs come into existence. In that process, people are more productive, make higher wages, and have a higher standard of living, and not just for some of our people but for all of our people.

The only people in America who might not have a higher standard of living are those we have kept down, and this Congress is responsible for keeping welfare recipients down, keeping them out of mind, out of sight to the edge of society. But we established a principle of welfare reform in 1996 to move people from the edge of society in welfare to the world of work, to the mainstream of American society, because it is in the world of work where they have opportunities for enhanced productivity, for enhanced wages that will raise their standard of living. Except for welfare recipients, people in the world of work are producing more now than before to enhance their standard of living.

It seems to me that when we have 7 million jobs going out of existence 1 month and 7 million new jobs coming into existence in the same month, it says better than anything I can say about how rapidly our economy is changing, much more rapidly today than ever in the history of our country. It might even change more rapidly in the future.

For people who abhor the fact that we are losing manufacturing jobs, then you have to ask, what do we do to maintain those manufacturing jobs? The basic bill we are dealing with, the jobs and manufacturing bill, tries to do it two ways: one, to staunch the bleeding in jobs leaving manufacturing. It is enhanced now because we have a European tax on our exports to Europe so that our manufacturers cannot be competitive in Europe and, hence, people are being laid off.

That European tax on our exports is legal and started in March. We started debating this bill in March. We could have had this bill passed in March. We could have had the European tax behind us because once we pass this legislation, there is no legal basis for their putting the tax on our exports to their country.

In the same vein, the jobs a manufacturing bill will reduce the level of taxation on corporations from 35 percent down to 32 percent. One of the reasons we lose jobs in manufacturing to the global competition is that our cost to capital is very high in relationship to our global competition. So in reducing the corporate tax by 3 percent and doing it in a revenue-neutral way so it does not worsen the deficit, we have an opportunity to create jobs in manufacturing, make what jobs we have more secure, and continue to enhance the productivity of workers in America.

I hope we remember that we do have a rapidly changing society. Our people welcome an enhanced standard of living that comes from increased wages, which comes from increased productivity. And they want that to continue. That is why I am concerned about the amendment of the Senator from Florida that is before us. That is why I am going to ask my colleagues to consider my views on this amendment and, hopefully, disagree with Senator GRAHAM and defeat the amendment and move on and get this bill passed. That 5-percent tax put on in March, increased to 6 percent in April, and it is 7 percent now in May. It is going to be 12 percent by election time. Are we going to continue to have an environment where people can be laid off?

Senator GRAHAM may have an idea that is legitimate to discuss, but right now in the environment we are in, in which there is an increasing burden put on our exports to Europe, it seems to me we ought to forgo this discussion, which ought to come at another time when Senator GRAHAM's amendment could fit in. We need to get this legislation passed. This legislation is a bipartisan bill. Not often do we get this bipartisan cooperation in the Senate. We ought to take it and run with it.

His amendment proposes to enact a new wage tax credit and pay for it by striking the manufacturing rate cut—that cut from 35 percent down to 32 percent about which I just spoke—and he would also strike all of the international provisions that are in this bill, international provisions to which we try to bring a more rational approach to the taxation of American business in international trade.

Evidently, the Senator from Florida believes a payroll tax credit that reduces employer contributions to the Social Security trust fund will create more jobs than a manufacturing rate cut. Payroll tax credits have long been controversial. I always thought market demand and the ability to compete in that market is what created jobs. If an employer sees an opportunity and goes after that opportunity, then they will add employees to meet demand, but I do not see how a tax credit creates market opportunity.

I thought that tax relief, tax reductions, and the lower burden imposed by having the Government as a silent business partner is what enhances a company's competitiveness, which then in turn would lead to more opportunity.

This JOBS bill before us now contains a 3-point reduction in corporate tax for manufacturing, not across the board. The chart behind me shows the corporate tax rates on manufacturing income for the European Union and for the United States. I thought this chart would be interesting for comparison since the United States and the European Union are both highly developed wage and skilled countries.

This chart shows that on average the European Union tax rate on manufacturing is 21 percent, while that in the United States is 24 percent. That is averages. So do not get that confused with the 35 down to the 32 I am talking about.

It is necessary to pass this 3-point reduction in corporate tax rates which is in this JOBS bill to keep the United States even with these European countries. So being a believer that competitiveness breeds job growth, I fail to see how a wage credit in lieu of a tax cut can produce more jobs if U.S. manufacturers remain burdened with a significantly higher rate of tax than their main competitors.

After arriving on the Senate floor, I received a copy of a ''dear colleague'' letter from Senator GRAHAM of Florida and Senator DAYTON of Minnesota. That letter says production outsourced to a foreign country qualifies for manufacturing deduction.

That is not right. Our bill does not do that. The 3-point rate cut only applies to income from U.S.-based manufacturing. It does not apply to foreign manufacturing of any type. So the fundamental premise of the Graham amendment is in error.

Senator GRAHAM also implies contract manufacturing qualifies for the manufacturing deduction. This is not correct. We specifically rejected allowing a company to take a deduction for manufacturing that someone else does for them, regardless of whether the contract manufacturer is located in the United States or offshore.

If we allowed contract manufacturing to qualify, it would be a double dip. We were lobbied on this and we rejected that. So, again, a fundamental assumption of the amendment is in error.

The Senator from Florida also criticizes the wage limitation. This limit is there to ensure manufacturing jobs are created. If they do not grow jobs, then their manufacturing deduction is diminished. If their assembly lines are filled with robots instead of people, then the deduction is limited. So if one wants more hiring, this is the way to get it done. That is what the wage limit accomplishes.

All of the fundamentals underlying his amendment are in error. I think they are a mischaracterization of the underlying bill.

There is, however, an even more disturbing aspect of the amendment before us. Senators have heard me come to the floor many times to talk about the bipartisan development of the JOBS bill. Its construction began when Senator BAUCUS was chairman of the Senate Finance Committee. Senator

BAUCUS held hearings in July 2002 to address the FSC/ETI controversy within the World Trade Organization.

During this hearing, Senator GRAHAM of Florida, now on the Senate floor with us, and Senator HATCH as well, expressed concern about how our international tax laws were impairing the competitiveness of U.S. companies. After some discussion on forming a blue ribbon commission to study this problem, we all decided decisive action was more important than setting up a commission.

During that hearing, Chairman BAUCUS formed an international tax working group that was joined by Senator GRAHAM, Senator HATCH, and this Senator. This bipartisan Finance Committee working group formed the basis for the bill that is now before us.

There is not one provision in this JOBS bill that was not agreed to by both Republicans and Democrats, not one. But today a member of that bipartisan working group offers an amendment that would destroy this bipartisan consensus on the provisions of the JOBS bill.

Why? The JOBS bill includes the international tax simplification measures that were recommended in the Joint Committee on Taxation April 2001 report on tax simplification. There was no constituency for these simplifications. No governmental affairs representative came to our office to advocate for them.

No, the person who asked for them was the Senator from Florida. Senator GRAHAM emphasized the desire to include these simplification measures in the bill, and we did that. The Senator from Florida preferred simplification over restructuring and wanted the emphasis of our bill to be on foreign tax credit reforms. We honored his views because that is what our bill does in the bipartisan spirit of this legislation.

That Senator expressed concern about the 90-percent foreign tax credit limit on AMT, the alternative minimum tax, and he wanted the 10–50 basket problems solved. We did both of these things in this bill.

The Senator from Florida even sought reductions on a number of foreign tax credit baskets, but the working group decided that was too significant of an international change to be accepted by the full Senate. I hope when we vote on this amendment the Senator will back up our decision on that because this bill was reported out of committee on a bipartisan 19-to-2 vote. The Senator from Florida voted for this bill in the Finance Committee.

Today, these priorities are no longer important. To me, this is very confusing and it is quite a difficult development for me to understand.

As I have said before, we acted in the best of faith to produce a bill that protects American manufacturing jobs and ensures our companies remain the global competitors we want them to be. We did this in a fully bipartisan manner. That is what the American people expect us to do on such an important issue as manufacturing jobs and our national economic health.

As a practical matter, the only way to get a bill through this Senate is to do it in a bipartisan way. But these efforts are apparently not enough or we would not have this amendment before us.

I hope we can defeat this amendment and move on because Senator BAUCUS and I have a real sense of optimism that this week there is very definitely an optimistic point of view, particularly from the other side, that this legislation needs to be passed and that considering the fact we spent considerable time on it in March, and some time on it in April, and we have had these European taxes going on our exports, growing 1 percent a month. It is a bad situation.

We hope the optimism we sensed yesterday will be repeated today, and one way to help us along is to help us defeat this amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). Who yields time? Does the Senator from Iowa yield time to the Senator from Montana?

Mr. GRASSLEY. I yield to the Senator from Montana whatever time he might consume. I have not asked other people on my side if they want time.

Mr. BAUCUS. I will not consume it all.

Mr. GRASSLEY. I yield whatever time the Senator may consume.

Mr. BAUCUS. I appreciate that.

Mr. President, I have a couple of points. I very much appreciate the efforts of the Senator from Florida in the amendment he has offered. He clearly is trying to address a problem that is very acute in this country, which is job loss. He is also attempting to address it in a way a good number of Senators and a good number of people think is a way to do it, and that is by making the cost of employment to an employer less expensive.

In our country, it is regrettable, but we have come to the point where very often payroll taxes are the greatest expense an employee has. They pay more in payroll taxes, because the employer's half is imputed to the employee, than income taxes.

We have to work hard to try to find ways so the cost of employment to employers is a little less expensive than at present. The Senator from Florida is trying to address that.

I might say, though, his amendment strikes over 60 percent of the bill. This is a large bill. We don't have many tax bills that come around.

I remember years ago we used to have a tax bill at the end of the year. Senator Long was then chairman of the Finance Committee. He would wait until the end of the year. There would be a lot of provisions and there would be a good tax bill. I don't think that is going to happen this year. This is becoming the major bill, and the reason for that is very clear.

There was no World Trade Organization back 20 years ago. Times have changed so much. But the World Trade Organization has ruled that our tax regime, which gives our American companies that export a bit of a break, is illegal. Other countries have their tax regimes which give their companies breaks for their exports, and they are legal. But we set up ours in a way that, regrettably, does not pass muster with the WTO.

There are a lot of reasons that is the case. Frankly, I think we Americans were a little naive. A number of years ago we agreed to a tax regime where companies in other countries could rebate their value-added tax for exports; whereas because we have a different tax system, because we did not have a value-added tax system and we tried to set up a different way to help our companies export, it turned out our way became illegal under the general rules of WTO. That happened a long time ago. We cannot recreate history. But basically that is why we are here today. Our tax regime which gives our companies a bit of a tax break has been declared illegal under WTO.

We have an obligation now. We can't wait until the end of the year. We have an obligation now to replace that illegal regime with something that is legal. We have an obligation now because, as has been stated, the European Union, pursuant to rules under the WTO, has begun to tax American exports to Europe. With each passing month that tax becomes greater and greater. It gets up to 17 percent and that gets pretty severe after a while. So that is why we are here.

The Finance Committee spent a lot of time trying to figure out what the basic replacement legislation should be—what is the best way to do this; what is the best way to help American companies produce jobs, make products, and also produce jobs in a way that is legal under the WTO regime.

We worked hard at it, as I said. We talked to lots of different people around the country. We had several meetings in the Finance Committee about this issue. We had a big, long, open markup. We came up with a way which we think, by and large, helps American companies quite well. What is it? It is very simple. It is a 9-percent deduction for production by U.S. companies—in the United States, that is. If they produce the product in the United States, they get a 9-percent cost of production benefit for that production. It not only applies to big corporations, standard C corporations, it applies to smaller corporations generally known as S corporations, partnerships, sole proprietorships, as well as to any organization that produces some product in the United States.

That is far better than the old regime we are going to displace because the old regime, which gave benefits for exports, was not available to a lot of farmers and ranchers and small businesspeople.

So it is a good idea. Effectively, it lowers the top corporate rate—if you are paying 35 percent—by 3 percentage points, down to about 32 percent as your income taxes, corporate income taxes. But if you are a partnership or if you are some other organization, your taxes are also lowered because of the 9-percent deduction for domestic manufacturing. So it does help provide jobs.

What else does it do? It gives the employer who gets the benefit of this a choice. What is the best way for that company to meet competition? What is the best way for that company to do well? Whether it is a big company or small company, what is the best way? Generally, most believe the management of that company should have the choice of what works best for them. That is why we said you don't have to use the money this way or have to use the money that way. But in order to comply with the World Trade Organization rules, the only restriction, basically, is it has to be produced in the United States, whether the product is sold in the United States or whether it is sold overseas. That was the one restriction we had to apply to stay within the WTO rules.

We also took the opportunity to address a growing concern that many American companies face, particularly the larger American companies, and that is international competition. Other countries do a pretty good job of taking care of their companies in the sense that they want to make sure their companies are competitive in the world. They do a pretty good job. So we have to ask ourselves: Americans, OK, what do we do so as not to handicap our American companies in international operations and also in a way that is fair to small business, is fair to the budget, is fair to lots of other interests in our country; that is, other considerations in addition to making sure our companies are as competitive as possible in the international arena.

I don't need to tell you how globalized our economy has become. It is incredible how, each passing year, we are so much more interconnected than we were in previous years.

Let me give one small example, the entrance of a good number of eastern countries into the European Union. Half of the world's population now is in a buying consumer market. That is a major change. That is a profound change. Companies worldwide, certainly American companies, are going to have to compete in that market, as well as the American market.

In addition, Mr. President, as you well know, various other countries—whether it is the European Union or even China—are entering into trade agreements with other countries which give a benefit to their companies and, by definition, to the detriment of American companies. It is an extremely competitive world and becoming even more so. It is more so because of the additional markets, as I mentioned, more so because of increased advances in technology, particularly communications technology. With so much information now digitized, so much information now able to be sent over a broadband communications system, that is bringing us so much closer together.

We in the committee believed that in addition to helping domestic manufacturers, as described, we should also simplify a lot of the international provisions, especially those where American companies are double taxed. The theory of our system, our worldwide system as opposed to—well, it is the same theory as other countries' territorial systems. But the theory of our system is basically avoid double taxation of American companies. If an American company does business overseas, clearly that other country—take Germany, for example—wants to tax the American company's production in Germany. But then that is an American company, so the American taxpayers have a right to think that company should pay income taxes to Uncle Sam, too. But we also want to avoid double taxation.

Basically, the idea in America is to give companies a tax credit on American taxes for the amount of the taxes they paid in the other country. That is basically what we do. It is a complicated system, but it is one that by and large works pretty well.

Then there are some other provisions in this bill. There are energy tax provisions; also, a minority tax credit. What is my main point? My main point is we have spent a lot of time in committee on this bill. It passed the committee 19 to 2. Frankly, the two dissenters were on the other side of the aisle. They had a different approach they thought made much more sense to them.

I suggest upfront, even though the amendment has some frailties, this was never debated in the committee. It was never brought up in committee. It was for very good reason, as the Senator from Florida was engaged in another endeavor. He probably still is engaged to some degree. I very much appreciate that. He was not available and it was not his fault this amendment was not brought up. He was unable to be present. It was not brought up in the Finance Committee. It was undebated in the Finance Committee.

His amendment is a huge change to the bill. It dramatically changes the bill. It changes the velocity of the bill. We have already addressed the issue generally but not all of the content of this amendment, which is drastically changing the bill. That is not an exaggeration. It is drastic.

For that reason, respectfully I say to my good friend from Florida, this is not the time for the Senate to proceed with this amendment. There is a time and place, in the committee, that we should address his approach. That is, helping reduce the company payroll tax or helping employers so they do not pay quite so much in wages. We want to help people get wages but we do not want to burden the employers. Now is not the time, nor the forum. He should bring that up at a later time.

The PRESIDING OFFICER. The Senator from Iowa controls time. Only the Senator from Iowa controls time.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask consent all pending amendments be set aside so the Senator from Colorado can be recognized for the purpose of offering an amendment, and I also ask consent that the amendment of the Senator from South Carolina, Mr. HOLLINGS, also be the next amendment to be in order.

Mr. REID. Mr. President, it is my understanding Senator HOLLINGS would propose that amendment immediately following the votes on the two pending amendments; is that right?

Mr. BAUCUS. I have no problem with that. That is my understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

AMENDMENT NO. 3118

(Purpose: To provide for a brownfields demonstration program for qualified green building and sustainable design projects, and for other purposes)

Mr. ALLARD. I ask consent to send an amendment to the desk, which will take the slot reserved for the Miller-Schumer-Bond amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. I ask consent that the pending amendment be temporarily laid aside, that I offer an amendment; following the reporting of my amendment, it be laid aside, and the Senate resume debate under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. I ask that the clerk report amendment No. 3118.

The legislative clerk read as follows:

The Senator from Colorado [Mr. ALLARD], for himself, Mr. SCHUMER, Mr. MILLER, Mrs. CLINTON, and Mr. CHAMBLISS, proposes an amendment numbered 3118.

Mr. ALLARD. I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Text of Amendment.'')

Mr. ALLARD. I yield the floor.

AMENDMENT NO. 3112

The PRESIDING OFFICER. Who yields time on the preceding amendment?

Mr. BAUCUS. Will the Senator yield me an additional 5 minutes?

Mr. GRASSLEY. I yield the Senator from Montana whatever time he might consume.

Mr. BAUCUS. Mr. President, I have a couple more points about the Graham amendment.

It is advisable the Senate not adopt the amendment. His amendment would do two things. Basically, it strikes the deduction for domestic manufacturing and also strikes most of the international tax reform provisions. These are very important changes that will help Americans compete internationally.

As I mentioned, the international provisions in the bill that would be stricken by the Senator's amendment are designed to reduce double taxation of American companies. We want to do as much as we can to reduce double taxation of American companies.

Let me give an example. Under current law, an American corporation would have to pay more to borrow money to build a factory than foreign corporations would have to pay, even if the factory is in the United States. This is because of the way we treat interest expenses and so-called interest allocation. Essentially, we are changing the interest allocation provision so that a U.S. company with assets overseas is not penalized, so long as the borrowing is proportionate to the assets in each of the countries, which is now not the case. That is, right now, American companies are penalized even if all their borrowing in the United States is proportionate to worldwide borrowing. That is just not fair. It is something other country's companies do not have to put up with. That is one example of how our Tax Code currently puts American companies at a disadvantage compared to other countries.

The JOBS bill fixes a lot of these problems so Americans can compete on a level playing field, and it brings the Tax Code in compliance for the intent to avoid double taxation.

I say to my good friend from Florida and to my colleagues in the Senate, this is not the time, in my judgment, for that amendment. It has not been explored, debated, or brought up in committee. It is a huge change to a very thought through bill. It should not be approved at this time.

I take a couple of minutes while we have the time to talk about some of the international provisions generally in the JOBS bill. Let me state again why I think these provisions are good policy and they help American companies.

I will mention again the interest allocation provision. It is perhaps the most significant provision in the international tax title, both in terms of cost and the number of companies it would help. The interest allocation provision is one of the many in the JOBS bill that deals with foreign tax credits. Our foreign tax credit system is designed to prevent taxpayers from paying tax twice on the same income. When an American company earns money in France, the French tax that income and the United States also taxes that income. That is two levels of tax on the same income. The total tax could be, say, 75 percent or more. Without adjustments such as the foreign tax credit which is in current U.S. law, these two levels of taxation would make U.S. companies completely uncompetitive abroad. There is no question about that.

Foreign tax credits, however, get the company back to a single level tax and make competition possible. Our foreign tax credit rules are not perfect and double taxation still sometimes occurs.

A prime example is the interest allocation provisions in the foreign tax credit rules.

Let me give you an example. Take an American company that pays $100 in foreign taxes and $100 in U.S. taxes on that same income. That American company would generally claim a $100 foreign tax credit to get back down to a single layer of tax. But if that American company happened to take out a loan in the United States to finance a project here in the United States, it might be limited to an $80 or $90 foreign tax credit—not because it paid any less in foreign taxes, but because we treat it as if it were able to deduct some of the interest on that U.S. loan to reduce its taxable foreign income, even though it could not do so. That is not right.

The rules are complicated, but the effect is plain. If an American company wants to borrow money and build a plant in the United States, it faces an uphill battle. It will pay higher interest expenses than a comparable foreign company. Our interest allocation rules in current law are making it easier for its foreign competitors to build that plant. But our bill fixes that, and it fixes other problems with our foreign tax credit rules.

For example, companies that pay the alternative minimum tax—the so-called AMT—currently face limits on the use of the AMT with respect to foreign tax credits. Unlike non-alternative minimum tax taxpayers, they are subjected to an artificial, completely arbitrary cap on the use of their foreign tax credits. It is 90. Arbitrarily limiting their foreign tax credits just makes these AMT taxpayers pay double. The current AMT provisions essentially, in many cases, result in double taxation. The JOBS bill fixes that, too.

The JOBS bill also makes it less likely that a company's foreign tax credits will expire unused. It is another problem: The foreign tax credits expire unused, and then the U.S. company could often be placed, in effect, in a position where it is subjected to double taxation.

Currently, unused foreign tax credits can be carried over for 5 years. The original purpose of this carry-forward rule was to prevent taxpayers from suffering double taxation because of timing differences between U.S. and foreign tax laws. That purpose is not being served by our current law. Any new tax laws in foreign countries have made the problem worse for American companies. The JOBS bill extends the carryforward to limit the double taxation that occurs upon the expiration of foreign tax credits; that is, we are making it less likely that a U.S. company will be subjected to double taxation.

Each of these provisions simply corrects features of our international tax laws that frustrate the original purpose of those laws. Again, the original purpose was to avoid double taxation. The JOBS bill puts us back on track with the original intent of our international tax system.

So, as we all know, the international provisions are a lot more complicated than I have even begun to allude to, but, very briefly, those are some of the provisions in the bill. They are corrections in the bill. They reduce double taxation, or eliminate it in many instances. It helps American companies compete with foreign companies. That means it is much more likely they will be able to keep jobs in the United States if they are able to compete more effectively.

Mr. President, for that reason, I urge we do not adopt this amendment.

I suggest the absence of a quorum, on behalf of the Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3117

Mr. GRASSLEY. Mr. President, I yield 3 minutes of my time to the Senator from Nevada and 2 minutes to the Senator from California, Mrs. BOXER.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Mr. President, in a few minutes we are going to be voting on the Breaux-Feinstein amendment. In the underlying bill is an amendment that Senator BOXER and I worked on last year. It was voted on in the Senate and had 75 affirmative votes, 25 negative votes. Seventy-five Senators said, last year, it is a good idea for money that is sitting outside the country in bank accounts—in businesses' bank accounts outside the United States—to come back to the United States to create jobs and help the American economy.

Right now, if companies bring that money back, they will have to pay the difference between whatever that country charged and our 35-percent corporate tax rate. At the top rate, it is 35 percent they are paying. Therefore, those companies are leaving that money overseas.

Well, with our piece of legislation, it is estimated that somewhere between $400 billion and $600 billion will come back to the United States in the next

12 months. That is a huge amount of money and will be a huge boost to the American economy. Our economy is really starting to click on along, and we are really excited about that, but we can do more, and that is what we want to do. We can put more people to work with our bill.

Independent estimates by Allen Sinai, a well-respected economist, well respected by Democrats and Republicans, said this bill will create 660,000 jobs in the United States. Frankly, the amendment by Senator BREAUX and Senator FEINSTEIN will gut this amendment. It is a poison pill. So we are encouraging all of our Senators to vote against it.

There are some important uses of funds for job creation that Senator BREAUX's amendment would stop the money from being used for.

Those legitimate uses of funds include improving health insurance for employees and preventing investing in new small businesses. They could buy a new jet under the Breaux amendment, but they couldn't pay for employees' travel expenses. This amendment makes no sense, and that is why we should vote it down.

The Senator from Louisiana is against the underlying bill. He is against the approach we took last year. He voted against it. This is his effort to try to gut underlying legislation. That is why we are encouraging all Senators, the 75 who voted for our legislation last year, to vote against this amendment to make sure that $400 to $600 billion does come back to the United States and helps American workers get jobs.

Every night we hear on television about outsourcing. This underlying bill is about insourcing. We are bringing jobs back to the United States, and we should do that.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my colleague from Nevada. He worked so hard and long on this underlying part of the JOBS bill, called the Invest in USA Act, because it is going to create, as my colleague said, according to independent analysts, 660,000 new jobs. Why would we want to ruin a provision people from all parts of the economic spectrum have told us is going to work? We want to try this for 1 year. We want to bring back monies that are parked overseas and tax them at 5.25 percent, because right now we are not getting any revenues. It is going to mean $4 billion into the Treasury right away, something we desperately need. It is going to mean, as my colleague says, insourcing, creating jobs here.

Last year the Senate voted 75 to 25 for the Ensign-Boxer bill. At that time Senator BREAUX was very honest about it. He didn't like it then. He doesn't like it now. But instead of objecting to it flat out, he is offering an amendment that in essence kills the whole idea.

I urge my colleagues, if you care about job creation—and I know you all do—please support us and defeat the Breaux amendment. In my State alone we are looking at 75,000 jobs.

Senator BREAUX is a very effective debater. He says: You are creating another Enron scandal. What is going to happen to this money? They are going to say they are using it for jobs, but there is no penalty in place.

The same penalty is in place as in the IRS Code. The CEO is going to sign the plan. And if they don't do the plan, they are in for trouble. That is clear. This is not some plan that is going to be hatched in some accountant's office. It is right out there above the CEO's signature.

I hope we defeat this and move on. It is a good underlying bill. Let's keep it as it is.

The PRESIDING OFFICER. Who yields time?

The Senator from Louisiana.

Mr. BREAUX. I understand there is 1 minute for the proponents of the Breaux-Feinstein amendment.

The PRESIDING OFFICER. There is 1½ minutes of debate time on the Graham amendment. Under the previous order, at the conclusion of debate on the Graham amendment, a vote will occur on the Breaux amendment, preceded by 2 minutes of debate equally divided.

Mr. BREAUX. Regular order, Mr. President.

The PRESIDING OFFICER. Is there objection to yielding back the remaining balance of 1 minute on the Graham amendment?

Without objection, time is yielded back.

Under the previous order, a vote will now occur on the Breaux amendment, preceded by 2 minutes of debate equally divided. The Senator from Louisiana.

Mr. BREAUX. Mr. President, it is interesting that the authors, the Senators who oppose the amendment, say the bill is going to create 660,000 jobs. If it is going to create 660,000 jobs, there is no problem. The people would be able to bring the money back and pay 5 percent. The Breaux-Feinstein amendment simply says if companies are going to get a huge, enormous tax break by bringing money out of tax shelters in foreign countries and saying they want to use it for job creation, fine. Let's make sure that is what it is used for. Let's have a standard by which if more jobs are created, they get 5 percent. But if they don't create more jobs, if they don't spend it for that purpose, they are not going to get the 5-percent tax break. That is all it says.

It says, if you spend the money to create more jobs, you can bring it back at a 5-percent tax rate, and we will allow that to happen. But if you use it for something else, you will not get a 5-percent tax rate. You will pay the regular corporate rate like any other American corporation. Without my amendment, this costs $3.7 billion to the American taxpayer.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH. Mr. President, this is a simple choice for our colleagues. It is either vote for jobs or vote to limit the number of jobs we have the potential to create. By independent studies, this inclusion, repatriation in the JOBS bill, will create 660,000 jobs. It will reduce the deficit by $75 billion over 5 years, and it will bring to each of our local economies new energy. The choice is to leave it offshore, doing little good for the American people, or to bring it here, to give companies for 1 year the chance that a walk-back with their capital will reemploy the American people and allow them to compete with other multinational companies from other nations, which nations allow them that kind of privilege. We are saying, let them do it for 1 year and we will create 660,000 jobs.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to amendment No. 3117.

Mr. BREAUX. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. The clerk will call the roll.

The bill clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 31, nays 68, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—31

Akaka	Durbin	Leahy
Bingaman	Edwards	Levin
Breaux	Feingold	Lieberman
Byrd	Feinstein	Mikulski
Carper	Graham (FL)	Nelson (FL)
Clinton	Harkin	Nickles
Conrad	Inouye	Reed
Daschle	Johnson	Rockefeller
Dayton	Kennedy	Sarbanes
Dodd	Kohl	
Dorgan	Landrieu	

NAYS—68

Alexander	DeWine	Miller
Allard	Dole	Murkowski
Allen	Domenici	Murray
Baucus	Ensign	Nelson (NE)
Bayh	Enzi	Pryor
Bennett	Fitzgerald	Reid
Biden	Frist	Roberts
Bond	Graham (SC)	Santorum
Boxer	Grassley	Schumer
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith
Campbell	Hollings	Snowe
Cantwell	Hutchison	Specter
Chafee	Inhofe	Stabenow
Chambliss	Jeffords	Stevens
Cochran	Kyl	Sununu
Coleman	Lautenberg	Talent
Collins	Lincoln	Thomas
Cornyn	Lott	Voinovich
Corzine	Lugar	Warner
Craig	McCain	Wyden
Crapo	McConnell	

NOT VOTING—1

Kerry

The amendment (No. 3117) was rejected.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. BAUCUS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3112

The PRESIDING OFFICER. Under the previous order, there will now be a vote on the Graham amendment preceded by 2 minutes equally divided.

Mr. GRAHAM of Florida. I ask for a recorded vote.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM of Florida. Mr. President, there are two basic issues addressed in this amendment.

First, there are substantial changes in the international tax provisions in this legislation. They are going to cost American taxpayers $37 billion, and the reason is because we are adding to the already significant incentive for American firms to take their jobs overseas.

Second, we are going to spend $65 billion to give a blank check to American manufacturing firms in the form of a tax deduction. The amendment would substitute and add $35 billion so we would have $100 billion to be given in the form of a credit against the payroll tax to reduce the form of tax, which is the greatest disincentive to the creation and maintenance of jobs in the United States.

This is an amendment which truly justifies the title of this bill, JOBS, and would add the phrase ''in America.''

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time in opposition? Is there objection to time being yielded back?

Without objection, it is so ordered. All time is yielded back. The yeas and nays have been ordered.

The question is on agreeing to amendment No. 3112.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—22

Akaka	Graham (FL)	Mikulski
Byrd	Harkin	Nelson (FL)
Clinton	Hollings	Reed
Dayton	Inouye	Reid
Dodd	Kennedy	Rockefeller
Durbin	Landrieu	Sarbanes
Edwards	Lautenberg	
Feingold	Levin	

NAYS—77

Alexander	Baucus	Biden
Allard	Bayh	Bingaman
Allen	Bennett	Bond
Boxer	Ensign	Miller
Breaux	Enzi	Murkowski
Brownback	Feinstein	Murray
Bunning	Fitzgerald	Nelson (NE)
Burns	Frist	Nickles
Campbell	Graham (SC)	Pryor
Cantwell	Grassley	Roberts
Carper	Gregg	Santorum
Chafee	Hagel	Schumer
Chambliss	Hatch	Sessions
Cochran	Hutchison	Shelby
Coleman	Inhofe	Smith
Collins	Jeffords	Snowe
Conrad	Johnson	Specter
Cornyn	Kohl	Stabenow
Corzine	Kyl	Stevens
Craig	Leahy	Sununu
Crapo	Lieberman	Talent
Daschle	Lincoln	Thomas
DeWine	Lott	Voinovich
Dole	Lugar	Warner
Domenici	McCain	Wyden
Dorgan	McConnell	

NOT VOTING—1

Kerry

The amendment (No. 3112) was rejected.

Mr. REID. I move to reconsider the vote.

Mr. DORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that there now be an hour equally divided between the two managers or their designees; provided further that following the use or yielding back of time, the Senate proceed to vote in relation to the Dorgan amendment No. 3110, to be followed by a vote in relation to the Allard amendment No. 3118, with no amendments in order to either amendment prior to the votes.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, and I will not object, I have spoken to the managers—well, not actually the managers of the bill—but I have spoken to the majority side. Prior to this kicking in, this unanimous consent agreement, I ask unanimous consent that the Senator from Vermont be recognized for 5 minutes as in morning business, and, of course, the same time accorded to the majority.

The PRESIDING OFFICER. Is there objection to that modification?

Without objection, the modified request is agreed to.

The Senator from Nevada.

Mr. REID. Mr. President, on the time we have, 20 minutes of that would go to Senator DORGAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, parliamentary inquiry: How much time was required on the last recorded vote?

The PRESIDING OFFICER. Approximately 30 minutes.

Under the previous order, the Senator from Vermont is recognized for 5 minutes.

Mr. LEAHY. Mr. President, I thank my friends, the Senator from Kentucky and the Senator from Nevada, for their courtesy.

ABUSE OF PRISONERS IN U.S. MILITARY CUSTODY

Mr. President, as an American, as a former prosecutor, as a U.S. Senator who has spoken out in defense of human rights wherever they are violated, and as the ranking member of the Foreign Operations Subcommittee that has appropriated hundreds of millions of dollars to promote respect for the rule of law in countries around the world, I was outraged and disgusted by the reports of abuse of Iraqi prisoners by United State military personnel and the civilian contractors working with them.

Not only has this caused serious harm, both physical and psychological, to the individuals who were subjected to this mistreatment, it has tarnished the reputation of all Americans and our Nation as a whole.

I have listened as top officials at the Department of Defense, the National Security Advisor, the Secretary of State, and other administration officials, have said they were ''shocked'' and ''stunned'' by these reports. And I have heard them, in a coordinated attempt at damage control, say that these were isolated incidents involving only a handful of individuals whose conduct, while reprehensible, should not be seen as indicative of a larger failure.

I have no doubt that the vast majority of American men and women who are risking their lives in Iraq, Afghanistan, and elsewhere are as disgusted by these abhorrent acts as the rest of us. But I could not disagree more with those who would characterize these incidents as aberrations.

While President Bush, Secretary Rumsfeld, General Myers, Secretary Powell and Condoleezza Rice, may have been shocked by the photographs that have been on the front page of every newspaper in the world, they should not have been surprised by the revelations themselves. These types of abuses have been going on at U.S. military detention facilities for a long time, and the administration has known about the incidents in Iraq for 5 months. This fact signals a failure of leadership at several levels.

The mistreatment of prisoners by the U.S. military in Iraq was not limited to the crimes that have come to light at the Abu Ghraib prison. Rather, there was, in the words of the U.S. Army's own inquiry, a ''systemic and illegal abuse of detainees.''

It is revealing, and particularly disturbing, that the U.S. personnel involved conducted themselves so openly, even posing with the victims of their sadistic acts.

They obviously felt they had no reason to believe that their superiors would be upset with their conduct.

The brazenness of these acts, the reported role of U.S. intelligence officers in encouraging such treatment to ''soften up'' detainees for interrogations, combined with earlier reports of

similar abuses in Iraq and Afghanistan, suggests a much larger failure.

And let us be clear. We are not talking only about the individuals who engaged in these abusive acts.

We are talking about a failure of leadership by an administration that, well before this latest scandal, had already severely damaged this Nation's reputation and effectiveness in a war against terrorism that is increasingly perceived by Muslims around the world as a war against Islam itself.

The growing anger and hostility toward our troops has been exploited by Saddam loyalists and extremists who want to take the country backward. They have committed despicable acts of violence against Americans, including the desecration of corpses.

The acts described in the investigative report by MG Antonio Taguba, including beatings, repeated sexual abuse and humiliation, and threats and simulation of rape and of torture by electric shock, violate the Geneva Conventions.

They clearly contradict President Bush's pledge on June 26, 2003, that the United States will neither ''torture'' terrorist suspects, nor use ''cruel and unusual'' treatment to interrogate them. They also contradict the more detailed policy on interrogations outlined in a June 25, 2003, letter to me by Defense Department General Counsel William Haynes.

Frankly, I regret to say that I was not among those who were shocked by these revelations. Revolted, yes. Shocked, I was not. I have been concerned, as have others, about ongoing reports of physical and psychological abuse and the denial of rights of detainees in U.S. military custody since September 11, 2001, not only in Iraq but in Afghanistan and Guantanamo.

These abuses have been well documented by reputable human rights organizations, as well as by members of the press. Some of the cases involve allegations of torture or cruel, inhuman and degrading treatment by U.S. military and intelligence personnel.

Other cases involve allegations of the denial of due process, incommunicado detention without charge, and the refusal of access to attorneys.

So when I hear the National Security Advisor, or the Secretary of Defense, say they are determined to get to the bottom of this, I, frankly, have to wonder, especially as they have known about this for a long time.

I first wrote to National Security Advisor Rice a year ago about reports of cruel and degrading treatment of Afghan detainees.

I have written several times to the general counsel of the Department of Defense and to the Director of the CIA. I have sought answers to questions about policy, training, and accountability. Some of my questions have been answered; many have been ignored despite repeated requests.

Were Secretary Rumsfeld or Condoleezza Rice not aware of the press reports, the inquiries by Members of Congress, or the reports of human rights organizations?

Or was the abuse of nameless, non-White Muslims suspected of being terrorists, regardless of whether they were guilty or innocent, simply a low priority until it became a public relations and foreign policy disaster?

Let me cite just a few, of many, examples:

On December 25, 2002, the Washington Post reported:

> ''If you don't violate someone's human rights some of the time, you probably aren't doing your job,'' said one official who has supervised the capture and transfer of accused terrorists. ''I don't think we want to be promoting a view of zero tolerance on this.''

Quote:

> Bush Administration officials said the CIA, in practice, is using a narrow definition of what counts as ''knowing'' that a suspect has been tortured. ''If we're not there in the room, who is to say?'' said one official conversant with recent reports . . . .

One can only wonder if anyone would have been punished, or if we would have even heard about it, if the photographs of the abuses at Abu Ghraib had not been published.

On March 4, 2003, the New York Times described the treatment of Afghan prisoners at the Bagram Air Base after two young prisoners died in U.S. military custody.

Their deaths were ruled homicides, but the investigations of those deaths have never been released. Other prisoners described being forced to stand naked in a cold room for 10 days without interruption, with their arms raised and chained to the ceiling and their swollen ankles shackled.

They also said they were denied sleep for days and forced to wear hoods that cut off the supply of oxygen.

That same day, the Wall Street Journal reported that a U.S. law enforcement official said:

> because the [Convention Against Torture] has no enforcement mechanism, as a practical matter, ''you're only limited by your imagination.''

On March 9, 2003, the New York Times reported:

> Intelligence officials . . . acknowledged that some suspects had been turned over to security services in countries known to employ torture.

On June 2, 2003, when allegations of possible breaches of the Convention Against Torture surfaced, I wrote to National Security Advisor Rice, asking for assurance that the United States is complying with its obligations under the convention. I received a response from General Counsel Haynes. His letter contained a welcome commitment by the administration that it is the policy of the United States to comply with all of its legal obligations under the convention.

Similarly, Senator SPECTER wrote to Dr. Rice asking for ''clarification about numerous stories concerning alleged mistreatment of enemy combatants in U.S. custody,'' and to explain how the administration ensures that torture does not occur when it sends detainees to countries that are known to practice torture.

On September 9, 2003, I wrote to Mr. Haynes again for clarification on a number of points, such as how the administration reconciled his statement of policy with reports that detainees were sent to countries where torture is practiced, and the reported use of interrogation techniques rising to or near the level of torture.

After 2 months with no response, another letter, this one not from Mr. Haynes himself but from a subordinate, was delivered late at night on the eve of Mr. Haynes' November 19, 2003, confirmation hearing for a seat on the Fourth Circuit Court of Appeals. That letter was totally unresponsive to my questions.

I also raised concerns when the case surfaced of a Canadian-Syrian citizen, Maher Arar, who was sent by U.S. authorities to Syria, where Arar says he was physically tortured. Syria has a well-documented history of torture. In fact, President Bush stated, on November 7, 2003, that Syria has left ''a legacy of torture, oppression, misery, and ruin'' to its people.

I wrote to FBI Director Mueller on November 17, 2003, for more information on the case. Later that week, I wrote to Attorney General Ashcroft with additional questions. Neither of these letters from last year has been answered.

On January 6, 2004, Human Rights Watch wrote to Secretary Rumsfeld to express concern about the detention by U.S. forces in Iraq of innocent, close relatives of a wanted person in order to compel the person to surrender, which amounts to hostage-taking, classified as a war crime under the Geneva Conventions.

On January 13, 2004, the Asian Wall Street Journal reported that a suspect detained by U.S. forces in Iraq said that ''he was ordered to stand upright until he collapsed after 13 hours,'' and that interrogators, ''burned his arm with a cigarette.''

On January 18, 2004, the Sunday Times of London reported that a detainee held by coalition forces in Iraq said that during his 3 months in detention he was, ''beaten frequently, given shocks with an electric cattle prod and had one of his toenails [torn] off.''

Throughout this period there were not only continuous press reports of abuses of Afghan, Iraqi, and other detainees in U.S. military custody. There were also repeated requests by human rights organizations, myself, and others, for clarification of the policies and procedures used in interrogations. What we got, it seems, were, at best, reassuring statements by officials in Washington that were repeatedly ignored in the field.

Several things bother me beyond the reports themselves. Not only is there a long pattern of abuse that has been documented. But with respect to the

allegations at Abu Ghraib, Secretary Rumsfeld and General Myers knew of these incidents and for over a week they not only did not disclose them to the Congress or the American people, they urged CBS News not to broadcast the photographs.

Major General Taguba's report was written 3 months ago, and as of yesterday Secretary Rumsfeld said he still had not read it through.

There has been an appalling lack of appreciation or concern for the seriousness and frequency of these incidents.

None of us believes that prisoners of war, some of whom are suspected of having killed or attempted to kill Americans, should be rewarded with comforts. Harsh treatment may, at times, be justified. But we also know that many of the people who have been detained, who have been depicted as terrorists and whose rights have been violated, have turned out to be innocent of any crime.

The use of torture or the inhuman or degrading treatment of prisoners, whoever they are, is beneath this Nation. It is also illegal. That is the law whether U.S. military officers engage in such conduct themselves, or they turn over prisoners to the government agents of another country where torture is commonly used, in order to let others do the dirty work. It is also the law when contractors or subcontractors of the U.S. military are involved.

It undermines our reputation as a nation of laws, it hurts our credibility with other nations, and it invites others to use similar tactics against our troops and other Americans.

Torture is routinely used today in dozens of countries. In fact, some of those who have complained the loudest about the abuses at Abu Ghraib are among the world's worst violators of human rights. Their mistreatment of prisoners is flagrant, it is pervasive, and it is a matter of state policy.

So I am cognizant of the hypocrisy of some of those who have equated the U.S. military with Saddam Hussein's regime, which tortured and murdered hundreds of thousands of people. Nothing could be further from the truth. But that does not detract from the fact that the Bush administration's response to the pattern of reports of abuse of detainees has been woefully inadequate.

It has been negligent, and innocent people have suffered and some quite possibly have died as a result. This negligence is anything but benign in the damage it threatens to our national security and foreign policy interests, at a particularly dangerous time.

What should be done? Human rights groups have suggested a number of important actions which I believe are long overdue. The administration should undertake an investigation of the interrogation practices wherever detainees are held around the world, whether the facilities are run by the U.S. military or the Central Intelligence Agency, and make the results public.

The administration should prosecute any military or intelligence personnel found to have engaged in or encouraged any acts amounting to torture or inhuman treatment. Administrative penalties are inadequate. There needs to be a clear signal that these abuses will not be tolerated.

The administration should ensure that all interrogators working for the United States, whether employees of the military, intelligence agencies, or private contractors, understand and abide by specific guidelines consistent with the policy outlined by General Counsel Haynes last year, which prohibited interrogation methods abroad that would be barred in the United States by the U.S. Constitution as well as by the Geneva Conventions. These guidelines should be publicly available.

The administration should grant the International Committee of the Red Cross access to all detainees held by the United States in the campaign against terrorism throughout the world, whether held in facilities run by the U.S. military or intelligence services, or held by other governments at the behest of the United States. The United States should not be operating undisclosed detention facilities to which no independent monitors have access.

The administration should make public information about who is detained by occupation forces in Iraq and Afghanistan, and why, and enable families of detainees to visit their relatives. Even with internal safeguards, incommunicado detention is an invitation to abuse.

The administration should videotape all interrogations and other interaction with detainees so responsible personnel know there will be a record of any abuses. These videotapes should be regularly reviewed by supervisory personnel to ensure full compliance with interrogation and detention standards in U.S. and international law.

The administration should release the results of the investigation the Defense Department conducted into deaths in custody of two detainees held at Bagram Air Base in Afghanistan.

The administration should ensure that private contractors working for the United States in military or intelligence roles operate under clear, legal procedures so they can be held criminally responsible for complicity in illegal acts. Under the Military Extraterritorial Jurisdiction Act, which I worked with Senators SESSIONS and DEWINE to enact in the 106th Congress, a contractor or subcontractor of the military can be prosecuted in Federal court if the crime of which he is accused is a felony when committed in the United States.

The administration should take responsibility and be accountable for the breakdown of civilian control and loss of lawful authority.

Mr. President, 2½ years ago, shortly after 2,986 people of some 60 nationalities died in the attacks on the World Trade Center, on the Pentagon, and in a lonely field in Pennsylvania, there were expressions of sympathy and good will toward our country unlike any we had experienced since the end of the Second World War.

I remember how the cover of the French newspaper, Le Monde, proclaimed ''Today, We Are All Americans.'' The National Anthem was played at Buckingham Palace.

Today, that sympathy and good will, which offered such promise, has long since dissipated. In fact, it has been squandered. Squandered by an administration blinded by arrogance, steeped in condescension, prone to distortions of the truth, motivated by simplistic notions of ''good versus evil,'' and having only the most rudimentary understanding of the Iraqi people, their culture, their faith and traditions.

While we are continually treated with rosy assertions that things are getting better, the number of U.S. casualties soars.

What was conceived as a campaign against terrorism, focused on al-Qaida, is increasingly perceived by many of the world's 1.2 billion Muslims as a war of aggression against Islam by the United States and our predominantly Christian allies.

I have no doubt that most Iraqis are relieved to be rid of Saddam Hussein and the horrors of his regime. Most Iraqis abhor violence and want to rebuild their country.

Nor should there be any doubt about our concern for the safety of the overwhelming majority of American soldiers and civilians whose motives are honorable and who are bravely risking their lives.

But the individuals at Abu Ghraib prison, at Bagram Air Base, and elsewhere who have violated the rights of prisoners, were not acting in a vacuum. There was a culture that encouraged or allowed it. Discipline was lacking. Accountability was lacking. And just as those who committed these crimes should be prosecuted, the civilian and military officials who failed in their responsibility to ensure that the law was respected should also be held accountable.

Mr. President, I ask unanimous consent that a May 4, 2004, op-ed in the Washington Post by Leonard S. Rubenstein, executive director of Physicians for Human Rights, entitled, ''Stopping the Abuse of Detainees,'' be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 4, 2004]

STOPPING THE ABUSE OF DETAINEES

(By Leonard S. Rubenstein)

Photographs of American soldiers laughing over naked Iraqi prisoners of war piled atop one another are a revolting disgrace, all the more so because evidence of torture and ill treatment of individuals detained by U.S.

forces in Afghanistan, Iraq and Guantanamo Bay, Cuba, is not new. The humiliating acts seen in photos may not have been predictable, but the abuse of detainees was, a product of the circumstances of detention and the administration's resistance to independent monitoring and accountability. Stopping it requires a great deal more than the prosecution of a handful of offenders.

The problem is that the main purpose of these military detentions is interrogation, a practice that always has potential for abuse. Preventing abuse requires compliance with rules for treatment of prisoners, as well as access for independent monitors and accountability for violators. But many detainees in Afghanistan and Iraq have been held virtually incommunicado, sometimes in undisclosed locations, under rules that have never been made public. As early as 2002, news reports of abuse or prisoners began to surface, and new allegations have continued to emerge.

The administration's response has been to stonewall. A year ago, in response to the first set of allegations of abuse of detainees, President Bush affirmed that the United States does not practice or condone torture or cruel, inhuman and degrading treatment, and that it investigates allegations of violations. But the actions needed to convert this from a statement to a commitment have been absent. For the past two years, human rights organizations have requested the guidelines used to govern interrogation, the results of investigations of alleged instances of torture or mistreatment, information on individuals transferred to third countries for interrogation, and—most important—access to the detainees and their medical records to ascertain whether they have been abused. The administration either denied or failed even to acknowledge many of these requests, including those concerning findings of the investigation of the case of two detainees who died in custody more than a year ago. As for combatants sent to third countries, among them countries with a record of torture, the administration claimed to have obtained assurances that the countries do not torture detained combatants.

An even deeper problem with the administration's approach has been its efforts to evade compliance with the Geneva Conventions, which protect detainees from torture, ill treatment and humiliation, as well as inhuman conditions of confinement. It has said that captured al Qaeda suspects in captivity at Guantanamo and Afghanistan are not subject to the conventions at all. And U.S. officials took a shockingly casual approach to the treatment of POWs by U.S. surrogates in Afghanistan, assuming no responsibility for the horrific conditions of imprisonment for thousands of Taliban fighters and washing U.S. hands of reports that allies killed possibly hundreds or thousands of detainees. Some of the holding centers are even off-limits to the International Committee of the Red Cross, which is internationally authorized to visit all security detainees.

The president, the director of the CIA and the secretary of defense must now do what should have been done 18 months ago. The message has to be clear that interrogators must be subject to rules, and if the rules are to be obeyed, the door to the interrogation room must never be shut. They should publicly pledge that the United States is bound by the Geneva Conventions and will be bound by them with respect to every single military detainee, whether or not it considers them official prisoners of war. They should immediately account for the whereabouts and condition of all in detention and offer the International Committee of the Red Cross, as well as independent human rights monitors and medical experts, full access to all prisoners and all medical records that can reveal abuse. The president should provide to the American public a full accounting of interrogation practices, including all records and documents relating to the most recent violations and past allegations of abuse in Afghanistan, Iraq, Guantanamo, the United States and other countries where individuals have been sent.

When some Americans insulted and humiliated their Iraqi captives, they shamed every American as well. Moreover, they jeopardized the lives and well-being of U.S. soldiers and people in custody throughout the world. President Bush recoiled at the horror of it, but unless revulsion leads to more concerted action, the abuses will continue.

AMENDMENT NO. 3110

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. My understanding is that we are now turning to the amendment I have offered along with my colleague, Senator MIKULSKI; is that correct?

The PRESIDING OFFICER. Under the previous order, there is a period of 1 hour of debate, 30 minutes allocated to the majority, 30 minutes allocated to the minority, of which 20 minutes is controlled by the Senator from North Dakota.

Mr. DORGAN. Mr. President, that 20 minutes begins at this point. Let me yield myself 2 minutes. Then I will yield 5 minutes to the Senator from Maryland.

Let me just say, this is the easiest amendment to consider of all of the issues that we have dealt with on this legislation. It deals with the question of whether we should shut down the loophole that exists in current tax law that says to a company, shut your American manufacturing plant down, fire your workers, move your manufacturing plant overseas, manufacture the product, ship it back into the U.S. marketplace and, by the way, we will give you a big tax break. If we can't begin a baby step in the right direction of saying, we will no longer subsidize in the Tax Code the movement of U.S. jobs overseas, then we don't have a ghost of a chance of fixing what is wrong with this Tax Code.

You have two companies side by side. Both make bicycles. One decides it will move its plant to China. The other continues to live in Baltimore and make its bicycles in Baltimore. The difference? The company that moved overseas gets a tax break. The company that stays in Baltimore doesn't. It is an insidious, perverse tax incentive that makes no sense. We ought to end it.

That is what my colleague and I do with our amendment. I will explain it further at some later moment. I want to offer 5 minutes to the Senator from Maryland who has to go to the Intelligence Committee.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 5 minutes.

Ms. MIKULSKI. Mr. President, I thank the Senator from North Dakota, the lead sponsor of this amendment, for yielding me such time. I also acknowledge his outstanding leadership on trade. Trade is such an abstract word, but it is another word for jobs. The big question is, how are we going to keep jobs in the United States?

This, then, takes us to tax policy. Tax policy is more than just simply collecting revenue; tax policy is a statement of our principles. The Tax Code in the United States has, since the New Deal, stood for certain principles: That it should be fair, No. 1, and that the more wealthy you are, you would bear a little heavier responsibility. Part of the principle of fairness and of paying taxes is what is called citizenship. It is called shared responsibility. It is called, how do you make sure the U.S. Government functions to provide national security and domestic opportunity and a safety net for seniors. That is really what it is all about.

The Tax Code is the fundamental principle of how you collect revenue, and it is tied with citizenship, both individual citizenship and corporate citizenship. The way we see it is: If you are a good corporate citizen, you ought to stay in this country and keep your jobs here. Right now we have a tax code that rewards just the opposite. We have a tax code that rewards corporations for shipping jobs overseas.

I believe what the Dorgan-Mikulski amendment does is say that, No. 1, our Tax Code should be patriotic. Our Tax Code should stand up for America. It should stand up for keeping jobs here. It should stand up for rewarding good-guy companies that keep jobs here and provide health benefits to their employees. It should also close the loophole where people not only take jobs overseas but hide their income in the Bermuda Triangle or the Cayman Islands.

This deals with one aspect. The amendment Senator DORGAN and I offer, the economic patriotism amendment, says that right now what we would do is close the loophole for sending jobs overseas. The Dorgan-Mikulski amendment ends those huge tax breaks to manufacturing companies that send jobs overseas, that only sell the products they make back here in the United States. Right now this Tax Code lets these companies move the jobs and not pay the taxes on the profits they earn by sales back home.

Our amendment tells these companies: If you want to export jobs out of America, you can go, but you can't import these products back in the United States and be able to shelter your profits. Our amendment says: The Tax Code can no longer be used to boost corporate earnings at the expense of American workers. It is actually an amendment that makes good sense. Why should we reward people who move their jobs overseas and penalize in the Tax Code the people who keep their jobs here in the United States and who also tend to provide their employees with health insurance?

People in my State really cannot believe what is happening. We have lost

21,000 manufacturing jobs since 2001. What a bloodless statistic. Behind every one of those numbers are 21,000 families, 21,000 families that built ships, made steel, made garments and apparel, even made the kind of technology we use in high tech. Where did those jobs go? They went on a slow boat to China. They went on a fast track to Mexico and a dial 1–800 anywhere. Why are they going? Because the Federal Tax Code says it is OK.

The Federal Tax Code says, in fact, it is not only OK, we are going to give you a huge subsidy. I think we need to subsidize the good-guy corporations. That is what I want to do. I believe that the Dorgan-Mikulski amendment is a patriotic amendment. It is part of an economic patriotism that we have to start focusing on in this country. I don't want my country, in a few years, to have the economic profile of a Third World country.

Vote for America, vote for patriotic economics, and vote for Dorgan-Mikulski.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I yield myself such time as may be necessary.

Again, this is not complicated. Levis used to be American. When you would slip on a pair of Levis in the morning, you were wearing a pair of American pants. Not any longer. The manufacturer of Levis has gone to Mexico and China.

Fig Newtons. If you want some Mexican food, you can get Fig Newtons from Mexico. That old all-American Fig Newton cookie has gone to Mexico.

Fruit of the Loom underwear has gone to Mexico.

I have mentioned previously Huffy bicycles. They have gone to China.

Do you know that little red wagon, the Radio Flyer? This one has gone to China.

The perversity of all of this is, whether it is Fig Newtons, Levis, Radio Flyers, Huffy bicycles, or Fruit of the Loom underwear, they were all rewarded for moving their jobs overseas because our Tax Code has embedded in it a special little deal: Move your jobs overseas and we will give you a special deal.

We want to change that. According to the Joint Tax Committee, U.S. taxpayers will pay $6.5 billion between 2004 and 2013 as tax incentives to U.S. companies that set up offshore subsidiaries to manufacture merchandise and ship it back into this country. We have lost about 2.7 million manufacturing jobs in this country, and we have a perverse provision in the Tax Code that says let's even enhance that by incentivizing those who would close their American factories and move the jobs overseas.

This is not a new idea. This is a rather narrow amendment, by the way. We don't end deferral; we just end deferral with respect to U.S. companies that are manufacturing abroad and selling back into this country. President Kennedy tried to end the entire deferral system. President Nixon tried to end it. President Carter tried to end it. The Senate voted to end it in 1975. The House of Representatives voted to end it in 1987. In each case, the big economic interests that get rewarded for shipping American jobs overseas have won. The question is, will they win today? We are losing jobs. We need to keep jobs in this country.

This amendment doesn't prevent a company that chooses to move Huffy bicycles or the little red wagons to China. It doesn't prevent a company from moving Fig Newton cookies, Fruit of the Loom, or Levis to Mexico. But it does say if you are going to move those jobs, at least we are not going to help pay for it with incentives in the Tax Code. That is a simple enough proposition. This Senate should adopt this amendment.

I reserve my time.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I want to speak against the Dorgan amendment. I yield myself such time as I might consume. Before I speak specifically to the amendment, since I heard the Senator from North Dakota express his concerns—and legitimate concerns—about jobs going overseas, I think there might be some suggestion in this amendment that this bill doesn't deal with moving jobs overseas.

This amendment is all about preserving manufacturing jobs in America and creating more manufacturing jobs in America, because the basis for this legislation is that there is no benefit in this bill from the reduction of the corporate tax from 35 percent down to 32 percent for any organization that doesn't manufacture in the United States. So it applies to domestic manufacturers that are manufacturing in the United States, not domestic manufacturers that manufacture overseas. It also applies to companies overseas—foreign companies—that would come to the United States and invest here, create jobs here, and hire people in America to manufacture here.

There is a lot of concern expressed about moving jobs overseas. I don't denigrate any of those concerns. But that is what the debate on this legislation has been all about for 1 whole week during the month of March, a few days during April, and now again this week. During that period of time of stalling, we have had a 5-percent European tax put on our exports to Europe—a percent again in April, and now a third movement of 1 more percent. That is going to go on every month. Even if we pass this bill this very minute, this bill probably won't be signed by the President for another month or so. We are going to continue to have this terrible European tax put on our exports there.

I emphasize for listeners who ask, how can they do that? Well, it is legal under international trade agreements. The reason it is legal is because we are trying to change our tax laws to conform with our international agreements—international agreements that this body has already adopted.

So we are dealing with these amendments—probably very legitimate ones—but we have had amendments put before this bill that have kept this bill long enough on the agenda so that we are already 77 percent less competitive than we used to be with our global competition doing business in Europe.

So why are we here? We are here with this underlying piece of legislation to preserve and create more jobs in America.

We have heard the Senator from North Dakota make a very impassioned case for American workers whose jobs have been lost when U.S. plants move overseas. We have all witnessed this heart-wrenching event. I know that my home State of Iowa has had plant closings or some parts of production move overseas. Unfortunately, this amendment will not do one doggone thing to bring those jobs back. In fact, it could very well cost even more U.S. jobs.

I will explain my concerns by first examining his amendment. This amendment repeals deferral for property imported into the U.S. by foreign subsidiaries of U.S. companies, even without regard to whether that property was ever previously produced, manufactured, or grown in the United States. This means the amendment doesn't focus on their primary complaint that U.S. companies are shutting their plants, moving production offshore, and selling back into the United States.

The bill does not focus on this scenario. Instead, it overshoots the mark by hitting all goods sold into the United States by U.S. companies, even if it is impossible for those goods to first be produced in the United States.

I will give an example. If a produce company sets up a banana farm in Costa Rica to import bananas into the United States and around the world, the income from sales to the United States are not eligible for deferral. I may be mistaken, but I am not aware of too many banana farmers in Texas or Florida. So I do not see how deferring taxes on a banana farm in Costa Rica is going to cost the United States jobs.

Similarly, if a U.S. company wanted to start a mining operation in some far away land to extract a new and exotic mineral that is not found here at home, they can sell that anywhere in the world, but they could not and cannot import that back into the United States without triggering this amendment.

How about coffee? The only place I know we grow coffee in the United States is in Hawaii, and that was 25 years ago. Maybe they do not even grow it there now. We have lots of coffee shops on our streets these days. If they set up their own coffee plantation

in Brazil, they would get hit under this amendment that is before us. I do not know whether we raise coffee anywhere else in the United States, but we sure do not raise it in Iowa.

It appears the amendment of Senator DORGAN and Senator MIKULSKI would allow a U.S. company to sell foreign goods to anyone in the world except to America. That does not make sense to me.

I have described how the bill would operate, but I do not think that is the intent of this legislation. What I believe is intended is that deferrals should be denied if a company closes a U.S. plant, produces the goods offshore, and then imports the goods back into the United States. This does not actually happen very often. The latest Department of Commerce data on U.S. multinationals shows that only 7 percent of foreign subsidiary sales were into the United States.

Nevertheless, this amendment insists that the rule of deferral in our tax law is somehow a tax benefit that moves jobs offshore and allows a company to not pay taxes on foreign income.

Of course, this is not true. Deferral has nothing to do with moving jobs, and it never forgives taxes that are owed on foreign products of U.S. companies. The rule of deferral exists to keep U.S. companies competitive in the global marketplace. Let me repeat. The rule of deferral exists to keep U.S. companies competitive in the global marketplace, and it has been that way in our tax laws since 1918. For 85 years it has been the law.

We are going to hear a great deal about deferrals this week. We will hear wild accusations about how this rule, which has been in place since 1918, spells doom for American workers. None of this is true. In fact, just the opposite is true. By enhancing the international competitiveness of U.S. companies, deferral ensures an ever-growing base of opportunity for U.S. companies and their employees at home and abroad.

U.S. multinationals are a critical component of our economy. These companies operate in virtually every industry and have investments of more than $13 trillion in facilities located across our great country.

As employers, they provided 23 million jobs for Americans in 2001, nearly 18 percent of the payrolls in the country. With a payroll in excess of $1.1 trillion, U.S. multinationals create more than 53 percent of the manufacturing jobs in America and employ more than two U.S. employees for every foreign worker.

During the 10 years between 1991 and 2001, U.S. multinationals increased domestic employment at a faster rate than the overall economy. We have a recent study confirming that U.S. multinationals are significant job creators, and those jobs are not created through exporting jobs to foreign nations with low labor and low tax costs, as the amendment infers.

The Department of Commerce data shows that the bulk of U.S. investment abroad occurred in high-income, high-wage countries. In the year 2001, 79 percent of the foreign assets and 67 percent of foreign employment of U.S. multinationals were located in high-income, developed nations, such as Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, and the countries of the European Union.

We have to remind ourselves that corporations are comprised of people. People like good roads, safe water, reliable power grids, and stable societies. That is the only kind of environment where business can flourish. So it is only rational that if a U.S. corporation is going to make a foreign investment, it is going to make the safest investment possible. That means going to fully developed countries with thriving markets and highly paid workers.

We also have to remember a simple maxim for why companies go into foreign markets: You have to be there to sell there.

Today, fully 95 percent of the world's population and 80 percent of the purchasing power is located outside the United States. In other words, the United States is 5 percent of the world's population. But if we want to sell, we go where the people are. Ninety-five percent of the people are outside the United States. If you want to make sales, you go where the people are.

We have an instance in which foreign sales growth has outstriped domestic sales growth. So this increased growth requires increased foreign involvement. The good news is foreign growth also results in U.S. job growth.

A recent study confirmed that during the 10 years, 1991 through 2001, for every job U.S. multinationals created abroad, they created nearly two jobs in the United States in their parent corporation. That is why it is critical to our company that U.S. companies remain competitive in this international marketplace.

Let's review for a moment a more rational explanation for deferral and how it works to keep our U.S. companies competitive.

The United States taxes all of the worldwide income of its citizens and corporations. The U.S. income tax applies to all domestic and foreign earnings of U.S. companies. The United States fully taxes income earned overseas by foreign subsidiaries of U.S. companies. However, many foreign countries tax their companies on a territorial basis, meaning they only tax income earned within their country's borders and do not impose tax on the earnings of foreign subsidiaries.

Countries that use a territorial system, such as Australia, Belgium, Canada, Denmark, Finland, France, Germany, Luxembourgian, the Netherlands, Sweden, and Switzerland, among other countries, have a great advantage over a U.S. company.

We have to take that into consideration. The tax system is the cost of operation, and if we do not have a more level playing field for our companies, how do we expect to compete in this world marketplace?

I will give an example. A U.S. company with a Singapore subsidiary will pay U.S. tax and a Singapore tax on the subsidiary's income. A French company with a Singapore subsidiary will pay Singapore tax but not any tax in Paris. That means the U.S. company in Singapore has a higher tax burden than the French company in Singapore. Two basic tax rules answer this problem and seek to put U.S. companies on a level playing field with foreign competitors from territorial countries.

The first rule says when foreign income is brought home, the U.S. allows a reduction against U.S. tax for any foreign tax paid on that income. This foreign tax credit prevents the U.S. from double-taxing foreign earnings. Does anybody believe in double taxing?

In effect, that would make our companies noncompetitive in this international marketplace. Like deferral, this too has been on the tax laws of the United States since 1918. The foreign tax credit is limited. It may only offset up to 35 percent of the U.S. corporate tax. If the foreign tax rate is higher, the credit stops where we stop taxing corporations at 25 percent. If the credit is lower, say 10 percent, then an additional U.S. tax will be owed up to the full 35 percent. In this example, the additional 25 percent of taxes would be owed to the U.S., which is the difference between the 10 percent and our 35-percent top rate.

The second basic tax rule is U.S. companies are allowed to defer U.S. tax on income from the active business operation of a foreign subsidiary until that income is brought back to the United States, and that is usually brought back in the form of a dividend paid to the U.S. parent. This is referred to as the rule of deferral, meaning the U.S. tax is deferred until the earnings are brought back. This is the rule this amendment attacks.

It is important to note deferral is not a forgiveness of a tax. It simply means we impose full U.S. tax tomorrow instead of today. We do not forgive tax under deferral because we do not want to create incentives to move operations offshore. The reason we defer tax on active business operations is so U.S. companies can remain competitive with foreign companies, from those countries that have a territorial tax system.

We do not defer tax on passive activities such as setting up an offshore bank account. We tax passive activities yearly, and active operations are subject to competitive disadvantage. For example, if we impose U.S. tax today on the profits of a Singapore subsidiary, then a U.S. company will pay 35-percent U.S. taxes plus any Singapore taxes, but the French competitor located next door will only pay the Singapore tax and not the Paris tax.

If a Singapore tax rate is less than the 35-percent U.S. tax rate, then the

French competitor will have a tax advantage. This is because the U.S. allows the foreign tax credit offset against U.S. income tax imposed on those foreign earnings but only up to a 35-percent top corporate rate.

If the foreign rate is less than the U.S. 35-percent rate, then residual U.S. taxes are owed on the difference between the U.S. and foreign rates.

In another example, if the Singapore tax is 15 percent and the U.S. tax 35 percent, then the U.S. will impose an additional 20-percent tax on those Singapore earnings. The French company, however, will only pay 15 percent Singapore tax, no tax in Paris.

If we did not allow deferral of that additional 20-percent tax, then the U.S. company today would have to pay 20-percent tax compared to the French company. The question on repealing deferral is whether we want to hand over the world markets to companies from France and Germany.

This amendment is being offered presumably to save jobs in America, but when we have a tax system like they want, there is going to be an incentive for moving those jobs. Repealing deferral means we export our high U.S. tax rates to U.S. operations around the globe.

The U.S. has one of the highest corporate tax rates in the world. There are very few countries with higher marginal corporate rates. This means without deferral, U.S. companies will be at a continual worldwide disadvantage compared to their foreign competitors. That is why we defer U.S. tax on active business operations, to allow U.S. companies to be competitive in the global marketplace.

Some Senators today propose repealing deferral or cutting back. These proposals would export the high U.S. tax rate to U.S. operations around the world. That would be fine if all companies around the world were paying the high U.S. tax rate, but they are not. Companies of foreign countries are not subject to our tax laws and are usually taxed at a lower rate.

That brings us back then to the implications of the amendment before the Senate. Our focus in considering this amendment must be on the ability of American companies to compete within the United States. The issue is not whether we tax foreign earnings currently but whether we cede the U.S. market to foreign competition: You compete or you die.

The Dorgan-Mikulski amendment will increase taxes on U.S. companies, but their foreign competitors in the United States will not face a similar tax increase. This can lead to a loss of domestic market share, or even if market share is maintained losses may be incurred on domestic sales because of pricing pressures and uncompetitive margins created by the additional tax burden.

The best measure of an economic impact of their tax increase is the very concerns Senators DORGAN and MIKULSKI cite in debating their amendment, whether U.S. employment levels of the U.S. companies will drop after this additional tax is imposed. This goes to the issue of whether salespeople, purchasing agents, line workers, or others could lose their jobs if the Dorgan-Mikulski tax increase is imposed on companies' imports.

Keep in mind their amendment would attack imports of bananas from Costa Rica and coffee from Brazil. That is going to cost U.S. jobs. The amendment will kill U.S. jobs and the amendment is defeating its own purpose and should not be supported in the Senate.

If the objective of Senators DORGAN and MIKULSKI is to ensure companies do not reduce U.S. employment by round-tripping production, then it is equally important to ensure their tax increase does not reduce U.S. employment.

Increasing taxes on U.S. companies will not bring those jobs back to America. A company will only pay taxes if the company is profitable, and they will only stay profitable if they remain competitive in their markets. But in the United States, taxes are a 35-percent cost to profit, and that is where a competitiveness disadvantage can occur when the U.S. company is competing against foreign companies that will not incur this tax increase.

Senator BAUCUS and I, in trying to develop this bipartisan bill that is before us, held hearings last July regarding the effects of international competition within the United States. So I think we have a right to believe we are very familiar with the domestic effects of these kinds of rate differentials.

I would like to close with a quote from Joseph Guttentag, International Tax Counsel for the Clinton administration. He gave this testimony before the Senate Finance Committee 9 years ago, July 21, 1995. He said this:

> Current U.S. tax policy generally strikes a reasonable balance between deferral and current taxation in order to ensure that our tax laws do not interfere with the ability of our companies to be competitive with their foreign-based counterparts.

I hope a statement from another administration, particularly from a recent Democratic administration, the Clinton administration, will carry a lot of weight with both Republicans and Democrats in helping to defeat this amendment on which we will soon be voting.

I hope Senators will join me in voting against the job losses that will result from this amendment and this tax increase that comes on American business with this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I was sitting here wondering how someone would actually support a tax provision that incentivizes the moving of U.S. jobs overseas. I thought: That is hard to support. I am going to call this defense the banana defense because my colleague talked a couple of times now about bananas from, I believe, Costa Rica. So we will call that the banana defense.

I have great respect for my colleague from Iowa. I enjoy his work and I think he is a good legislator. But in my judgment, some of the statements that have just been made are not accurate, and I would like to at least give a response to them so people understand.

First of all, this is not a tax increase. What a bunch of nonsense. This eliminates a tax break for those companies who want to move jobs overseas. This is very simple. If we are going to shut down loopholes that incentivize the moving of jobs overseas and have people call it a tax increase, I am sorry; it is not. That is not the purpose of it, that is not the intention of it, and not the effect of it.

My colleague talks about the 35-percent corporate tax rate. I am sorry, he knows that is a statutory rate. He also knows very few corporations pay a 35-percent tax rate.

Mr. President, 61 percent of the U.S. domestic corporations in this country pay zero—not 5 percent, 20 percent, 30 percent, or 35 percent; they pay zero. That is according to a recent GAO report. The rest that do pay do not pay the 35-percent statutory rate. They pay substantially less than that.

About 40 to 50 years ago, corporations paid 40 percent of the total taxes paid in this country. They now pay less than 9 percent, and the American people, individuals, pick up the rest.

My colleague says this defers taxes; it doesn't mean we forgive taxes. Of course, it does. This very bill brings to the floor of the Senate the most generous provision I have ever heard of. It says repatriate all your earnings from overseas that have never been taxed, and we will let you be taxed at 5.25 percent. You repatriate it and we will reduce your taxes to 5.25 percent. I say how about my constituents in North Dakota? Why don't we give all those constituents—regular people, family farmers—an opportunity to pay a 5-percent tax rate? Why just the folks who decided to invest overseas? Why not everybody? If 5 percent is good enough for those who have over $600 billion in unrepatriated income, and you say bring it back and we will cut your tax rate to 5 percent, let's do it for the folks from Iowa and North Dakota. Let me get their names and let's give them a 5-percent tax rate.

This notion we are not forgiving taxes is wrong. Of course we are forgiving taxes. This bill forgives taxes of those that are big enough to earn billions overseas, and says to them: If you want to repatriate it, we will give you a huge, big tax break.

Let me say with respect to the issue of a company that has never been located here with a manufacturing plant, deciding to manufacture in China versus here—my proposal, and the amendment we have introduced, deals only with sales back into this country. So the question that will be asked by

someone who is building a manufacturing plant for the purpose of producing the little red wagon called the Radio Flyer, for a company to decide where to manufacture this, what the underlying provision in law does is to say: Make a decision. Either build it here or build it there. By the way, if you decide to build it there—in this case China—we will give you a tax break.

My colleague says this bill closes all these things—not true. In fact, it produces a very generous, juicy, big tax break at 5.25 percent, and in addition it leaves untouched this tax break.

I can quote a good number of economists who say there is embedded in this tax law a provision that says build it here or build it there. Make a decision to build it there. Take it offshore. Take it outside this country.

In my judgment, it ought not be a significant choice for this Congress to change this. This is a loophole that ought to be closed.

With respect to competition, my colleague talked about competitiveness. Let me ask this question. Let's assume that you are the corporation that stays in this country to build a bicycle. Your manufacturing plant is here. Now you are competing with the Huffy bicycle company that moved to China. The difference? They pay less in taxes than you do because you stayed here and they left. What about that competitiveness? What about the competitive issue of the company that stayed and now pays higher taxes than the company that left? Incidentally, this company did leave. They fired the workers. Why? Because it cost too much at $11 an hour to have them keep making bicycles in our country.

This cannot be obfuscated so much that we can't see what this question is before the Senate. Do you want to continue to have a Tax Code that incentivizes the movement of jobs overseas, or do you want to close the loophole? This is not an attack on all ''deferral.'' This is a much narrower amendment. The Senate is going to vote on this, and it is not going to be able to waltz around and tap dance. This is not about having an American corporation with a foreign subsidiary in Bangladesh that is producing a product to ship to South Korea, and therefore it must be competitive with a company from France. That has nothing to do with this amendment. So in addition to the banana defense, we now have the French defense, I guess, or the U.S. corporation against French competition. I don't understand that. That is not what this amendment is about. We could debate that at some later point, but it is not what this amendment is about.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. DORGAN. I respect those who disagree with me. They have a right to disagree. My colleague ended with a quote from someone from the Clinton administration. Let me quote Will Rogers. He said:

> It's not what they know that bothers me. It's what they say they know for sure that just ain't so.

In this case, this narrow question with respect to deferral simply asks whether we want to continue to make it beneficial for someone to close a plant here and move it elsewhere, or to answer the question, if requested: Should I build it here or build it there, to answer the question by saying let's build it there because our Tax Code provides a benefit for me if I build it there. Move a job to China and our tax bill rewards you. Keep a job here and you actually face unfair competition because of the provision that is now in law, the one I want to get rid of. This is very simple. I reserve the remainder of my time.

Mr. KOHL. Mr. President, I rise in support of the amendment of the Senators from North Dakota and Maryland. I supported this amendment because it repeals an unfair provision that pulls jobs away from the American manufacturing sector. I supported this amendment because it gives a tax break to companies who ship jobs overseas and then compete with domestic manufacturers. And I supported this amendment because Wisconsin has seen a steady decline in manufacturing jobs, with many of these jobs being sent offshore because the U.S. Government would not tax their profits.

Under current law, a U.S. company that moves its manufacturing operations overseas may defer paying U.S. taxes on the profits it makes abroad until those profits are sent back to the U.S. This process, known as deferral, clearly serves as a reward for foreign investment and for shifting jobs off American soil. This reward comes at the cost of American taxpayers; as much as $2.2 billion over 7 years is lost for this misguided incentive. A tax policy that moves American jobs abroad at the expense of American taxpayers—clearly this is not something that Congress should continue to endorse.

In addition to providing an incentive to move overseas, current law puts domestic manufacturers who keep jobs in the U.S. at a competitive disadvantage. While foreign companies can reinvest profits abroad without paying any U.S. taxes, U.S.-based manufacturers investing in American jobs have their profits subject to U.S. taxes. Multinational companies should pay the same taxes that domestic companies pay, and companies keeping jobs in America should not be penalized for doing so.

This is especially true given the continuing job loss in the manufacturing sector. Wisconsin has been especially hard hit by the loss of manufacturing jobs to overseas competitors. My State is one where manufacturing jobs have historically made up the core of our economy. Due in part to tax incentives such as deferral, Wisconsin has lost one out of every seven manufacturing jobs since 2000. The State's economy has not been able to absorb this increase in unemployed workers, resulting in a stagnant unemployment rate.

The Dorgan-Mikulski amendment would repeal the tax incentive for American companies to move overseas. Our Tax Code should not endorse the continued loss of American jobs to companies investing overseas. The Dorgan-Mikulski amendment is the first part of a prolonged solution to the continuing loss of American manufacturing jobs. The amendment would partially repeal deferral, and targets the repeal to apply only to firms that move production overseas but continue to sell those products in the U.S. Thus, the amendment would repeal the competitive advantage that companies moving their production facilities offshore currently receive.

At a time when the country's manufacturers are struggling, we cannot continue to give a benefit for those companies who send American jobs abroad. We must bring equity to the tax code, and bring jobs back to America.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I think I have about 3½ minutes. I am going to take 1½ minutes for myself, and then I hope Senator KYL will get over here. He asked me for 2 minutes. Then that would use up our time.

The first reaction to the response to my remarks that I have that I want to clear up is that the author of the amendment speaks to the point that it only hits imports coming into the United States if a company moved overseas. The fact is—it may be a flaw in the way it is written—this amendment hits all imports coming into the United States.

The second point is, it was stated that this was not a tax increase. This amendment raises $6.5 billion. In my judgment, when you change tax law and you bring revenue in, that is a tax increase.

The second issue regarding Huffy moving overseas, the response to that is, their competition is in China and Taiwan. Companies have to do what they can to meet the competition. Would they rather have a Huffy company that existed as a U.S. corporation competing with China and Taiwan manufacturers or would they rather have the whole company go out of business? If you do not meet your competition, you do not compete you die.

Then there was reference to the fact the GAO report says 61 percent of companies did not pay taxes. That could be true. But that also includes new companies and it includes companies that maybe are dormant; in fact, it does include all of those.

Here is the significant thing about this GAO report: It says 96 percent of all large corporations in America pay tax.

We are back to the issue of what this amendment does or does not do. It does not do enough.

I have to ask the Presiding Officer if Senator KYL does not arrive and I have 1 or 2 minutes remaining, what do I do? I want to save the time for him, if I can, under the rules of the Senate.

I yield the floor and save my time for Senator KYL.

Mr. DORGAN. Senator KYL is here.

Mr. GRASSLEY. Mr. President, I don't have much time remaining, 2 minutes.

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. GRASSLEY. Could the Senator be kind enough to give him an additional minute and a half for our side? That is infinitesimal. We will argue for a minute and a half over it.

Mr. DORGAN. I ask unanimous consent that a minute and a half be added to the Republican side and a minute and a half be added to our side.

Mr. GRASSLEY. I yield Senator KYL my remaining time.

Mr. KYL. I thank the Senator from Iowa and I thank the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, it seems to me the amendment of the Senator from North Dakota does both too little and too much. A lot of thought went into crafting the bill before the Senate by staff and members on the Finance Committee. It is hard to get this exactly right. We have done that. This is very complicated.

What I mean by doing too little and too much is this: The amendment only affects about 7 percent of the products according to the Commerce Department; 7 percent of the goods and services these multinational corporations produce are imported back into the United States. That is the only part of the new deferral rule that would be affected.

In that sense, it probably does not do much to accomplish the purposes of the authors of the amendment. But it does too much in the sense that anything that impedes the competitive advantage of the U.S. corporations and the quality of their products is going to hurt their ability to do business.

What we have tried to do with the deferral rules is to even the balance between the European corporations, for example, and the American corporations, so our companies are not taxed more than their competitors. This would, to the extent it changes these deferral rules, impose a higher tax on American businesses than their European counterparts are required to pay. In that sense, it changes this competitive balance. It is exactly what we are trying to get away from.

I urge my colleagues to reject the amendment of the Senator from North Dakota, acknowledge the work of the Finance Committee which, as I said, very carefully tried to get this balance right and ensure American companies would not be at a competitive disadvantage vis-a-vis their European competitors.

I urge my colleagues to defeat the amendment of the Senator from North Dakota and support the Finance Committee.

Mr. DORGAN. How much time remains?

The PRESIDING OFFICER. Fifteen minutes total on the minority side remains. The Senator from North Dakota has 2½ minutes.

Mr. DORGAN. Mr. President, let me consume the 2½ minutes. Does that include the 1½ minutes?

The PRESIDING OFFICER. It does not.

Mr. DORGAN. Mr. President, Senator BAUCUS has left the room. Let me consume 5 minutes, with Senator BAUCUS's consent, of the minority time after which I will yield back the time and I believe all time will have been yielded back on this issue. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Without objection, it is so ordered.

Mr. DORGAN. Let me make a couple of comments about the facts. First of all, the number of manufacturing jobs we have lost in this country. This chart shows the number of manufacturing jobs we have lost since the year 2000, a little over 2.7 million manufacturing jobs.

One cannot make the case this is not a problem. Of course, we are losing manufacturing jobs. The number of jobs in foreign manufacturing affiliates of U.S. firms has grown by a million in an 8-year period. So, of course, they are gaining jobs. We are losing manufacturing jobs and they are gaining jobs. It is hard to make the case there is not an issue here.

Now with respect to the issue of the corporations, 61 percent of whom pay no taxes according to the GAO, my colleague says, well, probably some of them are dormant. The U.S. corporations made $2.7 trillion in gross income on which they paid zero in taxes. If that is dormancy, it is an interesting state of affairs, in my judgment.

Second, the issue of Huffy bicycles. I have used the issue of Huffy bicycles and the Radio Flyer wagon to make the point. The point is jobs are migrating overseas. This Radio Flyer red wagon was made here for a century and now it is being made in China. This Huffy bicycle was made here for a long time. Now it is gone. It is made in China. We saw the little red wagons and Huffy bicycles leave America and move to China.

With respect to Huffy, the workers here made $11 a hour. The company said that is way too much; I will hire a Chinese worker at 33 cents an hour, 7 days a week, 12 hours a day.

As we did that, we said, We will give you a tax break. Move this plant to China and we will give you a tax break. That is what our amendment would shut down.

I was trying to think how would we construct a defense, or how will I hear a defense about this, and it started out with trade. The Europeans are hitting us with these trade sanctions. Yes, well, we are really weak-kneed on trade. This country has a beef problem with Europe, so we slap them around. Do you know what we do with the Europeans? We slap them around with sanctions on truffles, goose liver, and Roquefort cheese. My God, that will send fear into an adversary.

If Members want to talk trade, spend time talking about trade and wonder why we do not have a spine and backbone and strong knees to stand up for this country for a change.

But this is not about trade. This is about an insidious, perverse little provision in the Tax Code that says, Move your jobs, decide to build overseas rather than here, and we will give you a little tax break.

If we cannot take a baby step in doing this, if we cannot close this loophole, what on Earth can we do?

With respect to the fact it is alleged this is a tax increase, my guess is almost everything will be alleged to be a tax increase in the future. It does not matter what you talk about, they will say it is a tax increase. Is closing a loophole that is fundamentally unfair, that incentivizes the moving of American jobs overseas, is that really a tax increase, or is it closing a loophole? Do you want to keep doing this?

Should we take taxpayers' money, incentivize it to say, let's pay these guys to move bicycles and red wagons overseas? Or, let's pay them to move Fig Newton cookies to Mexico, or pay them to move tennis shoes to Indonesia. Is that what we want to do, pay them to do that? That is what exists in our Tax Code.

This is the simplest possible amendment. If Members want to support American jobs and want to at least have a neutral Tax Code and want to stop the perversity of saying let's actually help finance and keep jobs from moving overseas, then vote for this. If you want to talk about competition between Bangladesh and France and Costa Rica, and construct all kinds of interesting theories that have nothing to do with this amendment, then vote against it. There is nothing wrong with that. I have lost before. I hope I will not lose today.

This amendment will come up again and again because this country should not be subsidizing the loss of jobs to other countries. Those jobs are going in part because they can buy 33 cent an hour labor and put 12 people in a room and work them 7 days a week and say, if you try to organize as a group of workers, you are fired. If you complain about an unsafe work plant, you are fired. So that is the incentive to move jobs overseas.

On top of that, we actually, in public policy, say we will buy you a little cherry on top of the sundae. The cherry on top of the sundae is you actually get a tax break here. The company you are competing against, that you left back

in the United States—tough luck for them. They are paying higher taxes than you are.

It seems to me if we cannot think our way through this short little maze, this Congress cannot think its way through anything. This is not organizing a two-car caravan. This is simple. This is easy. And the choice, when we cast this vote, is not going to be complicated at all. Either you believe this incentive should not be in the Tax Code or you believe we ought to continue to subsidize jobs that are moved overseas.

We have more to do. We have a debate on trade that has to come. I don't expect we will get to the debate on trade because of the Central American Free Trade Agreement. It should be brought to the floor and debated, but will not be before the election because, I am guessing, the President does not want to have that debate—I would love it. Let's get it here tomorrow, as far as I am concerned.

There is much more to discuss on this issue. With respect to this alone, the Senator from Maryland and I have offered an amendment that is painfully simple and I hope will be painless to vote for.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, will the Chair advise the Senate with regard to the time agreements at this point?

The PRESIDING OFFICER. Time has expired on the majority side.

Mr. WARNER. Mr. President, can the Senator from Virginia ask for a period of 5 minutes to discuss a matter of importance to all Senators?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

NOTICE OF HEARING AND BRIEFING ON IRAQ

Mr. WARNER. Mr. President, this morning I had the privilege of engaging in a colloquy with the distinguished minority leader with regard to the desire of the Senate to have Secretary Rumsfeld come in open session and respond to questions from Senators with regard to the very serious situation of allegations about the mistreatment of prisoners in Iraq.

Senator DASCHLE, Senator FRIST, and I—Senator FRIST and I worked on it yesterday together; we worked on it again today—Senator MCCAIN, Senator LEVIN—I just left him—so there has been a group of us who have worked on this.

I just finished a conversation with Secretary Rumsfeld, and he has always been quite willing to come up. It is a question of the time and the ability to get together a team of witnesses to join him. That has now been concluded. So the distinguished majority leader and I have set the time for this to be 11:45 on Friday morning for a session of approximately 2 hours with the Senate Armed Services Committee. Following that, the respective leaders of the Senate will have the usual type of briefing in S–407, at which time other Senators not members of the Armed Services Committee will have the opportunity to engage the Secretary in questions with regard to their individual concerns on this and such other topics as they may have.

I thank my colleagues. Many of you have come to me and spoken about that, and spoken to Senator LEVIN, and to our leaders. There is always a willingness on behalf of the Secretary to come forward. He will be joined by the Chairman of the Joint Chiefs, the Chief of Staff of the Army, the Acting Secretary of the Army, and perhaps others, because I was very insistent and he was quite willing to provide a full array of witnesses such that the entire spectrum of facts now known and available can be shared openly with the Senate and the general public.

I thank the Chair. I hope all colleagues can arrange their schedules to attend these very important meetings.

I yield the floor.

The PRESIDING OFFICER. The minority manager has 8½ minutes remaining.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield back whatever time I can yield back. I also suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time has expired.

Mr. GRASSLEY. Mr. President, before we move on this amendment, I ask unanimous consent that there be 4 minutes of debate equally divided prior to the vote in relation to the Allard amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 3110

The PRESIDING OFFICER. The question is on agreeing to the Dorgan amendment.

Mr. GRASSLEY. Mr. President, I move to table the Dorgan amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

The PRESIDING OFFICER (Ms. MURKOWSKI). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—60

Alexander	Allen	Bennett
Allard	Baucus	Bond
Breaux	Enzi	Murkowski
Brownback	Fitzgerald	Murray
Bunning	Frist	Nelson (NE)
Burns	Graham (SC)	Nickles
Campbell	Grassley	Pryor
Cantwell	Gregg	Roberts
Chafee	Hagel	Santorum
Chambliss	Hatch	Sessions
Cochran	Hutchison	Shelby
Coleman	Inhofe	Smith
Collins	Jeffords	Snowe
Cornyn	Kyl	Specter
Craig	Lieberman	Stevens
Crapo	Lott	Sununu
DeWine	Lugar	Talent
Dole	McCain	Thomas
Domenici	McConnell	Voinovich
Ensign	Miller	Warner

NAYS—39

Akaka	Dorgan	Lautenberg
Bayh	Durbin	Leahy
Biden	Edwards	Levin
Bingaman	Feingold	Lincoln
Boxer	Feinstein	Mikulski
Byrd	Graham (FL)	Nelson (FL)
Carper	Harkin	Reed
Clinton	Hollings	Reid
Conrad	Inouye	Rockefeller
Corzine	Johnson	Sarbanes
Daschle	Kennedy	Schumer
Dayton	Kohl	Stabenow
Dodd	Landrieu	Wyden

NOT VOTING—1

Kerry

The motion was agreed to.

AMENDMENT NO. 3118

The PRESIDING OFFICER. There are now 4 minutes of debate equally divided on the Allen amendment No. 3118.

The Senator from Colorado.

Mr. ALLARD. Mr. President, I rise to speak in behalf of amendment No. 3118. This amendment is important to nearly all States in this time of energy shortages. It provides for and encourages the use of renewable energy.

I am pleased to have cosponsorship from Senators MILLER, CLINTON, SCHUMER, and CHAMBLISS.

Passage of the green bonds provision is relevant to the JOBS bill. It is anticipated to create over 100,000 construction and permanent jobs.

It also promotes the large-scale development and deployment of renewable energy generation. This will stimulate the market for renewable technologies, such as solar, helping to bring down the cost of technology.

I also believe it is important to note that our amendment contains a provision which pays for its costs.

In closing, I urge all of my colleagues to vote for this amendment. It is limited only by the amount of total bonding authority and the fact that each State is allowed only one project. I think every State can work to take advantage of the benefits that this amendment will provide.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I ask unanimous consent that this be a 10-minute vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLARD. I ask that we yield back time from both sides.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to amendment 3118. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 76, nays 23, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—76

Akaka	Crapo	Lincoln
Alexander	Daschle	Lugar
Allard	Dayton	McConnell
Allen	DeWine	Mikulski
Baucus	Dodd	Miller
Bennett	Dole	Murkowski
Biden	Durbin	Murray
Bingaman	Edwards	Nelson (FL)
Bond	Enzi	Nelson (NE)
Boxer	Feingold	Pryor
Breaux	Feinstein	Reid
Brownback	Frist	Roberts
Bunning	Graham (FL)	Rockefeller
Burns	Graham (SC)	Santorum
Byrd	Hatch	Sarbanes
Campbell	Hollings	Schumer
Carper	Hutchison	Smith
Chafee	Inouye	Specter
Chambliss	Johnson	Stabenow
Clinton	Kennedy	Stevens
Cochran	Kohl	Talent
Coleman	Landrieu	Voinovich
Conrad	Lautenberg	Warner
Cornyn	Leahy	Wyden
Corzine	Levin	
Craig	Lieberman	

NAYS—23

Bayh	Gregg	Nickles
Cantwell	Hagel	Reed
Collins	Harkin	Sessions
Domenici	Inhofe	Shelby
Dorgan	Jeffords	Snowe
Ensign	Kyl	Sununu
Fitzgerald	Lott	Thomas
Grassley	McCain	

NOT VOTING—1

Kerry

The amendment (No. 3118) was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Madam President, I have spoken to the Democratic leader, I have spoken to our manager. On our side we have six amendments remaining. I mention them by name: Feingold, 5 minutes on his side; Lautenberg, 30 minutes; Corzine, 30 minutes; Cantwell, 30 minutes; Hollings, 40 minutes; Landrieu, 30 minutes. This bill can be completed in a relatively short time. I understand the Members would rather not vote on some of these amendments, but I want the record to reflect we would agree to these very short time limits. There are no surprises in any of the amendments. Everyone knows what they are. Certainly on Hollings and Landrieu, we have agreed with the majority these could be next in order.

The problem we have, everyone should understand, is Senator CANTWELL will not let us do the unanimous consent agreement unless we have some way of disposing of her amendment. I have also been contacted by Senator CORZINE, Senator LAUTENBERG, and Senator FEINGOLD. They will agree to no more unanimous consent agreements unless they are included in the order in some way.

I repeat: Each of these Senators wants this bill passed. None of them is trying to stall. They understand the importance of this legislation. But add up all the time on our side, and it is about 2 hours 45 minutes. That is all that is remaining on debate time on our side. I hope we recognize and can figure out some way to get through these amendments and get this bill passed. I see no reason we could not do it tomorrow easily.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, first of all, there has been a very good working relationship between the two sides on this bill. That is very encouraging. I recognize that upfront.

In regard to the list of amendments, the fact that it is very short, with time agreements, is very good news. However, in that list of amendments, there are some that are nongermane, some that are very controversial, some on our side of the aisle we do not think are appropriate to be brought up on this legislation; and also a reminder that we have only dealt with two Republican amendments at this point and we have dealt with a lot of amendments on the other side. Now, there is nothing wrong with dealing with more amendments on one side than on the other, and we have been very fair in how we have approached this.

I don't have a response to the Senator from Nevada, the distinguished Democratic assistant leader. We intend to work very closely with him to see if we can get this bill to finality. In the same way we have gotten this far this week—we have made a great deal of progress—it is because we have had a good working relationship with the Senator from Nevada and the Senator from Montana.

I cannot state an agreement at this point. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, parliamentary inquiry. Is the Cantwell amendment now the pending amendment?

The PRESIDING OFFICER. The Cantwell amendment is the pending amendment.

Mr. KENNEDY. I see the Senator from Washington on her feet and ready to address the Senate. As I understand, she would be willing to set a time for a vote on her amendment sometime in the morning. So we can give the Senate some idea what the program will be, I am just wondering now whether the floor managers would be willing to agree to a time limit on the amendment of the Senator from Washington, for a vote on it in the late morning tomorrow, with the time to be divided.

Mr. GRASSLEY. Madam President, to respond to the Senator from Massachusetts, first of all, not involving me but other people that are interested—I am interested—I have asked other members to see what could be negotiated. There are talks ongoing now that range from, hopefully, we can establish a couple other amendments for votes before that. Part of that discussion is seeing if we can reach an agreement on bringing up the amendment. However, I don't have anything to report to Senator KENNEDY at this point.

Mr. KENNEDY. Again, I don't want to interfere with the Senator from Washington, but I know the Senator has attempted to get this amendment up, at my last count, some 14 times over the period of the last 7 or 8 months. Now it is before the Senate. She is entitled to have it considered.

It is an amendment of enormous importance to working families in this country. We have 85,000 workers who, each week, lose their unemployment insurance. This represents an extremely important issue to hard-pressed middle-income families that are trying to make ends meet and facing serious issues in terms of the increase in health care costs, increases in tuition, increases in terms of their utilities, their mortgage payments. This is a lifeline to hundreds of thousands of American families. This is a matter of enormous importance. It is not just a minor amendment. For many of us, it is the most important or perhaps the second most important outside of the overtime amendment on this bill.

I thank the Senator for Washington for her perseverance on behalf of the working families of this country, commend her for her diligence in protecting their interests, and look forward to following her leadership, hopefully getting the opportunity to have a reasonable period of time and then have the Senate express its will. I certainly hope we would not have the blind opposition to this amendment we have faced in the past when Members have tried to basically handcuff the Senate from being able to give consideration to this amendment.

I commend the Senator from Washington for her diligence and perseverance. This is a matter of enormous importance and enormous consequence to the people of my State, I know to the people in her State, and for people all over this country. I commend her for developing the bipartisanship she has with the Senator from Ohio and other Senators. This has been a bipartisan effort she has led. That is the way it should be because, obviously, the workers who need this help are from all parts of the country and represent all kinds of different viewpoints.

I thank her for her leadership and look forward to following this issue.

Ms. SNOWE. Mr. President, I would like to speak to one provision in the FSC/ETI tax legislation we are considering on the Senate floor which is very imporant—the broadband expensing provision. This provision would allow investments in broadband infrastructure, or high-speed Internet access, to be deducted for tax purposes in the year the investment was made rather than over several years. The simple point of this provision is to stimulate new technology investment.

We have worked on the bill since mid-2000, and it is time to see it enacted. I am particularly pleased to have worked with Senator ROCKEFELLER on this issue and to join him in sponsoring legislation to provide a broadband tax incentive. He and I go back quite a few years on technology matters. We worked side by side to ensure that all of our Nation's schools are wired for basic Internet service, and that has been a tremendous success. I also appreciate the effective work Senator BURNS has done to fight for broadband investment.

It is time to move beyond basic dial-up service. Dial-up is adequate for sending e-mail, and sharing short documents, and browsing the web slowly. But if you need to receive information quickly, or if you need something that is data-intensive like photographs or graphics or lengthy documents, then you need broadband.

Unfortunately, in rural States like mine, broadband deployment is not proceeding quickly enough. And that is what this provision is designated to address—the rural and low-income areas where broadband generally is not already or readily available. It is designed to help us move to the next generation of broadband that some countries are already rolling out. There are times when it makes sense to help the market deploy technology more quickly, and this is one of those times. Why? Because here we are taking about infrasturcture, and the Government can help ensure that all our citizens have access to basic infrastructure so all Americans regardless of their zip code will have the chance to participate in—and succeed under—the tremendous benefits of new technologies.

It is critical we act quickly in this area. A report by the Organization for Economic Cooperation and Development finds that the United States has dropped to sixth in the world in percentage of broadband penetration. We must not sit idly by and allow the United States to fall further behind in this crucial area.

In addition to accelerating the deployment of broadband, the provision will also infuse immediate stimulus for the economy by encouraging firms to invest in high-speed telecom equipment. Furthermore, these new capital expenditures will create jobs—equipment manufcturers will expand their production capabilities to meet increased demand, and broadband providers with hire additional employees to install this new infrastructure.

We must engage on this issue and we must do it now. I thank Senator ROCKEFELLER for his leadership and partnership on this issue, and the Chairman and Ranking Member of the Finance Committee for their support, and I look forward to passing this provision and seeing it enacted this year.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

Mr. BAUCUS. Madam President, will the Senator hold back for a second before making that request?

Mr. GRASSLEY. Yes, I will. Madam President, I withdraw my unanimous consent request.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. Does the Senator from Iowa yield the floor?

Mr. GRASSLEY. Madam President, I withdraw my unanimous consent request and yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, this is a good bill on which we have made a lot of progress. There are a lot of good amendments yet outstanding. It is amazing how much is in this bill that is so positive.

I say to my colleagues on both sides of the aisle, it is important for us to go the extra mile, to see if there is a way to compromise. I will say that again: both sides of the aisle.

Here we have the amendment offered by the Senator from Washington, and we are kind of at a little bump in the road. But this can be resolved. This is resolvable. I hope very much we are not in a situation where backs stiffen up and people dig their heels in the ground and pride becomes the overriding emotion. Rather, we are very close to resolving a very important issue. So I ask that cooler heads prevail over the evening, to sleep on it, and tomorrow morning—and/or tonight—find a way to resolve this issue; otherwise, people could see the Senate not at its best. There is an opportunity, a real opportunity, for Senators to show they can work together on both sides of the aisle on very important matters.

We know none of us can have everything. We also know for things that are important and worthwhile, generally it takes some give-and-take and compromise. We are almost there.

I thank the Senators for how far we have come thus far, and I urge us to work together to find a solution to these remaining amendments so we can get the bill passed very quickly.

I yield the floor.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, reserving the right to object, will the distinguished chairman of the committee allow a modification to his request, that the Senator from Washington be allowed to speak for 10 minutes prior to us going into morning business?

Mr. GRASSLEY. Limited to speaking, and no requests or anything like that?

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. GRASSLEY. My request would be so modified.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Reserving the right to object, I want to make sure the Senator from Washington be allowed to speak and there be no unanimous consent requests made pertaining to her amendment.

Mr. REID. Mr. President, if I could respond, the Senator from Washington is protected. Her amendment is the next amendment. I mean, it is an amendment that is now before the Senate, and she understands nothing is going to happen on this bill until there is an agreement in some regard to her vote. She is not going to ask at this period of time for a unanimous consent. She does not need to be protected.

Mr. NICKLES. If the Senator will yield further, the unanimous consent request only limits time; is that correct?

I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington is recognized for 10 minutes.

Ms. CANTWELL. Mr. President, I remind my colleagues we are here talking about a JOBS bill. That is what we are talking about, how we keep jobs in America. So I think it is more than appropriate to be talking about one of the biggest problems in our country right now, the fact we have not created jobs. We have lost 2 million jobs since this administration began. It is more than appropriate to be discussing the unemployment benefits American workers need because they have lost jobs, through no fault of their own, since 9/11 and have been struggling to get recognition by this body and the other body on unemployment benefits.

We still have 1.5 million Americans who have exhausted State benefits and have not gotten assistance from this body, the Senate, which now wants to talk about a JOBS bill. Well, the most important jobs issue we are facing in America right now is that people who are trying to go back to work would love to be getting a paycheck instead of an unemployment check, and yet we are not giving them the option to have support in a program they have already paid into through their employer for unemployment benefits.

So what are people across the country saying? As the Senator from Massachusetts pointed out, we have had

something like 15 different attempts to get unemployment benefits for workers who are trying to find jobs but are not finding jobs available. They are certainly people who would rather work.

The Dayton Daily News recently said:

> What's troubling . . . is how some Republican leaders are hoisting another ''Mission Accomplished'' banner, this one to hide the struggle for more than a million unemployed workers who have exhausted state benefits without finding another job.

That is not what this Senator is saying. That is what a newspaper in one of the hardest hit States is saying about this particular problem, the fact we cannot simply say on a certain day the economy is better and Americans are back to work, when, for the first part of this year, with last month's numbers, we only created somewhere between 300,000 and 400,000 new jobs. We have lost 2 million jobs since this administration has been in power.

We had an economic report by the administration that they were going to create all sorts of jobs in 2002. That did not come about. In 2003 there was another projection. That did not happen. Now we are in 2004. And even though the administration said they thought they were going to create, I think the number was 2.6 million jobs this year, the President's own economic advisers backed off of those numbers and said: We don't know how many jobs are going to be created.

Well, I can tell them, having been in the private sector, trying to determine whether a company is growing at a rate in which you can resume hiring is a tough question. So I get that this is a complicated issue, and we do not know how fast our economy is going to grow. But we know this: We are not going to find 2 million jobs in the next 6 months. We are not going to hire 2 million Americans who basically have lost their jobs, and in many cases through no fault of their own, and put them back to work in that short a period of time.

The question is whether we want to give the American worker who is unemployed an opportunity to receive the Federal benefit this program was created for, what they paid into through their employer so there could be assistance in tough economic times.

Well, if the last year and a half does not qualify for tough economic times, I don't know what would. Newspapers across the country are saying it is time we deal with this.

The Dayton Daily News again said early last month:

> Maybe there are brighter days ahead. But that's no comfort now to the unprecedented number of laid-off workers, who have scrambled without success to find a job and . . . lost the little bit of help given under state unemployment benefits programs.

It cannot be any more plain than that. The President is on a bus driving through a State that is basically saying, as crisply and clearly as they possibly can: We need additional help and support. The State program has expired. People are still unemployed, and they cannot find a job. These people would gladly go back to work, gladly go back to getting health benefits, gladly go back to getting the other benefits of being employed, but the jobs are not there. So the question is whether we are going to do the job we have said we were going to do.

In fact, you can take the economists who are also looking at this, because I think part of the other side of the aisle would like to say: Don't worry, it is all going to get better. But even if we double last month's numbers, even if in the next 2 months we created 500,000 or 600,000 jobs, it still isn't going to be enough jobs for the 2 million Americans who have lost their way. So why not put some stimulus into the economy.

That is why the Miami Herald said last month: Mixed messages, the White House gets a boost from strong job growth, but economists say unemployment will remain a problem.

That is because economists are looking at the numbers and they are saying: You are still going to have unemployment.

It is no surprise that Alan Greenspan came before a House committee and, when asked about whether we should expand Federal unemployment benefits, basically said: I think it is a good idea, largely due to the number of exhaustees that are out there in America. By that he means the number of people who have fallen off the State program and could qualify for Federal assistance.

I know some of my colleagues have said they want to cut this program off at some point in time: Why should we keep doing it; the economy is starting to pick up.

You do it because these exhaustees don't have a job. They can't pay mortgage payments, take care of health care. Their employer paid into this program for this very benefit. This is the best economic stimulus this country could get right now. Giving employees access to the assistance of the Federal program for the next 6 months would generate $11 billion in economic stimulus. That is for every dollar spent on unemployment benefits, it generates $2 of economic stimulus.

I think about the States that have been hard hit, such as Ohio, Pennsylvania, Missouri, Washington, Oregon, Alaska. Those are States that certainly could use the economic stimulus in their States to keep companies from not defaulting on mortgage payments, keep families in their home, and provide additional stimulus to those sagging economies.

People on the other side of the aisle say: At some point in time, the President's economic plan is going to kick in and work. But I don't think anybody can say it is going to kick in and work in the next 2 months to the degree necessary to take care of the number of unemployed. It is not going to take care of 1.5 million. It is not going to take care of 2 million people who have lost their jobs and 1.5 million who have already exhausted State benefits.

The question is whether this body is going to stand up and do the right thing and come up with a program to expand unemployment benefits for the next several months so unemployed workers in America can have some certainty they are going to have a future where they can stay in their home.

I am having a tough time convincing the other side of the aisle. Maybe they haven't heard from their constituents on this issue. I think there are one or two States that may not have lost any manufacturing jobs. Maybe their constituents don't feel the same pain that we do in the Northwest. In 2002 alone, we lost 72,000 jobs in our State, mostly as a result of the downturn after 9/11 and its impact on the aviation industry, but certainly other industries as well. So we have had a lot of people who have continued to look for jobs. We have heard from a lot of these individuals. We have a Web site anybody can access at cantwell.senate.gov that tells you the stories of these individuals in their own words.

What each person tells over and over is how much they would like to have a job, how many job interviews they have gone on, only to find people five and six times more qualified than they taking the minimal number of jobs that are actually being created. That is why one of the chief economists in the country, Alan Greenspan, has said the size of the exhaustees alone should drive us to expand unemployment benefits. It would, in and of itself, give us the stimulus that would help us return the economy.

We had a vote not that long ago. Fifty-eight Members in this body voted in support of unemployment benefits. There was a similar vote, not the exact same language, in the House of Representatives. They voted to basically give an extension of unemployment benefits through the Federal program. So basically majorities in both the House and the Senate have voted for unemployment benefits. Yet still we do not have a benefit package.

The administration was asked whether they thought we should do this. Secretary of the Treasury Snow basically said it was something the White House wasn't objecting to. We asked the White House in their communications shop. They said they thought it should get done.

Now the question remains, who wants to hold up this benefit package? The American workers have paid into this. They want the money they paid into the Federal program to give them economic support so we can give people an opportunity to go back to work when jobs are created and not penalize them for the economic situation they are in today.

MORNING BUSINESS

The PRESIDING OFFICER. The Senator's time has expired.

Under the previous order, the Senate will now proceed to a period of morning business. The Senator may speak up to 10 minutes in morning business.

EXTENSION OF UNEMPLOYMENT BENEFITS

Ms. CANTWELL. Mr. President, there are several other points I would like to make. I know some people are thinking, why not do this for a shorter program. Why not expand the program for maybe another 60 days. The point is, where are we going to be in 60 days? Even if, say, we get a report on Friday that says there are 300,000 jobs being created and the next month there are 300,000 jobs being created, you still have at that point 1.4 million Americans looking for work; that is, people who have completely exhausted their State benefits.

My constituents are making all sorts of choices. They are putting up their homes for sale. They are moving in with relatives. They are selling family possessions to pay mortgage payments. They are trying to hold on so this economy recovers. And they are hoping the next several months will bring good economic news, as I hope it does. I hope the next several months brings good economic news. But even if we have good economic news, we are not going to have the return of 1.4 million people or 2 million people back to work in the next several months. The question is, do we want to meet our obligation under the Federal program and help them.

In the 1990s we had a very similar situation. We had an economic downturn and the first Bush administration basically had to come up with a program for unemployment benefits. They actually had already had the program in place for more than a year and had good economic news. I think more than 600,000 jobs had been created. The administration still supported another 9-month extension to unemployment benefits.

Actually, they supported that 9-month extension, even with a richer program than what we are suggesting today. We are suggesting that the program ought to go for 13 weeks of Federal program and 13 weeks for very high unemployment States. At that point, the program was 20 weeks. So in the 1990s, the Bush administration decided, even though it had seen more than a half million in job growth—I think they had several million in job loss—even though they had seen the economy pick up, they made the decision that so many people had been impacted, laid off, and could not find work, that it was important to give them access to the Federal program. So they expanded the program for another 9 months.

Now, I know this administration is now, as I said, through various members of its Cabinet, backing away from its economic numbers for the year, but it is also saying they would support an unemployment benefit package that would come out of the House and Senate. I say to the administration, obviously, we are not getting this bill done in the timely fashion that would benefit most Americans. Maybe they can come and help in this effort because the preceding Bush administration did a great job supporting the package, even though jobs were starting to be created, to stem the tide of job loss and negative impact on the economy, and still the economy started to pick up again. So we should do the same.

I think the administration should take some time, as it is riding around Ohio—and some of these middle America States have been hard hit with unemployment benefits—and listen to the people who have lost jobs. They will tell them this program is important to them, as I just outlined from several newspaper editorials that have been in the Dayton paper, specifically. I am sure there are editorials from other places throughout the Midwest as well. I know we had editorials from more than a dozen newspapers wondering why we were not moving forward on this legislation.

So the point is, we have a case study in the 1990s—and a good one—that this administration should follow. This administration should look at the success of that program, how jobs were being created, and still they expanded unemployment benefits because they knew it would take several months to put that many Americans back to work. That is what we are talking about today. We are talking about a jobs proposal that really is what we are going to do to incentivize or disincentivize corporations from moving overseas or doing business overseas. That is what the FCI/ETI bill is primarily about.

While we are debating what is good to massage the intention of corporations in America, we should be talking about what we are doing to support the American workers who lost their jobs through no fault of their own. Why try to mastermind and guess about corporate intentions and incentive in the tax policy but then leave American workers who have a program that is designed to help them out in the cold without an opportunity?

We have fought this battle a couple of times now. We fought it last year when the benefits expired and got it reinstated. We fought it when people actually lapsed off of benefits and we had to get them to understand that when we came back into session, the benefits were going to be restored. But now many Americans have lost hope. It has been since January 1 these people have been without benefits. Given that information, Americans have tried to make the best they can out of a tough situation. They have made those tough choices, and if you read the stories on my Web site, or talk to constituents, you will see very heartbreaking stories of people who have struggled to make ends meet and would rather work.

I think it is very important that Congress act to move forward on this legislation. I know my colleagues would like to get the FSC/ETI bill done. I know they would like to say they passed something that dealt with jobs. Let's be honest. There haven't been a lot of jobs created in the last 3 years. We are at a net negative jobs. We are at a net negative 2 million jobs lost in America. So let's not kid ourselves. Job creation will come back. It will come back slowly. It will start to pick up, but that pickup is not going to be at the pace to give people relief in America and relief that is due to them.

Mr. President, while I am not making a unanimous consent request, I hope that my colleagues understand how important this is, and that tomorrow we will find time to vote on this amendment. Not to vote on this amendment, again, is to say it is more important to deal with corporations and their tax incentives and tax breaks than it is to deal with the American workers who have lost their jobs. I don't want to send that message to these high-unemployment States, to those individuals who thought they supported this concept of a Federal program, and then tell them we have almost $15 billion in a Federal fund that was paid into by their employers, but now they are not going to be able to access any of it. I would rather tell them this body decided to do the right thing; that while we are waiting for the private sector to return to a strong economic engine, we are going to do the right thing and give people access to the Federal dollars from the program they have already paid into; that we are going to help the American workers in their time of greatest need; that our body, this institution, and the other side, the House of Representatives, believe the American workers deserve to have support.

I hope tomorrow we can work out a time agreement so this amendment can be voted on, so we can move forward on not only getting the underlying bill done but getting this legislation moved, since both bodies have supported it and a majority of Members have supported the legislation.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CINCO DE MAYO

Mr. FRIST. Mr. President, on the fifth of May, 1862, in Puebla, Mexico, a fighting force of 2,000 peasants confronted 6,000 well-equipped and expertly trained French troops, The French troops had come to conquer the

small town. Instead, the peasant army prevailed, and their historic victory is celebrated each year as Cinco de Mayo.

Today, millions across the Americas will celebrate the spirit of Cinco de Mayo. They will cheer the shared goals of independence, liberation, and freedom. Today, the people of North America are united in good will.

Indeed, the relationship between the United States and Mexico is closer than it has ever been. We are neighbors and we are friends.

Mr. President, 33 million Latinos live in the United States. The large majority, 66 percent, are of Mexican origin.

In my home state of Tennessee, the Hispanic population has grown by nearly 1 million people since 1990.

Hispanics are strongly represented in our Armed Forces and can claim more Congressional Medals of Honor for valor than any other group.

The U.S. and Mexico are partners in NAFTA. Mexico is our second largest trading partner.

The United States accounts for 60 percent of all foreign direct investment in Mexico.

Mexicans living in the United States send about $9 billion a year home to their families.

And more than 500,000 American citizens live in Mexico.

So, today, I rise to recognize this historic day and join others in celebrating this day in this spirit. It teaches us a profound lesson: that freedom is a universal drive, and ultimately, freedom will out.

Mrs. CLINTON. Mr. President, I rise today in recognition of Cinco de Mayo, a holiday celebrated in Mexico and increasingly in the United States, that commemorates an important victory of the Mexican Army against the French at the Battle of Puebla. In my home State of New York and across the Nation, Hispanic communities—particularly the Mexican-American community—have embraced this holiday and transformed it into a day of recognition and celebration of the contributions Hispanics have made in the United States.

Among all cities across the Nation, New York ranks 11th in the size of its Mexican population, close to cities with long standing Mexican communities such as San Diego, Santa Ana, and San Jose, CA. The number of Mexican New Yorkers counted by the U.S. Census more than tripled in the 1990s, increasing from 61,772 in 1990 to 186,872 in 2000. Currently, Mexicans constitute the third largest Hispanic/Latino population in New York State after Puerto Ricans and Dominicans.

As the Nation's largest minority group, Hispanics are adding to our Nation's cultural richness and economic prosperity. Every day they are working and creating businesses in all sectors across the country. Today, one in nine workers in America is of Hispanic descent and there are currently 1.2 million Hispanic-owned businesses with annual revenues of $200 billion.

Even as we celebrate these important contributions, Hispanics across the Nation continue to face unique challenges, including high unemployment, stagnant or declining wages, high school dropout rates, poverty, and lack of access to health insurance. The Bush administration's 2005 budget proposal fails to make adequate investments to help improve the quality of life for Hispanics. In fact, his budget proposal cuts funding for small businesses, fails to adequately fund the No Child Left Behind Act, eliminates funding for dropout prevention, and underfunds minority health care programs.

The President's budget also provides tax breaks that benefit the wealthy at the expense of working families. That is why I have joined my fellow Democrats in Congress in supporting an agenda that increases investments in key economic, educational, and health-related programs to make America even stronger for future generations and will continue to fight for these key programs in the 108th Congress.

I hope that today's Cinco de Mayo celebrations serve as an important reminder of the contributions of Hispanics and the need to support additional investments in programs and services that help them build a better future for their families and for our Nation.

Mrs. FEINSTEIN. Mr. President, I rise today to recognize Cinco de Mayo, an important day in both Mexican and American history as well as a symbolic day to honor Mexican heritage.

Cinco de Mayo pays tribute to the courage and strength of the people of Mexico and to the profound contributions Mexican Americans have made to our country's history and culture.

The U.S. Census Bureau estimates that there are nearly 10 million people of Mexican descent living in my home State of California alone. Every day, Mexican Americans make huge contributions to our communities in every sector of the economy, in every level of government, and in every aspect of society.

Mexican-American leaders such as the late Cesar Chavez, founder of the United Farm Workers Union, have left indelible footprints in our national memory.

Organizations such as the League of United Latin American Citizens, the National Council of La Raza, and the Mexican American Legal Defense and Education Fund collaborate with government, civic, community, and other organizations to improve economic, educational, and civil rights for Latinos.

Truly, a comprehensive snapshot of California would be grossly incomplete without full representation of the Mexican-American community.

Many celebrations with traditional food, music, and parades take place across the country and throughout California on Cinco de Mayo. Hundreds of thousands will gather to embrace and celebrate Mexican heritage.

Cinco de Mayo celebrations can be large festivals drawing thousands of people, such as those in San Diego, Los Angeles, Sacramento, San Francisco, and San Jose as well as small, more intimate events among neighbors.

It is very much the same as the way we observe the Fourth of July—both in the variety of ways people choose to celebrate and in that a specific historic event inspired the holiday, which has come to symbolize a much broader spirit.

No one would want to limit the meaning of the Fourth of July to a narrow celebration of American independence from Great Britain, nor would you reduce Cinco de Mayo to a commemoration of the Mexican military victory in Puebla by itself.

However, it is important to recall the bravery of the Mexican Army when France, under the rule of Napoleon III, sought to establish a political and economic foothold in Latin America by installing their own ruler in Mexico.

Napoleon's troops, who had not been defeated in battle for almost 50 years, entered Mexico with considerable technological advantages over the Mexican Army. The French Army moved west to attack Mexico City, mindful that if the Mexican capital fell, a complete takeover of Mexico was imminent.

On May 5, 1862, the Mexican Army defeated the invading French forces in the city of Puebla under the command of General Zaragosa and Colonel Porfirio Diaz. If not for the great courage of the Mexican Army, the course of history would be undoubtedly altered.

In my mind, Cinco de Mayo epitomizes what it means for immigrant communities to flourish, making their own unique additions to American culture.

One San Francisco family, the Ramirezes, who immigrated to the United States from Jalisco, Mexico, in 1955, are truly an American success story.

Ramon Ramirez and his wife Guadalupe worked several jobs before acquiring a San Francisco deli in 1967. Soon the space proved too small to accommodate their customers and in 1982, they expanded and opened Don Ramon's restaurant.

I used to frequent Don Ramon's when I was the Mayor of San Francisco and I was always sincerely impressed with the Ramirez family. Ramon and Guadalupe still work every day at Don Ramon's, arriving before dawn. Their three daughters remain involved in running the restaurant, though their youngest daughter, Nati, has also pursued another career as director of the San Francisco district attorney's subpoena unit.

This is only one of many examples of how Mexican Americans have helped our country to flourish.

Finally, I am pleased to join every American and every Mexican in celebrating this important day in Mexican history. On Cinco de Mayo we pay tribute not only to the bravery shown at

the Battle of Puebla, we also recognize the contributions of Mexican Americans to our country as well.

IRAQI PRISONERS

Mr. FRIST. Mr. President, over the past week we have become aware—indeed, the entire world has learned of the graphic evidence—of abuse against Iraqi prisoners at Abu Ghraib prison. We express shock; we express condemnation of these despicable acts. That has been expressed on the floor—indeed, throughout the Nation.

The persons who carried these acts out must face justice. The perpetrators have disgraced themselves and, in the process, have brought shame to all of us who cherish justice and decency and dignity.

Moreover, their behavior is deeply un-American. This country is founded on those universal principles of human rights and respect for each and every individual. Those disturbing pictures show men and women who have abandoned America's values and, in the process, jeopardized our efforts to bring democracy and the rule of law to Iraq.

Thousands of honorable men and women are working and sacrificing each and every day to bring peace and freedom to the Iraqi people. We cannot let these intolerable acts of a few undermine the noble work of the overwhelming majority of our troops.

The abusers of Abu Ghraib must face justice and they will face justice. In March, the Army charged 6 military police officers with physical and sexual abuse of 20 Iraqi prisoners. Three of the six cases have been referred to military trial. The criminal probe into allegations against four other soldiers is continuing. In total, our military has launched five separate investigations. An administrative review has resulted in notices of reprimand filed against seven officers and noncommissioned officers this week. The inspector general of the Army and the commander of the Army Reserve are also conducting their own investigations.

I commend President Bush for his efforts to reach out to the Arab world to address this matter. It is important that we address these reprehensible acts directly and fully and quickly and in a fully transparent manner.

Our men and women in uniform are respected around the world. They are respected for their professionalism and because they defend the highest of political ideals: individual rights, freedom, justice, and the rule of law. In Bosnia, Afghanistan, Kosovo, Iraq, and elsewhere, our troops are serving with honor, with courage, and with professionalism to advance democracy and to advance liberty.

As the Abu Ghraib investigations unfold, I do urge my colleagues and everyone watching and listening to keep that in mind. The vast majority of our men and women in uniform are serving ably and honorably, and through their heroic efforts, they are advancing our freedoms and values.

HONORING WOLFGANG PUCK

Mr. REID. Mr. President, the city of Las Vegas, in my native State of Nevada, is recognized as the entertainment capital of the world.

Our amazing resorts offer many options for fun, but one of their greatest attractions is world-class dining.

Over the last 12 years, many of our Nation's leading chefs have opened restaurants in Las Vegas, transforming our desert city into even more of a culinary oasis.

The man most responsible for this remarkable transformation is Wolfgang Puck.

Wolfgang Puck was born in Austria. He began his formal training at age 14, inspired by his mother, who was a hotel chef. By the time he came to this country at age 24, Wolfgang had prepared himself for success, but nobody could have predicted just how dramatic that success would be.

By combining classic French techniques with influences from Asia and California, and by using the finest ingredients from local purveyors, he has changed the way Americans think about food and the way chefs prepare it.

Along the way he has become American's most famous chef, and created an empire comprising a dozen fine dining restaurants and more than 50 casual and quick service establishments.

Four of his best restaurants are in Las Vegas: Spago and Chinois at the Forum Shops at Caesar's Palace; Trattoria Del Lupa at Mandalay Bay; and Postrio at the Venetian.

One thing all these places have in common is a remarkable attention to detail. Wolfgang Puck is a person who thinks about everything that could possibly affect the dining experience. Some would even call him a worrier. The story goes that before his first Spago restaurant opened, he couldn't sleep for two days because he was worried that nobody would show up. Well, people did show up, and they lined up to get in. So Wolfgang's reaction was to worry about how he would ever be able to feed such a crowd.

Wolfgang Puck has been influential because of his cooking techniques and his approach to food; almost every American chef has learned something from him. But you don't have to be a chef to learn from Wolfgang Puck. We can all learn from his willingness to take risks and try new ways of doing things. He has said that he learned more from his one restaurant that failed than he learned from the many that succeeded.

Wolfgang has a great partner in life and in business—his wife, Barbara Lazaroff. She is an acclaimed architectural designer who has created magnificent environments where diners can appreciate Wolfgang's food. I'm sure Wolfgang would be the first to acknowledge that he couldn't have accomplished what he has without Barbara by his side.

Wolfgang and Barbara and their two sons live in California, but we think of them as part of our Las Vegas community. They are very active in charitable activities in Nevada, as well as California. Their Puck-Lazaroff Charitable Foundation was established in 1982, and has raised more than $5 million for charity. It sponsors the annual American Food and Wine Festival, which raises money for Meals on Wheels.

Wolfgang and Barbara are also major supporters of the American Cancer Society, the American Heart Association, the Boys and Girls Clubs, Big Brothers and Big Sisters of California and Nevada, and the Alzheimer's Association.

In fact, on May 15, Wolfgang will be the honored guest at Keep Memory Alive, an annual dinner in Las Vegas that combats Alzheimer's by raising money and public awareness. This event began in 1996 as an intimate dinner party. It has been repeated each year since, thanks to Larry Ruvo and Bobby Baldwin. Last year, Keep Memory Alive had grown to a feast for 300 people at Postrio. Wolfgang and other chefs prepared a memorable dinner, and Muhammed Ali and other celebrities auctioned off some memorable items. The evening raised $2.6 million to fight Alzheimer's.

It is entirely fitting that this year's event at the Mirage will honor Wolfgang Puck for his work to combat this horrible disease. Please join me today in saluting Wolfgang and Barbara for all their contributions to the southern Nevada community, and the entire country.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I today speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Enhancement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

On August 9, 2000, police charged four men in Daly City, CA, for allegedly assaulting two gay men in a fast food restaurant.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. By passing this legislation and changing current law, we can change hearts and minds as well.

HONORING OUR ARMED FORCES

PAT TILLMAN

Mrs. BOXER. Mr. President, I rise today to celebrate the life and mourn the death of Corporal Patrick D. Tillman, age 27, who was killed in action in Afghanistan on April 22, 2004. Pat Tillman was originally from San Jose, CA. He was a true hero.

Pat Tillman exuded greatness and humility throughout his short life. He

was a shining star on and off the football field. In high school at Leland High in San Jose, CA, Pat was named the Central Coast Co-Player of the Year for 1993 and earned a scholarship to Arizona State University. At Arizona State, he led the team to the Pacific-10 Conference Title and then to the Rose Bowl. In 1997, while at Arizona State, Pat was named Pac-10 Defensive Player of the Year. Pat also knew the value of a good education. He earned a degree in marketing at Arizona State University, while also maintaining a 3.84 GPA. The Arizona Cardinals selected Pat in the 1998 NFL draft where he played hard for the Cardinals as a safety. In 2000, the St. Louis Rams offered him a substantial increase in compensation to play for them. However, out of loyalty, Pat turned it down to stay in Phoenix.

It was Pat's deep loyalty and character that led him to his next career move. After the horrific attacks of 9/11, Pat, who was just returning from his honeymoon, announced that he was leaving the NFL to join the Army Rangers. Pat left behind his new bride Marie and a substantial contract from the Arizona Cardinals.

Pat Tillman was not about money or fame. He was a remarkable young man who put his country and its ideals ahead of himself. Pat's physical strength and talents were only overshadowed by his personal integrity. The United States Army posthumously awarded Pat the Purple Heart, the Meritorious Service Medal, the Silver Star, the Good Conduct Medal and the Combat Infantryman's Badge.

Pat Tillman was a loving husband, son, and brother. My heart goes out to his wife Marie, his parents, Patrick, Sr. and Mary; his two brothers, Kevin and Richard and the countless others whose lives he touched. I want his family to know that people across California and throughout our country share their grief as we also salute the gift of his life and service.

Pat Tillman was a man of great strength, courage and patriotism. His example will continue to inspire countless Americans for years to come. It is most appropriate that we honor him for his outstanding courage and his selfless devotion to others and to his country. A hero is gone, but he will not be forgotten.

HONORING ALASKA CORRECTIONAL OFFICER DANIEL BATES

Ms. MURKOWSKI. Mr. President, law enforcement officers from around the Nation—troopers, police officers, sheriff's deputies, professional corrections officers, conservation officers and rangers and federal law enforcement officers—are traveling to our Nation's Capital for the annual observance of National Police Week which begins on May 9 and continues through May 15.

National Police Week is a solemn period, during which law enforcement officers recognize their brothers and sisters who died in the line of duty and provide support and comfort to the survivors.

Last year, during National Police Week, I had the sad duty of acknowledging the loss of Officer James C. Hesterberg, the first member of the Alaska Department of Corrections to lose his life in the line of duty. This year, I must sadly acknowledge the loss of Officer John Watson of the Kenai Police Department who was fatally shot while on duty on Christmas night 2003.

On May 11, as part of the National Police Week observance, Corrections U.S.A., an association of 90,000 publicly-employed professional corrections officers, will meet to honor their brothers and sisters who have performed acts above and beyond in the protection of public safety.

It gives me great pride to recognize Officer Daniel Bates, an employee of the Alaska Department of Corrections, presently assigned to the Hiland Mountain Correctional Center, who will receive the 2004 Silver Medal of Valor from Corrections U.S.A.

On December 31, 2000, Officer Bates, then assigned to the Ketchikan Correctional Center, reacted quickly and professionally to an incident involving an inmate who one month prior was convicted of twelve criminal counts stemming from the armed robbery of a liquor store and a convenience store. Two of those counts were for the crime of attempted murder. The prisoner in question was arrested after an all night manhunt during which he shot at police officers who tried to apprehend him at a motel.

The inmate was participating in outdoor recreation at the jail when he began to scale the first of two perimeter fences around the exercise area. He succeeded in scaling the inner fence, ignoring orders to stop, and failed to stop after being struck by a rubber projectile fired by Officer Bates. After the prisoner breached the outer fence, the final barrier, Officer Bates fired at him with live ammunition, bringing him down.

Given this inmate's history of violence toward law enforcement officers, it was critical to the public's safety that Officer Bates acted promptly and decisively to prevent the escape. His calm and professional actions may have been instrumental in keeping the names of one or more Alaska law enforcement officers off of the National Law Enforcement Officer's Memorial Wall in Judiciary Square. For this we are grateful.

Our Nation's professional correctional officers are said to walk the toughest beat in law enforcement. I am pleased to join with Corrections U.S.A. in recognizing one of America's finest officers, Daniel Bates, a veteran member of the Alaska Department of Corrections, whose actions personify the department's motto, ''Vigilance Pride Dedication.''

I thank the President and yield the floor.

ABUSE OF IRAQI PRISONERS

Mr. FEINGOLD. Mr. President, I share the sense of outrage and disgust that has been expressed by so many Americans since the allegations and horrifying pictures of deeply troubling abuses at the Abu Ghraib prison in Iraq have come to light.

I am particularly sickened by the damage that has been done to the brave men and women of the United States military. The depraved acts of a few risk tarnishing the reputation of hundreds of thousands of American servicemen and women who behave honorably every day, even in extraordinarily difficult circumstances. These acts also put our troops at risk, by casting them in the role of abusers, making it more difficult to gain the trust and cooperation of Iraqis. Anytime the Geneva Convention is violated, the framework of basic standards on which all military personnel and their families depend is weakened.

I am also troubled by the irreparable damage done to American power. Our power does not come only from military might or economic muscle. We also derive power from what we stand for. Our commitment to basic human rights, to human dignity, and to the rule of law gives us power to persuade and to lead and to inspire. When this commitment is called into question, American power is diminished, and this is a terrible loss.

Now that these appalling acts have been exposed and reported around the world, we must proceed to show the world something else—that our military, our political system, and our society do not condone this behavior, that we are capable of a full and transparent accounting for what has happened and how it has happened, that we will take action to correct the failures in the system, and that we are committed to addressing these abuses through the rule of law.

DISCLOSING GOVERNMENT WRONGDOING

Mr. AKAKA. Mr. President, today I rise to pay tribute to those public servants who step forward to disclose government waste, fraud, and abuse. Commonly called whistleblowers, these individuals alert Congress and the public to threats to health, waste of taxpayer money, and other information vital to running an effective and efficient government. While there are protections in place for Federal employees who disclose government wrongdoing, certain legal decisions prevent many from coming forward. To underscore the importance of whistleblowers, Time Magazine called 2002 the ''Year of the Whistleblowers'' because of the bravery of FBI Agent Colleen Rowley, who alerted Congress to serious institutional problems at the FBI, and Sherron Watkins and Cynthia Cooper, who blew the whistle on financial mismanagement at Enron and WorldCom, respectively.

Today, as in 2002, it is important that during Public Service Recognition Week we acknowledge those who disclose information without assurances of protection and pledge to do what we can to provide full protection for those trusted public servants.

Congress has a duty to taxpayers to make informed decisions when carrying out its legislative, appropriation, and oversight functions. Such decisions require access to timely and accurate information, and when access is restricted, we are unable to provide oversight and fulfill our constitutional responsibilities. Only through a credible, functioning statute can we protect the rights of Federal workers who wish to communicate with Congress. Guaranteeing freedom from retaliation or abuse when disclosing critical information to Congress is the underpinning of the Whistleblower Protection Act, WPA.

Congress has worked hard, and continues to work, to provide real whistleblower protection to Federal employees. Unfortunately, through a series of decisions contrary to both statutory language and congressional intent, the Federal Circuit Court of Appeals, which has sole appellate review for the WPA, has denied full whistleblower protections to Federal workers and harmed Congress's ability to do its job. In fact, of the 85 retaliation cases decided on the merits since 1994, the Federal circuit has ruled for the whistleblower only once.

To ensure continued whistleblower protection, I introduced S. 1358, the Federal Employee Protection of Disclosures Act, on June 26, 2003, with Senators GRASSLEY, LEVIN, LEAHY, and DURBIN. Since introduction, we have been joined by Senators Dayton, Pryor, and Johnson. Our bill would strengthen protections for Federal employees who report government waste, fraud, abuse, gross mismanagement, and substantial and specific dangers to public health and safety.

Congress has consistently supported the principle that Federal employees should not be subject to prior restraint from disclosing wrongdoing. For example, every year since 1988 Congress has included in every Transportation, Treasury, and General Government Appropriations bill an ''anti-gag'' provision which prohibits the use of Federal funds to implement nondisclosure policies that are inconsistent with several open government statutes, such as the WPA of 1989 as amended in 1994, the Military Whistleblower Protection Act of 1998, and the Lloyd Lafollette Act of 1912, which prohibits discrimination against government employees who communicate with Congress.

However, more must be done. Since we introduced our bill there have been several more public reports of Federal employees allegedly being fired or threatened with termination or other retaliation for communicating with Congress and disclosing government wrongdoing to the press. These reports include the controversy surrounding the U.S. Park Police and cost estimates for the newly enacted Medicare prescription drug program. In order to aid these and other employees and provide full protection to Federal whistleblowers, S. 1358 would codify the ''anti-gag'' provision and allow employees to bring cases seeking remedial action for retaliation before the Merit Systems Protection Board, MSPB, an independent, quasi-judicial agency that adjudicates Federal employee appeals.

In addition, our bill, the Federal Employee Protection of Disclosures Act, would overturn certain Federal Circuit decisions which have denied protection to employees who made disclosures in the course of their job duties or reported initially to the wrongdoer or a coworker. S. 1358 would also suspend the Federal Circuit's exclusive jurisdiction over WPA reprisal cases for 5 years, and overturn the wrongly established ''irrefragable proof'' standard imposed by the Federal circuit for whistleblowers to qualify for protection.

Although much press has been given to recent whistleblower cases, it is important to remember those who have reported allegations of aircraft maintenance violations, water safety regulations, and lapses in our national security. Protecting Federal employees who blow the whistle allows us to protect taxpayers and, in recent notable instances, national security as well. That is why the WPA is often referred to as the Taxpayer Protection Act.

During Public Service Recognition Week, I urge my colleagues to remember public servants who have come forward and honor them by supporting S. 1358 and strengthening protections for whistleblowers.

ADDITIONAL STATEMENTS

THE BLACK SHIPS FESTIVAL

● Mr. CHAFEE. Mr. President, this year marks the 150th anniversary of the signing of the Treaty of Kanagawa, which opened trade between Japan and the United States. Rhode Islanders take great pride in the historic role played by Commodore Matthew C. Perry, USN, who was integral in the formation of the treaty.

In 1853, Japan had been almost completely closed to foreigners for over 200 years, denying trade, refusing shipwrecked sailors, and, most importantly, refusing to serve as a coaling station for the growing numbers of steamships slogging the long haul across the Pacific. Commodore Perry was dispatched to Japan with full diplomatic powers by President Millard Fillmore for the purpose of opening that nation's doors to foreign trade.

On Friday, July 8, 1853, Commodore Perry steamed four huge ships into what is now Tokyo Bay. The hulks breathed thick dark smoke, and were instantly dubbed the ''Black Ships'' by the shocked citizens of Japan. Their arrival set the city of Edo, inhabited by more than one million people, into commotion. The Japanese had not fought a single war for 256 years, but now they feared an invasion.

But Perry had not come to invade. Instead, he planned to deliver a letter to the Emperor, signed by President Fillmore, proposing ''that the United States and Japan should live in friendship and have commercial intercourse with each other.'' When his peaceful intentions became clear, tension around Edo Bay soon gave way to curiosity as each people sought to learn more about the strange new other.

Commodore Perry gave the presidential letter to local officials shortly after his arrival, explaining that he would return the following spring to receive the Japanese reply. He arrived in Edo Bay slightly ahead of schedule, on February 13, 1854, this time with nine ships anchored near the city of Kanagawa. The cultural exchanges continued. After a stunning parade on land, Perry arranged a 21-gun salute to honor the Emperor, and then flew the Shogun's flag from the masthead of one of his ships. He presented his hosts with an array of gifts, including books, maps of America, whiskey, wine, clocks, rifles, perfumes, a miniature steam engine with railroad, and telegraph equipment—all of which aroused much awe in the growing crowds. The Japanese presented the Commodore and his officers with gifts from the Emperor, including scrolls, porcelain tea sets, silks, jars of soy sauce, umbrellas, swords, and ornate lacquer ware. They even treated the sailors to a Sumo wrestling show. When one Japanese commissioner left an American-hosted banquet, he gave Perry a crushing hug and exclaimed, ''Japan and America, all the same heart.''

On March 31, after weeks of delicate and complex negotiations, a treaty declaring ''peace and friendship between the United States of America and the Empire of Japan'' was signed. The treaty of Kanagawa opened the seaports of Shimoda and Hokodate to American ships, and granted shipwrecked sailors protection in Japan. After the signing, the Japanese held a great feast for the Americans, and there was much celebration. As author Rhoda Blumberg writes, ''It is remarkable that people in the land of the Shogun could be so gracious and hospitable to unwanted visitors from the Black Ships and that the Americans could overcome their prejudice against a 'different' people and enjoy their company.''

Americans and Japanese were gracious, hospitable, and did enjoy each other's company at their first encounter. And that relationship continues today. The Japan-America Society and Black Ships festival of Rhode Island have helped maintain the bonds of friendship between our two nations. This month, representatives from Rhode Island will be participating in a ceremony in Newport, Rhode Island's sister city, Shimoda, Japan, commemorating the 65th anniversary of

that city's Black Ships festival. I am proud to draw the Senate's attention to this historic occasion, and to express on behalf of my colleagues our deep congratulations to Mayor Naoki Ishii, members of the City Council, and the citizens of Shimoda, Japan as they host the celebration of the mutual friendship and shared values between our two nations, common bonds that will last for many years to come.●

TEACHER APPRECIATION DAY

● Mr. BURNS. Mr. President, I honor some of the greatest men and women in the Nation—Montana teachers. In my State we are blessed to have educators making a difference each day in the lives of our young people. This week is Teacher Appreciation Week and Montana educators should hold their heads high. Montana 8th graders have the second highest science scores in the world. Eighty-four percent of Montana public school teachers in core academic fields have full certification and a major in their field, ranking Montana as one of the top States—2nd out of 50—in teacher qualification. Montana is one of the top 11 States in the percentage of high school graduates going on to college.

Yes, our children are truly fortunate. Our highly qualified teachers not only work hard, but they care about each and every student that enters their classroom. I thank you, Montana teachers, for your sense of duty and compassion to our precious future generation.●

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

ANDREA SILBERT, CEO OF THE CENTER FOR WOMEN AND ENTERPRISE AND LEADER FOR WOMEN IN BUSINESS

● Mr. KERRY. Mr. President, I would like to take this opportunity to honor Andrea C. Silbert, founder of the Center for Women and Enterprise, CWE, for her dedicated and tireless work on behalf of women in business. On Friday, after 9 years of outstanding service, Andrea stepped down as chief executive officer for CWE. I am pleased to take this moment to reflect on Andrea's achievements and her contribution to the growing community of women entrepreneurs.

Andrea began her career working for Morgan Stanley in New York, but after only a few years, left the financial capital of the world to pursue her interest in community economic development. This led Andrea to spend several years helping the less fortunate in Costa Rica, Colombia and Brazil. While in Latin America, Andrea conducted research on nontraditional exports, taught seminars in financial planning of microloan programs for Women's World Banking, and in Brazil helped disadvantaged young girls with income-generating projects.

In 1994, with this invaluable experience and fresh perspective on economic development issues in the United States, Andrea returned to her hometown of Boston with the hope of starting a nonprofit for women entrepreneurs. Her idea was to create a launching pad for all women, regardless of background, to start a business. She was particularly concerned with helping disadvantaged women break the cycle of poverty and become financial self-sufficient. Her efforts led to the establishment of a community-based resource where aspiring women entrepreneurs learn from those who have the experience and knowledge to help others succeed. On October 23, 1995, with financial backing from the Small Business Administration, the Commonwealth of Massachusetts, the Bank of Boston, and the Ewing Marion Kauffman Foundation, Andrea started CWE.

Under Andrea's leadership and with a budget of $350,000, three employees, and donated space at Northeastern University, CWE developed into a $2.6 million nonprofit employing 25 full-time staff with centers in Boston, Worcester, MA, and Providence, RI assisting nearly 2,000 clients a year. Although CWE has quickly become the model for successful women's business centers, the importance of CWE to women entrepreneurs cannot be summed up with numbers.

As more women experience this dream of business ownership, there will continue to be a need for community leaders, like Andrea, who help facilitate the path from poverty to prosperity through enterpreneurship—leaders who can help these women start small businesses, lift themselves up, and give back to their communities.

As a past president of the Association of Women's Business Centers and former member of the National Women's Business Council, Andrea has been an advocate for women in business not only in Massachusetts, but across the country. Her testimony before the Senate Committee on Small Business and Entrepreneurship in February of 1997 helped develop the nationwide network of Women's Business Centers and helped build a record of support for continued and increased funding for women who want to start businesses.

When Andrea started CWE in 1995, there were only 28 centers in the Women's Business Center network. Today, with Andrea's support, assistance and outreach through the Association of Women's Business Centers, there are 88 centers in 47 States, the District of Columbia, American Samoa, and the Virgin Islands. Last year, these centers helped 106,000 clients, but without the devotion and vision of people like Andrea, many of the women entrepreneurs across the country would not have this invaluable resource.

Andrea Silbert has not only been a leader for women in business, but a resounding voice for social change. On behalf of myself and my colleagues on the Senate Committee on Small Business and Entrepreneurship, I want to express my sincere gratitude and appreciation for Andrea's commitment to women entrepreneurs and for her many years of creating new opportunities for women and their communities. Her work through the Center for Women and Enterprise will be greatly missed, but I am confident that her successor, Donna Good, is well suited to continue Andrea's legacy of accomplishment. I want to wish Andrea success and good luck in whatever the future holds.●

DR. NORA KIZER BELL

● Mr. ALLEN. Mr. President, today I would like to commemorate the life of Dr. Nora Kizer Bell, who passed away on January 24, 2004, after a heroic fight against cancer. Throughout her distinguished life, Dr. Bell was a great champion of the liberal arts and women's education.

Among Dr. Bell's career highlights was her term as President of Wesleyan College. As the first female president of the college, she implemented numerous projects, including a major renovation and construction plan, and a new campus technology plan. She also helped increase enrollment, improve academic quality, and increase the endowment at Wesleyan.

In July 2002, Dr. Bell took office as president of Hollins University in Roanoke. During her tenure, she worked hard to make the school a Tier One university and twice saw Hollins take the top rank in ''Quality of Life,'' according to the Princeton Review.

Dr. Bell, a magna cum laude graduate of Randolph-Macon Women's College, was an articulate advocate of single-gender education. Over the years, she wrote on the issue in several prestigious publications, including: USA Today, the Washington Post and the Christian Science Monitor. For her work, she was the recipient of numerous awards, including the Order of the Palmetto, the highest civilian award presented by the Governor of South Carolina.

Dr. Bell was the loving spouse of Dr. David A. Bell, President of Macon State College, and the devoted mother of three children. She leaves behind a wonderful legacy as a mother, a friend and a leader in women's education.●

ANTHONY FILIPPIS, SR. AND THE MICHIGAN ATHLETES WITH DISABILITIES HALL OF FAME

● Ms. STABENOW. Mr. President, I rise to recognize a remarkable man and his organization—Mr. Tony Filippis, Sr. and the Athletes with Disabilities Hall of Fame.

Winston Churchill once remarked, ''We shall draw from the heart of suffering itself the means of inspiration and survival.''

And that is exactly what Mr. Filippis did.

When tragedy struck in 1929, Mr. Filippis found inspiration not only for

himself, but also for the 1.7 million disabled persons living in my home State of Michigan. Seventy-five years ago, almost to the day, Mr. Filippis's legs were mangled in a train accident, forcing amputation.

Frustrated by the discrimination plaguing him in the years that followed, he sought change. And change he found.

Mr. Filippis accepted a position as the apprentice of Carl Wright, who worked for a company that made his prosthetic legs; 10 years later they founded their own company, Wright & Filippis.

Since its founding, Wright & Filippis has grown into one of the only companies in the United States that offers complete equipment services for the disabled, from state-of-the-art prosthetic limbs to public education about rehabilitation.

More remarkably, however, is what Mr. Filippis has done for the spirit of the disabled community in Michigan. In June 1999, he founded the Athletes with Disabilities Hall of Fame.

Annually, the Hall of Fame recognizes the top Male and Female Athletes of the Year, as well as identifying a Lifetime Achievement Award winner and other Hall of Fame inductees.

The Hall of Fame, however, does more than recognize the immense athletic achievement of Michiganians with disabilities. It also tells their stories so that other people with disabilities can draw strength and inspiration from them.

It tells stories of people like Cheryl Angelelli who, despite being confined to a wheelchair due to spinal cord damage, has proven herself a formidable opponent in a swimming pool.

Among other achievements, she claimed a national title with one gold and four silver medals at the 1999 U.S. National Disability Championships. Ranking 10th in the world and second in the U.S. in the 100-meter breast stroke and the 200-meter individual medley, she earned a spot on the paralympic swimming team for the 2000 Games in Sydney, Australia.

It tells stories of people who also give back to their community. Ms. Angelelli is a member of several advisory councils for people with disabilities and her expertise is sought by the management of concert halls and stadiums on how to make their venues more accessible to their disabled patrons.

In the manner that Churchill called for, Mr. Filippis took his painful experience of discrimination and used it as fuel to try to prevent those with disabilities today from feeling the same sense of alienation he had. Through his organization, others with disabilities can be honored for their achievement and be a source of motivation to others.

We appreciate his hard work and thank him.●

CARILION MEDICAL CENTER NURSES

● Mr. ALLEN. Mr. President, today I want to congratulate the wonderful nurses at Carilion Medical Center in Roanoke for recently achieving Magnet Recognition from the American Nurses Credentialing Center, ANCC, a division of the American Nurses Association.

The mission of the ANCC is to promote excellence in nursing and health care globally through credentialing programs and related services. Their designation of Magnet Recognition is the highest honor that can be bestowed upon hospital nurses. Currently, Carilion Medical Center is one of just 102 health care organizations in the U.S. to have received this recognition from the ANCC.

Last November, I had the opportunity to tour the Carilion Medical Center. During my visit, I got to see firsthand the outstanding dedication and commitment that the nurses provide their patients. I am pleased today to recognize the exceptional nurses at Carilion Health Center on their tremendous achievement and wish them continued success.●

HONORING D.L. EVANS BANK ON 100 YEARS OF SERVICE

● Mr. CRAPO. Mr. President, I today honor D.L. Evans Bank on reaching a tremendous milestone—100 years in business. D.L. Evans bank is a financial institution in the largest sense of that word. It is a significant, established organization with branches solely in my home State of Idaho, and widely recognized for quality, personalized banking services to the community. Today I honor the Evans family and their employees for their long, proud history of financial service to Idahoans and many others.

In 1904, D.L. Evans and a group of pioneer businessman met and organized Cassia County's first bank. Despite the floods, fires, droughts, and even grasshoppers that have wreaked havoc on its customers, the bank has survived many tough economic times. As other banks around the country were closing their doors, D.L. Evans Bank was expanding—moving from its one-story frame building to a two-story stone headquarters in the early 1900s. From that original Albion branch, the bank has opened locations in Boise, Burley, Meridian, Ketchum, Jerome, Rupert, and Twin Falls. It is now the second largest community bank head quartered in southern Idaho with $388 million in assets and $345 million in deposits.

The Evans family's participation in the Idaho State Government has been no less impressive. The bank's founder, D.L. Evans, served in the Idaho Senate from 1903–1904 and 1923–1924. The current President, John V. Evans Sr., has served in numerous government capacities including as Governor of Idaho, Mayor of Malad City, State Senator and Majority and Minority Leader of the Idaho Senate, and Lieutenant Governor. The Evans family and D.L. Evans Bank have made important contributions to both the private and public sector in Idaho.

Congratulations to the employees, friends, and family of D.L. Evans on the centennial anniversary. D.L. Evans is a bank with a proud history, impressive current achievements, and a promising future. I wish the bank and its employees the best as they continue to serve the communities and families of Idaho.●

PAGE COUNTY HIGH SCHOOL 2003 BOYS' CROSS COUNTRY AND CHEERLEADING TEAMS

● Mr. ALLEN. Mr. President, I am very pleased today to recognize the great achievements and dedication of the Page County High School Boys' Cross Country and Cheerleading teams. Both teams finished their outstanding 2003 seasons by winning State championship titles.

Throughout the season, the cross country and cheerleading teams showed the determination of a championship team. They worked continuously to develop needed skills, persevere as athletes and follow the leadership of their coaches.

This is the third State title in 4 years for the Panthers Boys' Cross Country Team. In addition, the Panthers have won the Shenandoah District regular season championship for six consecutive seasons and have now been crowned District Champions for 5 years in a row.

Congratulations to the members of the Page County High School Boys' Cross Country Team: Adam Atkins, Nathan Batman, Steve Beers, Wayne Beers, Zach Bouldin, Tommy Copeland, Jeff Frazier, Nathaniel Nelson, Ethan Price, Todd Somers, T.J. Stoneberger; and their Coach Stanley Price.

This is also the cheerleading team's third victory at the Virginia High School League Group A State cheerleading championship in 4 years. The Panthers have now won seven consecutive Shenandoah District Championships and five consecutive Region B cheerleading titles.

I would also like to congratulate the members of the Page County Cheerleading Team: Brittany Aldrige, Heather Alger, Casey Burke, Ashley Campbell, Caitlin Cave, Elizabeth Colopy, Tiffany Comer, Amanda Cubbage, Kara Greber, Stephanie Grimsley, Kendrick Harris, Preston Harris, Felicia Jenkins, Sara Maiden, Kayla McPherson, Clay Nevitt, Vanessa Prince, Tiara Rodgers, Holly Shifflett, Sean Stewart, Nicole Taylor, Kevin Tester, Aaron Williams, Whitney Williams, Megan Yager; and their Coaches, Barbara Hilliard, Brandy Strickler and Kevin Cubbage.

I am pleased to congratulate all of the athletes and the coaches on the Page County Boys' Cross Country and Cheerleading teams. They have made

Page County and the Commonwealth of Virginia proud of their great achievements. Keep winning.●

DISTINGUISHED MONTANANS

● Mr. BAUCUS. Mr. President, I rise today with great pride to honor a group of distinguished Montanans. Alyson Mike and Thomas Andres, Montana's 2004 Milken Educator Award recipients deserve recognition for their outstanding work and service to our State and to the children they teach every day.

Public service is the most noble thing a person can do. Whether it is service to one's church, community or government, there is nothing more honorable. Alyson and Thomas are at the top of a lengthy list of quality teachers in Montana to stand among their fellow American teachers to receive this national award.

The Milken Educator Award provides public recognition and a $25,000 honorarium to teachers, principals and other educators who have a proven record of excellence in education. Alyson, a natural science teacher at East Valley Middle School, and Thomas, a science teacher at St. Labre Catholic Indian School, both have strong records of excellence. In fact, I was recently honored to recognize Alyson as Montana's 2004 Teacher of the Year.

In Montana, there is little difference between our schools and our communities. This award highlights the great quality of teachers we have in Montana and spotlights the good things happening in our schools.

Alyson and Thomas are two of Montana's high quality teachers that are helping to shape our State's future. They are creating an environment that encourages learning, instilling a curiosity and a desire to learn—all of which will produce a more educated workforce. A better educated work force will spur job creation and translate into a stronger economy with more good-paying jobs. The best way to ensure Montana's future is through a well-educated work force.

We in Montana are very fortunate to be able to claim teachers like Alyson Mike and Thomas Andres as our very own. They are playing a vital role in our State's future. I commend Alyson and Thomas for all they have done and I am confident they will continue to serve their students well.

I would also like to recognize Polson High School as Montana's 2004 winner of the 'We the People' Competition. By winning the State competition, nineteen of our State's brightest government students and their teacher qualified to represent Montana in the National Civics Competition on the United States Constitution.

The names of the 19 students who are receiving this honor are as follows: Charlie Cooper, Chance Dupuis, Sky Fredrickson, Ashley Gilchrist, Kasey Harwood, Rosanna Ho, Chad Hunsucker, Bonnie Klein, Brandon McCurdy, Kdee Meidinger, Zach Morrow, Candace Myers, Andrew Ofstad, Kiel Rafter, Chris Rossmith, Kai Smith, Kate Taylor, and Christine Woidtke.

Pat Danley is the teacher whose expertise, guidance, and encouragement that helped these students receive this honor. Pat Danley is a veteran government and political science teacher at Polson High School. I commend Pat on his ability to prepare these students for this competition.

These students have demonstrated a strong understanding of the U.S. Constitution and the Bill of Rights. Here in Congress, I think we can all recognize the value of fostering civic competence and responsibility. These students are Montana's future leaders, and I am proud to recognize their accomplishment.●

50TH ANNIVERSARY OF THE FLORENCE WOMAN'S CLUB

● Mr. BUNNING. Mr. President, I rise to congratulate the Florence Woman's Club of Florence, KY on the recent celebration of its 50th anniversary.

The Florence Woman's Club was founded on April 20, 1954. Its goal was simply to make the city of Florence a better place to live. The causes that the club has lent its time to are almost too numerous to mention. They have been involved in raising money to fight cancer, working at local veterans' hospitals, and helping with the preservation of historic buildings in the area, to name just a few.

The citizens of northern Kentucky are fortunate to have the services of the Florence Woman's Club. This organization's example of dedication, hard work and compassion should be an inspiration to all throughout the Commonwealth of Kentucky.

They have my most sincere appreciation for this work, and I look forward to their continued service to Kentucky. I have no doubt that they will be just as productive in their next 50 years as they have been in their first 50. Congratulations.●

UNIVERSITY OF VIRGINIA SWIM AND DIVE TEAMS

● Mr. ALLEN. Mr. President, I am pleased today to recognize the 2003–2004 University of Virginia Men's and Women's Swimming and Diving teams for their hard work in winning the 2004 ACC Championship.

These athletes, under the strong coaching of Mark Bernadino, devoted a tremendous amount of time and energy to studying, training and competing. It was through their endless drive and dedication that they were able to become ACC Champions this season.

As a former student-athlete at UVA, I understand the impact that athletics play in the development of an individual's character and life. Sports teach us important lessons of self-discipline, perseverance, teamwork and sportsmanship. The benefits of participating in athletics can prove valuable in the daily lives of student-athletes whether at school or at work in their communities. Each of these student-athletes is a leader and a winner, not just in the water but also in the classroom.

I congratulate Coach Bernadino and the University of Virginia Swim and Dive teams on their 2004 ACC Championship and wish them continued success in the future. Keep winning.●

SAMUEL HOPKINS SHRUM

● Mr. ALLEN. Mr. President, I am pleased today to recognize Mr. Samuel Hopkins Shrum, a native of Dayton, VA, who was honored this year for 55 years of perfect attendance by the Rotary Club of Harrisonburg, VA. Mr. Shrum's commitment to the Harrisonburg Rotary is just one example in a lifetime of dedication and hard work.

An architectural engineering graduate of the Virginia Polytechnic Institute, Mr. Shrum later attended Westminster Choir College in Princeton, NJ for post-graduate studies. He began his professional career with George E. Shrum & Son, eventually becoming a production engineer at Newport News Shipbuilding and Dry Dock Company. Hard work and dedication led him to become President of Nielson Construction Company in 1962 where he served until his retirement in 1976. The company grew from a small operation of seven employees to nearly 300 while Mr. Shrum served as executive vice-president, general manager, treasurer and director, before being named its president.

Today, I congratulate Mr. Shrum for his dedication and commitment to service in the Harrisonburg community and wish him continued success.●

H. ODELL ''FUZZY'' MINNIX

● Mr. ALLEN. Mr. President, I am pleased today to recognize Mr. H. Odell ''Fuzzy'' Minnix for his community service and leadership. Mr. Minnix recently retired after serving three terms on the Roanoke County Board of Supervisors, including several years as the board's chairman. During his 12 years on the Board of Supervisors, Roanoke County saw significant improvement in its quality of life; in recent years, the county was recognized as one of the best school systems in the Nation and the community's continued commitment to expansion and growth resulted in the creation of more jobs and opportunity in the region.

Throughout his life, Fuzzy Minnix has been a community leader and volunteer. He was the recipient of the Roanoke Valley Big Brother of the Year Award and has been an avid supporter of youth sports, having been Head Football Coach at Hidden Valley Junior High School. Mr. Minnix also served as Head Softball Coach, Assistant Varsity Football Coach and Assistant Varsity Track Coach at Cave Spring High

School. Over the years, he has remained active as a Virginia High School League Football and Basketball official.

A Roanoke native, Mr. Minnix began his distinguished career serving 4 years in the U.S. Air Force. After his military service, he entered a career in the air traffic control industry. A graduate of the FAA Air Traffic Control Academy in Oklahoma City, Mr. Minnix has worked as an Air Traffic Controller at airports in Norfolk, Dulles, Roanoke and Lynchburg.

Among his professional recognitions, Fuzzy Minnix was the winner of the Roanoke Federal Employee of the Year award and the FAA Education Facilitator of the Year award for the Eastern Region.

Mr. Minnix and his wife, Janet, have two sons. They are active members of the Ghent Grace Brethren Church, where Fuzzy has served as a Moderator and Sunday School Superintendent.

The Roanoke region will surely miss the leadership and talents that Mr. Minnix displayed on the county's Board of Supervisors. I congratulate him on his community service and wish him well in his retirement.●

DAVIS COINER ROSEN

● Mr. ALLEN. Mr. President, today I would like to commemorate the life of a respected leader and a great friend to the Commonwealth of Virginia, Mr. D. Coiner Rosen of New Market, who passed away on March 13, 2004.

Mr. Rosen's contributions have left an indelible mark on the Commonwealth of Virginia. The Soldiers Confederate Cemetery, Shenandoah County Historical Society and the Mount Jackson Museum are just a few of the projects that benefited from his generosity, vision and leadership. Throughout his life, Coiner Rosen demonstrated great dedication to the preservation of the natural beauty and historical significance of the Shenandoah Valley. Because of his tireless efforts and unwavering dedication, generations of Virginians and Americans will be able to visit and gain a greater understanding of our heritage.

Today we remember the remarkable life of Mr. D. Coiner Rosen and commend the positive contributions he made to Virginia. The dedicated and selfless service he provided throughout his years to preserve the history of our Commonwealth and our Nation will benefit Americans for years to come.●

MESSAGE FROM THE HOUSE

At 5:04 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 3780. Concurrent resolution recognizing the benefits and importance of school-based music education.

H. Con. Res. 408. Concurrent resolution congratulating the University of Denver men's hockey team for winning the 2004 NCAA men's hockey national championship, and for other purposes.

The message also announced that pursuant to 22 U.S.C. 3003 note, and the order of the House of December 8, 2003, the Speaker appoints the following Member of the House of Representatives to the Commission on Security and Cooperation in Europe: Mr. MCINTYRE.

MEASURES REFERRED

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 380. Concurrent resolution recognizing the benefits and importance of school-based music education; to the Committee on Health, Education, Labor, and Pensions.

H. Con. Res. 408. Concurrent resolution congratulating the University of Denver men's hockey team for winning the 2004 NCAA men's hockey national championship, and for other purposes; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–7325. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A319, A320, and A321 Airplanes Doc. No. 2002–NM–18'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7326. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Class E Airspace: Lexington, TN'' (RIN2120–AA66) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7327. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace: Kwigillingok, AK'' (RIN2120–AA66) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7328. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace: Ruby, AK'' (RIN2120–AA) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7329. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace: Jamestown, KY'' (RIN2120–AA66) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7330. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace: Juneau, AK'' (RIN2120–AA) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7331. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of Class E Airspace: Hays, KS'' (RIN2120–AA) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7332. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls Royce Deutschland (RRD) TAY 611–8. TAY 620–15, TAY 650–15, and TAY 651–54 Turbofan Engines'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7333. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 737–100, 200, 300, 400, and 500 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7334. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revocation of Class D Airspace Area: Chicago, IL'' (RIN2120–AA66) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7335. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Sikorsky Aircraft Corporation Model S–76 A, B, and C Helicopters'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7336. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A319, A320, and A321 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7337. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dornier Model 328–100 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7338. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Bombardier Model CL–600–2C10 (Regional Jet Series 700 & 701), and CL–600–2D24 (Regional Jet Series 900) Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7339. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Empresa Brasilera de Aeronautica S.A. (EMBRAER) Model EMB–120 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7340. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of

a rule entitled ''Airworthiness Directives: Bombardier Model DHC–8–401 and 402 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7341. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A330–301, 321, 322, 341, and 342 Airplanes Model A340–211, 212, 213–311, 312, and 313 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7342. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 747–400F Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7343. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Pilatus Aircraft Ltd. Models PC–12 and PC–12/45 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7344. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Aerospace Technologies of Australia Pty Ltd Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7345. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: McDonnell Douglas Model DC–9–14, 15, 15F, 31, 32, 32 (CD–9C), 32F (C–9A, C–9B), 33F, 34, and 34F Airplanes and Model DC–9–21, DC–9–41. and DC–9–51 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7346. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: McDonnell Douglas Model DC–9–15 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7347. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Airbus Model A310 and A320 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7348. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Saab Model SAAB 2000 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7349. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: McDonnell Douglas Model DC–9–10, 20, 30, 40, and 50 Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7350. A communication from the Paralegal Specialist, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 757–200 and 200CB Airplanes'' (RIN2120–AA64) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7351. A communication from the Chief, Regulations and Administrative Law, Coast Guard, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations: [Including 95 Regulations]'' (RIN1625–AA00) received on May 3, 2004; to the Committee on Commerce, Science, and Transportation.

EC–7352. A communication from the Regulations Coordinator, Centers for Medicare and Medicaid Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program: Changes to the Criteria for Being Classified as an Inpatient Rehabilitation Facility'' (RIN0938–AM71) received on May 3, 2004; to the Committee on Finance.

EC–7353. A communication from the Regulations Coordinator, Centers for Medicare and Medicaid Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Prospective Payment System for Long–Term Care Hospitals: Annual Rate Updates and Policy Changes'' (RIN0938–AM84) received on May 3 , 2004; to the Committee on Finance.

EC–7354. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of a D.C. Act 15–418, ''Unemployment Compensation and Domestic Violence Amendment Act of 2004''; to the Committee on Governmental Affairs.

EC–7355. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of a D.C. Act 15–417, ''Disposal of District–Owned Surplus Real Property in Ward 8 Temporary Amendment Act of 2004''; to the Committee on Governmental Affairs.

EC–7356. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of a D.C. Act 15–416, ''Commission on Selection and Tenure of Administrative Law Judges Non–Liability Temporary Act of 2004''; to the Committee on Governmental Affairs.

EC–7357. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of a D.C. Act 15–415, ''Freedom Way Designation Act of 2004''; to the Committee on Governmental Affairs.

EC–7358. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, the report of a D.C. Act 15–414, ''Language Access Act of 2004''; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

POM–413. A joint memorial adopted by the Legislature of the State of Washington relative to the federal temporary unemployment compensation program; to the Committee on Health, Education, Labor, and Pensions.

HOUSE JOINT MEMORIAL 4031

Whereas, over the past few years, the national economy has struggled unsuccessfully to rebound from the recession, and a strong and sustainable recovery remains elusive; and

Whereas, there are two million four hundred thousand fewer jobs today than when the recession began; and

Whereas, in November 2003, long-term joblessness reached a twenty-year high, and nearly one-fourth of the unemployed have been out of work for at least half a year; and

Whereas, in November 2003, the nation's unemployment rate remained at five and nine-tenths percent, and Washington's unemployment rate was among the highest in the country at six and eight-tenths percent; and

Whereas, Congress and the President originally approved temporary extended unemployment compensation to provide assistance to unemployed workers who were unable to find new jobs before exhausting their regular benefits, and to stimulate the economy by injecting dollars directly into local communities; and

Whereas, unemployed workers in most states could receive up to thirteen weeks of federal temporary extended unemployment compensation; and

Whereas, unemployed workers in states suffering from severe economic distress such as Washington could receive up to twenty-six weeks of federal temporary extended unemployment compensation; and

Whereas, Congress adjourned without providing for a further extension of unemployment compensation benefits after December of 2003; and

Whereas, across the nation, more than one million unemployed workers are expected to exhaust their regular benefits in the first quarter of 2004; and

Whereas, in Washington, more than twenty-five thousand unemployed workers are expected to exhaust their regular benefits in the first quarter of 2004; and

Whereas, these unemployed workers are left with few, if any, job prospects or other means of assistance; and

Whereas, Federal temporary extended unemployment compensation benefits helped these hard-working people and their families put food on the table and pay their bills while they looked for work; and

Whereas, Federal temporary extended unemployment compensation injected cash into troubled economies throughout the nation and in Washington; and

Whereas, the economic and labor market conditions that warranted federal temporary extended unemployment compensation still persist; and

Whereas, if federal temporary extended unemployment compensation benefits are not extended, workers and their families will suffer severe economic hardships and states such as Washington will be deprived of this crucial economic boost: Now, therefore,

Your Memorialists respectfully pray that Congress and the President extend and make retroactive the federal temporary unemployment compensation program. Be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the Secretary of the Department of Labor, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–414. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to treatment of chronic diseases; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 170

Whereas, an estimated 125 million Americans suffer from at least one chronic illness, which includes such maladies as asthma, arthritis, diabetes, heart disease, mental illness, and many cancers. Approximately 60 million people are afflicted with more than one of these conditions; and

Whereas, chronic illnesses, which are responsible for 7 of every 10 deaths, are the

leading cause of death in our country. More than 75 percent of state Medicaid spending goes toward the treatment of chronic illnesses, and more than half of Medicaid spending treats Medicaid enrollees who have more than one chronic disease; and

Whereas, the health care system of the United States could more accurately be called a ''sick care'' system, as most costs are incurred in the treatment of acute episodes of chronic illnesses that, in many cases, could be avoided or lessened by preventive measures. Many chronic diseases can be mitigated through improved diet, increased exercise, avoiding tobacco use, or other management steps. In spite of this, our country spends only a fraction of its health care money on prevention; and

Whereas, many studies have demonstrated widespread problems with the quality of care delivered to individuals with chronic illnesses. These studies often cite the absence of appropriate screening and follow-up care, inadequate coordination of treatment among health care providers, and many preventable and costly complications; and

Whereas, there are structural barriers to improved treatment of chronic illnesses. Specifically, Medicaid and Medicare do not encourage preventive steps or better coordination for the treatment of people with more than one disease. Clearly, with the financial pressures in health care and the aging of our population, we need to take stronger steps to deal with chronic conditions in a more effective manner: Now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States and the United States Department of Health and Human Services to make the treatment of chronic diseases a higher priority. We urge federal policy makers to transform the regulatory, financial, and clinical structures for dealing with chronic diseases, including more support for preventive measures, better coordination of care, and the removal of regulatory barriers within Medicaid and Medicare and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the United States Department of Health and Human Services.

POM–415. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to pregnancy care centers in Michigan; to the Committee on Health, Education, Labor, and Pensions.

HOUSE RESOLUTION NO. 167

Whereas, pregnancy care centers, which are also known as crisis pregnancy centers, are located in Michigan and across our country and provide vitally needed help to women and families at difficult times in their lives. These centers offer free, confidential, and compassionate services, which range from pregnancy testing and childbirth classes to help with housing, counseling, and medical referrals; and

Whereas, pregnancy care centers encourage women to make positive choices in life by providing them with accurate and complete information. This information covers such key topics as nutrition, prenatal care, adoption service, and parenting; and

Whereas, many pregnancy care centers across the country also offer classes in abstinence education, including programs carried out in schools; and

Whereas, the work of pregnancy care centers is largely conducted by volunteers, with contributions of time, talent, and financial support from people who seek the intrinsic value of helping women and families facing a variety of very personal difficulties. With the strong societal implications of the good work being done at pregnancy care centers across our state, these centers are performing a great volume of services that clearly are carried out for the public benefit: Now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States and the Michigan Department of Community Health to develop collaborative relationships with pregnancy care centers in Michigan. We urge that any assistance made available to help with medical and abstinence education programs be administered in a manner that does not compromise the values of the centers; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the Michigan Department of Community Health.

POM–416. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative funding for DNA testing; to the Committee on the Judiciary.

HOUSE RESOLUTION NO. 193

Whereas, one of the most significant breakthroughs in the area of crime fighting is DNA testing. This scientific technology has had a dramatic impact in protecting innocent people accused of crimes and identifying murderers, rapists, and other violent criminals. Because of the effectiveness of this tool, there is enormous frustration among citizens and law enforcement professionals that there is a large backlog of cases awaiting laboratory testing, both here in Michigan and across the country; and

Whereas, in spite of state and federal efforts to date, there remains in Michigan a backlog of over 74,000 cases awaiting DNA testing. It is estimated that Michigan State Police labs can expect 50,000 new DNA samples per year. At the current level of funding available, it is expected that only 42,000 of these can be processed annually, adding to the backlog of cases; and

Whereas, this lag in testing represents a genuine threat to public safety. There have been well-publicized reports of new violent crimes being committed by people who were on the streets solely because tests were still pending. Police across the state are confident that, if the backlog of cases were to be eliminated, thousands of unsolved serious crimes, including murders and rapes, would be solved. The magnitude of removing so many violent criminals from society cannot be ignored; and

Whereas, the issue of finding ample resources to conduct DNA tests on a timely basis is a substantial security issue for our nation. The federal nature of this issue is further underscored by the fact that violent criminals often move around the country. Clearly, this issue is vital to the safety of our citizens: Now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States to increase the level of federal funds available to the states for DNA testing; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–417. A memorial adopted by the House of Representatives of the Legislature of the State of Florida relative to the protection of crime victim's rights; to the Committee on the Judiciary.

HOUSE MEMORIAL NO. 335

Whereas, the rights of a victim of violent crime, being capable of protection without denying the constitutional rights of those accused of victimizing him or her, should not be denied, and

Whereas, a victim of a violent crime should have the right to reasonable and timely notice of any public proceeding involving the crime and of any release or escape of the accused, and

Whereas, a victim has the right to be included in such public proceeding and to be reasonably heard at public release, plea, sentencing, reprieve, and pardon proceedings, and

Whereas, a victim has the right to adjudicative decisions that duly consider the victim's safety, interest in avoiding unreasonable delay, and just and timely claims to restitution from the offender, and

Whereas, these rights should not be restricted except when and to the degree dictated by a substantial interest in public safety or the administration of criminal justice or by compelling necessity: Now, therefore, be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States is requested to enact a proposed amendment to the Constitution of the United States to protect the rights of crime victims. Be it further

Resolved, That copies of this memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Florida delegation to the United States Congress.

POM–418. A joint memorial adopted by the Legislature of the State of Washington relative to the Aganda family of Selah, Washington; to the Committee on the Judiciary.

HOUSE JOINT MEMORIAL 4041

Whereas, the plight of the Aganda family of Selah, Washington has touched the hearts of citizens all over the state; and

Whereas, Tomas Aganda, his wife Judy Aganda, and their daughter Jennylyn Aganda face concerted and repeated efforts by the United States Government to deport this family back to the Philippines; and

Whereas, the Aganda family, including sons Herbie and Khmson and daughter Stephanie, have been outstanding members of the Selah community for over a decade; and

Whereas, the Aganda family lawfully entered this country on October 22, 1990, and shortly thereafter purchased a small laundry business in the Selah community; and

Whereas, Judy Aganda's parents are United States citizens who live in Yakima; and

Whereas, the Aganda family first sought an investor's visa so that they could stay and contribute their energy and talents to this community and Country, but were denied because the business was considered too small to support the family; and

Whereas, the business is viable and has supported the family for over a decade; and

Whereas, Judy Aganda has a cancerous growth as the base of her skull that requires continued treatments that would not be available to her in the Philippines; and

Whereas, United States District Court Judge Fred Van Sickle, in granting a six-month stay of the deportation order, noted that the United States Government's insistence on deporting Judy Aganda, in the face of her life-threatening condition, was a

''magnitude of constitutional violation that is what I regard as a manifest injustice''; and

Whereas, the protection of the six-month stay will end April 17, 2004, but the need for a compassionate and reasoned resolution of this crisis remains: Now, therefore,

Your Memorialists respectfully pray that the United States Government end its concerted efforts to deport the Aganda family and to instead provide them an opportunity to remain in this country, especially in light of the fact that their daughter Stephanie, who is a United States citizen, will be twenty-one years old in 2005 and will then be able to file an immigrant visa for her parents; and further,

That is the United States Bureau of Citizenship and Immigration Services, acting in concert with the Department of Homeland Security, is unwilling or unable to provide this compassionate relief, then we call upon the members of our state's congressional delegation to seek relief for the Aganda family through the passage of a private bill of relief. Be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, Tom Ridge, Secretary of the Department of Homeland Security, Eduardo Aguirre, Jr., Director of the U.S. Bureau of Citizenship and Immigration Services, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–419. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to granting a federal charter to the Korean War Veterans Association; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION NO. 24

Whereas, as our nation witnesses once again the sacrifices of our fellow citizens taking up arms to preserve liberties, we have reawakened our sensitivity to the importance of service to veterans from all of America's wars. Organizations that work to help and advocate on behalf of veterans help fulfill a promise between our country and its defenders; and

Whereas, the Korean War Veterans Association is the only veterans organization comprised exclusively of Korean War veterans. This group has established an excellent record of service to those who served and suffered in Korea and their families; and

Whereas, however, the Korean War Veterans Association is one of the few veterans groups of its size operating without a federal charter. Legislation is currently pending in Congress in both the House of Representatives (H.R. 1043) and the Senate (S. 478) to grant a federal charter; and

Whereas, the long overdue granting of a federal charter would enable the association to significantly enhance its efforts to help needy Korean War veterans and their families. With a charter, which would extend to it the same status as other veterans groups, the Korean War Veterans Association would be able to further its work and participate more fully with other groups. A federal charter also would permit the organization to assist in processing claims for benefits; and

Whereas, as our nation marks the fiftieth anniversary of the end of military hostilities on the Korean Peninsula, granting the federal charter would be most appropriate: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That we memorialize the Congress of the United States to enact legislation to grant a federal charter to the Korean War Veterans Association; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–420. A resolution adopted by the City Council of the City of Gulfport of the State of Mississippi relative to same sex marriages; to the Committee on the Judiciary.

RESOLUTION

Whereas, the Mayor and City Council recognize that marriage as an exclusive ceremonial relationship between a man and a woman is not only traditional, but is a principle upon which this country was founded, and is a union that has been held sacred in society and essential to the moral value system in the City of Gulfport, State of Mississippi, and throughout this land; and that state and local tax laws, criminal laws, marital benefits, rights and benefits arising from the spousal relationship and dependents' rights are structured in this country historically and presently to a man and woman (opposite sex) marital relationship; and

Whereas, it is recognized that same sex relationships are offensive to many citizens in this country for traditional, personal, and religious reasons, and that marriages of a man and woman have always been celebrated as proper, and always will be acknowledged as natural, proper and built and honored upon a foundation of values of the United States of America; and the recognition of same sex marriages on the other hand will have a devastating effect on the moral traditions and on the laws and legal system of the country, and shall ultimately mandate marriage unions to be ordained within religious denominations against serious religious beliefs of certain faiths thereby bringing about a dissolution of freedom of religion in this Country; and

Whereas, believing that States should have a right to protect its traditions and values, especially when confirmed by the will of the people, and for the purpose of protecting the family and its values, the Governing Authority of the City of Gulfport hereby desires to memorialize its support of the position addressed by President George W. Bush that an amendment to the United States Constitution should be placed by the legislative branch of the United States of America on the ballot to allow the electorate to decide whether or not laws prohibiting recognition of same sex marriages are legitimate and not to be overruled by the Courts: Now therefore, be it

Resolved by the Mayor and City Council of Gulfport, Mississippi, as follows:

Section 1. That the matters, facts, and things recited in the Preamble hereto are hereby adopted as the official findings of the Governing Authority.

Section 2. That United States President George W. Bush be, and he is hereby officially commended by the Mayor and City Council of the City of Gulfport, Mississippi, for his position statement and proposal that the legislative branch of the Government of the United States of America enact legislation to allow the electorate of the country to vote on an amendment to the United States Constitution that will clearly establish that laws prohibiting recognition by the States of same sex marriages are constitutionally valid; and the Governing Authority of the City of Gulfport, Mississippi hereby makes publicly known is support of this position by President Bush.

Section 3. That this Resolution shall take effect immediately upon its passage, and shall be spread upon the minutes of the Gulfport City Council, and copies shall be directed to the President of the United States of America, Honorable Dick Cheney, Vice President of the United States of America, to the Speaker of the U.S. House of Representatives, to the Majority Leader of the U.S. Senate, and to Honorable Trent Lott, U.S. Senator, Honorable Thad Cochran, U.S. Senator, and Honorable Gene Taylor, U.S. Representative to Congress, and the Governor and Lieutenant Governor of the State of Mississippi, the Speaker of the House of Representatives of the State of Mississippi, the President Pro Tem of the Mississippi State Senate, and the Harrison County delegation to the Mississippi Legislature, such other officials in government as the Mayor or City Council may direct to receive a copy thereof.

POM–421. A resolution adopted by the Senate of the General Assembly of the State of Tennessee relative to funding for the Juvenile Accountability Block Grant; to the Committee on the Judiciary.

SENATE RESOLUTION NO. 110

Whereas, the Juvenile Accountability Block Grant (JABG) was enacted in the 2002 reauthorization of the Juvenile Justice and Delinquency Prevention Act; and

Whereas, this grant provides dollars for use by states and units of local government to promote greater accountability in the juvenile justice system; and

Whereas, between 1998 and 2002, the State of Tennessee received $20,757,000 in JABG funds for accountability-based juvenile justice system programs; and

Whereas, rural counties across the State have received funds to assist with juvenile court services and with decreasing the backlog of juvenile cases; and

Whereas, the types of programs in Tennessee currently being funded by the JABG include: (1) intensive probation services; (2) residential observation and assessment services; (3) intensive after-care services: (4) alternative school and summary adventure-based programs; (5) additional juvenile court officers and referees to handle cases; (6) improved data systems for tracking juvenile cases; and (7) new youth and drug courts for diversion from the regular juvenile justice system; and

Whereas, because of the JABG funds, juvenile courts in rural areas, which normally have minimal resources; now have a greater variety of services to meet more individualized needs; and

Whereas, because of the services enabled by the JABG funds, juvenile offense referrals in Tennessee for crimes such as homicide, robbery, aggravated assault, rape, larceny, and burglary have been reduced by 16 percent between 1997 and 2001; and

Whereas, the JABG funds are providing for seven staff positions and community-based services through OASIS Center, YCAP Positive Beginnings program, Save Our Children and Frank Reed Memorial Tutoring Program, all of which are community-based youth serving non-profit agencies in Nashville, Tennessee; and

Whereas, because of services provided by JABG funds, the Metropolitan Nashville/Davidson County juvenile court's central intake diversion unit was able to divert 1,700 youth out of the juvenile justice system; and

Whereas, JABG funds are being used in Davidson County to support an onsite mental health specialist in the juvenile court, who facilitates intervention with the mental health cooperative and provides the court with information on youth who are acting in ways that warrant evaluation; and

Whereas, it is necessary to maintain JABG funds to continue the success of reducing juvenile crime in Tennessee and providing

more individualized, accountability-based interventions for youth involved with the juvenile courts: Now, therefore, be it

Resolved by the senate of the one hundred third general assembly of the state of Tennessee, That the continued success in the reduction of juvenile crime in Tennessee and the increase of vital services provided to children who are in the juvenile criminal system is dependent upon the renewal of Juvenile Accountability Block Grant funds by the federal government. Be it further

Resolved, That the Senate strongly urges the United States Congress and the President of the United States to restore funding for the Juvenile Accountability Block Grants because of the tremendous value these funds provide for local communities in Tennessee. Be it further

Resolved, That the Chief Clerk of the Senate is directed to transmit enrolled copies of this resolution to each member of the Tennessee Congressional Delegation, to the Honorable George W. Bush, President of the United States, to the Speaker and Clerk of the United States House of Representatives, and to the President and Secretary of the United States Senate.

POM–422. A resolution adopted by the Senate of the General Assembly of the State of Ohio relative to the Election Assistance Commission; to the Committee on Rules and Administration.

SENATE RESOLUTION NO. 1550

Whereas, the help America Vote Act of 2002, Public Law No. 107–252, establishes the Election Assistance Commission to serve as a national clearinghouse and resource for the compilation of information and review of procedures with respect to the administration of federal elections; and

Whereas, the Election Assistance Commission, among its other responsibilities, is charged with providing for the testing, certification, decertification, and recertification of voting system hardware and software by accredited laboratories, as well as the adoption of voluntary voting system guidelines; and

Whereas, states desiring to implement voter-verifiable paper ballots for electronic voting systems are dependent upon the Election Assistance Commission issuing its certifications and voluntary voting system guidelines in order to acquire secure voting machines; and

Whereas, the members of the Senate of the 125th General Assembly of Ohio are committed to seeing the provisions of the Help America Vote Act of 2002 implemented in such a manner as to make electronic voting as safe and secure as possible for Ohio citizens: Now therefore be it

Resolved, That we, the members of the Senate of the 125th General Assembly of Ohio, request the Congress of the United States to direct the Election Assistance Commission to develop standards and security accreditation guidelines for all electronic voting devices in accordance with the Help America Vote Act of 2002; and be it further

Resolved, That we, the members of the Senate of the 125th General Assembly of Ohio, request the Congress of the United States to direct the Election Assistance Commission to establish standards for the design and use of reasonably affordable voter-verifiable paper ballots for electronic voting systems for states that desire to implement the use of those ballots; and be it further

Resolved, That we, the members of the Senate of the 125th General Assembly of Ohio, further request the Congress of the United States to direct the Election Assistance Commission to expedite its efforts regarding the testing, certification, decertification, and recertification of voting system hardware and software and the adoption of voluntary voting system guidelines pursuant to the Help America Vote Act of 2002; and be it further

Resolved, That the Clerk of the Senate transmit duly authenticated copies of this resolution to the members of the Ohio Congressional delegation, to the Speaker and Clerk of the United States House of Representatives, to the President Pro Tempore and Secretary of the United States Senate, and to the news media of Ohio.

POM–423. A joint memorial adopted by the Legislature of the State of Washington relative to the State's DVA health care system; to the Committee on Veterans' Affairs.

SENATE JOINT MEMORIAL 8040

Whereas, there are 670,000 veterans who have chosen to call the great State of Washington home; and

Whereas, these citizens are deserving of a world class health care system to deal with injuries and diseases resulting from their selfless service to our country; and

Whereas, Washington State has significantly fewer veterans being served by the United States Department of Veterans Affairs (U.S. DVA) than other states in the nation, and in 2002 was ranked second to the last in the number of veterans receiving health care through the U.S. DVA; and

Whereas, veterans in Washington State are being placed on waiting lists by the U.S. DVA in order to receive health care and pharmacy services; and

Whereas, the U.S. DVA national waiting list data from July 2002 through September 2003 indicates the Veterans' Integrated Service Network 20, which includes Washington State, has the largest number of veterans waiting for nonemergent clinic visits; and

Whereas, an increasing number of Washington State veterans who formerly relied on alternate health care providers are finding themselves without health care and are turning to the U.S. DVA for their health care for the first time; and

Whereas, the U.S. DVA Capital Asset Realignment for Enhanced Services (CARES) initiative has not fully considered the current and future need for veterans' health care services across the Veterans' Integrated Service Network; and

Whereas, it is imperative that Washington State receive adequate federal resources to care for the increasing number of veterans who will rely on the U.S. DVA for health care services: Now, therefore,

Your Memorialists respectfully pray that the President will ensure the U.S. DVA health care system in Washington State will be adequate to serve the current and future demands of our state's veterans. Your Memorialists further pray that Congress and the President affirm the debt owed these veterans and provide funding for those services deemed necessary. Be it

Resolved, That copies of this Memorial be immediately transmitted to the Honorable George W. Bush, President of the United States, the Secretary of the United States Department of Veterans Affairs, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–424. A resolution adopted by the House of Representatives of the Legislature of the State of Michigan relative to eligibility for prisoner of war benefits; to the Committee on Veterans' Affairs.

HOUSE RESOLUTION NO. 179

Whereas, under current federal law, a former Prisoner of War is eligible for special benefits when the imprisonment extends for a period of at least 30 days. These benefits include a variety of health services, including some that require a threshold of eligibility of 90 days of internment; and

Whereas, many people strongly feel that the length of time served as a POW necessary to receive special benefits is far too long. The sacrifice being made by members of our military who are incarcerated as prisoners and the conditions they face are such that the 30-day requirement is entirely inappropriate; and

Whereas, much stronger protections should be extended to the men and women who risk everything in defense of their country and their fellow citizens. Creating a minimum threshold for POW benefits eligibility would send an important message to our military that our country is making a true commitment to these heroes commensurate with their suffering and sacrifices: Now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States to enact legislation to reduce the threshold of eligibility for Prisoner of War benefits to one day of imprisonment; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTS, from the Select Committee on Intelligence:

Report to accompany S. 2386, An original bill to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 108–258).

By Mr. ROBERTS, from the Select Committee on Intelligence, without amendment:

S. 2386. An original bill to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. COLEMAN (for himself, Mr. LEVIN, Ms. COLLINS, and Mr. REED):

S. 2383. A bill to amend title 10, United States Code, to require the registration of contractors' taxpayer identification numbers in the Central Contractor Registry database of the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BOND (for himself, Ms. SNOWE, and Mr. KENNEDY):

S. 2384. A bill to amend the Small Business Act to permit business concerns that are owned by venture capital operating companies or pension plans to participate in the Small Business Innovation Research Program; to the Committee on Small Business and Entrepreneurship.

By Mr. BINGAMAN:

S. 2385. A bill to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the ''Santiago E. Campos United States Courthouse''; to the Committee on Environment and Public Works.

By Mr. ROBERTS:

S. 2386. An original bill to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; from the Select Committee on Intelligence; placed on the calendar.

By Mr. CONRAD (for himself and Mr. DORGAN):

S. 2387. A bill to amend the Water Resources Development Act of 1999 to direct the Secretary of the Army to provide assistance to design and construct a project to provide a continued safe and reliable municipal water supply system for Devils Lake, North Dakota; to the Committee on Environment and Public Works.

By Mr. JOHNSON (for himself and Ms. LANDRIEU):

S. 2388. A bill to make technical corrections to the Mosquito Abatement for Safety and Health Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ENSIGN (for himself, Mr. MILLER, Mr. SMITH, Mr. GRAHAM of South Carolina, Mr. SESSIONS, Mr. KYL, Mr. BROWNBACK, Mr. THOMAS, Mr. BURNS, Mr. LOTT, Mr. COLEMAN, Mr. SANTORUM, Mr. CORNYN, Mr. CRAIG, and Mr. ALLARD):

S. 2389. A bill to require the withholding of United States contributions to the United Nations until the President certifies that the United Nations is cooperating in the investigation of the United Nations Oil-for-Food Program; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL (for himself, Mr. DODD, and Mr. BIDEN):

S. Res. 352. A resolution urging the Government of Ukraine to ensure a democratic, transparent, and fair election process for the presidential election on October 31, 2004; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 53

At the request of Mr. DURBIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 53, a bill to amend the Internal Revenue Code of 1986 to allow small business employers a credit against income tax for employee health insurance expenses paid or incurred by the employer.

S. 253

At the request of Mr. CAMPBELL, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 253, a bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns.

S. 641

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 641, a bill to amend title 10, United States Code, to support the Federal Excess Personal Property program of the Forest Service by making it a priority of the Department of Defense to transfer to the Forest Service excess personal property of the Department of Defense that is suitable to be loaned to rural fire departments.

S. 955

At the request of Mr. ALLEN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 955, a bill to provide liability protection to nonprofit volunteer pilot organizations flying for public benefit and to the pilots and staff of such organizations.

S. 976

At the request of Mr. WARNER, the names of the Senator from North Carolina (Mr. EDWARDS), the Senator from Mississippi (Mr. COCHRAN) and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. 976, a bill to provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

S. 1246

At the request of Mr. ROBERTS, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1246, a bill to amend the Internal Revenue Code of 1986 to provide for collegiate housing and infrastructure grants.

S. 1358

At the request of Mr. AKAKA, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1358, a bill to amend chapter 23 of title 5, United States Code , to clarify the disclosure of information protected from prohibited personnel practices, require a statement in nondisclosure policies, forms, and agreements that such policies, forms, and agreements conform with certain disclosure protections, provide certain authority for the Special Counsel, and for other purposes.

S. 1368

At the request of Mr. LEVIN, the names of the Senator from Nebraska (Mr. HAGEL), the Senator from Kansas (Mr. BROWNBACK), the Senator from Ohio (Mr. DEWINE), the Senator from Indiana (Mr. LUGAR) and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. 1368, a bill to authorize the President to award a gold medal on behalf of the Congress to Reverend Doctor Martin Luther King , Jr. (posthumously) and his widow Coretta Scott King in recognition of their contributions to the Nation on behalf of the civil rights movement.

S. 1851

At the request of Ms. MURKOWSKI, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1851 , a bill to raise the minimum state allocation under section 217(b)(2) of the Cranston-Gonzalez National Affordable Housing Act.

S. 1909

At the request of Mr. COCHRAN, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 1909, a bill to amend the Public Health Service Act to improve stroke prevention, diagnosis, treatment, and rehabilitation.

S. 2152

At the request of Mr. MILLER, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 2152, a bill to amend title 10, United States Code, to provide eligibility for reduced non-regular service military retired pay before age 60, and for other purposes.

S. 2174

At the request of Mr. BUNNING, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2174, a bill to amend title XIX of the Social Security Act to include podiatrists as physicians for purposes of covering physicians services under the medicaid program.

S. 2179

At the request of Mr. BROWNBACK, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2179, a bill to posthumously award a Congressional Gold Medal to the Reverend Oliver L. Brown.

S. 2180

At the request of Mr. CAMPBELL, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2180, a bill to direct the Secretary of Agriculture to exchange certain lands in the Arapaho and Roosevelt National Forests in the State of Colorado.

S. 2190

At the request of Mr. INHOFE, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2190, a bill to implement equal protection under the 14th article of amendment to the Constitution for the right to life of each born and preborn human person.

S. 2261

At the request of Mr. DEWINE, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 2261, a bill to expand certain preferential trade treatment for Haiti.

S. 2268

At the request of Mr. BUNNING, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 2268, a bill to provide for recruiting, training, and deputizing persons for the Federal flight deck officer program.

S. 2269

At the request of Mr. BOND, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 2269, a bill to improve environmental enforcement and security.

S. 2292

At the request of Mr. VOINOVICH, the names of the Senator from Illinois (Mr. FITZGERALD) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 2292, a bill to require a report on acts of anti-Semitism around the world.

S. 2301

At the request of Mr. INOUYE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2301, a bill to improve the management of Indian fish and wildlife and gathering resources, and for other purposes.

S. 2365

At the request of Mr. COLEMAN, the names of the Senator from Missouri (Mr. BOND) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 2365, a bill to ensure that the total amount of funds awarded to a State under part A of title I of the Elementary and Secondary Act of 1965 for fiscal year 2004 is not less than the total amount of funds awarded to the State under such part for fiscal year 2003.

S. 2372

At the request of Mr. CORZINE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2372, a bill to amend the Trade Act of 1974 regarding identifying trade expansion priorities.

S. 2376

At the request of Mr. BUNNING, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 2376, a bill to amend the Internal Revenue Code of 1986 to repeal the scheduled restrictions in the child tax credit, marriage penalty relief, and 10 percent rate bracket, and for other purposes.

S. 2382

At the request of Mr. INOUYE, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 2382, a bill to establish grant programs for the development of telecommunications capacities in Indian country.

S.J. RES. 33

At the request of Mr. BROWNBACK, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S.J. Res. 33, a joint resolution expressing support for freedom in Hong Kong.

S.J. RES. 36

At the request of Mrs. FEINSTEIN, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Nebraska (Mr. NELSON), the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S.J. Res. 36, a joint resolution approving the renewal of import restrictions contained in Burmese Freedom and Democracy Act of 2003.

S. CON. RES. 90

At the request of Mr. LEVIN, the names of the Senator from New York (Mr. SCHUMER) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Con. Res. 90, a concurrent resolution expressing the Sense of the Congress regarding negotiating, in the United States-Thailand Free Trade Agreement, access to the United States automobile industry.

S. CON. RES. 99

At the request of Mr. BROWNBACK, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Maine (Ms. COLLINS), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from North Dakota (Mr. DORGAN), the Senator from Ohio (Mr. DEWINE), the Senator from Wisconsin (Mr. KOHL), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. Con. Res. 99, a concurrent resolution condemning the Government of the Republic of the Sudan for its participation and complicity in the attacks against innocent civilians in the impoverished Darfur region of western Sudan.

S. CON. RES. 102

At the request of Mr. BROWNBACK, the names of the Senator from New York (Mr. SCHUMER) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. Con. Res. 102, a concurrent resolution to express the sense of the Congress regarding the 50th anniversary of the Supreme Court decision in Brown v. Board of Education of Topeka.

S. RES. 202

At the request of Mr. CAMPBELL, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. Res. 202, a resolution expressing the sense of the Senate regarding the genocidal Ukraine Famine of 1932–33.

S. RES. 221

At the request of Mr. SARBANES, the names of the Senator from Delaware (Mr. BIDEN) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. Res. 221, a resolution recognizing National Historically Black Colleges and Universities and the importance and accomplishments of historically Black colleges and universities.

S. RES. 313

At the request of Mr. FEINGOLD, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Res. 313, a resolution expressing the sense of the Senate encouraging the active engagement of Americans in world affairs and urging the Secretary of State to coordinate with implementing partners in creating an online database of international exchange programs and related opportunities.

S. RES. 322

At the request of Mr. HAGEL, the names of the Senator from Arkansas (Mrs. LINCOLN), the Senator from Rhode Island (Mr. REED) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. Res. 322, a resolution designating August 16, 2004, as ''National Airborne Day.''

S. RES. 332

At the request of Mr. FEINGOLD, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Res. 332, a resolution observing the tenth anniversary of the Rwandan Genocide of 1994.

S. RES. 348

At the request of Mr. BROWNBACK, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Missouri (Mr. TALENT), the Senator from Minnesota (Mr. COLEMAN) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of S. Res. 348, a resolution to protect, promote, and celebrate motherhood.

S. RES. 349

At the request of Mr. KENNEDY, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. Res. 349, a resolution recognizing and honoring May 17, 2004, as the 50th anniversary of the Supreme Court decision in Brown v. Board of Education of Topeka.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COLEMAN (for himself, Mr. LEVIN, Ms. COLLINS, and Mr. REED):

S. 2383. A bill to amend title 10, United States Code, to require the registration of contractors' taxpayer identification numbers in the Central Contractor Registry database of the Department of Defense, and for other purposes; to the Committee on Armed Services.

Mr. COLEMAN. Mr. President, I rise today to introduce the Central Contractor Registry Act of 2004 whose purpose is to establish a centralized contractor database within the Department of Defense and to require federal contractors who register in that database to provide their taxpayer identification number and their consent to verifying that number with the Internal Revenue Service as a condition that must precede the awarding of a contract by the Department of Defense. This bill will close a $3 billion tax loophole and will help to recover over $100 million annually from federal contractors who have not filed federal tax returns or who have not paid the taxes they owe the government. I am joined by Senators CARL LEVIN, SUSAN COLLINS and JACK REED.

In a hearing before the Permanent Subcommittee on Investigations, the General Accounting Office testified that over 27,000 contractors at the Department of Defense owed over $3 billion in unpaid Federal taxes. Normally, these taxes could be collected through the Federal Payment Levy Program by levying fifteen percent of the contractors' payments. In fiscal year 2002, the Financial Management Service should have collected over $100 million from tax delinquent Department of Defense contractors. However, actual collections for the year were less than

$500,000. Further, in 2001, the Department of Defense provided the Internal Revenue Service with over 26,000 information returns that could not be used to determine contractors' tax liability. One of the principal reasons for this anemic state of collections and the large volume of unusable information returns has been and remains the inability of the Department of Defense and the Internal Revenue Service to reach an accord on verifying the taxpayer identification numbers of the contractors who have registered in the Department of Defenses's Central Contractor Registration database.

Under current law, the Department of Defense's authority to verify contractors' taxpayer identification numbers is limited to those contractors who have contracts with the Department of Defense and for whom the department is required to report miscellaneous income to the Internal Revenue Service on a Form 1099 information return. However, there are contractors who have registered in the Central Contractor Registration for whom the Department of Defense lacks authority to verify their taxpayer identification numbers including individuals and companies who would like to contract with the federal government and contractors who have contracts with agencies and departments other than the Department of Defense. On the other hand, current law also allows a taxpayer to consent to the verification of their taxpayer identification number with the Internal Revenue Service and allows the Internal Revenue Service to provide a validated taxpayer identification number.

My bill will resolve the impasse between the Department of Defense and the Internal Revenue Service by requesting contractors' consent to the validation of their taxpayer identification number as part of the registration process. Contractors will not be required to provide their consent. But if they do not, they will not be awarded a contract by the Department of Defense.

Further, my bill requires the Department of Defense to warn contractors as part of the registration process that if they do not provide a valid taxpayer identification number they may be subject to backup withholding. This would apply to those contractors who list an invalid taxpayer identification number, have a contract with the Department of Defense, and will earn miscellaneous income that is required to be reported to the Internal Revenue Service.

I would like to briefly summarize the major provisions of my bill. It provides a statutory basis for the Central Contractor Registration and renames the database as the Central Contractor Registry. It requires that the registry contain contractor's taxpayer identification numbers, their consent to verifying their numbers with the Internal Revenue Service and for the Internal Revenue Service to provide a corrected number if possible. It requires that registrants furnish this information as a condition for registration, and requires the Department of Defense to warn contractors who fail to provide a valid taxpayer identification number that they may be subject to backup withholding and requires implementation of backup withholding in cases where it is required. It precludes awarding a contract to any registrant who has not provided a valid taxpayer identification number and excludes from coverage any registrant who is not required to have a taxpayer identification number.

It directs the Secretary of Defense to apply to the Internal Revenue Service for inclusion in the Taxpayer Identification Number Matching Program and directs the Commissioner of Internal Revenue to provide response to the Department of Defense. It directs the Secretary of Defense to provide any registrant who is determined to have an invalid taxpayer identification number with an opportunity to provide a valid number. It further requires that the Central Contractor Registry clearly indicate whether a registrant's taxpayer identification number is valid, under review, invalid, or not required. Finally, it requires that contractors taxpayer identification numbers be treated as confidential by federal contract officers who have access to the Central Contractor Registry.

My overall objective in introducing this bill is to ensure that tax cheats are not rewarded with federal contracts. If the Department of Defense and the Internal Revenue Service do not have accurate and reliable taxpayer identification numbers then we will not be able to stop this practice. My bill takes the necessary first step toward ensuring that the Department of Defense and the Internal Revenue Service have valid taxpayer identification numbers in the Central Contractor Registry database.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2383

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 ''Central Contractor Registry Act of 2004''.

SEC. 2. CENTRAL CONTRACTOR REGISTRY DATABASE.

(a) AUTHORITY.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2302d the following new section:

''§ 2302e. Central contractor registry

''(a) ESTABLISHMENT.—The Secretary of Defense shall maintain a centralized, electronic database for the registration of sources of property and services who seek to participate in contracts and other procurements entered into by the various procurement officials of the United States. The database shall be known as the 'Central Contractor Registry'.

''(b) TAXPAYER INFORMATION.—(1) The Central Contractor Registry shall include the following tax-related information for each source registered in that registry:

''(A) Each of that source's taxpayer identification numbers.

''(B) The source's authorization for the Secretary of Defense to obtain from the Commissioner of Internal Revenue—

''(i) verification of the validity of each of that source's taxpayer identification numbers; and

''(ii) in the case of any of such source's registered taxpayer identification numbers that is determined invalid, the correct taxpayer identification number (if any).

''(2)(A) The Secretary of Defense shall require each source, as a condition for registration in the Central Contractor Registry, to provide the Secretary with the information and authorization described in paragraph (1).

''(B) The Secretary shall—

''(i) warn each source seeking to register in the Central Contractor Registry that the source may be subject to backup for a failure to submit each such number to the Secretary; and

''(ii) take the actions necessary to initiate the backup withholding in the case of a registrant who fails to register each taxpayer identification number valid for the registrant and is subject to the backup withholding requirement.

''(3) A source registered in the Central Contractor Registry is not eligible for a contract entered into under this chapter or title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) if that source—

''(A) has failed to provide the authorization described in paragraph (1)(B);

''(B) has failed to register in that registry all valid taxpayer identification numbers for that source; or

''(C) has registered in that registry an invalid taxpayer identification number and fails to correct that registration.

''(4)(A) The Secretary of Defense shall make arrangements with the Commissioner of Internal Revenue for each head of an agency within the Department of Defense to participate in the taxpayer identification number matching program of the Internal Revenue Service.

''(B) The Commissioner of Internal Revenue shall cooperate with the Secretary of Defense to determine the validity of taxpayer identification numbers registered in the Central Contractor Registry. As part of the cooperation, the Commissioner shall promptly respond to a request of the Secretary of Defense or the head of an agency within the Department of Defense for electronic validation of a taxpayer identification number for a registrant by notifying the Secretary or head of an agency, respectively, of—

''(i) the validity of that number; and

''(ii) in the case of an invalid taxpayer identification number, any correct taxpayer identification number for such registrant that the Commissioner can promptly and reasonably determine.

''(C) The Secretary shall transmit to a registrant a notification of each of the registrant's taxpayer identification numbers, if any, that is determined invalid by the Commissioner of Internal Revenue and shall provide the registrant with an opportunity to substitute a valid taxpayer identification number.

''(5) The Secretary of Defense shall require that, at the place in the Central Contractor Registry where the taxpayer identification numbers of a registrant are to be displayed, the display bear (as applicable)—

''(A) for each taxpayer identification number of that registrant, an indicator of whether such number has been determined valid, is

being reviewed for validity, or has been determined invalid; or

''(B) an indicator that no taxpayer identification number is required for the registrant.

''(6) This subsection applies to each source who registers any information regarding that source in the Central Contractor Registry after December 31, 2004, except that paragraphs (1), (2), and (3) do not apply to a source who establishes to the satisfaction of the Secretary of Defense that such source is not required to have a taxpayer identification number.

''(c) CONFIDENTIALITY OF INFORMATION.—The Secretary of Defense shall ensure that taxpayer identification numbers in the Central Contractor Registry are not made available to the public. The Secretary shall prescribe a requirement for procurement officials of the United States having access to such numbers in that registry to maintain the confidentiality of those numbers.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2302d the following new item:

''2302e. Central Contractor Registry.''.

Mr. LEVIN. Mr. President, I rise today to join my colleagues, Senators NORM COLEMAN, SUSAN COLLINS and JACK REED, in introducing the Central Contractor Registry Act of 2004. The purpose of this bipartisan bill is to strengthen the ability of the Federal Government to stop tax cheats from obtaining Federal contracts or use a portion of their contract payments to repay their tax debts.

In February, the Permanent Subcommittee on Investigations, on which Senator COLEMAN and I sit, held a hearing on a report by the General Accounting Office which disclosed that over 27,000 contractors at the Department of Defense owe $3 billion in unpaid taxes, mostly from failing to transmit payroll taxes to the IRS. Think about that for a minute—27,000 DOD contractors—more than one in every ten DOD contractors—had outstanding tax debts at the same time they were holding out their hands for taxpayer dollars.

Allowing tax cheats to bid on federal contracts is a disservice to all of the honest taxpayers out there who manage to meet their tax obligations. It is a disservice to all of the military men and women who put their lives on the line for us every day. It is a disservice to all of the honest companies that compete for the same DOD contracts, since companies that do not pay their taxes have lower costs and a competitive advantage over the companies that do.

Under current law, DOD has an obligation to identify any DOD contractor with unpaid taxes, to withhold up to 15 percent of their contract payments, and to forward that money to the IRS to be applied to the contractor's tax debt. The official title of the DOD program to carry out this obligation is the Federal Payment Levy Program, also sometimes referred to as the DOD tax levy program.

The first step in the program is for DOD to identify tax delinquent DOD contractors who are scheduled to get a contract payment in the near future. To identify these contractors, DOD participates in a computer matching program administered by the Treasury Department that cross-checks DOD lists of upcoming contractor payments with IRS lists of delinquent taxpayers. If a match occurs, DOD is supposed to withhold money from the identified contractor's upcoming contract payments.

The problem is that the DOD–IRS computer matching program has so far produced relatively few matches. In 2003, for example, DOD collected only about $680,000 of back taxes through its tax levy program instead of the $100 million that GAO estimates should have been collected. That means DOD collected less than 1 percent of the back taxes it should have.

On major impediment to the computer matching program has been that it depends upon DOD's providing the correct taxpayer identification number or TIN for each of its contractors, when many DOD contractors have either failed to submit a TIN or supplied an incorrect number.

When a TIN is incorrect or missing, the computer matching program is unable to determine whether the relevant DOD contractor is on the IRS list of delinquent taxpayers. Data indicates that, in one year, DOD sent the IRS over 26,000 invalid TINs that could not be used.

To increase the efficiency of the computer matching program, DOD and the IRS have tried to improve the accuracy of the TINs in DOD's contractor data. The IRS has, for example, set up a computer-based TIN validation system that can electronically verify a TIN number in seconds. This electronic system is available for use by DOD and all other Federal agencies. Unfortunately, the IRS has also interpreted certain tax laws as prohibiting DOD from obtaining TIN validations for many types of contracts. In addition, in the case of TIN numbers with clerical errors, the IRS has interpreted current taxpayer confidentiality laws as prohibiting it from supplying DOD with a corrected number.

The bill we are introducing today would eliminate this bureaucratic red tape and significantly increase the effectiveness of the tax levy program by increasing the accuracy of the TINs used by DOD.

The bill would strengthen TIN accuracy by focusing primarily on the TINs in the Central Contractor Registry, a government-wide database of persons wishing to bid on federal contracts. This registry is currently administered by DOD, and current Federal regulations require potential bidders to self-register in the system by supplying specified information. As part of the process, registrants are currently supposed to supply a TIN, but many either do not or supply an incorrect number. The bill would, for the first time, impose a legal requirement on registrants to supply a valid TIN and would also bar contracts from being awarded to contractors who fail to supply a valid TIN.

In addition, the bill would require registrants to authorize DOD to validate their TINs with the IRS and obtain a corrected TIN from the IRS, if needed and possible. This requirement would apply to all registrants in the Central Contractor Registry, no matter what type of contract is involved and whether the contract is with DOD or another Federal agency. It would also allow the IRS to supply corrected TINs where it can promptly and reasonably do so.

If, by chance, a registrant managed to obtain a DOD contract without having supplied a valid TIN, the bill would direct DOD to withhold a portion of their contract payments to satisfy their tax debt as specified under existing law. Although this backup holding requirement has been on the books for years, DOD has not implemented it. The bill would require DOD to start doing so.

Finally, the bill would provide a number of protections. It would require DOD and other federal procurement officials not to make TIN numbers available to the public, so that this information is kept confidential within the procurement community using the Central Contractor Registry. It would explicitly exempt from the TIN requirements any contractor, such as a foreign business, not required by U.S. law to have a taxpayer identification number. The bill would also require DOD to show in the registry database whether a particular TIN has been validated, is awaiting validation, has been found invalid, or is not required, so that procurement officials using the database will know the status of a contractor's TIN. If the IRS were to determine that a particular TIN was invalid, the bill would require DOD to give the relevant contractor an opportunity to correct the number. DOD would also be required to warn all registrants in the Central Contractor Registry of the possibility of backup withholding in the event they fail to provide a valid TIN.

It is common business sense for the Federal Government to require contractors who want to be paid with Federal taxpayer dollars to allow the United States to determine whether they owe any taxes and, if so, to offset a portion of their contract payments to reduce their tax debts. To accomplish that objective, the Federal Government has to do a better job in identifying federal contractors with unpaid taxes. Our bill, by improving the accuracy of taxpayer identification numbers in the Central Contractor Registry, will strengthen DOD's ability to identify tax delinquent contractors and either deny them new contracts or reduce their tax debts.

I hope all my colleagues will join us in supporting this legislation's enactment during this Congress.

By Mr. BOND (for himself, Ms. SNOWE, and Mr. KENNEDY):

S. 2384. A bill to amend the Small Business Act to permit business concerns that are owned by venture capital operating companies or pension plans to participate in the Small Business Innovation Research Program; to the Committee on Small Business and Entrepreneurship.

Mr. BOND. Mr. President, the United States biotechnology industry is the world leader in innovation. This is due, in large part, to the Federal Government's partnership with the private sector to foster growth and commercialization in the hope that one day we will uncover a cure for unmet medical needs such as cystic fibrosis, heart disease, various cancers, multiple sclerosis, and AIDS.

However, the industry was dealt a major set-back when the Small Business Administration (SBA) determined that venture-backed biotechnology companies can no longer participate in the Small Business Innovation Research (SBIR) program. Until recently, the SBIR program was an example of a highly successful Federal initiative to encourage economic growth and innovation in the biotechnology industry by funding the critical start-up and development stages of a company.

Traditionally, to qualify for an SBIR grant a small-business applicant had to meet two requirements; one, that the company have less than 500 employees; and two, that the business be 51 percent owned by one or more individuals. Recently, however, the SBA determined that the term ''individuals'' only means natural persons, whereas for the past 20 years the term ''individual'' has included venture-capital companies. As a result, biotech companies backed by venture-capital funding in Missouri and throughout our Nation, who are on the cutting edge of science, can no longer participate in the program.

The biotech industry is like no other in the world because it takes such a long span of time and intense capital expenditures to bring a successful product to market. In fact, according to a recent study completed by the Tufts Center for the Study of Drug Development, it takes roughly 10–15 years and $800 million dollars for a company to bring just one product to market. As you can imagine, the industry's entrepreneurs are seeking financial assistance wherever they can find it.

For the past 20 years, the SBIR program has been a catalyst for developing our Nation's most successful biotechnology companies. In addition to these important government grants, venture-capital funding plays a vital role in the financial support of these same companies. The strength of our biotechnology industry is a direct result of government grants and venture-capital working together.

However, some have argued that a biotech firm with a majority of venture-capital backing is a large business. This is simply a bogus conclusion. Venture-capital firms solely invest in biotech start-ups for the possibility of a future innovation and financial return and generally do not seek to take control over the management functions or day-to-day operations of the company. Venture-capital firms that seek to invest in small biotech businesses do not, simply by their investment, turn a small business into a large business. These are legitimate, small, start-up businesses. Let's not punish them.

Instead, we must work together to avoid stifling innovation. Let me be clear. Our impact today will foster cures and medicines tomorrow that were once thought to be inconceivable. However, the industry cannot do it alone. We must nurture biotechnology and help the industry grow for the future of our economy and for our well-being.

This bill that I am introducing today will do just that. It will ensure that the biotechnology industry has access to SBIR grants, as it has had for 20 years. It will level the playing field to ensure that SBIR grants are given to small businesses based on fruitful science and nothing else. This is still a young and fragile industry, and we are on the cusp of great scientific advances. However, there will be profound consequences if biotechnology companies continue to be excluded from the SBIR program.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2384

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

SECTION 1. SBIR AWARDS TO BUSINESS CONCERNS OWNED BY VENTURE CAPITAL OPERATING COMPANIES OR EMPLOYEE BENEFIT OR PENSION PLANS.

(a) IN GENERAL.—Section 9(f) of the Small Business Act (15 U.S.C. 638(f)) is amended by adding at the end the following:

''(4) ELIGIBILITY.—A business concern shall not be prevented from participating in the Small Business Innovation Research Program solely because such business concern is owned in part by—

''(A) a venture capital operating company that is managed and controlled by 1 or more United States citizens or permanent resident aliens; or

''(B) an employee benefit or pension plan.''.

(b) RULEMAKING AUTHORITY.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue regulations to—

(1) carry out the amendment made by subsection (a);

(2) ensure that a Small Business Innovation Research award is not given to a business concern that is majority owned by—

(A) another business concern that is ineligible to participate in the Small Business Innovation Research Program; or

(B) a venture capital operating company or an employee benefit or pension plan that is the alter ego, instrumentality, or identity of another business concern that is ineligible to participate in the Small Business Innovation Research Program.

By Mr. BINGAMAN:

S. 2385. A bill to designate the United States courthouse at South Federal Place in Santa Fe, New Mexico, as the ''Santiago E. Campos United States Courthouse''; to the Committee on Environment and Public Works.

Mr. BINGAMAN. Mr. President, I rise today with my colleague Senator DOMENICI to introduce a bill to designate the United States Courthouse in Santa Fe, NM as the ''Honorable Santiago E. Campos United States Courthouse.'' Santiago Campos was appointed to the Federal Bench in 1978 by President Jimmy Carter and was the first Hispanic Federal judge in New Mexico. He held the title of Chief U.S. District Judge from February 5, 1987 to December 31, 1989 and took senior status in 1992.

Judge Campos was a dedicated and passionate public servant who spent most of his life committed to working for the people of New Mexico and our Nation. He served as a seaman first class in the United States Navy from 1944 to 1946, as the Assistant Attorney General and then First Assistant Attorney General of New Mexico from 1954 to 1957, and as a district court judge from 1971 to 1978 in the First Judicial District in the state of New Mexico. He was the prime mover in reestablishing Federal court judicial activity in Santa Fe and had his chambers in the courthouse there for over 22 years. For his dedication to the State, Judge Campos received distinguished achievement awards in 1993 from both the State Bar of New Mexico and the University of New Mexico.

Sadly, Judge Campos passed away January 20, 2001 after a long battle with cancer. Judge Campos was an extraordinary jurist and served as a role model and mentor to others in New Mexico. He was admired and respected by all that knew him. I believe that it would be an appropriate tribute to Judge Campos to have the courthouse in Santa Fe bear his name.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2385

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

SECTION 1. DESIGNATION OF SANTIAGO E. CAMPOS UNITED STATES COURTHOUSE.

The United States courthouse at South Federal Place in Santa Fe, New Mexico, shall be known and designated as the ''Santiago E. Campos 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 ''Santiago E. Campos United States Courthouse''.

By Mr. CONRAD (for himself and Mr. DORGAN):

S. 2387. A bill to amend the Water Resources Development Act of 1999 to direct the Secretary of the Army to provide assistance to design and construct a project to provide a continued safe and reliable municipal water supply system for Devils Lake, North Dakota; to the Committee on Environment and Public Works.

Mr. CONRAD. Mr. President, I rise today to introduce legislation to authorize the U.S. Army Corps of Engineers to construct a new municipal water supply system for the city of Devils Lake, ND. This project is very important to the reliability of the water supply for the residents of Devils Lake and is needed to mitigate long-term consequences from the rising flood waters of Devils Lake.

As many of my colleagues know, the Devils Lake region has been plagued by a flooding disaster since 1993. During that time, Devils Lake, a closed basin lake, has risen 25 feet, consuming land, destroying homes, and impacting vital infrastructure. As a result of this disaster, the city of Devils Lake faces a significant risk of losing its water supply. Currently, six miles or approximately one-third of the city's 40-year-old water transmission line is covered by the rising waters of Devils Lake. The submerged section of the water line includes numerous gate valves, air relief valves, and blow-off discharges.

All of the water for the city's residents and businesses must flow through this single transmission line. It is also the only link between the water source and the city's water distribution system. Since the transmission line is operated under relatively low pressures and is under considerable depths of water, a minor leak could cause significant problems. If a failure in the line were to occur, it would be almost impossible to identify the leak and make necessary repairs, and the city would be left without a water supply.

The city is in the process of accessing a new water source due both to the threat of a transmission line failure and the fact that its current water source exceeds the new arsenic standard that will take effect in 2006. The city has worked closely with the North Dakota State Water Commission in identifying a new water source that will not be affected by the rising flood waters and will provide the city with adequate water to meet its current and future needs.

The bill I am introducing today will authorize the Corps to construct a new water supply system for the city. I believe the Federal Government has a responsibility to assist communities mitigate the adverse consequences resulting from this ongoing flooding disaster. In my view, the Corps should be responsible for addressing the unintended consequences of this flood and mitigate its long-term consequences. This bill will help the Federal Government live up to its responsibility and ensure that the residents of Devils Lake have a safe and reliable water supply. I urge my colleagues to review this legislation quickly so we can pass it this year.

By Mr. ENSIGN (for himself, Mr. MILLER, Mr. SMITH, Mr. GRAHAM of South Carolina, Mr. SESSIONS, Mr. KYL, Mr. BROWNBACK, Mr. THOMAS, Mr. BURNS, Mr. LOTT, Mr. COLEMAN, Mr. SANTORUM, Mr. CORNYN, Mr. CRAIG, and Mr. ALLARD):

S. 2389. A bill to require the withholding of United States contributions to the United Nations until the President certifies that the United Nations is cooperating in the investigation of the United Nations Oil-for-Food Program; to the Committee on Foreign Relations.

Mr. ENSIGN. Mr. President, I rise today to introduce legislation in the hopes that it will correct a grave injustice committed against the people of Iraq as well as the honest and law-abiding citizens of the world community.

We now believe that Saddam Hussein, corrupt U.N. officials, and corrupt well-connected countries were the real benefactors of the Oil-for-Food Program. Their benefits came from illegal oil shipments, financial transactions, kickbacks, and surcharges and allowed Saddam Hussein to build up his armed forces and live in the lap of luxury.

The evidence in this far-reaching scandal tells an unbelievable story. In January of this year, the Iraqi Governing Council (IGC) released a list of 270 former government officials, businessmen, political parties, and foreign cronies of Hussein from more than 46 countries suspected of profiting from illegal oil sales that were part of the U.N.'s Oil-for-Food Program.

Our own U.S. General Accounting Office estimates that Saddam Hussein siphoned off $4.4 billion through oil sale surcharges. Saddam Hussein also demanded kickbacks on the humanitarian relief side from suppliers which amounted to 10–20 percent on many contracts.

Saddam used this revenue to rebuild Iraq's military capabilities, to maintain lavish palaces, buy loyalty, oppress his people and financially support terrorism. And as Claude Hankes-Drielsma, an IGC consultant investigating the scandal testified, the secret payments ''provided Saddam Hussein and his corrupt regime with a convenient vehicle through which he bought support internationally by bribing political parties, companies and journalists . . . This secured the cooperation and support of countries that included members of the Security Council of the United Nations.''

The United Nations should be embarrassed.

What resulted from the goodwill gesture was international scandal, corruption at the highest levels, and suffering Iraqi citizens. Not exactly a model U.N. program.

Contrary to its protestations, the United Nations Secretariat had a critical role in the implementation and management of the program. It kept the contract records. It controlled the bank accounts and was the only entity allowed to release Saddam Hussein's oil earnings. And it arranged for the audits. As Secretary General Kofi Annan noted, ''under the program, the [U.N.] Secretary General was required to supervise the sale of Iraqi oil, and to monitor the spending of the proceeds on specific goods and services for the benefit of the Iraqi people.''

Well, he did a lousy job.

Tasked by the international community to deny Saddam Hussein the ability to rebuild his military apparatus while providing humanitarian needs, the United Nations allowed the corrupt to become richer and innocent Iraqis to be oppressed.

Today we have a chance to rectify that injustice. We must demand that the United Nations cooperate completely with efforts to extrapolate the truth from this scandal and punish the guilty. We know that the Volker panel does not have subpoena power.

And we've now learned that officials acting on behalf of Benon Sevan, the Executive Director of the Oil-for-Food Program, who is personally implicated in the scandal, are asking contractors not to release documents relating to the program to congressional investigators without getting U.N. authorization. An April 2, 2004, U.N. letter to a Swiss firm Cotecna reminded the firm that according to its contract all documents: ''shall be property of the United Nations, shall be treated as confidential and shall be delivered only to United Nations authorized officials.'' Cotecna, was in charge of inspecting the humanitarian goods shipped to Iraq under Oil-for-Food. It had Kofi Annan's son Kojo on its payroll until the month it won its U.N. contract. And an April 14 letter reminded a Dutch company called Saybolt of its confidentiality agreements with the U.N., demanding ''that Saybolt address any further requests for documentation or information concerning these matters to us.'' Saybolt was in charge of making sure oil invoices matched shipments.

The United Nations should be more interested in bringing the truth to light then trying to protect its tattered reputation and its corrupt officials.

The legislation I am introducing today will hold the United Nations' feet to the fire on this scandal. It calls for transparency and accountability. Under this bill, the United Nations must allow GAO and law enforcement agencies access to its Oil-for-Food records. U.N. officials must waive their immunity for any crimes committed on United States soil and repay their ill-gotten gains.

If not, 10 percent of our assessed U.N. regular budget contributions will be withheld the first year and 20 percent the second year. Granted, the withholding of $36 million in the first year is no where near the more than $1 billion that the United Nations skimmed

off the top of Iraqi oil sales for administrative costs or the billions that were stolen from the Iraqi people through corruption and mismanagement. But the 10 percent withholding worked in the past when the 103rd Congress used it to compel the United Nations to create an inspector general. And I believe it can work again.

But we have to make an important choice first. We can do nothing and allow the word ''humanitarianism'' to be the new code word for corruption scandal from here on out. Or we can stand up and make the United Nations rightfully accountable for the corruption that harmed innocent Iraqis. The answer is clear. We must act.

The U.N. is broken. This scandal revealed that the U.N. Security Council is unable to do its job when some members are more interested in lining their pockets than preserving security. I contend that there was no way that the U.S. could get France and Russia to enforce Security Council resolutions on Iraq and go to war when so many of their politically connected individuals, companies, and institutions received Iraqi oil contracts. Victory brought their corruption to light. And I am deeply worried that the ability of the United Nations to convey ''legitimacy'' to the new Iraqi government and assist in postwar Iraq is hampered by its history of corruption and mismanagement in the Oil-for-Food program.

The U.N. needs to come clean and start over. The first step toward doing that is to accept the terms and conditions of the Oil-for-Food Accountability Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 352—URGING THE GOVERNMENT OF UKRAINE TO ENSURE A DEMOCRATIC, TRANSPARENT, AND FAIR ELECTION PROCESS FOR THE PRESIDENTIAL ELECTION ON OCTOBER 31, 2004

Mr. CAMPBELL (for himself, Mr. DODD, and Mr. BIDEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 352

Whereas the establishment of a democratic, transparent, and fair election process for the 2004 presidential election in Ukraine and of a genuinely democratic political system are prerequisites for that country's full integration into the Western community of nations as an equal member, including into organizations such as the North Atlantic Treaty Organization (NATO);

Whereas the Government of Ukraine has accepted numerous specific commitments governing the conduct of elections as a participating State of the Organization for Security and Cooperation in Europe (OSCE), including provisions of the Copenhagen Document;

Whereas the election on October 31, 2004, of Ukraine's next president will provide an unambiguous test of the extent of the Ukrainian authorities' commitment to implement these standards and build a democratic society based on free elections and the rule of law;

Whereas this election takes place against the backdrop of previous elections that did not fully meet international standards and of disturbing trends in the current pre-election environment;

Whereas it is the duty of government and public authorities at all levels to act in a manner consistent with all laws and regulations governing election procedures and to ensure free and fair elections throughout the entire country, including preventing activities aimed at undermining the free exercise of political rights;

Whereas a genuinely free and fair election requires a period of political campaigning conducted in an environment in which neither administrative action nor violence, intimidation, or detention hinder the parties, political associations, and the candidates from presenting their views and qualifications to the citizenry, including organizing supporters, conducting public meetings and events throughout the country, and enjoying unimpeded access to television, radio, print, and Internet media on a non-discriminatory basis;

Whereas a genuinely free and fair election requires that citizens be guaranteed the right and effective opportunity to exercise their civil and political rights, including the right to vote and the right to seek and acquire information upon which to make an informed vote, free from intimidation, undue influence, attempts at vote buying, threats of political retribution, or other forms of coercion by national or local authorities or others;

Whereas a genuinely free and fair election requires government and public authorities to ensure that candidates and political parties enjoy equal treatment before the law and that government resources are not employed to the advantage of individual candidates or political parties;

Whereas a genuinely free and fair election requires the full transparency of laws and regulations governing elections, multiparty representation on election commissions, and unobstructed access by candidates, political parties, and domestic and international observers to all election procedures, including voting and vote-counting in all areas of the country;

Whereas increasing control and manipulation of the media by national and local officials and others acting at their behest raise grave concerns regarding the commitment of the Ukrainian authorities to free and fair elections;

Whereas efforts by the national authorities to limit access to international broadcasting, including Radio Liberty and the Voice of America, represent an unacceptable infringement on the right of the Ukrainian people to independent information;

Whereas efforts by national and local officials and others acting at their behest to impose obstacles to free assembly, free speech, and a free and fair political campaign have taken place in Donetsk, Sumy, and elsewhere in Ukraine without condemnation or remedial action by the Ukrainian Government;

Whereas numerous substantial irregularities have taken place in recent Ukrainian parliamentary by-elections in the Donetsk region and in mayoral elections in Mukacheve, Romny, and Krasniy Luch; and

Whereas the intimidation and violence during the April 18, 2004, mayoral election in Mukacheve, Ukraine, represent a deliberate attack on the democratic process: Now, therefore, be it

Resolved, That the Senate—

(1) acknowledges and welcomes the strong relationship formed between the United States and Ukraine since the restoration of Ukraine's independence in 1991;

(2) recognizes that a precondition for the full integration of Ukraine into the Western community of nations, including as an equal member in institutions such as the North Atlantic Treaty Organization (NATO), is its establishment of a genuinely democratic political system;

(3) expresses its strong and continuing support for the efforts of the Ukrainian people to establish a full democracy, the rule of law, and respect for human rights in Ukraine;

(4) urges the Government of Ukraine to guarantee freedom of association and assembly, including the right of candidates, members of political parties, and others to freely assemble, to organize and conduct public events, and to exercise these and other rights free from intimidation or harassment by local or national officials or others acting at their behest;

(5) urges the Government of Ukraine to meet its Organization for Security and Cooperation in Europe (OSCE) commitments on democratic elections and to address issues previously identified by the Office of Democratic Institutions and Human Rights (ODIHR) of the OSCE in its final reports on the 2002 parliamentary elections and the 1999 presidential elections, such as illegal interference by public authorities in the campaign and a high degree of bias in the media;

(6) urges the Ukrainian authorities to ensure—

(A) the full transparency of election procedures before, during, and after the 2004 presidential elections;

(B) free access for Ukrainian and international election observers;

(C) multiparty representation on all election commissions;

(D) unimpeded access by all parties and candidates to print, radio, television, and Internet media on a non-discriminatory basis;

(E) freedom of candidates, members of opposition parties, and independent media organizations from intimidation or harassment by government officials at all levels via selective tax audits and other regulatory procedures, and in the case of media, license revocations and libel suits, among other measures;

(F) a transparent process for complaint and appeals through electoral commissions and within the court system that provides timely and effective remedies; and

(G) vigorous prosecution of any individual or organization responsible for violations of election laws or regulations, including the application of appropriate administrative or criminal penalties;

(7) further calls upon the Government of Ukraine to guarantee election monitors from the ODIHR, other participating States of the OSCE, Ukrainian political parties, candidates' representatives, nongovernmental organizations, and other private institutions and organizations, both foreign and domestic, unobstructed access to all aspects of the election process, including unimpeded access to public campaign events, candidates, news media, voting, and post-election tabulation of results and processing of election challenges and complaints; and

(8) pledges its enduring support and assistance to the Ukrainian people's establishment of a fully free and open democratic system, their creation of a prosperous free market economy, their establishment of a secure independence and freedom from coercion, and their country's assumption of its rightful place as a full and equal member of the Western community of democracies.

Mr. CAMPBELL. Mr. President, as Co-Chairman of the Helsinki Commission, I submit today a resolution urging the Government of Ukraine to ensure a democratic, transparent and fair election process for the presidential elections scheduled to be held in late October. An identical resolution is being submitted by Chairman of the House International Relations Committee HENRY HYDE and my colleague and Chairman of the Helsinki Commission, Representative CHRIS SMITH. I am pleased to note that the Commission's Ranking Member, Mr. DODD, and the Ranking Member of the Committee on Foreign Relations, Mr. BIDEN, are original cosponsors of the resolution.

The Helsinki Commission, which has long monitored and encouraged human rights, rule of law and democracy in Ukraine, continues to be a stalwart supporter of Ukraine's development as an independent, democratic and market-oriented state. There is a genuine desire in the United States for Ukraine to succeed in this process and for the long-suffering Ukrainian people to fully realize their dreams and aspirations. This resolution, by encouraging fair, open and transparent elections, is a concrete expression of the commitment of the U.S. Congress to the Ukrainian people.

The resolution underscores that an election process and the establishment of a genuinely democratic political system consistent with Ukraine's freely-undertaken OSCE commitments is a prerequisite for Ukraine's full integration into the Western community of nations as an equal member, including into NATO. The October elections will be vital in determining Ukraine's course for years to come and they present the Ukrainian authorities with a real opportunity to demonstrate their commitment to OSCE principles and values.

Unfortunately, Ukraine's pre-election environment has already been decidedly problematic and of increasing concern to the United States and the international community. During the course of this year I have shared specific concerns with Senate colleagues, particularly in terms of the media. The resolution submitted today focuses squarely on key problem areas, including increasing control and manipulation of the media and attempts by national authorities to limit access to international broadcasting, including Radio Liberty and Voice of America. Among other concerns are the blatant obstacles to free assembly and a free and fair political campaign as well as substantial irregularities in several recent elections.

An egregious example of how not to conduct elections was the mayoral election held two weeks ago in the western Ukrainian city of Mukacheve. This election was marred by intimidation, violence, fraud and manipulation of the vote count, electoral disruptions and irregularities. Despite strong evidence indicating that a candidate from the democratic opposition ''Our Ukraine'' bloc had won, the territorial elections commission announced as winner the candidate of a party led by the head of Presidential Administration, Viktor Medvedchuk. That some of the abuses and violence took place in front of OSCE observers, and that some of the victims of violence were members of the Ukrainian parliament, only underscores the brazenness of these actions. The outlandish conduct of the Mukacheve elections not only casts doubt over their outcome, but when coupled with other recent problematic elections, including in Constituency No. 61 in Donetsk, could be a barometer for the October presidential elections.

The resolution I submit today outlines those measures the Ukrainian authorities need to take—consistent with their own laws and international agreements—for a free, fair, open and transparent election process. The Ukrainian authorities at all levels, including the executive, legislative and judicial branches, need to ensure an election process that enables all of the candidates to compete on a level playing field. This includes the various institutions and agencies involved directly or indirectly in the elections process, such as the Central Election Commission, the Ministry of Internal Affairs, Procuracy, the State Security Service (SBU), Tax Administration, as well as the Constitutional and Supreme Courts.

Ukraine's October presidential elections should be a watershed for the future direction of that country of great potential. It is abundantly clear that a small clique have a vested interest in perpetuating the outmoded status quo. Ukrainian authorities need to radically improve the election environment if there is to be hope for these elections to meet OSCE standards. The question is whether their perceived self-interest will trump the interest of the people of Ukraine. Having restored the independence of their proud land, the Ukrainian people deserve an opportunity to overcome the legacy of the past, and consolidate democracy, human rights and the rule of law.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3117. Mr. BREAUX (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

SA 3118. Mr. ALLARD (for himself, Mr. SCHUMER, Mr. MILLER, Mrs. CLINTON, Mr. CHAMBLISS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1637, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3117. Mr. BREAUX (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; as follows:

On page 88, between lines 17 and 18, insert:

''(4) DOLLAR LIMITATION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), the excess qualified foreign distribution amount shall not exceed the lesser of—

''(i) the amount shown on the applicable financial statement as earnings permanently reinvested outside the United States, or

''(ii) the excess (if any) of—

''(I) the estimated aggregate qualified expenditures of the corporation for taxable years ending in 2005, 2006, and 2007, over

''(II) the aggregate qualified expenditures of the corporation for taxable years ending in 2001, 2002, and 2003.

''(B) EARNINGS PERMANENTLY REINVESTED OUTSIDE THE UNITED STATES.—

''(i) IN GENERAL.—If an amount on an applicable financial statement is shown as Federal income taxes not required to be reserved by reason of the permanent reinvestment of earnings outside the United States, subparagraph (A)(i) shall be applied by reference to the earnings to which such taxes relate.

''(ii) NO STATEMENT OR STATED AMOUNT.—If there is no applicable financial statement or such a statement fails to show a specific amount described in subparagraph (A)(i) or clause (i), such amount shall be treated as being zero.

''(iii) APPLICABLE FINANCIAL STATEMENT.—For purposes of this paragraph, the term 'applicable financial statement' means the most recently audited financial statement (including notes and other documents which accompany such statement)—

''(I) which is certified on or before March 31, 2004, as being prepared in accordance with generally accepted accounting principles, and

''(II) which is used for the purposes of a statement or report to creditors, to shareholders, or for any other substantial nontax purpose.

In the case of a corporation required to file a financial statement with the Securities and Exchange Commission, such term means the most recent such statement filed on or before March 31, 2004.

''(C) QUALIFIED EXPENDITURES.—For purposes of this paragraph, the term 'qualified expenditures' means—

''(i) wages (as defined in section 3121(a)),

''(ii) additions to capital accounts for property located within the United States (including any amount which would be so added but for a provision of this title providing for the expensing of such amount),

''(iii) qualified research expenses (as defined in section 41(b)) and basic research payments (as defined in section 41(e)(2)), and

''(iv) irrevocable contributions to a qualified employer plan (as defined in section 72(p)(4)) but only if no deduction is allowed under this chapter with respect to such contributions.

''(D) RECAPTURE.—If the taxpayer's estimate of qualified expenditures under subparagraph (A)(ii)(I) is greater than the actual expenditures, then the tax imposed by this chapter for the taxpayer's last taxable

year ending in 2007 shall be increased by the sum of—

''(i) the increase (if any) in tax which would have resulted in the taxable year for which the deduction under this section was allowed if the actual expenditures were used in lieu of the estimated expenditures, plus

''(ii) interest at the underpayment rate, determined as if the increase in tax described in clause (i) were an underpayment for the taxable year of the deduction.

''(5) LIMITATION ON CONTROLLED FOREIGN CORPORATIONS IN POSSESSIONS.—In computing the excess qualified foreign distribution amount under paragraph (1) and the base dividend amount under paragraph (2), there shall not be taken into account dividends received from any controlled foreign corporation created or organized under the laws of any possession of the United States.

SA 3118. Mr. ALLARD (for himself, Mr. SCHUMER, Mr. MILLER, Mrs. CLINTON, Mr. CHAMBLISS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes; which was ordered to lie on the table, as follows:

On page 139, between lines 13 and 14, insert the following:

SEC. ___. BROWNFIELDS DEMONSTRATION PROGRAM FOR QUALIFIED GREEN BUILDING AND SUSTAINABLE DESIGN PROJECTS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to the definition of exempt facility bond) is amended by striking ''or'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', or'', and by inserting at the end the following new paragraph:

''(14) qualified green building and sustainable design projects.''.

(b) QUALIFIED GREEN BUILDING AND SUSTAINABLE DESIGN PROJECTS.—Section 142 (relating to exempt facility bonds) is amended by adding at the end thereof the following new subsection:

''(l) QUALIFIED GREEN BUILDING AND SUSTAINABLE DESIGN PROJECTS.—

''(1) IN GENERAL.—For purposes of subsection (a)(14), the term 'qualified green building and sustainable design project' means any project which is designated by the Secretary, after consultation with the Administrator of the Environmental Protection Agency, as a qualified green building and sustainable design project and which meets the requirements of clauses (i), (ii), (iii), and (iv) of paragraph (4)(A).

''(2) DESIGNATIONS.—

''(A) IN GENERAL.—Within 60 days after the end of the application period described in paragraph (3)(A), the Secretary, after consultation with the Administrator of the Environmental Protection Agency, shall designate qualified green building and sustainable design projects. At least one of the projects designated shall be located in, or within a 10-mile radius of, an empowerment zone as designated pursuant to section 1391, and at least one of the projects designated shall be located in a rural State. No more than one project shall be designated in a State. A project shall not be designated if such project includes a stadium or arena for professional sports exhibitions or games.

''(B) MINIMUM CONSERVATION AND TECHNOLOGY INNOVATION OBJECTIVES.—The Secretary, after consultation with the Administrator of the Environmental Protection Agency, shall ensure that, in the aggregate, the projects designated shall—

''(i) reduce electric consumption by more than 150 megawatts annually as compared to conventional generation,

''(ii) reduce daily sulfur dioxide emissions by at least 10 tons compared to coal generation power,

''(iii) expand by 75 percent the domestic solar photovoltaic market in the United States (measured in megawatts) as compared to the expansion of that market from 2001 to 2002, and

''(iv) use at least 25 megawatts of fuel cell energy generation.

''(3) LIMITED DESIGNATIONS.—A project may not be designated under this subsection unless—

''(A) the project is nominated by a State or local government within 180 days of the enactment of this subsection, and

''(B) such State or local government provides written assurances that the project will satisfy the eligibility criteria described in paragraph (4).

''(4) APPLICATION.—

''(A) IN GENERAL.—A project may not be designated under this subsection unless the application for such designation includes a project proposal which describes the energy efficiency, renewable energy, and sustainable design features of the project and demonstrates that the project satisfies the following eligibility criteria:

''(i) GREEN BUILDING AND SUSTAINABLE DESIGN.—At least 75 percent of the square footage of commercial buildings which are part of the project is registered for United States Green Building Council's LEED certification and is reasonably expected (at the time of the designation) to receive such certification.

''(ii) BROWNFIELD REDEVELOPMENT.—The project includes a brownfield site as defined by section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601), including a site described in subparagraph (D)(ii)(II)(aa) thereof.

''(iii) STATE AND LOCAL SUPPORT.—The project receives specific State or local government resources which will support the project in an amount equal to at least $5,000,000. For purposes of the preceding sentence, the term 'resources' includes tax abatement benefits and contributions in kind.

''(iv) SIZE.—The project includes at least one of the following:

''(I) At least 1,000,000 square feet of building.

''(II) At least 20 acres.

''(v) USE OF TAX BENEFIT.—The project proposal includes a description of the net benefit of the tax-exempt financing provided under this subsection which will be allocated for financing of one or more of the following:

''(I) The purchase, construction, integration, or other use of energy efficiency, renewable energy, and sustainable design features of the project.

''(II) Compliance with LEED certification standards.

''(III) The purchase, remediation, and foundation construction and preparation of the brownfields site.

''(vi) PROHIBITED FACILITIES.—An issue shall not be treated as an issue described in subsection (a)(14) if any proceeds of such issue are used to provide any facility the principal business of which is the sale of food or alcoholic beverages for consumption on the premises.

''(vii) EMPLOYMENT.—The project is projected to provide permanent employment of at least 1,500 full time equivalents (150 full time equivalents in rural States) when completed and construction employment of at least 1,000 full time equivalents (100 full time equivalents in rural States).

The application shall include an independent analysis which describes the project's economic impact, including the amount of projected employment.

''(B) PROJECT DESCRIPTION.—Each application described in subparagraph (A) shall contain for each project a description of—

''(i) the amount of electric consumption reduced as compared to conventional construction,

''(ii) the amount of sulfur dioxide daily emissions reduced compared to coal generation,

''(iii) the amount of the gross installed capacity of the project's solar photovoltaic capacity measured in megawatts, and

''(iv) the amount, in megawatts, of the project's fuel cell energy generation.

''(5) CERTIFICATION OF USE OF TAX BENEFIT.—No later than 30 days after the completion of the project, each project must certify to the Secretary that the net benefit of the tax-exempt financing was used for the purposes described in paragraph (4).

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) RURAL STATE.—The term 'rural State' means any State which has—

''(i) a population of less than 4,500,000 according to the 2000 census,

''(ii) a population density of less than 150 people per square mile according to the 2000 census, and

''(iii) increased in population by less than half the rate of the national increase between the 1990 and 2000 censuses.

''(B) LOCAL GOVERNMENT.—The term 'local government' has the meaning given such term by section 1393(a)(5).

''(C) NET BENEFIT OF TAX-EXEMPT FINANCING.—The term 'net benefit of tax-exempt financing' means the present value of the interest savings (determined by a calculation established by the Secretary) which result from the tax-exempt status of the bonds.

''(7) AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(14) if the aggregate face amount of bonds issued by the State or local government pursuant thereto for a project (when added to the aggregate face amount of bonds previously so issued for such project) exceeds an amount designated by the Secretary as part of the designation.

''(B) LIMITATION ON AMOUNT OF BONDS.—The Secretary may not allocate authority to issue qualified green building and sustainable design project bonds in an aggregate face amount exceeding $2,000,000,000.

''(8) TERMINATION.—Subsection (a)(14) shall not apply with respect to any bond issued after September 30, 2009.

''(9) TREATMENT OF CURRENT REFUNDING BONDS.—Paragraphs (7)(B) and (8) shall not apply to any bond (or series of bonds) issued to refund a bond issued under subsection (a)(14) before October 1, 2009, if—

''(A) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

''(B) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

''(C) the net proceeds of the refunding bond are used to redeem the refunded bond not later than 90 days after the date of the issuance of the refunding bond.

For purposes of subparagraph (A), average maturity shall be determined in accordance with section 147(b)(2)(A).''.

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (13)'' and inserting ''(13), or (14)'', and

(2) by striking ''and qualified public educational facilities'' and inserting ''qualified public educational facilities, and qualified green building and sustainable design projects''.

(d) ACCOUNTABILITY.—Each issuer shall maintain, on behalf of each project, an interest bearing reserve account equal to 1 percent of the net proceeds of any bond issued under this section for such project. Not later than 5 years after the date of issuance, the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency, shall determine whether the project financed with such bonds has substantially complied with the terms and conditions described in section 142(l)(4) of the Internal Revenue Code of 1986 (as added by this section). If the Secretary, after such consultation, certifies that the project has substantially complied with such terms and conditions and meets the commitments set forth in the application for such project described in section 142(l)(4) of such Code, amounts in the reserve account, including all interest, shall be released to the project. If the Secretary determines that the project has not substantially complied with such terms and conditions, amounts in the reserve account, including all interest, shall be paid to the United States Treasury.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2004.

On page 365, between lines 3 and 4, insert the following:

SEC. ___. SUBSTANTIAL PRESENCE TEST REQUIRED TO DETERMINE BONA FIDE RESIDENCE IN UNITED STATES POSSESSIONS.

(a) SUBSTANTIAL PRESENCE TEST.—

(1) IN GENERAL.—Subpart D of part III of subchapter N of chapter 1 (relating to possessions of the United States) is amended by adding at the end the following new section:

''SEC. 937. BONA FIDE RESIDENT.

''For purposes of this subpart, section 865(g)(3), section 876, section 881(b), paragraphs (2) and (3) of section 901(b), section 957(c), section 3401(a)(8)(C), and section 7654(a), the term 'bona fide resident' means a person who satisfies a test, determined by the Secretary, similar to the substantial presence test under section 7701(b)(3) with respect to Guam, American Samoa, the Northern Mariana Islands, Puerto Rico, or the Virgin Islands, as the case may be.''.

(2) CONFORMING AMENDMENTS.—

(A) The following provisions are amended by striking ''during the entire taxable year'' and inserting ''for the taxable year'':

(i) Paragraph (3) of section 865(g).

(ii) Subsection (a) of section 876(a).

(iii) Paragraphs (2) and (3) of section 901(b).

(iv) Subsection (a) of section 931.

(v) Paragraphs (1) and (2) of section 933.

(B) Section 931(d) is amended by striking paragraph (3).

(C) Section 932 is amended by striking ''at the close of the taxable year'' and inserting ''for the taxable year'' each place it appears.

(3) CLERICAL AMENDMENT.—The table of sections of subpart D of part III of subchapter N of chapter 1 is amended by adding at the end the following new item:

''Sec. 937. Bona fide resident.''.

(b) REPORTING REQUIREMENTS FOR BONA FIDE RESIDENTS OF THE VIRGIN ISLANDS.—Paragraph (2) of section 932(c) (relating to treatment of Virgin Islands residents) is amended to read as follows:

''(2) FILING REQUIREMENTS.—

''(A) IN GENERAL.—Each individual to whom this subsection applies for the taxable year shall file an income tax return for the taxable year with the Virgin Islands.

''(B) INFORMATION RETURNS FOR CERTAIN TAXPAYERS.—

''(i) IN GENERAL.—Each individual—

''(I) to whom this subsection applies for the taxable year or for any taxable year during the 5-taxable-year period ending before the date of the enactment of the Jumpstart Our Business Strength (JOBS) Act, and

''(II) to whom this subparagraph has not applied for the preceding 2 taxable years,

shall file an income tax return with the United States.

''(ii) FILING FEE.—The Secretary shall charge a processing fee with respect to the return filed under this subparagraph of an amount appropriate to cover the administrative costs of the requirements of this subparagraph and the enforcement of the purposes of this subparagraph.''.

(c) PENALTIES.—

(1) IN GENERAL.—Part I of subchapter B of chapter 68 is amended by adding at the end the following new section:

''SEC. 6717. FAILURE OF VIRGIN ISLANDS RESIDENTS TO FILE RETURNS WITH THE UNITED STATES.

''(a) PENALTY AUTHORIZED.—The Secretary may impose a civil money penalty on any person who violates, or causes any violation of, the requirements of section 932(c)(2)(B).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in subsection (c), the amount of any civil penalty imposed under subsection (a) shall not exceed $5,000.

''(2) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) with respect to any violation if such violation was due to reasonable cause.

''(c) WILLFUL VIOLATIONS.—In the case of any person willfully violating, or willfully causing any violation of, any requirement of section 932(c)(2)(B)—

''(1) the maximum penalty under subsection (b)(1) shall be increased to $25,000 and

''(2) subsection (b)(2) shall not apply.''.

(2) CLERICAL AMENDMENT.—The table of sections for Part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

''Sec. 6717. Failure of Virgin Islands residents to file returns with the United States.''.

(d) EFFECTIVE DATES.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

NOTICES OF HEARINGS/MEETINGS

SUBCOMMITTEE ON NATIONAL PARKS

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that the following hearing has been scheduled before the Subcommittee on National Parks of the Committee on Energy and Natural Resources:

The hearing will be held on Thursday, May 20, 2004 at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills: S. 1672, to expand the Timucuan Ecological and Historic Preserve, Florida; S. 1789 and H.R. 1616, to authorize the exchange of certain lands within the Martin Luther King, Junior, National Historic Site for lands owned by the City of Atlanta, GA, and for other purposes; S. 1808, to provide for the preservation and restoration of historic buildings at historically women's public colleges or universities; S. 2167, to establish the Lewis and Clark National Historic Park in the States of Washington and Oregon, and for other purposes; and S. 2173, to further the purposes of the Sand Creek Massacre National Historic Site Establishment Act of 2000.

Because of the limited time available for the hearings, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, pleased contact Tom Lillie at (202) 224–5161 or Sarah Creachbaum at (202) 224–6293.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 5, 2004, at 2:30 p.m., in closed session to mark up the Department of Defense Authorization Act for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, May 5, 2004, at 9:30 a.m., for a closed hearing on steroids.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Wednesday, May 5, 2004, at 10 a.m., in the 215 Dirksen Senate Office Building, to hear testimony on ''The Benefits of Healthy Marriage.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, May 5, 2004 at 10 a.m. on ''Oversight Hearing: Aiding Terrorists—An Examination of the Material Support Statute'' in the Dirksen Senate Office Building Room 226.

Witness List

Panel I: The Honorable Chris Wray, Assistant Attorney General, Criminal

Division, United States Department of Justice, Washington, DC; The Honorable Daniel Bryant, Assistant Attorney General, Office of Legal Policy, United States Department of Justice, Washington, DC; and Mr. Cary Bald, Assistant Director, Counterterrorism Division, Federal Bureau of Investigation, United States Department of Justice, Washington, DC.

Panel II: Mr. David Cole, Professor of Law, Georgetown University Law Center, Georgetown University, Washington, DC; and Mr. Paul Rosenzweig, Senior Legal Research Fellow, The Heritage Foundation, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 5, 2004, at 2:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LANDS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Lands of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 5, at 2:30 p.m.

The purpose of the hearing is to receive testimony on the following bills: S. 155, to convey to the town of Frannie, WY, certain land withdrawn by the Commissioner of Reclamation; S. 2285, to direct the Secretary of the Interior to convey a parcel of real property to Beaver County, UT; S. 1521, to direct the Secretary of the Interior to convey certain land to the Edward H. McDaniel American Legion Post No. 22 in Pahrump, NV, for the construction of a Post building and memorial park for use by the American Legion, other veterans' groups, and the local community; S. 1826, to direct the Secretary of the Interior to convey certain land in Washoe County, NV, to the Board of Regents of the University and Community College System of Nevada; S. 2085, to modify the requirements of the land conveyance to the University of Nevada at Las Vegas Research Foundation; and H.R. 1658, to amend the Railroad Right-of-Way Conveyance Validation Act to validate additional conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to facilitate the construction of the Transcontinental Railway, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERSONNEL

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 5, 2004, at 9 a.m., in closed session to mark up the personnel programs and provisions contained in the Department of Defense Authorization Act for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 5, 2004, at 10 a.m., in closed session to mark up the readiness and management support programs and provisions contained in the Department of Defense Authorization Act for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space be authorized to meet on Wednesday, May 5, 2004, at 2:30 p.m., on Space Shuttle and the Future of Space Launch Vehicles.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 5, 2004, at 11:30 a.m., in closed session to mark up the strategic forces programs and provisions contained in the Department of Defense Authorization Act for fiscal year 2005.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent for Jill Gotts, a legislative fellow for the Finance Committee majority staff, be granted floor privileges between now and the end of the 108th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE: PUBLIC FINANCIAL DISCLOSURE REPORTS

The filing date for 2004 Public Financial Disclosure reports is Monday, May 17, 2004. Senators, political fund designees and staff members whose salaries exceed 120 percent of the GS–15 pay scale must file reports.

Public Financial Disclosure reports should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records office will be open from 8 a.m. to 6. p.m. on the filing date to accept these filings. For further information, please contact the Public Records office at (202) 224–0322.

APPOINTMENTS

The PRESIDING OFFICE. The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276h–276k, as amended, appoints the following Senator as a member of the Senate Delegation to the Mexico-U.S. Interparliamentary Group during the Second Session of the 108th Congress: The Senator from New Mexico, Mr. BINGAMAN.

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928a–1928d, as amended, appoints the following Senators as members of the Senate Delegation to the NATO Parliamentary Assembly during the Second Session of the 108th Congress: Senator ERNEST F. HOLLINGS of South Carolina, Senator ZELL MILLER of Georgia.

NATIONAL WORLD WAR II MEMORIAL

Mr. FRIST. Mr. President, I ask unanimous consent the Judiciary Committee be discharged from further consideration of S.J. Res. 34 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER (Mr. COLEMAN). Without objection, it is so ordered.

The clerk will report the resolution by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 34) designating May 29, 2004, on the occasion of the dedication of the National World War II Memorial, as Remembrance of World War II Veterans Day.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. FRIST. I further ask that the joint resolution be read three times and passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements related to this matter be printed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 34) was read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 34

Whereas on May 29, 2004, thousands of veterans, their families, and friends will gather on the Mall in Washington, District of Columbia, to dedicate the National World War II Memorial;

Whereas on that day, Americans will pay tribute to the more than 16,112,000 veterans of all military services who served in World War II between the German invasion of Poland in 1939 and the surrender by Japan on V–J Day in 1945;

Whereas on that day, Americans will be reminded of the heroism and sacrifice of members of the Armed Forces who were on duty during some of the critical conflicts of World War II, including the attack on Pearl Harbor of December 7, 1941, the Battle of Midway of June 6, 1942, the invasion of Guadalcanal on August 7, 1942, the Allied campaign in North

Africa in November 1942, Operation Overlord (D-Day) on June 6, 1944, the capture of Iwo Jima on February 23, 1945, and the Tokyo bombing raids of March 1945;

Whereas on that day, veterans and their families from North Dakota will honor the heroism and sacrifice of the approximately 69,000 North Dakota veterans who served in World War II, including 1,569 who made the ultimate sacrifice, and recognize the hardships and sacrifices of the 164th Regiment of the American Division, a unit of the North Dakota Army National Guard, who were the first unit of the United States Army to land on Guadalcanal on October 13, 1942, in the campaign to recapture that island;

Whereas on that day, America will acknowledge the supreme sacrifice of the more than 400,000 Army, Army Air Corps, Navy, Marine Corps, Coast Guard, and Merchant Marine personnel who were killed in action in World War II;

Whereas 12 distinguished Senators and Members of Congress serving in the 108th Congress, including Senator Daniel K. Akaka, Senator Ernest F. Hollings, Senator Daniel K. Inouye, Senator Frank R. Lautenberg, Senator Ted Stevens, Senator John W. Warner, Congressman Cass Ballenger, Congressman John D. Dingell, Congressman Ralph M. Hall, Congressman Amo Houghton, Congressman Henry J. Hyde, and Congressman Ralph Regula, served in World War II; and

Whereas World War II veterans, members of the generation known as ''the Greatest Generation'', through their sacrifice and hard work over more than 50 years, have enabled millions of Americans to enjoy unparalleled prosperity and the blessings of freedom: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 29, 2004, is hereby designated as Remembrance of World War II Veterans Day, and the President is urged to call upon the people of the United States to celebrate the day with appropriate ceremonies and activities.

ORDERS FOR THURSDAY, APRIL 6, 2004

Mr. FRIST. I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Thursday, May 6th. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and following the time of the two leaders, the Senate then begin a period of morning business for up to 90 minutes, with the first half of the time under the control of the majority leader or his designee, and the second half under the control of the Democratic leader or his designee; provided that following morning business, the Senate resume consideration of Calendar 381, S. 1637, the FSC/ETI JOBS bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow, following morning business, the Senate will resume consideration of the FSC/ETI JOBS bill. We made excellent progress on the bill today, disposing of four amendments. I hope we can continue that process and that progress tomorrow with respect to relevant amendments to the bill. Senators should expect rollcall votes on amendments throughout the afternoon. The Senate may also act on executive nominations during tomorrow's session; therefore, additional votes are possible.

In particular, I look forward and hope we would be able to act on one very important nominee, John D. Negroponte of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iraq. Many members have had the opportunity to get to know this particular nominee, to discuss his plans for the future, and it is critical we act as soon as we possibly can on this nominee who will be our ambassador to Iraq. It is critical we do that as soon as possible. It is my hope and expectation to do that tomorrow.

ORDER FOR ADJOURNMENT

Mr. FRIST. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator DAYTON for up to 10 minutes and Senator MURRAY for up to 60 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

IRAQ PRISONER ATROCITIES

Mr. DAYTON. Mr. President, I was present for the concluding remarks of the majority leader regarding the atrocities committed in Iraq against the prisoners there. I certainly share his sentiments. A number of my colleagues have spoken today from both sides of the aisle expressing their horror, their outrage, and their deep regret. I join with them as well.

I also am deeply disturbed as a Senator and as a Member of the Senate Armed Services Committee at the lack of communication from the military and the civilian command to those Members of the Senate about these incidents—in fact, right up to the moment they were disclosed to the American people through, fortunately, a free and vigilant press.

According to the information I have been able to obtain, a copy of the most recently referenced classified internal military report, and other news reports about that and other information, many of these incidents that have been under investigation occurred last October, last November—in other words, over half a year ago. They are horrible events. The report said that Iraqi prisoners had been victims of sadistic, blatant, and wanton criminal abuses. They were beaten with broom handles and chairs and threatened with rape. One prisoner was sodomized with a chemical light stick or with a broomstick. Military dogs were also used to frighten and intimidate detainees. One graphic description in the New York Times today talks about the experience of a particular Iraqi male, the deep humiliation and shame he still feels, the utter degradation, the sadistic and disgusting abuse of him night after night by his American captors.

I agree with the remarks of the majority leader that these people carrying out these terrible deeds were few in number, but tragically their impact is enormous. They are going to make life a lot more difficult and a lot more dangerous for the 134,000 incredibly brave, patriotic Americans who are over there putting their lives on the line every day and night.

A story in the New York Times gives a sense of how this is affecting the way the United States is viewed in the Arab world, saying in the Arab world and beyond, the tormenting of Iraqi prisoners by their American guards shredded already thin support for Washington's invasion of Iraq and its vow to install democratic values and respect for human rights.

The outrage over the abuse shown in pictures flashed across front pages and television screens drew emotional comparisons, asking how the American occupation of the country could be distinguished from the way Saddam Hussein's government oppressed the ordinary Iraqis. This kind of outrage will lead to more attacks against our forces, greater intensity of attacks, more bombing and assassination attempts against our forces and other representatives, more casualties, more men and women from America dying, shedding blood as a result of this immoral and illegal misconduct.

The U.S. military, according to this report, first became aware of these incidents, or some of them, as early as January of this year; in fact, maybe even sooner than that. It was January 19 that LTG Ricardo Sanchez, the commander of the joint task force in Iraq, requested that these incidents of last October, November, and December be investigated. There was a preliminary report which indicated systemic problems within the prison brigade and suggested a lack of clear standards, proficiency, and leadership.

That investigation began then on January 24. It was carried out through interviews and other investigations of both Iraqi prisoners, former prisoners, and U.S. military personnel who had witnessed these incidents.

On February 29, the executive summary was presented to the military command; on March 19, the final written report. The outbrief to the appointing authority took place on March 3, 2004. That is 2 months ago, and actually the 2 months preceding that, various people in the chain of command were aware of these incidents.

They must have recognized the enormous impact they would have, the devastating effect they would have upon our situation in that country, militarily, diplomatically, and in our relations with other countries throughout

the world. Yet as far as I have been told, not one word—not one word, literally, was communicated to anyone in the Senate, Democrat or Republican.

We had, in fact, a briefing last Thursday afternoon, a top-secret classified briefing, which was attended, as I recall, by about 40 to 45 Members of the Senate with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. That briefing occurred 2, 3 hours before the ''60 Minutes II'' report which disclosed these incidents and this report. Not one word—not one word—was mentioned to any of us.

I have been in briefings as a member of the Senate Armed Services Committee through the last weeks and months where we have asked, time after time: What is going on? What is the progress? What is the lack of progress? Where are the problems? What is occurring? Not a word about this. Not a word, until it occurred, of the eruption of violence, the intensification of violence, in key areas of Iraq over the last several weeks, which caused, in April, the highest level of casualties since the war began. We ask, again and again: What is going on? And we are told: Everything is fine. We are making great progress.

As early as last August, we were told 95 percent of the country is peacefully progressing. Everything is going well. And we find out, through news reports or through the reality of events, that is not the case.

There is no credibility. The American people are not being told the facts and the truth. The U.S. Congress is not being told the facts and the truth. We deserve the facts and the truth.

I do not know who knew what at what point in time up through this chain of command. But I believe we have the responsibility and the right to find out. We are going to have, I am told, the opportunity, in the Senate Armed Services Committee, to meet with Secretary of Defense Rumsfeld this Friday morning. I certainly—and I know others, too—will be asking for that sequence of events and asking why it is that we are not told relevant information, crucial information that affects the conditions over there, the progress or lack thereof, that then, in turn, affects the lives, the safety, the well-being of the men and women who are serving over there heroically, and whose families are waiting back in my State of Minnesota and across this country, frantically, anxiously, wondering what their future is going to be, wondering if they are going to return home alive safely.

We were elected in a democratic process by those men and women, their families, to be here to look out for them, to ask questions about what is going on, to be given the information about what is occurring, so we can participate in decisions that are going to affect U.S. policies that are going to determine the outcome of their lives—when they will be home, whether they will come home.

I think the people at various levels who participated in this investigation—I am not going to call it a cover-up because there was an ongoing investigation, but, my goodness, for the last 2 months, when it was completed, and we were not informed, it was not being reported. If not covered up, it was being hidden from Congress.

I am going to ask those individuals to read or reread the United States Constitution and refresh their understanding of what it means to be in a constitutionally established democracy where the executive branch and the legislative branch have coequal responsibilities.

I certainly would like to work with Members of both sides of the aisle in regard to the authorization of military——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DAYTON. Mr. President, I ask unanimous consent for 1 minute to conclude my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DAYTON. Mr. President, I would like to work with Members of both sides of the aisle to put in place language, in the military authorization and in any supplemental requests that are going to be made, that we be given full and necessary disclosure, the same way we require corporations that are making stock offerings to inform their investors, the same way we require corporations and those running them to inform their boards of directors of relevant, critically important information that has a material bearing on the information that is being presented so they can make informed decisions. We are getting far less than that. We are being asked to make informed decisions when we are not being given the information, we are not being told the truth. We are having vital, important information withheld. That has to stop. We need to disclose what has occurred in these incidents.

We need to make sure they never happen again. And we need to make sure that we in Congress are given the opportunity that we deserve, the right that we have, to look out on behalf of the American people to make sure they never occur again.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

THE AEROSPACE INDUSTRY

Mrs. MURRAY. Mr. President, will the last aerospace worker leaving America turn out the lights? I ask that question to sound an alarm for every American who cares about our economy and our security.

We are about to surrender our global aerospace leadership because we are sitting on our hands while Europe is doing everything it can to dismantle our aerospace industry.

Today, I am sounding the alarm. Unless we wake up to this threat, we are going to lose an industry that Americans created and that has brought innovation to every corner of our economy.

We Americans led the first century of flight, but we might not even have a role in the second century if we keep sleepwalking down this dangerous road.

I am here on the Senate floor tonight to say: Wake up. Wake up to this threat before we lose another American industry. Wake up to this threat before we lose more high-wage, high-skill American jobs. Wake up to this threat before it is too late.

Too many Americans, especially in our Government, are not aware of what Europe is doing to kill off our aerospace industry. I want to expose the unlimited assault that Europe and Airbus are leveling at America's aerospace workers.

As my colleagues know, I have been troubled by Europe's market-distorting actions in commercial aerospace for many years. I have raised my concern with Senators, with foreign leaders, and with administrations of both parties.

Tonight, I am detailing my concerns before the full Senate because EADS and Airbus have launched a deceptive PR and lobbying campaign to convince the U.S. Government that it is essentially an American company. The Airbus campaign of half-truths is on full display as the company works overtime in Washington, DC, to recreate a competition they already lost to build the next generation refueling tanker for the Air Force.

I have come to the Senate floor tonight to set the record straight and to show how Europe's broader plan to dominate aerospace threatens our future.

Tonight, I am going to focus on five issues.

First, I want to explain why this is so important for our country.

Secondly, I want to explain how the European view of aerospace as a social program to create jobs is helping Europe beat out our more traditional business perspective.

Third, I want to expose, in detail, the underhanded things that Airbus is doing to dismantle our aerospace industry, from providing subsidies for launch aid, research, facilities and suppliers, to selling planes below cost, guaranteeing the future value of aircraft, tying sales to landing rights, and linking plane sales to other trade issues.

Fourth, I want to expose the deceptive lobbying and PR campaign Airbus is using to reopen a competition it lost and the dangers that poses for American security. Finally, I want to talk about the steps we must take to retain our leadership of this critical industry.

Let me explain the title of my speech, ''Will the Last Aerospace Worker Leaving America Turn Out the

Lights?'' I have the great honor of representing the State of Washington which is one of America's great aerospace centers. We are very proud of our long history and our leadership. On July 15, 1916, Bill Boeing started his airplane company in Seattle, WA. Since that day, Boeing and Washington State have shared the ups and downs of the commercial aerospace industry. We have experienced extended periods of nearly full employment, and we have endured marked downturns that left tens of thousands unemployed.

In the early 1970s, there was a particularly bad downturn. It seemed as if everyone was leaving Seattle. So two Seattle businessmen decided to post a billboard to put a lighthearted spin on all the layoffs. Here is the photo that ran in the Seattle Times in 1971. It shows a billboard with a light bulb and a string coming out of it. It says, ''Will the last person leaving Seattle turn out the lights.''

Anyone who lived through this difficult period in Washington State knows this sign. Eventually Seattle recovered, and since the 1970s we have experienced ups and downs. Today we are facing another severe downturn in the aerospace industry. But today it is not just Seattle or Washington State that is hurting. We are hemorrhaging aerospace jobs in Kansas, California, Texas, Florida, New York, Illinois, Georgia, Arizona, Pennsylvania, Ohio, Connecticut, Maryland, New Hampshire, Massachusetts, and Colorado. This is a national problem, and we are not too many years away from asking, will the last aerospace worker leaving America turn off the lights? We have to take action before it is too late. Sadly, we are approaching a point of no return.

Last week the top two executives of EADS revealed their plans to take over the global aerospace industry. According to a German newspaper on April 27, 2004, CEO Rainer Hertrich said:

> In ten years, we'll be number one, everywhere, worldwide.

His CEO Phillipe Camus said:

> We're now ready for our final step: globalization.

Some of my colleagues may wonder why I am speaking at some length tonight about the future of our aerospace industry. It is because this industry is critical for jobs, for our economy, for our security, and for our future.

The commercial aerospace industry employs more than 2 million Americans with an average salary of $47,000. But unfortunately, we are losing these good-paying jobs at a rapid rate. In the past 15 years, we have lost 700,000 American aerospace jobs. These are scientific and technical jobs; 700,000 high-skilled, high-wage jobs are gone. Unless we wake up, we are about to lose more.

We spend a lot of time in the Senate talking about how American jobs are being shipped overseas in search of cheaper labor. Aerospace is a little different than some of the other industries we have discussed. Aerospace jobs are not low-wage, low-skill jobs that move to where the labor is cheapest. These are high-wage, high-skilled jobs we need to keep in America. But we are being aggressively challenged by Europe for those jobs.

Aerospace is also important for our overall economy. Our leadership in commercial aerospace has helped American industries, from health care to automobiles, become safer, more efficient, and more productive.

According to John Douglas, president of the Aerospace Industries Association of America, the aerospace sector ''generates economic activity equal to nearly 15 percent of the nation's gross domestic product and supports approximately 11 million American jobs.'' Mr. Douglas notes that aerospace also led the Nation in net exports with a $30 billion surplus in 2000.

The Commission on the Future of the U.S. Aerospace Industry found that in 2001:

> . . . more than 600 million passengers relied on U.S. commercial air transportation and over 150 million people were transported on general aviation aircraft. Over 40 percent of the value of U.S. freight is transported by air. Aerospace capabilities have enabled e-commerce to flourish with overnight and parcel delivery and just in time manufacturing.

Not only is this about jobs, it is also about security. It is irresponsible to let our country surrender our aerospace leadership. Once our plants shut down, once our skilled workers move to other fields, once the infrastructure is gone, you can't recreate that overnight. It took 100 years to build our aerospace leadership, and we could lose it all in the next 10 years.

Finally, commercial aerospace is important for our future. Europe is working hard to overtake our leadership of aerospace because they know it is the future, the future of the worldwide economy and the future of human exploration. Europe wants to lead the future. And if we stay on this track, they will.

This industry is worth saving because it is important for our jobs, our economy, our security, and our future. I should explain by way of background there are only two companies in the world that make large passenger airplanes. One is the Boeing Company. Its commercial air operation is headquartered in Renton, WA. The other is Airbus which is headquartered in Toulouse, France. Airbus is a division of the European Aeronautics Defense and Space Company also known as EADS. Throughout my remarks tonight, I will refer to Airbus and EADS interchangeably. So it is one European company and one American company competing for control of the commercial aerospace industry.

Next I want to talk about how the United States and Europe view commercial aerospace, because we have two very different visions. Unfortunately, their vision will allow them to overtake us unless we realize what they are doing.

Let me start at home. For us in America, commercial aerospace is seen as private business. Some companies will win; some companies will lose. We will let the marketplace decide. But for Europe, aerospace is a jobs program. The European governments will fund and support their domestic industry because creating aerospace jobs in and of itself is considered a priority. They don't care if Airbus loses money. They don't even require Airbus to pay back loans on failed products. They don't care as long as they are creating jobs for Europeans.

Europe views aerospace as a long-term investment. They are aggressively subsidizing the industry and pressuring and rewarding customers without regard to making a profit or following the business rules American workers must follow. Simply put: They are willing to pay any price to take over American leadership.

Don't take my word for it. Look at what EU leaders have said. Here is what British Prime Minister Tony Blair had to say last year:

> As a result of over 500,000 pounds in launch aid, Airbus is today in a position where it can take over the leadership of the large aircraft market from Boeing in the United States. That would be tremendous for British manufacturing and for European industry.

It is not just Tony Blair. Here is what a 2001 report to the European Commission, titled ''European Aeronautics, a Vision for 2020'' states:

> European aeronautics has grown and prospered with the support of public funds, and this support must continue if we are to achieve our objective of global leadership.

The same report goes on to say:

> Total funding required from all public and private sources over the next 20 years could go beyond 100 billion euros.

Simply put, Europe views aerospace jobs as a priority. According to the European Aerospace Industry Association, there are at least 407,000 direct jobs in Europe's aerospace sector, more than 1.2 million total jobs supported by aerospace in Europe, and there are more than 80,000 firms in the European aerospace supply chain.

Europe has maintained a $20 billion annual trade surplus in aerospace goods since 1996. Europe has an aggressive investigation for the future of aerospace. It wants to use significant public investment to create and sustain jobs, largely at the expense of U.S. competitors and workers.

Here is how the Commission on the Future of the U.S. Aerospace industry put it in 2002:

> Unfortunately, it appears that European officials intend to continue directly subsidizing EU companies. The recently unveiled EU aerospace policy strategy calls for an increase in subsidies to continue building market share, largely at the expense of U.S. companies.

So Europeans are willing to do anything to subsidize Airbus and distort the market so it can beat Boeing. But here in the United States, our Government is sitting on the sidelines. We are

following a normal business model, and we are getting creamed by the Europeans, who are following a social welfare model, where it doesn't matter if they lose money if their products fail. As long as they are employing Europeans and taking over America's market share, they don't care. That is not competition; that is subsidized slaughter.

We have to wake up before it is too late for America's aerospace companies and workers. This is not a truly competitive market. Private U.S. companies, responsible to their shareholders, are confronting subsidized companies funded by governments who don't care if they make a profit as long as they create jobs. Understanding how the Europeans approach aerospace is the first step to helping American workers survive this onslaught. The next step is to understand how the Europeans are putting their vision into action, and that is what I want to focus on next.

Tonight, I want to explore the unprecedented means that Airbus and the Europeans are using to overtake American workers. Europe is taking over America's aerospace industry through aggressive, unfair market-distorting measures. Specifically, European governments are supporting Airbus on the development side, as Airbus creates new aircraft, and on the sales side, as Airbus pressures airlines and foreign governments to buy their aircraft.

Let's start with the development side, where we find massive market-distorting subsidies at every stage. Let's remember that Airbus was created by European governments in 1967 specifically to challenge Boeing and U.S. aerospace dominance in the manufacture of large civil aircraft. EADS gets subsidies at nearly every stage of aircraft development. They benefit from launch subsidies, research subsidies, facility subsidies, and supplier subsidies. These aggressive subsidies give Airbus virtually unlimited backing to overtake the American aerospace industry. It is like an American worker stepping into a boxing ring only to find out that, instead of one opponent, he is up against the full force and power of the entire European Union. It is not a fair fight.

Europe's abuses have been well documented by our own Government. Here is what the U.S. Trade Representative said about Airbus subsidies in its 2003 report on trade barriers:

> Since the inception of Airbus in 1967, the governments of France, Germany, Spain, and the UK have provided direct subsidies to their respective Airbus member companies to aid the development, production, and marketing of Airbus civil aircraft. Airbus member governments have borne a large portion of development costs for all Airbus aircraft modes and provided other forms of support, debt rollovers, and marketing assistance, including political and economic pressure on purchasing governments.

These subsidies create an uneven playing field and allow Airbus to do things that normal private companies cannot afford to do. Airbus has grown without assuming any of the financial risk and accountability that U.S. firms have to contend with every day. Here is how a top aviation analyst put it:

> Airbus cares a lot less about returning value to shareholders. Boeing is the classic American shareholder-driven corporation.

Europe's approach is working, too. Today, EADS is the second largest aerospace company in the world. In the last decade, Boeing has seen its market position globally erode significantly. At one time, Boeing sold 75 percent of the aircraft purchased worldwide. Airbus was in the teens. Today, Airbus claims to supply more than 50 percent of the industry.

Mr. President, I have made the case with statistics, data, trade reports, and official Government findings. Let me put it a little more simply: Airbus has a sugar daddy named Europe, who will keep forking over money until Airbus has demolished America's aerospace industry and put hundreds of thousands of skilled American workers on the unemployment lines.

We cannot sit back and continue to let that happen. But it is not just the support and development side in the form of subsidies for launching facilities, research, and suppliers. Europe's market distortions go much further on the sales side. Tonight I want to expose some of the ways that European governments are supporting Airbus sales.

Airbus uses a series of incentives and threats to steal customers away from Boeing—everything from bribes and landing rights, to discounts, value guarantees, and trade threats and rewards. Airbus has a history of graft and corruption. But don't take my word for it. Look at what the Economist magazine, on June 14, 2003, said in a special report, entitled ''Airbus's Secret Past; Aircraft and Bribery'':

> Up until 2000, Airbus and other French companies were allowed to take a tax deduction for bribes.

Imagine that—bribing someone to buy your airplane and then you take a tax deduction for the bribe you paid. The Economist article details Airbus sales campaigns in India, Syria, and Canada that involved corruption and bribes. The article notes that, in 2001, the Under Secretary for Commerce for International Trade testified before Congress on U.S. competitiveness in aircraft manufacturing. The Under Secretary warned that bribery remains a threat to U.S. competitiveness. He said:

> This is an industry where foreign corruption has a real impact. Bribery by foreign companies can have important consequences for U.S. competitiveness because of the critical role governments play in selecting aircraft suppliers; and because of the huge sums of money involved in aircraft purchases, this sector has been especially vulnerable to trade distortions involving bribery of foreign public officials.

His remarks were directed squarely at Airbus and the European nations that aggressively back Airbus sales campaigns throughout the world.

This article also notes that, according to a 2001 European Parliament report, the U.S. National Security Agency intercepted faxes and phone calls between Airbus, Saudi Arabian Airlines, and Saudi Government officials in early 1994. The NSA found that Airbus agents were offering bribes to a Saudi official to ensure that Airbus received a $6 billion order to modernize the Saudi Arabian airlines fleet. Bribes and corruption have long been a part of their standard operating procedure for getting other countries to buy their airplanes.

Those are just a few of the many techniques they have used to beat out American workers. Let me turn to another one. Airbus purchases have long been linked to landing rights at Europe's busiest airports; a very attractive incentive to offer them to buy their airplanes, but it is a very questionable practice.

I want to share four documented examples. In 2002, an airline named easyJet placed a big Airbus order and then received favorable landing spots at Orly Airport in France. In 2002, Malaysia Airlines received landing rights at Charles de Gaulle Airport in Paris 3 days after buying 6 Airbus A 380s. Emirates Airlines and Qatar Airways both received extra landing rights after buying Airbus airplanes.

A source close to Emirates Airlines said:

> It seems that Airbus leans on Air France, which has the slots at Paris Charles de Gaulle and the slots are given to the airline that has bought airbus. . . .This has been known for years. Airbus sells one of its planes to a customer and promises to do its best to get slots for that airline.

But landing rights are not the only trick Airbus uses to sell their planes. Airbus also aggressively discounts the purchase price of its planes, often at the last minute, and often below the cost of production.

Airbus regularly makes a late final offer to an airline after Boeing has made its best offer. Time and again, Boeing has lost a commercial sale because Airbus doesn't have the same commercial accountability. Airbus regularly sells aircraft below the price of production simply to gain market share and to take customers away from Boeing.

The 2000 easyJet deal I just mentioned a moment ago is a prime example of Airbus's willingness to discount airplanes to win sales campaigns.

Airbus does not reveal its discounts or the particulars of a given order. However, it was widely reported that Easy Jet got a 50-percent discount on its Airbus purchase. Boeing said the deal was below the cost of production. Airbus sold its planes below cost. Airbus got the order at Boeing's expense, and the Europeans got at least 10,000 direct jobs. It is a great deal for Europe; it is a horrible deal for American workers. It happened because of all the financial backing, subsidies, and special deals that Airbus gets from its European sponsors.

Let me share another way that Airbus distorts the marketplace. Buying new aircraft is a big expense for any airline. Airlines want to make sure the planes they buy will hold their value for years after their purchase. Normally, the market price decides the value of a used airplane, just like the marketplace decides the value of a used car. But Airbus uses its deep pockets to override the marketplace. When Airbus sells a plane to an airline, it often promises the airline that the plane will hold its value in the future, and if it does not, Airbus will pay the difference to the airline.

For example, Airbus will tell an airline that the plane it buys will be worth $60 million in 10 years. The market only pays $40 million. Airbus will pay the difference to the airline. It is a very attractive incentive for an airline, but it is also unfair because it allows one company to completely distort the marketplace. These Airbus guarantees allow the company to use their government subsidies to buy market share.

If this happened in another field such as cars, this Congress would be up in arms. Imagine going to a Toyota dealer and a salesman makes you a guarantee that in 10 years your car will be worth a certain amount of money far above its actual value. As a car buyer, you love that dealer. Airlines like Airbus's guarantee. But if a foreign carmaker did that, every representative from U.S. carmakers, suppliers, and dealers would be here in Congress demanding fairness.

The same abuse is taking place today in the aircraft market, but Congress is not responding. That is why I am exposing all of these techniques.

Let me share two specific cases where Airbus used these value guarantees to distort the market and take sales away from American workers.

In 2003, Boeing and Airbus competed to sell planes to Iberia Airlines of Spain. At the last minute, Airbus stepped in and undercut Boeing's price. It then offered Iberia a residual value guarantee on the future value of the aircraft. Airbus got the deal. An official with Iberia Airlines said Airbus got the deal because of the ''extraordinary conditions'' it offered at the last minute. Once again, because of its government support, Airbus was able to do things that a private for-profit company could not.

Airbus used that same market-distorting approach with easyJet, a low-cost carrier that had a fleet of all Boeing aircraft. In 2002, easyJet agreed to buy 120 planes from Airbus and take options on an additional 120 planes. Airbus offered a significant price discount and a residual-value guarantee to win that deal.

These are just a few examples of how Airbus, backed by European governments, is taking jobs away from American workers through market-distorting tactics. But it is not just the bribes, corruption, the landing slots, the discounts, and the value guarantees Airbus is using to undermine American aerospace. Airbus also steals sales by making threats and rewards on unrelated trade issues.

Airbus and European government officials regularly link Airbus sales to other trade issues. There is constant cooperation between Airbus and European leaders to pressure foreign airlines and governments to buy Airbus aircraft. Let me share a few documented examples that span the globe.

First, Europe gives special rewards to countries for buying Airbus planes. It happened with Russia 2 years ago. After the Russian airline Aeroflot bought Airbus planes, Russian exporters were given greater access in the European market, and Russia was given use of the EU space launchsite.

It happened in Thailand as well. Following a 2002 Thai Airlines Airbus purchase, Airbus lobbied the EU to lower trade barriers to Thai chicken and shrimp exports.

Time and again, Airbus links their plane purchases to other trade deals. But Airbus is not content to just use trade rewards. It also threatens to punish other countries unless they buy Airbus planes. Let me share a couple examples that first involves Pakistan.

In April 2003, Pakistan media reported that EU retaliated in textile negotiations against Pakistan following the Boeing 777 purchase. Airbus is not competing on the merits of its product. Instead, it uses threats of retaliation to pressure countries into going along.

Another example of these threats and pressure tactics involves Taiwan. During an aggressive 2002 competition between Boeing and Airbus for an important Taiwan sale, the Government of France threatened to terminate its satellite cooperation with Taiwan if Airbus was turned away.

Let me share a final example of these trade tactics, and it is one of which I have personal knowledge.

European governments have linked Airbus purchases to EU accession. I saw this myself on a trip to Central Europe that I took in 1998 when I visited Poland, Hungary, and the Czech Republic. One Central European airline told me pointblank that they are under pressure from the Europeans to buy Airbus because it would ultimately make EU accession easier.

This is just a sampling of the very aggressive competitor that my constituents and our aerospace workers confront every day in the global market. I note that this is just the tip of the iceberg. I have been briefed by some of our Government intelligence agencies, and the examples I shared are just a very small part of what is happening. I encourage all of my colleagues to be briefed by the appropriate agencies because it will shock you, just as it shocked me. Arrange a briefing and find out for yourself.

I now want to turn to my fourth point. Airbus and EADS are now engaged in a slick campaign to market themselves as an American company to policymakers and to the general public. They are running a campaign of misinformation and half-truths to secure more U.S. business for European workers. Their campaign is particularly evident in Washington, DC, where Airbus is seeking to influence both the administration and this Congress. They have their lobbyists working to unravel the Boeing tanker contract, and their PR shop is making false claims about Airbus's impact on our economy. Simply put, they are trying to get us to see them as an American company.

Airbus and EADS have hired a small army of lobbyists. At least 18 lobbyists at multiple lobbying firms are registered to represent Airbus and EADS in Washington, DC. Their lobbyists include the current chairman of the Republican National Committee, former Members of Congress, former staffers to a previous Senate majority leader, a previous House minority leader, and others heavily involved in congressional campaigns. Lobbyists with ties to the administration are also at work for Airbus, including former officials at the White House, Defense Department, Commerce Department, Transportation Department, Export-Import Bank, OPIC, and NASA.

Airbus and EADS have also hired prominent Americans to help them gain entry into the U.S. markets and to put an American face on this European operation.

Ralph Crosby is the CEO of EADS North America. Mr. Crosby was a longtime senior executive with the Northrup Grumman Corporation. EADS said Crosby's hiring was ''to enhance the access of EADS to all elements of the U.S. defense and aerospace marketplace.''

T. A. McArtor is the chairman of Airbus North America. He previously served as the administrator of the Federal Aviation Administration. David Oliver is the executive vice president and chief operating officer of EADS North America. Oliver was previously the principal Under Secretary of Defense for Acquisition, Technology, and Logistics. With this team of lobbyists and former U.S. Government officials in place, Airbus and EADS now want policymakers and the public to believe that Airbus is actually an American company.

Here is what Airbus and EADS say in Washington, DC, and all over the country in speeches, in paid advertisements, and in other official materials: They say Airbus has created and supports 120,000 jobs in our country. They say Airbus subcontracts with as many as 800 U.S. firms in the United States, and they say Airbus now does $6 billion in business annually in the United States.

For more than a year, I have called on Airbus to justify and document these assertions, and they have refused. Last year, I wrote to the Commerce Department and asked them to investigate these claims, and I want to share the results.

On jobs, Airbus used to claim they created 100,000 U.S. jobs. The U.S. Commerce Department could not find any justification for that claim. Commerce asked Airbus to document these claims. Airbus refused. Now Airbus is inflating its bogus figures, saying it is responsible for 120,000 American jobs.

Do my colleagues know what figure the Commerce Department came up with? Five hundred. Not 120,000, not 100,000, but 500 jobs is what the Commerce Department came up with.

The truth is, Airbus in large part is responsible for the economic shock, consolidation, and dislocation that has hurt American aerospace workers over the last decade. Thousands of small businesses have gone out of business. Consolidation in the industry has brought enormous change, and hundreds of thousands of jobs have been lost throughout the industry. Let us set the record straight. Airbus does not create American jobs; it kills them.

Airbus also makes false claims about the number of U.S. suppliers it uses. Airbus says it contracts with 800 U.S. firms. The Commerce Department, after looking into this request, can only come up with 250 firms, not 800. After that, Airbus did something kind of fishy. They revised their supplier figure down from 800 firms to 300 firms, but they increased the alleged value of its contracts from $5 billion up to $6 billion annually. We just cannot trust Airbus' funny numbers.

When it comes to suppliers, Airbus deserves no credit for using U.S. suppliers, and that is because commercial aerospace—the airlines, not the manufacturers—select many of the suppliers. Clearly Airbus does not deserve credit for the choices that its customers make. So again, Airbus does not help American firms; it hurts them.

Finally, Airbus claims it does $6 billion in business in the United States each year. They say that every chance they get, but here is something they do not say. EADS alone has a $6 billion trade surplus with the United States. I am not talking about another country; I am talking about one company running a $6 billion trade surplus with the United States.

Airbus and EADS are not helping America's aerospace industry. They are destroying it. Already, 700,000 American workers have lost their jobs while Europe keeps adding new workers to the Airbus payroll. It is time for the Senate, for our Government, and for the American people to take a real close look at Airbus' real impact on the United States.

The truth is that Airbus is a horrible investment for our country. According to EADS' documents, North America provides EADS with 35 percent of its revenues, about 10 billion euros, but North American workers only make up 2 percent of the company's jobs—just 2,400 jobs out of 107,000 worldwide. We give them a third of their business. What do we get in return? Two percent of their jobs. That is a bad deal.

The truth is, Airbus and EADS are exporting U.S. jobs, suppliers, and dollars to Europe as fast as they can. It is clear to me that Airbus is making phony claims about its impact on the U.S. economy, hiring lobbyists and mounting a PR campaign so it can position itself to steal the tanker contract from American workers.

I will turn to that tanker contract and some disturbing developments. As all of my colleagues know, I have been involved in the tanker contract from the very beginning. I have been proud to work with many other Senators on it. There is no question our Air Force needs new air refueling tankers. There is also no question that Airbus is trying to reopen a competition it lost 2 years ago.

I want to make sure American policymakers understand how Europe is hurting American aerospace workers and what Airbus has been doing behind the scenes to undermine the Boeing tanker contract. If we allow Airbus to steal the tanker contract through its phony claims, we will be helping Europe dismantle our domestic aerospace industry and asking U.S. taxpayers to foot that bill.

No one doubts the need for new tankers. Airborne refueling tankers allow our country to project military force around the globe. Most of our tankers are more than 40 years old. One-third of the fleet is unfit to fly at any given time due to mechanical failure. Each plane requires a full year of maintenance for every 4 years spent on duty.

There is no question they must be replaced with new tankers. The only question is, who is going to build these tankers—American workers or French workers? If we give this contract to the French, we will be rewarding Europe's trade-distorting behavior, putting Americans out of work, and helping Europe dismantle our aerospace industry.

Congress and the administration have wrestled with a variety of issues having to do with the tanker replacement program adopted by Congress and signed into law by the President 2 years ago. We are still trying to sort through all of the issues. It has been a unique and, frankly, at times a very frustrating process.

We are all aware of the impropriety of a few Boeing employees surrounding this deal. There is no excuse for their behavior. I will not defend it. I will not excuse it. They are being investigated and I expect they will be held accountable to the fullest extent of the law. But the actions of a few do not lessen the merits of a tanker deal. The Air Force needs this equipment, and Boeing is the best company to provide it.

Let us remember that the Air Force looked at a proposal from Airbus in 2002 and rejected it on the merits. In fact, the Air Force gave very detailed reasons why the Airbus proposal was inferior. Let me quote from the Air Force statement on March 28, 2002:

> The EADS offering presents a higher risk technical approach and a less preferred financial arrangement. First, EADS lacks relevant tanker experience and needs to develop an air refueling boom and operator station, making their approach a significantly higher risk.
>
> Second, a comparison of the net present values of the aircraft recommended by Boeing and EADS establishes Boeing as the preferred financial option.
>
> Third, the size difference of the EADS' proposed KC–330 results in an 81 percent larger ground footprint compared to the KC–135E it would replace, whereas the Boeing 767 is only 29 percent larger.
>
> The KC–330 increase in size does not bring with it a commensurate increase in available air refueling offload.
>
> Finally, the EADS aircraft would demand a greater infrastructure investment and dramatically limits the aircraft's ability to operate effectively in the worldwide deployment.

Those are the detailed technical reasons why Airbus lost the tanker contract. The Air Force essentially said that EADS and Airbus did not have a real tanker or tanker technology; their proposed aircraft was so large it required a larger footprint on the ground and a significant infrastructure investment.

Their proposal was ''significantly higher risk,'' for the Air Force, and, their proposed aircraft couldn't operate worldwide—limiting our ability to project force.

Finally, the Air Force said that Boeing was the ''preferred financial option,'' meaning the Boeing proposal was the cheaper alternative for taxpayers.

So in March 2002, Airbus lost. For most people, it would be over, but not for a company like Airbus. Airbus continued its campaign to delay and if possible, kill the KC–767 tanker deal. Airbus lobbyists have continued to work on and off of Capitol Hill with tanker opponents.

Airbus lobbyists worked to convince Members of Congress that Airbus should be recognized as an American Company. Airbus even used the United States Chamber of Commerce to sponsor trips to Paris and Toulouse, France for Congressional staffers.

Airbus tried to derail the lease of four 737 aircraft to the Air Force for executive transport at the General Accounting Office. Airbus didn't care about the four 737's. They were testing the system to see if they could use a bid protest at the GAO to block the tanker lease. The GAO dismissed the Airbus bid protest.

As the tanker deal was scrutinized, criticized and delayed, Airbus was regularly available to offer its tanker again to U.S. taxpayers and the Air Force. During the delay, Airbus spent $90 million to develop a real tanker. Now they are working as hard as they can to reopen the competition they lost.

For Airbus, the tanker competition is not over. We see that in Airbus materials—that are riddled with references to the tanker program. Again and again, EADS and Airbus say they are prepared to bid for the tankers.

EADS even went to Wall Street earlier this year to pitch the company to U.S. financial interests.

As part of their pitch to U.S. investors, EADS says they still may compete for tankers in the U.S.

Would they dare to say these things if they weren't hard at work to give EADS another opportunity at tankers funded by U.S. taxpayers?

This week, EADS Joint Chief Executive Rainer Hertrich was quoted by Reuters saying:

> I see a realistic chance that the issue will be taken up again by the administration after the election.

Mr. President, over the past few months, I have been very concerned about what Airbus has been doing. In late March, I sent a letter to Secretary of Defense Donald Rumsfeld detailing my concerns with Airbus's campaign of distortion and misinformation to kill the tanker program.

I ask unanimous consent that my letter to Secretary Rumsfeld printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE
Washington, DC, March 22, 2004.

Hon. DONALD RUMSFELD,
Secretary, Department of Defense,
The Pentagon, Washington, DC

DEAR SECRETARY RUMSFELD: I am deeply concerned about recent comments by Secretary James Roche regarding re-opening competition to supply aerial refueling tankers to the U.S. Air Force.

The Air Force has already conducted a careful and open competition to build the required tankers. As Secretary Roche outlined in his testimony to the Senate Commerce Committee in September, Boeing won that competition based on the superiority of its design, technology, delivery schedule, and overall risk reduction plan. Although Airbus demanded that the General Accounting Office review that decision, the review was dismissed almost immediately as lacking merit. Rather than honorably accept the competition's outcome, Airbus has resorted to a campaign of distortion and half-truths in an effort to kill the proposed Air Force tanker lease program.

I have fully supported thorough reviews of all aspects of this program, and will continue to support constructive modifications based on recommendations from those reviews. However, I will not tolerate Airbus's attempts to undermine the program itself by forcing the government to revisit careful determinations about specific issues that have already been made, reviewed, re-reviewed, and validated by responsible government entities. The outcome of the initial tanker competition is one such issue that has been clearly and conclusively settled.

Airbus's corporate behavior on this matter cannot be tolerated by the U.S. government. Its actions are further delaying our ability to meet a key military requirement, and if successful, will result in the outsourcing of thousands of American manufacturing jobs to a foreign corporation that is unfairly subsidized by European governments and that unfairly competes with the only U.S. aircraft manufacturer. Such an outcome represents ill-conceived public policy, and will also unfairly punish the nearly 30,000 workers who will be employed should the Air Force tanker lease program proceed with a domestic manufacturer, as currently planned.

As you know, the average age of our existing tanker fleet is 42 years and one-third of our tanker fleet is unfit to fly at any given time due to mechanical and operational failure. KC–135's spend 400 days in major depot maintenance for every five years of service. Any unnecessary delay in replacing our aging tanker fleet puts in jeopardy our ability to meet critical air refueling and power projection requirements.

The Air Force's proposed tanker lease program is one of the most closely scrutinized programs ever undertaken by the Department of Defense. I support the DOD Inspector General's current efforts to provide an independent assessment of various aspects of this program. However, barring evidence of wrongdoing, it is critical that we proceed without delay to implement the Air Force tanker lease program and begin production of those aircraft here in the United States.

I know how committed you are to replacing our aging tanker fleet, and I know that meeting the demands of the critics of this plan has taken a toll. But you and I both know that many of these critics will not be satisfied until they stop this contract with the only American airplane manufacturer capable of producing a new generation tanker. We cannot allow that to happen.

Sincerely,

PATTY MURRAY,
U.S. Senator.

Mrs. MURRAY. Let me read one passage from my letter. I wrote:

> Airbus' corporate behavior on this matter cannot be tolerated by the U.S. government.
>
> Its actions are further delaying our ability to meet a key military requirement, and if successful, will result in the outsourcing of thousands of American manufacturing jobs to a foreign corporation that is unfairly subsidized by European governments and that unfairly competes with the only U.S. aircraft manufacturer.
>
> Such an outcome represents ill-conceived public policy, and will also unfairly punish the nearly 30,000 workers who will be employed should the Air Force tanker lease program proceed with a domestic manufacturer, as currently planned.

I have not received a reply from Secretary Rumsfeld, but I did receive a shocking reply from someone else. Two days after writing to Secretary Rumsfeld, I received a letter from Mr. Ralph Crosby, the Chairman and CEO of EADS North America.

So I sent a letter to Secretary Rumsfeld, and I got a reply from the head of Airbus. There's something very fishy about that. It got even more outrageous as I read Mr. Crosby's letter. Mr. Crosby stated that EADS is committed to being a ''strong U.S. citizen,'' and he repeated the same statistics that EADS refuses to verify to either me or to the Department of Commerce. I want to refute a few claims in Mr. Crosby's unsolicited letter.

First, Mr. Crosby had the gall to suggest that EADS is a ''strong U.S. citizen.'' Their history tells a much different story. Airbus and EADS have been willing suppliers to nations that the United States considers either rogue states or state sponsors of terrorism.

According to one news article dating back to 2001:

> The Airbus Industrie Consortium views those countries against which US or UN sanctions are in place—Libya, Iran, Iraq and North Korea—as potentially representing major opportunities, Noel Forgeard, CEO, indicated yesterday.

The same article quotes an Airbus Vice President as saying:

> We might have been looking to place a total of 180 aircraft—100 with Iran, 50 with Iraq and 30 with Libya—with at least 140–150 orders feeding through.

It was widely reported that Airbus was in close contact with Iraqi airways during the period of UN sanctions following the 1991 Persian Gulf War. Apparently, Airbus was in discussion with the state run—Saddam Hussein run—Iraqi airways to sell 20 Airbus aircraft. It was also widely reported that personnel from Iraqi Airways were taken to Jordan and Malaysia for three month training courses on Airbus equipment. Airbus still carries a five-plane deal with Saddam Hussein on its order books and has said the deal is still valid. While American troops are rebuilding Iraq's infrastructure and trying to build a peaceful, democratic future for the Iraqi people, Airbus wants the new Iraqi government to honor Saddam Hussein's plane deal.

To me, for so many reasons, EADS is not a ''strong U.S. citizen.''

Here is another claim from Mr. Crosby's letter that I must refute. He wrote:

> Should decisions by the U.S. government open a competitive procurement of aerial refueling tankers, EADS North America will respond.
>
> We will offer a superior, cost-effective aerial refueling solution that will be completed by American workers, on American soil, in the United States providing the Department of Defense and the Air Force the opportunity to select the product that provides the best capabilities to the U.S. armed forces.

Let's remember that the Air Force already rejected Airbus's tanker proposal for the reasons I mentioned. The Air Force said Boeing was the cheaper option, and it deemed the A330 a ''significantly higher risk.'' But in Mr. Crosby's world, these failures somehow translate into what he calls a ''superior, cost-effective aerial refueling solution.''

There is another disturbing claim hidden in Mr. Crosby's statement that should set off alarm bells. He said that Airbus tankers would be ''completed'' in the U.S.

Mr. Crosby says the A330 refueling tanker for the Air Force would be completed by American workers on American soil. Translated that means tankers will be built in Europe by European workers at U.S. taxpayer expense and then American workers can install the final components. Once again, EADS and Airbus are trying to use their market-distorting tactics to shift aerospace jobs to Europe to the detriment of American workers.

I have a simple reply to the Airbus's campaign to build tankers in Europe paid for by U.S. taxpayers.

No thank you. No thanks. Never.

I wrote back to Mr. Crosby, and I ask unanimous consent that my letter to him be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 6, 2004.

RALPH D. CROSBY, JR.,
EADS North America,
Washington, DC.

DEAR MR. CROSBY: Thank you for your letter of March 24, 2004. I appreciate your attempt to clarify your position. Unfortunately, the vague and ambiguous language in your letter has served to underscore my earlier concerns about Airbus's efforts to undermine the Air Force Tanker Modernization program. Additionally, I continue to seriously question Airbus's unsubstantiated claims regarding its employment and economic impact in the United States.

Your letter outlines, as you have stated publicly on several occasions, Airbus's desire to compete for the Air Force Tanker Modernization program. Your continued insistence on Airbus's qualifications to compete in such a contest seems to belie the fact that the tanker competition already took place in 2002—a competition that Boeing won and Airbus lost based on each company's proposed design, technology, delivery schedule, and overall risk reduction plan.

As you know, the Air Force informed EADS on April 2, 2002 that its platform was deemed high-risk for the Air Force's operational requirements for the refueling tankers. I remain puzzled by Airbus's continued effort to re-open the tanker competition two years after its final conclusion.

To my knowledge, the Airbus 2002 proposal has never been made public. Providing the public with a clear picture of Airbus's capabilities at the time of the competition would help to address concerns refuting the competitions outcome.

I continue to believe that Airbus has engaged in a campaign of distortion and half-truths to discredit the Air Force, Boeing and the KC–767 lease program. Your letter did not dispel my concern that Airbus is engaged in a campaign to undermine the tanker lease program. I would welcome a full accounting of Airbus's continued involvement with the tanker lease program on par with the various information subpoenaed from both the Defense Department and Boeing. A full accounting of Airbus's lobbying activities including support given to tanker opponents would provide the public with a full sense of this debate.

As enlightening as the examination of the facts may be, I do not think Airbus is willing to be as transparent in detailing its communications with the Congress, the Administration, and others outside of government as the Boeing Company has been. From my vantage point, Airbus's involvement in the campaign to discredit Boeing and the tanker program could not be clearer.

I am also troubled by your continued assertions regarding Airbus's economic and employment presence in the U.S. Your letter states that Airbus ''supports'' a certain number of U.S. jobs, and that an Airbus tanker would be ''completed'' by U.S. workers. In my view, an Airbus tanker ''completed'' by U.S. workers is a tanker manufactured in Europe with the overwhelming number of jobs also created in Europe.

I would appreciate any solid, verifiable, and straight-forward information detailing the number of U.S. workers and vendors that Airbus directly employs, as well as specific direct employment and U.S. content relating to manufacturing a national Airbus tanker aircraft.

As you know, I earlier challenged Airbus' many rhetorical claims about jobs, suppliers and economic contributions in this country. The Department of Commerce confirmed my suspicions and almost entirely discredited Airbus' claims. To date, despite vows to do so, Airbus has not provided the Department of Commerce any additional credible information on its contributions to U.S. workers and the U.S. economy. The truth is Airbus continues to market itself to the Congress and the American people with assertions that appear to be untrue and dishonest. You are aware of my concerns, as well as those raised by the Department of Commerce, and I encourage you to provide justification for Airbus' direct claims on jobs, suppliers and economic contribution.

Finally, to set the record straight, Airbus did file a bid protest challenge regarding the leasing provisions contained in the FY'03 DoD Appropriations Act (PL 107–248). The Air Force executed the lease of four commercial Boeing 737 special mission aircraft long before the Air Force attempted to proceed with the KC–767 program. The Airbus bid protest was specific to the four 737 aircraft but I must conclude that the real Airbus target was the lease program itself and ultimately the Air Force's ability to move forward with a 100 plane KC–767 lease with the Boeing company. The Airbus bid protest was dismissed by the General Accounting Office.

Again, thank you for your response to my letter. I look forward to hearing from you.

Sincerely,

PATTY MURRAY,
United States Senator.

Mrs. MURRAY. I asked Mr. Crosby to again justify the claims regarding the EADS and Airbus contributions to this country on jobs, suppliers and economic contributions. For more than a year, his company has refused to answer my questions and the requests from the Department of Commerce. I asked Mr. Crosby to make public the EADS 2002 tanker proposal submitted to the Air Force.

We know the Air Force said the proposal was high risk, more expensive than Boeing, and could limit U.S. force projection worldwide. For 2 years, EADS and Airbus have been able to access Boeing proprietary information about its technology and pricing, that came available during the tanker program review.

Now, after spending $90 million to develop a tanker it previously did not have, Airbus wants to reopen the tanker contract after it has already seen all of Boeing's cards. Airbus has learned an awful lot about Boeing and tankers and it has used that new technology to best Boeing in a recent tanker competition for Australia. Mr. Crosby will not talk about his 2002 proposal. He wants to compete with Boeing based on everything Airbus has learned about Boeing over 2 years and an additional $90 million investment in tankers.

Finally, I asked Mr. Crosby to provide a full accounting of Airbus' involvement with the tanker lease program on par with the various information subpoenaed from both the Department of Defense and Boeing.

I also asked Mr. Crosby to provide a full accounting of Airbus' lobbying activities, including support given to tanker opponents. I await a reply from Mr. Crosby.

Let me say that given the tremendous damage Airbus has done to the commercial aerospace industry in this country, and particularly in Washington State, I have real questions about the appropriateness of U.S. taxpayer dollars going to strengthen Europe's competitive position and hurting American aerospace workers.

I have talked in great detail tonight about why EADS and Airbus are threats to the U.S. aerospace leadership and to American workers. Europe has a plan to take over global leadership in aerospace. Europe views aerospace as a social program, a jobs program for the benefit of Europeans. Airbus and EADS are the prime example of Europe's vision for its citizen and its aerospace industry.

There are real consequences for U.S. national security in what happens here. We have to retain our supplier base, our skilled workforce, and our technological advantages to project force and to defend our Nation.

We have a decision to make in Washington, DC. U.S. policymakers on behalf of the American people have to decide whether we want to sit idly by as Europe hopes we continue to do or whether we want to commit ourselves to a future in global aerospace.

I conclude by talking briefly about a few things we must do to keep American workers at the forefront of commercial aerospace. Let me offer three specific suggestions.

First of all, we should hold Europe accountable for its market-distorting actions. We have to look seriously at a trade case to challenge Europe's failure to adhere to its treaty obligations. We have to recognize the future of aerospace is larger than a trade case or a Boeing dispute with Airbus. Only a determined Federal commitment to aerospace will assure our children and our grandchildren opportunity to compete for the high-skill, high-wage aerospace jobs of the future.

Second, we should not reward EADS and Airbus for their market-distorting, job-killing behavior. Airbus wants U.S. policymakers and the public to buy its campaign that it is a good U.S. citizen. That is baloney. They are trying to mask the real harm they are posing to American workers.

Europe wants to further weaken U.S. aerospace competitors by accessing U.S. taxpayer-funded defense programs. And, most offensively, Airbus is working to undermine both the Air Force and the Boeing Company to kill the tanker program so it may ultimately outsource tanker manufacturing to Europe.

It is long past time to shine a very bright light on Airbus and its lobbying efforts in Washington, DC. If we reward their underhanded methods, if we let them steal the tanker contract away from our American workers, the American taxpayers will be paying Europe to help finish off our aerospace industry.

I don't see how we can let a subsidized foreign company use our tax dollars to put Americans out of work.

But if they get away with their lobbying, their bogus claims, and their PR campaign, we will have bought Airbus a sledgehammer to whack away at our aerospace industry. That is outrageous. We cannot let it happen. We need to hold Europe accountable for what it has done and we need to make sure Airbus is not rewarded for its bad actions.

Finally, we should act boldly to embrace many of the recommendations from the Commission on the Future of the United States Aerospace Industry.

The administration is acting on a number of fronts. Congress must do more, as well. As a first step, Congress should create a Joint Committee on Aerospace. I intend to introduce legislation to create that joint committee. It will help Congress recognize our future is very much tied to aerospace and commercial aerospace, in particular. A dedicated group of House and Senate Members with a targeted agenda can help the administration and the country recommit itself to the next century of global aerospace leadership.

I have sounded the alarm. No Member of Congress can claim they did not know what European governments and Airbus are doing to American workers. This is a critical industry. They are jobs worth fighting for.

I am not willing to surrender our leadership in the second century of flight. There is a battle for the future of the aerospace industry. Europe is putting its full support, subsidies, and power behind Airbus, and it is working. We have to get off the sidelines.

I am committed to working in the Senate to make sure American workers have a fighting chance to lead the world in aerospace. I know if we focus on the challenge before us, our country will recover from this, just as Seattle recovered from the downturn in the 1970s. We have a bright future ahead if we take the steps I have outlined and hold on to our leadership in commercial aerospace.

Aviation was born in America 100 years ago. Let's make sure Americans are leading it 100 years from now.

I yield the floor.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mrs. MURRAY. I ask unanimous consent the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar, Calendar Nos. 619, 620 and 657.

I further ask unanimous consent that the nominations be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

NOMINATIONS

FEDERAL MARITIME COMMISSION

A. Paul Anderson, of Florida, to be a Federal Maritime Commissioner for the term expiring June 30, 2007.

Joseph E. Brennan, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 2008.

DEPARTMENT OF STATE

Paul V. Applegarth, of Connecticut, to be Chief Executive Officer, Millennium Challenge Corporation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order the Senate will return to legislative session.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Thursday, May 6, 2004.

Thereupon, the Senate, at 8:18 p.m., adjourned until Thursday, May 6, 2004, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 2004:

FEDERAL MARITIME COMMISSION

A. PAUL ANDERSON, OF FLORIDA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2007.

JOSEPH E. BRENNAN, OF MAINE, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2008.

DEPARTMENT OF STATE

PAUL V. APPLEGARTH, OF CONNECTICUT, TO BE CHIEF EXECUTIVE OFFICER, MILLENNIUM CHALLENGE CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

PAYING TRIBUTE TO DELFINO GALLEGOS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Delfino Gallegos of Capulin, Colorado. Mr. Gallegos is one of only a handful of living World War I veterans, and was recently honored for his service at the American Legion's 85th birthday celebration at the Dickey-Springer Post 113, an organization founded by World War I veterans.

Mr. Gallegos was born December 28 1903 in Costilla, New Mexico. He answered his nation's call to service, joining the military at the age of 17, and was sent to Camp Sherman, Ohio for basic training. Towards the end of the First World War, his duties included guarding prisoners from Germany and other countries. Upon his honorable discharge from the service in 1923, Delfino met and married his wife Deliria, and moved to Capulin where he worked as a potato farmer and sheepherder.

Mr. Speaker, I am honored to pay tribute to Delfino Gallegos before this body of Congress and this nation. The freedoms we enjoy today are a direct result of the sacrifices made by veterans throughout our nation. He is a great patriot and treasure to his community and veterans across Colorado. I sincerely thank him for his service.

RECOGNIZING DOWNINGTOWN AREA SENIOR CENTER

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. GERLACH. Mr. Speaker, I rise today to recognize the Downingtown Area Senior Center for its 30 years of dedicated service to the senior citizens of the Downingtown, Pennsylvania area.

The Downingtown Area Senior Center has existed since 1974 to serve the nutritional, social, and educational needs of the people aged 60 and older and to enhance their dignity, independence, and encouraging involvement in the community.

The Senior Center began as a Meals Together program with four seniors from the Downingtown United Methodist Church. The Downingtown Area Senior Center rented space from the Church until April, 2002. In August of that same year, the Downingtown Area Senior Center moved into the Ashbridge Commons. In this location, the Senior Center was responsible to continue and improve services to seniors. They did so by outfitting a kitchen, arranging a telephone system, networking a computer system, and creating a new living space. The new Downingtown Area Senior Center opened its doors in October 2002 and has continued a tradition of excellence in providing for the senior citizens.

Ongoing programs and activities are perhaps one of the most important aspects of the Downingtown Area Senior Center. The Center participates in: an AARP driving class, arts and crafts, audiologist visits, ballroom dancing, blood pressure/weight checks, exercise classes, consumer awareness classes, historical presentations, income tax preparation, golf tournaments, and volunteer opportunities. These programs indeed foster and improve the quality of life of all participating seniors.

In addition, the Downingtown Area Senior Center has created a program for seniors called ''Fit and Fun.'' The Fit and Fun program concentrates on health and wellness, while it also supplies its members with timely information and support to increase the likelihood of a longer, happier, and more fulfilling life. Seniors participate in ''body recall'' to improve muscle tone, line-dancing for aerobic activity, and yoga sessions to balance the mind and body. Weekly seminars are also given on Medicare supplement programs, chronic diseases management, and home health care. These seminars are critical for seniors if they are to continue to live healthy and active lives. As of June 2003, 2,150 people participated in the Fit and Fun program.

Mr. Speaker, I ask that my colleagues join me today in recognizing the Downingtown Area Senior Center for its dedication to the health and well-being of senior citizens in the Downingtown community and for their service to the Commonwealth of Pennsylvania.

CELEBRATING CINCO DE MAYO AND MEXICO'S CONTINUED STRUGGLE FOR FREEDOM AND JUSTICE IN THE HEMISPHERE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LANTOS. Mr. Speaker, I rise today in celebration of Cinco de Mayo and in recognition of the many contributions that Mexicans and Mexican-Americans have made and continue to make in my congressional district in California and across our nation.

The Cinco de Mayo holiday commemorates the May 5, 1862 victory of an ill-equipped and vastly outnumbered Mexican army, under the command of General Ignacio Zaragoza, over Napoleon's army at the Battle of Puebla. Although Napoleon eventually installed his brother as regent over Mexico, the triumph of the Mexican people over the French in this battle has come to symbolize the fight for freedom and justice in the Hemisphere—a fight that many dissidents in Cuba continue to wage intensely against Castro's brutal regime.

Mr. Speaker, the recent diplomatic furor involving our friend and ally Mexico and the regime of Fidel Castro in Cuba is an appropriate issue in the context of Cinco de Mayo. I want to pay tribute to President Fox and the Mexican government for their principled stand on human rights.

I find it absolutely appalling that one year after 75 Cubans were tried in kangaroo courts in Havana, sentenced to prison terms ranging from 6 to 28 years, and imprisoned in rat-infested, dank cells, Castro's totalitarian machine is still trying to crack the backs of Cuba's internal opposition by continuing to lock up some of its most renown leaders.

These 75 individuals are suffering indescribable horrors at the hands of Cuban authorities simply because they sought to express their disagreement with Castro's government, provide an independent media voice, stock their shelves with banned literature, represent the interests of independent labor, and otherwise improve the lot of their fellow citizens. In other words, these soldiers of freedom were thrown behind bars because they practiced their professions or attempted to exert their political rights and civil liberties.

Recently, Chairman HYDE and I led our Committee's consideration of H. Res. 563, which was sponsored by my good friends and colleagues, ILEANA ROS-LEHTINEN of Florida and BOB MENENDEZ of New Jersey, among others. H. Res. 563 recognized the reprehensible state of human rights in Cuba. It also called upon the international community to pass a resolution denouncing Cuba's human rights record at this year's session of the United Nations Commission on Human Rights. Two weeks ago, the Commission passed a resolution, sponsored by Honduras, which condemned the imprisonment of the 75 dissidents and urged Cuba to allow a special representative of the Commission to visit Cuba and report on the state of human rights in the island country. Havana so far has resoundingly rejected the request of the international community and reportedly refused to accept the Commission's special representative.

Mr. Speaker, Mexico joined the United States and twenty other countries in voting for this resolution deploring human rights violation in Cuba. In the weeks that have followed, Castro has vilified President Fox and his Administration for the courageous stand that Mexico took in Geneva as a defender of freedom in the Hemisphere—a stand similar to General Zaragoza at Puebla.

Mr. Speaker, although we in this House and across the globe disagree on how best to bring about change in Cuba, we stand together in solidarity with those who endure torture, incarceration, and deprivation because they refuse to submit to the boot of an authoritarian regime.

I am proud to call my friends in neighboring Mexico our allies in this unfortunately never-ending struggle against tyranny. Amigos, desde cinco de mayo de 1862 hasta cinco de mayo de 2004, la lucha continúa!

TRIBUTE TO U.S. ARMY PFC JEREMY RICARDO EWING OF MIAMI, FLORIDA

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MEEK of Florida. Mr. Speaker, I rise to honor the memory of U.S. Army PFC Jeremy Ricardo Ewing, who was killed on April 29th in a car bomb attack in Iraq. He served his country with dignity and honor, and he was a true hero.

Private First Class Ewing's death is particularly saddening to me as he grew up in our community and was one of my constituents. He graduated from Miami Central High School in 2000. He was known for his independence and ambition, and for his sense of duty. He enlisted shortly after the September 11th attacks and became a member of the 1st Armored Division of the Army's 4th Battalion's 27th Artillery Regiment.

The 1st Armored Division's tour of duty was recently extended due to increased insurgency in Iraq. Private First Class Ewing, 22, was one of eight soldiers mortally wounded last Thursday, in a car bomb attack on his Army convoy near Mahmoudiyah, south of Baghdad.

Private First Class Ewing is a symbol of bravery and freedom, and the sacrifice he has made for his country will never be forgotten.

My heartfelt condolences go out to Private First Class Ewing's parents, Arthur and Hilda Lewis, and to his family and friends. All of America mourns their loss.

SUPPORTING THE GOALS AND IDEALS OF FINANCIAL LITERACY MONTH

SPEECH OF

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 2004

Mr. BACA. Mr. Speaker, I rise in support of H. Res. 578, a resolution supporting the goals and ideals of Financial Literacy Month. This bill, introduced by my colleagues Congresswoman JUDY BIGGERT and Congressman RUBÉN HINOJOSA, supports the goals and ideals of Financial Literacy Month and requests that the President issue a proclamation calling on the Federal Government, States, schools, businesses, and others to observe the month with appropriate programs and activities.

Our financial services industry benefits millions of people, allowing individuals and families to build homes, buy cars, finance educations, and start businesses. Financial literacy is particularly important for the Hispanic and minority communities. It empowers individuals to make wise financial decisions in an increasingly complex economy. Despite the importance of financial literacy, the numbers show that our work is just getting started.

Recent studies have found that high school seniors know less about principles of basic personal finance than did high school seniors 5 years ago. Between 25 and 56 million people over the age of 18 do not use mainstream, insured financial institutions and are considered ''unbanked.'' Over one-third of Hispanic families do not have bank accounts. Despite these figures, fewer and fewer States include personal finance in education standards for students in kindergarten through high school.

That is why the National Council on Economic Education, the Jump$tart Coalition for Personal Financial Literacy, and its partner organizations have designated April as ''Financial Literacy Month.'' Our goal is to educate the public about the need for increased financial literacy for youth in the United States. In today's world, we must continue to expand access to mainstream financial institutions and provide all Americans the tools they need to become productive members of our society.

RECOGNIZING VALUABLE CONTRIBUTIONS OF MILITARY IMPACTED SCHOOLS, TEACHERS, ADMINISTRATION, AND STAFF FOR THEIR ONGOING CONTRIBUTIONS TO EDUCATION OF MILITARY CHILDREN

SPEECH OF

HON. MICHAEL C. BURGESS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 2004

Mr. BURGESS. Mr. Speaker, I rise today during the National Teacher Appreciation Week of 2004 in strong support of H. Res. 598, which recognizes and commends the teachers, administration, and staff of Military Impacted Schools, as well as those serving at the Department of Defense Education Activity schools world-wide.

As a member of the House Impact Aid Coalition, I would like to thank these teachers and staff for their dedication to the over 750,000 children of military personnel.

In our current War on Terrorism, it is especially important for the children in these schools, many of whom have at least one parent deployed abroad, to have the support of these extraordinary teachers. Teachers serving Military Impacted schools encounter unique challenges every day as they help military children achieve a high degree of educational attainment.

While none of the schools in the Texas 26th District are militarily impacted, the State of Texas is home to thousands of military personnel, and I would like to thank each and every one of the teachers who provide military children with support and an excellent education.

PAYING TRIBUTE TO JEANNINE FORD ARTAZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. McINNIS. Mr. Speaker, it is my privilege to rise today before this body of Congress and this nation to recognize a remarkable woman from my district. Jeannine Ford Artaz of Glenwood Springs, Colorado has displayed the kind of selfless dedication to her community that enriches the lives of all around her, and it is my pleasure to thank her for her many contributions to Glenwood Springs and the State of Colorado.

In 1950, Jeannine moved to Colorado and began her career in television and radio. She served as the Butternut Weather Girl for KBTV, Channel 2 in Denver, was ''Miss Jenny'' on Romper Room, and was an editor and journalist for Channel 9 News. In 1965, she moved to Glenwood Springs and had radio programs on KGLN and KDNK, and Television Talk shows on Cable 12.

While many people in Colorado might have known Jeannine as a television and radio personality, she became a beloved member of her Glenwood Springs community through her generosity and extensive community involvement, where she was known affectionately as Grandma Nene. A small sampling of her participation includes volunteering for the Valley View Hospital Auxiliary; Glenwood Springs Sheriff's Department; Brownies, Girl Scouts, and Boy Scouts; and Glen Valley Nursing Home. For the annual Newcomers Fashion Show she designed and made the featured wedding ensemble, initiated some of the first efforts in starting a local animal shelter, and was the Strawberry Days Grand Marshall in 2001.

Mr. Speaker, it is clear Jeannine Ford Artaz plays a vital role in her Glenwood Springs community. Her dedication and selfless efforts have done much to enhance the lives of those around her, and is worthy of recognition before this body of Congress and this nation. Thanks for your service to your community Jeannine, and I wish you all the best in your future endeavors.

TRIBUTE TO MRS. THEODORA JOHNSON: A TRULY GREAT LADY

HON. KENDRICK B. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MEEK of Florida. Mr. Speaker, I rise to celebrate the life of a quiet and dignified matriarch, the late Theodora Johnson. Her passing last week has cast a veil of deep sadness over our community.

''Momma Dear'' Johnson was an extraordinary person by any measure. Her life was a delicately drawn picture of a calm, confident, dignified and strong woman with an unwavering commitment to the well being of her family and to those who shared her vision of a community of service and faith. She volunteered her time at Christ the King Catholic Church in South Dade—she was a founding member of the parish—and dedicated countless time and effort to enhancing her community.

She taught and volunteered in her parish school because she firmly believed in the high stakes involved in the education of children. Her work with children literally transformed their lives. She was keenly aware of the fact that giving our children the care and attention they need in life was her vocation.

She understood full well that either we pay now or we pay later. And so, she reached out to the parents of these children because she instinctively knew that the future of society is inextricably linked to the education of the young. Her approach to motivating youth emphasized personal responsibility and communal sharing.

Theodora Johnson lives on in the lives of the people she touched, in the good works she left behind, and in the wonderful memories we have of her. I know that I speak for all my colleagues in extending to her family our deepest sympathy and condolences.

RECOGNIZING EAST PIKELAND ELEMENTARY SCHOOL

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. GERLACH. Mr. Speaker, I rise today to recognize the East Pikeland Elementary School on its 75th anniversary and for its exemplary dedication and service to the children of the East Pikeland Township and the Phoenixville School District.

Originally, East Pikeland School was a one-room schoolhouse that in 1928 followed the national trend of school consolidation, in consolidating with two other schools, the Schuylkill School and the Charlestown School. This consolidation was made possible through the generous philanthropy of a local entrepreneur, Frank B. Foster.

In its early years, the East Pikeland School was one of the first In Pennsylvania to start an elementary school newspaper. In 1932, Miss Helen Ottinger created ''The Tattler'' and the newspaper later won an award for being the best elementary newspaper in the Commonwealth.

Beginning in the 1970s, the East Pikeland School further exhibited its excellence in teaching and learning when students in grades five, eight, and eleven were required to begin participating in the Pennsylvania System of School Assessment. Each year, the East Pikeland School students' scores were among the top in Chester County and the state in both reading and math. This outstanding performance by the students led to numerous awards, including a citation from the Pennsylvania House of Representatives. In the year 2000, the School was recognized by the East Pikeland Township for ranking highest among Chester County schools in reading and math. In 2000–2001, East Pikeland received a Maintenance of High Standards Award for maintaining high scores for three consecutive years. In 2002–2003, East Pikeland received an achievement improvement award from the East Pikeland Township for increased scores in reading and math.

Aside from an impressive academic record, the East Pikeland School has also excelled in extracurricular activities starting as early as 1946. Basketball was a popular sport, with the East Pikeland boys' team winning the West Chester playoffs in 1946. And in 2004, an old tradition of basketball games between Phoenixville area schools was reinstated. Fourth and fifth grade boys named ''the Future Phantoms'' represented East Pikeland in the tournament. Along with participation in sports, the students of East Pikeland participate in band and chorus and perform twice a year in the winter and spring concerts. In 2000, the East Pikeland Chorus won a superior rating in its first participation in the Music in the Parks competition in Hershey, Pennsylvania. Two years later in 2002, the tradition of a second grade play began with all students singing and acting in the spring performance.

Mr. Speaker, I ask that my colleagues join me today in recognizing the East Pikeland School for its 75 years of dedication and excellence in teaching and for its considerable contributions to and unparalleled achievement within the East Pikeland community.

PERSONAL EXPLANATION

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. PORTMAN. Mr. Speaker, yesterday I was absent attending meetings in my Congressional District in Ohio and missed the votes on rollcall No. 139, on H. Res. 600, Congratulating charter schools; Roll Call Number 140, on H. Con. Res. 380, Recognizing school-based music education; and Roll Call Number 141, on H. Res. 599, Congratulating the University of Connecticut men's and women's basketball teams.

Had I been present, I would have voted ''yes'' on rollcall No. 139, ''yea'' on rollcall No. 140, and ''yea'' on rollcall No. 141.

FOURTH DISTRICT JUNIOR CONFERENCE

HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LATHAM. Mr. Speaker, I recently received a letter from a constituent of mine who is an Americanism Chairman for the American Legion in Osage, Iowa. This person asked for the attached article's inclusion in the CONGRESSIONAL RECORD. Because of the exceptional work that the American Legion and the American Legion Auxiliary do for our country, I believe that this gesture is a small token of the appreciation of the Congress.

4TH DISTRICT JUNIOR CONFERENCE

The Osage Unit 278 hosted the Fourth District Junior Conference on March 21, 2004 with about 70 people in attendance.

The new officers for the coming year will be:

President—Nicole Schroeder, Unit 672 Fort Atkinson.

Vice-President—Alicia Brandau, Unit 278 Osage.

Secretary—Mallory Schweiger, Unit 278 Osage.

Historian—Amy Schroeder, Unit 672 Fort Atkinson.

Chaplain—Kelsey Klimesh, Unit 266 Calmar.

Sergeant-at-Arms—Brittney Shannon, Unit 9 Oelwein.

Assistant Sergeant-at-Arms—Kalinda Kolek, Unit 605 Protivin.

The many talents of the young people of the Fourth District shown through once again in the form of contest entries that were submitted for judging. Congratulations to all who worked so hard on their projects. The top place contestants were:

Poppy Posters: Class I—1st—Jake Tyler, Hawkeye, 2nd—Dustin Elsbernd, Calmar, 3rd—Miranda Walz, Monona Class II—1st—Holly Randall, Guttenberg, 2nd—Lukes Elsbernd, Calmar, 3rd—Megan Fink, Fort Atkinson Class III—1st—Emily Faust, Colesburg, 2nd—Kelsey Klimesh, Calmar, 3rd—Lindsi Franzen, Calmar

Poppy Corsages: Class I—1st—Grace Blocker, Fort Atkinson, 2nd—Kalinda Kolek, Protivin, Class II—Micki Schuck, Oelwein, 2nd—Carrie Pout, Oelwine, 3rd—Cassidy Pout, Oelwine, Class III—1st—Jessica Milbrandt, Fort Atkinson, 2nd—Kristen Milbrandt, Fort Atkinson, 3rd—Kerri Boies, Oelwein

Chaplain's Book of Prayers & Inspirations: Class II—1st—Jessica Milbrandt, Fort Atkinson, 2nd—Kristin Milbrandt, Fort Atkinson, 3rd—Kalinda Jo Kolek, Protivin

Junior History Book: Kristin Milbrandt, Fort Atkinson.

Junior Scrapbook: Jessica Milbrandt, Fort Atkinson.

Americanism Essay Contest: Kristin Milbrandt, Fort Atkinson.

Handiwork: 1st place all classes—Fort Atkinson.

A wonderful lunch was served by the host Unit and the entertainment of Hawaiian dancing very enjoyable. The Oelwein Unit will host the 2005 conference and I hope to see many Juniors in attendance. Mary E. Lukes, Fourth District Junior Chairman.

TRIBUTE TO VINCE DEMUZIO, ILLINOIS STATE SENATOR AND MAJORITY LEADER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the memory of an exceptional statesman from Illinois, Senate Majority Leader Vince Demuzio. Throughout his career, Senator Demuzio has been a tremendous leader for the State of Illinois. His efforts in the Illinois Assembly, too numerous to even mention, serve as a model for each of us in public service.

For twenty nine years, Senator Demuzio proved to be a true leader in the state legislature as he worked to represent the needs of his constituents while reaching out to all of his colleagues. Senator Demuzio was admired and respected on both sides of the aisle. His spirited partisanship, which included a reputation of being both tough and fair, brought members together across party lines, for the good of Illinois.

Senator Demuzio consistently possessed a keen understanding of what it truly meant to be a public servant. Vince put the needs of his community first and foremost in everything he did. The people of Illinois have truly benefited from Senator Demuzio's legislative initiatives that included massive education reform, transportation projects, agricultural research, and necessary state-wide water and sewage improvements. He remained focused on state government throughout his entire political career and has greatly contributed to the development of downstate Illinois.

Senator Demuzio's leadership and political abilities have been recognized by his colleagues throughout his entire career. Vince served as the state chairman of the Democratic Party from 1986 to 1990, becoming the first downstate official to hold the post in decades, giving the areas surrounding the 49th district a greater voice in the state government. In 2003, Senator Demuzio became the Dean of the Senate, having served more

years than any other current member of the Illinois State Senate. Senator Demuzio is credited with rebuilding the infrastructure of the Illinois Democratic Party and the Illinois delegation stands united today as a result of his superb leadership.

The Illinois Senate and the people of this state have lost a great leader. Mr. Speaker, I join the State of Illinois in mourning the loss of this statesman, and extend to Senator Demuzio's family my thoughts and prayers.

PAYING TRIBUTE TO VIRGINIA HOWEY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. McINNIS. Mr. Speaker, it is a great pleasure to stand and recognize Virginia Howey for receiving the Southwest Colorado Not-for-Profit Director of the Year Award. Virginia has spent twenty-two years starting early childhood and family support programs in Montezuma County, and this award is a well-deserved testament to her dedication to her community and the State of Colorado.

Virginia's extensive involvement with community organizations comes from her firm belief that one person can make a difference, but it takes a whole community to make a lasting impact. As the current Pinon Project executive director, she has implemented 12 programs for prenatal moms, infants and toddlers, preschoolers, school-age youth, families, and individuals, serving roughly 900 families in Montezuma and Dolores counties. She also has served as chair of the Family Resource Association's state board of directors, on the United Way of Montezuma advisory board, as fiscal agent for the Montezuma/Dolores Community Summit, and as Southwest KIDS coordinator for four years. She also was responsible for securing a Department of Transportation grant for a seat belt campaign and implemented the Montezuma-Cortez school district's Early Reading First Program for 300 preschool children.

Mr. Speaker, it is my honor to recognize Virginia Howey on receiving the Southwest Colorado Not-for-Profit Director of the Year Award before this body of Congress and this nation. The award is a testament to her hard work and great skill as an organizer building programs that benefit individuals, families, and communities throughout Southwest Colorado. I wish her all the best in her future endeavors.

CONGRATULATIONS TO AMADOR VALLEY HIGH SCHOOL CIVICS TEAM

HON. RICHARD W. POMBO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. POMBO. Mr. Speaker, I rise today to congratulate the students of the Amador Valley High School civics team, from Pleasanton, California. The 19 seniors and their coach, social studies teacher Matt Campbell are here in Washington to represent California in the ''We the People: The Citizen and the Constitution'' civics competition. This weekend, these bright young men and women will face 49 other teams from around the nation, demonstrating their knowledge of the Constitution of the United States of America and how it has shaped the history and institutions of this land. I am extremely proud of these students, the future leaders of the 11th district of California and the Nation and I wish them the best of luck in the competition.

This is not the first time the Amador Valley High School team has been to the National competition. Since 1992, the team has made it to this level four times, and in 1995 they were crowned National Champion. This record of accomplishment is truly a testament to the talented, dedicated teachers of the Amador Valley High School.

Mr. Speaker, please join me in congratulating these fine young scholars, and all the students from around the country whose dedication to civics and the history of this great Nation brings them here this week.

HONORING THE SHARP HEALTHCARE VICTORIES OF SPIRIT EVENT

HON. RANDY ''DUKE'' CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. CUNNINGHAM. Mr. Speaker, I rise today to recognize the 14th annual Sharp Healthcare Victories of Spirit event. This event is a celebration of all that is right in health care and the value of community ties. For over 40 years, the Sharp model of rehabilitation care provides innovative services that assist individuals impacted by catastrophic injury or illness in reaching their greatest potential—at home, at school, on the job and in recreational and sports activities. Their success is demonstrated through the achievements of those who are privileged to serve within Rehabilitation Service. Victories of Spirit showcases great work and partnerships that lead to even greater patient outcomes and achievement.

This special evening is dedicated to honoring incredible people who have played a hand at turning tragedy into triumph. The Eagle Spirit Award represents the symbolism of the Eagle Spirit, a Navajo sign of the most potent healing power, one that elicits images of soaring, of conquering and of excelling. Victories of Spirit is a night that celebrates triumphs and those who make them possible. Year after year it demonstrates to our community just how powerful the human spirit is and inspires each one of us to be the best we can be. I would like to individually recognize each of the recipients of the Eagle Spirit Award:

Josephina Everett is a mother and a teacher for deaf children in need. Josefina and her husband, Luke, live in Mexico and run a free Christian home and school for deaf children in Mexico. Josephina, who became deaf at the age of five, has dedicated her life to helping deaf children learn and appreciate their gifts. Following a burst aneurysm that almost took her life, Josephina learned to sign again using one hand and eventually learned to write and to walk. Josefina and her family have shown great strength against all odds. Their love and faith have brought them all back to the deaf children of Valle de Guadalupe.

DeShjon Mitchell knows he's not defined by his paralysis, and that his dreams before his injury continue on. He's just altering how he plans to accomplish them. This athletic teen went back to school and graduated with his class. He then went on to San Diego State University and completed his degree in Economics just four years later. Through his work with Sharp On Survival he is rediscovering his confidence. He is still playing sports and enjoying music, and he's added public speaking to his talents, working as a Voice of Injury Prevention (VIP) for Sharp On Survival.

Juan Solis was diagnosed at the age of 37 neurocysticercosis and hydrocephalus with which required multiple surgeries and shunting to drain the fluid on his brain. He spent months in the hospital followed by several years in a nursing home. With the help of the patients and staff of Sharp Cabrillo Skilled Nursing Unit, Juan is forever grateful he's got a second chance on life. He is finally home with his family and working two jobs after being away for five years. He hopes to return to coaching the neighborhood kids in ''futbol-soccer'' this year.

Mathew Sparks was temporarily sidelined from his dream of service to his Country by a spinal cord injury at the age of 23. While Matt may not be able to fly with the Marines, he is now telling his story as a Voice of Injury Prevention (VIP) for Sharp On Survival. Through Matt's work in the program, he's able to serve by speaking at the Marine Corps and Navy safety stand-downs, helping to protect the men and women who protect our country.

Christine O. Timmins is an educator who hasn't let a 1978 spinal injury change her. She is full of capability, dedicated to serving, and dedicated to her students. Christine's courage has benefited teens for more than 30 years now. Her colleagues will tell you, ''She can no longer leave footprints in the sand, but she leaves imprints on the hearts and minds of all whom she has taught and touched with her ability for so many years.''

The San Diego Brain Injury Foundation has been serving brain injury survivors and their loved ones since 1983. The foundation started as a grass roots effort by families of survivors who knew they needed help and that many others would too. Over the last 20 years, those initial seeds have blossomed into a regional not-for-profit organization that has raised over $700,000 to provide support, resource and information, networking opportunities and service referral to 11,000 people affected by brain injury each year in San Diego County. Their mission is to improve the quality of life for brain injury survivors and their families and promote public awareness and social advocacy.

More than 500 guests including business, government and educational leaders, physicians and health care executives, rehabilitation providers, the media and honored community members from the San Diego area will join in the celebration. I would like to thank the Honorary chair of the event, Donnie Edwards of the San Diego Chargers. Donnie will be joined by Bree Walker, a producer/broadcaster, who has hosted the celebration for more than a decade.

This inspiring evening will benefit Sharp On Survival, Sharp's Institute for Injury and Violence Prevention, the recognized model chapter of the Think First National Injury Prevention Foundation. All proceeds raised from this event benefit Sharp On Survival and help to

bring vital prevention education to more youth throughout San Diego County. I ask my colleagues to join me today in recognizing the Victories of Spirit event, the recipients of the Victories of Spirit award, and all those who assisted in making this event a success.

INTRODUCTION OF H.R. 4262, THE SOLVE ACT OF 2004

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BACA. Mr. Speaker, I rise in support of H.R. 4262, the SOLVE Act of 2004, that reforms our nation's immigration laws. This legislation was introduced yesterday by Congressman GUTIERREZ and I am proud to be one of its many original cosponsors.

This bill reunites families by reducing the years or decades of family separation caused by backlogs and harsh restrictions.

Under this bill, immigrants waiting more than 5 years will be given a visa outside the per-country limits. In addition, immediate relatives would no longer count against the 480,000 limit on family-based visas. If we truly value the family unit, we cannot keep in place policies that tear it apart.

We must reward work by granting immigrants who work hard and pay taxes the opportunity to earn a green card.

This bill will allow immigrants who have lived in the U.S. for 5 years and worked for 2 years to be eligible for legalization, including spouse and children.

Also, immigrants who have lived in the U.S. for less than 5 years would be eligible for a 3-year visa. The visa will allow immigrants to live, work, and travel legally in the U.S., and apply for a green card after two years of work history.

Congressman GUTIERREZ' bill respects workers by protecting wages and working conditions for U.S. workers.

This proposal creates a new visa for low-skilled workers, such as agricultural farm workers. These workers will be paid a prevailing wage so that Americans do not suffer from lower wages, and the bill makes sure companies hire American workers first.

The confusing system we have today is so difficult to navigate that it encourages many to immigrate illegally as a first resort.

According to the Department of Labor, our economy will need a stable supply of legal immigrants to maintain our economy.

Hospitals in California are importing nurses from South East Asia and Latin America because of a nursing shortage. Restaurants and other service jobs are hiring immigrants to fill in thousands of vacancies.

The fact is that we can reduce illegal immigration by having fair and reasonable immigration laws.

Our government must work hard to prevent people and businesses from violating our laws. That is why we must support comprehensive immigration reform.

Our current system loves immigrants one day and hates them the next. We need a system that is logical, orderly and sympathetic to human needs. This system forces the average Mexican and Filipino to wait over ten years before being reunited with their spouse.

Some people will claim that this bill opens our borders. That is false. The SOLVE Act simply brings order to an immigration system that is broken.

I urge my colleagues to support passage of this legislation.

INTRODUCTION OF A RESOLUTION RECOGNIZING THE 50TH ANNIVERSARY OF BROWN V. BOARD OF EDUCATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. CONYERS. Mr. Speaker, today I am pleased to introduce a resolution recognizing the 50th anniversary of the Brown v. Board of Education decision.

This month we honor and celebrate the 50th anniversary of Brown v. Board of Education, a landmark decision that not only desegregated public schools, but led to the desegregation of every segment of our society. Half a century ago, on May 17, 1954, the Brown decision advanced the Constitutional principle that every American should be guaranteed equal protection of the laws.

In this decision, the United States Supreme Court declared, ''in the field of public education, the doctrine of 'separate but equal' has no place.'' It was Brown that reversed Plessy v. Ferguson, the case that established this ''separate but equal'' doctrine, which stamped Africans Americans with a badge of inferiority as articulated by Judge John Marshall Harlan, the lone dissenter in Plessy.

Brown commenced an era that began to strip African Americans and other minorities of this badge of inferiority. With Brown, millions of minorities and women would be afforded educational opportunities. This decision also provided momentum to the Civil Rights Movement and this nation would come to realize change not just within the realm of education, but in other segments of society as well.

The Brown decision helped lead to the Civil Rights Act of 1964, which advanced the idea that discrimination in the workplace and in public establishments would not be tolerated. The decision also helped lead to the Voting Rights Act of 1965, which promotes every American's right to participate in the political process and the Fair Housing Act of 1968 which promotes equal and fair access to housing for every American.

Fifty years after Brown, however, the pursuit for equal rights and equal opportunity for every American citizen continues. This notion can best be evidenced by statistics that reflect the socio-economic disparities within the African American community:

In March 2004, the Department of Labor reported that 10 percent of African Americans were unemployed, compared to 5 percent of white Americans.

In 2003, the National Assessment of Educational Progress (NAEP) or ''the nation's report card'' indicated that 60 percent of African American fourth graders were not reading at a fourth grade level, compared to 25 percent of white American fourth graders.

In 2003, the Kaiser Family Foundation estimated that 20 percent of African Americans were uninsured, compared to 12 percent of white Americans.

In 2003, United for a Fair Economy (UFE) reported that 24 percent of African Americans live in poverty, compared to 8 percent of white Americans.

It is because of such disparities that this resolution calls upon Congress to do more than celebrate the 50th Anniversary of the Brown decision by noting its historical significance. This resolution asks Congress to renew its commitment to continuing and building on the legacy of Brown with a pledge to acknowledge and address the modern day disparities that perpetuate a separate and unequal society.

PAYING TRIBUTE TO RUTH SUMMONS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MCINNIS. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to the life and memory of Ruth Summons. Ruth's long life of one hundred years saw many changes, and her kind soul touched many lives. Her journey ended in Colorado, a place that she loved dearly, and where she chose to spend her retirement. As her family and friends mourn her passing, I believe it appropriate to call to attention her legacy before this body of Congress and this nation today.

Ruth was born to a family of eight children in Louisiana, where she attended a one-room schoolhouse. Her adventurous spirit carried her to Texas for business school, and then on to Denver, where she worked as a secretary in a law firm for forty-seven years. Ruth met her husband Harold at a singles dance for seniors in Denver, and they married and moved to Grand Junction to enjoy their retirement. Ruth lived her life in such a way that her husband will forever remember her, saying: ''there wasn't a better woman on Earth.''

Mr. Speaker, Ruth Summons lived a long and full life, and she will be sorely missed by those fortunate to have known her. It is my honor to recognize her life before this body of Congress and this nation. I would like to extend my heartfelt respects to her family and friends during this difficult time of bereavement.

HONORING NORA BUTLER OF CHICAGO

HON. RAHM EMANUEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. EMANUEL. Mr. Speaker, I am pleased to rise today to honor the contributions that Ms. Nora Butler, one of our most active community members, has made to the 36th Ward in the 5th Congressional District and Chicago's North Side.

At 91 years young, Ms. Butler still is going strong. She is an instrumental volunteer at Alderman William J.P. Banks' service office, and still serves as a precinct captain for the ward. Her boundless energy and enthusiasm during this past March's primary election would have been remarkable for someone even half her

age, and I cannot wait to see the results that her renewed efforts will bring in November.

Born in San Bernardino, California, Ms. Butler was raised in Springfield, Illinois, and moved to Chicago after high school seeking employment. During her younger years, she served in a variety of posts for the Chicago Park District.

For the last 40 years, Ms. Butler has worked as a precinct captain and assistant precinct captain for the 36th Ward. She loves reaching out to people and is willing to do whatever it takes—from placing lawn signs to driving residents to and from the grocery store—all to make her community a better place.

Alderman Banks' staff at the 36th Ward Office look toward Ms. Butler as an inspiring example of a truly dedicated public servant through her spirit of volunteerism and her commitment of time two days per week to provide assistance to the staff with correspondence, answering phones, and constituent service.

Mary Aiello, an aide to the Alderman, put it best in her description of Ms. Butler's personality and grace: ''No matter where you go with her, she is always friendly, gracious and interested in helping anybody who needs or wants anything. She is always conscious of other people's needs and concerns.''

Ms. Aiello also provided an example that underlines Ms. Butler's selfless dedication. Each year she is charged with the important assignment of organizing Alderman Banks' annual senior citizens' function. Instead of just relaxing and enjoying the event, Ms. Butler serves food and does everything she can do to make sure the other seniors are having a good time. She is also involved with the monthly senior citizens' meetings at the Mont Clare Baptist Church.

Ms. Butler's positive outlook and uplifting sense of humor are evident to all who know her. Although residents of the 36th Ward are often surprised to learn that the woman helping them is 91, she recently said, ''They always tell me I should run for office.''

Mr. Speaker, I thank Ms. Butler for her many years of dedicated service and for the assistance she has given to so many residents of the 5th Congressional District. I hope her uplifting spirit, warm smile, and infectious personality will remain a presence in the 36th Ward for many more years to come. I am very proud to represent Nora Butler.

IN RECOGNITION OF CINCO DE MAYO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. RANGEL. Mr. Speaker, I rise to acknowledge Cinco de Mayo, an important day in the Mexican community. In recent years the holiday of Cinco de Mayo or The Fifth Of May has gained much popularity in American culture. However, it is not, as many people believe a celebration of Mexican Independence. Mexico's actual Independence Day is September 16. Cinco de Mayo memorializes the Mexican army's triumph over the French at The Battle of Puebla in 1862. Cinco de Mayo pays homage to an ill prepared militia of about 4,500 overcoming what appeared to be the insurmountable well outfitted French army of 6,500 soldiers. This victory was a glorious moment in Mexican history, thus Cinco de Mayo is remembered.

Cinco de Mayo's increased popularity is apparent in the innumerable celebrations along the U.S.-Mexico border and in parts of the U.S. that have a high population of people with a Mexican heritage. In these areas the holiday is a celebration of Mexican culture, of food, music, beverage and customs unique to Mexico. This date provides me with a welcome opportunity to recognize and appreciate the contributions being made by the growing Mexican-American communities across the United States. We in New York City and in my community are benefiting from the dynamic presence of this vibrant culture.

It is important that on this day of remembrance that we do not let the message of triumph in the face of adversity be overridden by festivals, food, and music. Let us never forget the great contributions that Mexican-Americans have made and continue to make to our nation. Their presence is apparent in politics, arts, athletics, entertainment, military excellence, science, culinary arts, and embedded in the American language.

On this important day we must recognize that the Mexican-American contribution to our nation is similar to the many other immigrant groups that came to our great nation with the same hopes of self-betterment and the pursuit of the American Dream. On Thanksgiving we commemorate the Pilgrims and Native Americans overcoming the harshness of winter and settlement into the New World, which speaks to the overcoming the seemingly insuperable.

Cinco de Mayo symbolizes the power of faith in the face of adversity. It is rooted in our nation's history that in order to achieve greatness we must find the power within ourselves and never give up. If we are able to work hard and never lose faith then the sky is the limit. It is this exact belief that Cinco de Mayo truly embodies. Thus, this date has yet to receive the official recognition that it deserves. I sincerely hope and believe that one day Cinco de Mayo will be a designated national holiday.

COLONIAL HEIGHTS FIRE DEPARTMENT—IN CELEBRATION OF THEIR 75TH ANNIVERSARY

HON. J. RANDY FORBES

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. FORBES. Mr. Speaker, I rise today in recognition of the Colonial Heights Fire Department, in celebration of their 75th Anniversary.

The Colonial Heights Fire Department was organized in 1929, and operated with 12 volunteers. The first Fire Chief was Benjamin Keys. Today there are 45 career personnel and 35 volunteers for the department. The fire department has been instrumental in saving lives during times of natural disasters, as well as other disastrous occasions.

The fire department has worked closely with the community to ensure the best quality of care for the citizens of Colonial Heights. In times of disaster, the community has been able to rely on the dedicated and dependable men and women of the fire department. In 1982, the Colonial Heights Fire Department was instrumental in the evacuation of North Elementary School, and the chemical cleanup that ensued for two weeks.

When other agencies are unable to respond, the fire department ensures that the citizen's emergencies are given proper attention. With the establishment of the Emergency Medical Services in 1987, the fire department has been able to expand the services that it provides. Prior to 1987 the department received approximately 300–350 calls per year. Over 7,000 calls were received last year related to medical needs, public service and fire assistance.

In addition to the life saving efforts of the Colonial Heights Fire Department, two scholarship programs have been established for students wanting to pursue careers in either a medical or fire fighting related field. In recognition of their many valiant efforts, the fire department has been recognized by the American Legion, the Optimist and the Moose.

Throughout the 75 years of operation in Colonial Heights, the fire department has been persistent in delivering quality care and service to those in need. The community has benefited immensely from the Colonial Heights Fire Department's resounding success, and distinguished years of service.

Mr. Speaker, please join me in honoring the Colonial Heights Fire Department in celebration of their 75th Anniversary of loyal and dedicated service.

PAYING TRIBUTE TO CHET ALLEN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Chet Allen of Grand Junction, Colorado. His efforts and vision earned his business, Boomers nightclub on Main Street in Grand Junction, the designation ''The Best of the West places to go for people over thirty'' by Daily Sentinel readers. Since opening Boomers in 2002, Chet has helped revitalize Main Street, as well as spread his love of Blues, Jazz, and art, all of which figure prominently in Boomers atmosphere.

Chet came to Grand Junction in 1981 as an engineer for the Rio Grande Zephyr Railroad. He and his wife Janet fell in love with the town and decided to stay, but felt the town was somewhat lacking in nightlife. In 2000, he and his wife purchased and renovated an old furniture warehouse on Main Street, expecting to lease it to someone who would turn it into a downtown hotspot. When the first tenants failed, Chet and Janet took the task upon themselves, and thanks to their responsiveness to the community needs, Boomers has thrived since opening in September 2002.

Mr. Speaker, I am honored to pay tribute to Chet Allen before this body of Congress and this nation. Through his vision and determination, he has made remarkable contributions to his community. I sincerely thank him for his efforts and wish him the best in his future endeavors.

MARKING 120 YEARS OF COMMUNITY SERVICE

HON. ANDER CRENSHAW

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. CRENSHAW. Mr. Speaker, I rise today to mark the anniversary of a very helpful institution in Jacksonville, Florida. The institution is daniel. Their mission is to help youth build character by helping them forge strong values, enhance their self-worth, and erect a sense of community. I would like to enter into the record, a brief history of this organization, and how it came to help so many children through its 120 years in operation.

Established in 1884, daniel has met the physical and emotional needs of children. It is considered Florida's oldest child-serving agency. Originally founded as an orphanage, and later named after James Jaquelin Daniel, daniel has evolved into a multi-service agency that assists troubled youth and their families with a variety of innovative and nationally recognized programs.

Originally established as the Orphanage and Home for the Friendless, its mission was ''to receive into a suitable home to support and provide for all who shall come under the provisions of the constitution as far as our means and facilities will enable us.''

To meet this goal, a cottage was rented on the corner of Liberty and Ashley Street and a fund was started to open a permanent home. Three years later, a two-story frame building was built on the corner of Evergreen Avenue and Center Street.

The earliest minutes of the organization that would become daniel begin with a Preface as follows:

> Before Organization a few children in the city occupied themselves in the winter of '83–'84 in working for a little fair, the proceeds to be devoted to the care of little orphan children. Dell Hungerford, Edie Fitzgerald, Kitty and Eva Havener began in a quiet way & soon other children became interested and in Feb. 1884 quite a large company, old and young, met at Mrs. A.L. Hungerford's where she had carefully arranged a programme of interest to the children and where all were supplied with good things under the supervision of herself and the friends whom she had invited to assist her. The proceeds amounted to $41.57 which were generously supplemented by Mr. & Mrs. Hungerford by a donation of $15.00.

In 1888, a yellow fever epidemic ravaged the Jacksonville community. Colonel James Jaquelin Daniel, the president of the Auxiliary Sanitary Association, well-known attorney and religious leader, worked tirelessly to combat the disease and coordinate volunteer efforts. As a result, however, Daniel died of the fever. Financial contributions poured in from around the nation to ''build a living monument to his memory'' and the Daniel Memorial Association was formed and consolidated with the Orphanage in 1891. Daniel Memorial Home for children was incorporated in 1893.

During the intervening years, the needs have changed as society and the family structures have changed, however, Daniel Memorial continues to support and provide for children as far as their means and facilities will allow.

Mr. Speaker, I am proud to be associated with the remarks concerning the history of this organization. Daniel currently assists up to 61 children at any given time, ages 5 to 18 years of age, from throughout Florida. Daniel Memorial Incorporated also operates a charter school, foster homes, and other services for children.

Mr. Speaker, let me conclude with this thought. Were it a perfect world, organizations like daniel would have no place in our society. But the sad truth is organizations like daniel are necessary and provide a vital service. Daniel truly makes a difference in the lives of children, and for our entire community. I ask my colleagues to join me today in recognizing the good work of daniel, all they have performed for the last 120 years, and in wishing daniel another 120 years of community service.

PERSONAL EXPLANATION

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. NETHERCUTT. Mr. Speaker, on Tuesday, May 4, I was unavoidably detained due to a prior obligation. Had I been present, I would have voted ''yes'' on the following: Rollcall vote No. 139 on H. Res. 600, Congratulating charter schools and their students, parents, teachers, and administrators across the United States for their ongoing contributions to education; Rollcall vote No. 140 on H. Con. Res. 380, Recognizing the benefits and importance of school-based music education; and Rollcall vote No. 141 on H. Res. 599, Congratulating the University of Connecticut Huskies for winning the 2004 National Collegiate Athletic Association Division I men and women's basketball championships.

RESOLUTION ENCOURAGING DEMOCRATIC ELECTIONS IN UKRAINE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SMITH of New Jersey. Mr. Speaker, I'm pleased to join Rep. HYDE, Chairman of the International Relations Committee, in sponsoring an important resolution urging Ukraine to ensure a democratic, transparent, and fair election process for the upcoming presidential election. By urging the Ukrainian authorities to abide by their freely undertaken OSCE commitments on democratic elections, this resolution emphasizes our commitment to the Ukrainian people and the goal of Ukraine's integration into the Western community of nations.

As Chairman of the Helsinki Commission, I have been a steadfast supporter of human rights and democracy in Ukraine, and I value independent Ukraine's contribution to security and stability in Europe. The stakes in the upcoming elections are high, not only with respect to the outcome, but also as a fundamental indicator of Ukraine's democratic development.

Recent events have dramatically underscored the need for this clear statement of resolve to support a truly democratic process in Ukraine. The pre-election environment in Ukraine has been discouraging, with examples of obstacles to free assembly and free speech, the limiting of access to Radio Liberty, Voice of America and other international broadcasts, and substantial transgressions in recent parliamentary by-elections and mayoral elections.

Mr. Speaker, the most blatant of these took place just a few weeks ago in the city of Mukacheve. These elections witnessed violence, intimidation, fraud and other massive violations both of the electoral code and any standards of civilized human behavior. The mayoral elections have been roundly and rightly criticized by the United States, Europe, and the OSCE. Many observers fear that Mukacheve is a harbinger of things to come. As Chairman of the U.S. delegation to the OSCE Parliamentary Assembly, I join OSCE PA President Bruce George in calling upon Ukrainian President Kuchma to ensure a proper investigation of the violations which took place and to rectify the situation so that the will of the voters is realized.

Mr. Speaker, Ukraine remains at a crossroads. Developments with respect to democracy have been discouraging over the last few years. The elections represent a real chance for Ukraine to get back on the road to full respect for the tenets of democracy, human rights and the rule of law. The United States stands in solidarity with the people of Ukraine as they strive to achieve these essential goals.

PAYING TRIBUTE TO REV. GARY MACDONALD

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MCINNIS. Mr. Speaker, it is with a heavy heart that I rise today to honor the life and memory of Reverend Gary MacDonald of Durango, Colorado, who passed away recently at the age of forty-six. Reverend MacDonald was pastor of Durango's New Life Chapel, and his sudden death comes as a shock to us all. He was a man of devotion, hard work, and humilty, and while his family and community mourn his passing, I believe it is appropriate to pay tribute to the life of an exceptional person.

Involved in the ministry for twenty-four years, Reverend MacDonald served as senior pastor of the Lubbock First Foursquare Church in Lubbock, Texas before he and his wife Tammy moved to Durango. In 1998, he was named senior pastor at New Life Chapel in Durango, and in April 2000 he was appointed as the divisional superintendent of the Western Slope Division of Foursquare Churches. Known for his passion and leadership, Reverend MacDonald spoke at youth camps, retreats, conferences, and churches throughout the country; and wrote many songs of worship.

Mr. Speaker, it is my honor to pay tribute to the life of Reverend Gary MacDonald before this body of Congress and this nation. Reverend MacDonald was a kind and devoted spiritual leader who did much to uplift the lives of his congregation. I would like to extend my heartfelt condolences to his family and members of his church as they mourn his passing.

HONORING ALBERT R. MORRIS

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to recognize the achievements of Mr. Albert R. Morris, President of A.R. Morris Jewelers in Wilmington, DE. On behalf of the citizens of the First State, I would like to pay tribute to this outstanding individual, and extend to him our congratulations on being chosen as the 2004 recipient of the Small Business Council of America's Small Business Person of the Year Award.

Mr. Speaker, for over 40 years, A.R. Morris Jewelers has set the standard for business and civic leadership in Delaware. The Morris family's steadfast commitment to dependability, integrity, quality, and trust has cemented A.R. Morris' position at the pinnacle of small business in Delaware, and as this award indicates, throughout the nation. Based on an unwavering commitment to his community, Mr. Morris has proven that businesses can succeed, while still maintaining an individual relationship with their customers. Now, in A.R. Morris' second generation of family ownership, they continue to provide value and excellence in their craft.

It is with great pleasure that I offer the most heartfelt congratulations to Mr. Morris upon receipt of this award. His tireless diligence and dedication to work and family should serve as an example for all small businesses. Mr. Speaker, I commend Albert R. Morris for his exceptional leadership and I ask that we recognize the substantial contributions his family and business have made to the state of Delaware.

THE IMPORTANCE OF ASTHMA AWARENESS DAY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. TOWNS. Mr. Speaker, I want to thank the Allergy and Asthma Network for holding today's 7th annual Asthma Awareness Day and the Breath Freely Briefing to increase asthma awareness. I also want to thank my colleagues, Representative STEARNS, Chairman BARTON, Representative TUBBS-JONES, Representative ENGEL and Representative KENNEDY for their leadership on this issue.

I am proud to be an original cosponsor of H.R. 2023. I signed onto this bill because I understand the life-altering effects of asthma. As you know, asthma is the 6th ranking chronic condition in the United States and the leading serious chronic illness of children in the United States.

The African American community is disproportionately impacted by the effects of asthma. More than 3 million African Americans currently have asthma. We are three times more likely than the general population to be hospitalized for asthma. Sadly, African Americans constitute 26 percent of all asthma deaths. The fact that asthma can be managed with proper health care and appropriate medications, makes these deaths all the more tragic.

I hope that our efforts through this bill and as well as the attention that we can bring to this disease through Asthma Awareness Day education and outreach activities today and throughout the weekend at the Omni Shoreham Hotel will help us reduce the incidence of asthma and the fatality rate associated with it. With this kind of bi-partisan effort and supported at the state and local level, we can make sure that every asthma patient has a chance to breath freely.

HONORING THE RETIREMENT OF RICHARD MICKA

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. DINGELL. Mr. Speaker, I rise today to pay tribute to my dear friend, Richard ''Dick'' Micka, on the occasion of his retirement from La-Z-Boy Corporation after 36 years of distinguished service.

A longtime Monroe County, Michigan resident, Dick graduated from Monroe Catholic Central High School in 1956. He then earned a bachelor's degree in economics from the University of Detroit in 1960. That same year, he was commissioned as a second lieutenant in the Air Force. For nearly three of his seven years in the military, Dick served at Okinawa. He became a captain with the Medical Service Corps.

Dick began his career with La-Z-Boy's Monroe Headquarters in 1968 as Factory Payroll Supervisor. In 1970, he moved to inventory control, and then to the production-planning department in 1971. He was special projects manager from 1974 to 1979, working closely with the Fabric Processing Center. In this position, he was among the first to witness the company's computer-controlled system in Monroe, Michigan command a South Carolina factory machine to mechanically choose and pick up a fabric roll from the thousands on hand. In 1979, Dick was promoted to his current position. As Vice President of Administration, Dick has dealt with the assets, patents, trademarks, and administrative functions of La-Z-Boy, but he is certainly best known for his service as La-Z-Boy's community and civic affairs director.

Dick has faithfully served many community organizations, including the Monroe County Historical Commission, the United Way of Monroe County, and the Monroe County Chamber of Commerce.

He is also a noted conservationist. The Michigan United Conservation Club honored him with their Conservationist of the Year award in June 1974 for his efforts to save the Pointe Mouillee State Game Area in Monroe County, Michigan. He is still very actively involved in efforts to restore Lake Erie wetlands, clean the lake of environmental contamination and restore native habitats and species.

As Dick enters his retirement years, I would ask that my colleagues rise and join with me to wish him and his wife, Jeanne, a very happy, healthy, and relaxing future. I would also like to thank him for his dedicated service both to La-Z-Boy and the Monroe Community.

PAYING TRIBUTE TO ALTA CASSIETTO

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Alta Cassietto of Montrose, Colorado. Throughout her fulfilling life, Alta has fulfilled many roles with great success, including being appointed Telluride's first woman Postmaster. Her service, both in her career with the Postal Service and her community involvement, is certainly commendable and deserving of recognition by this body of Congress and nation.

Alta Cassietto was born in Cedaredge, Colorado in 1907. After traveling with her parents to their native Italy in 1908, the family returned to Telluride at the outbreak of the First World War. In 1927, as only a junior in high school, Alta began to work as a reporter for the Telluride Daily Journal. When economic conditions forced the paper to become a weekly in 1929, Alta became the editor, a position she held until 1934, when she became Telluride's first woman Postmaster, a position she held for thirty-six years until her retirement in 1970.

In 1975 Alta moved to Montrose to better care for her mother. She has remained very active in the community, volunteering at the Montrose Memorial Hospital and with the Retired Seniors Volunteer Program. She has also pursued her love of traveling, having crossed both the Atlantic and Pacific ten times.

Mr. Speaker, it is my privilege to pay tribute to Alta Cassietto before this body of Congress and this nation. She is a truly great treasure for her Montrose community and the State of Colorado. I sincerely thank her for her service.

THE WOOL SUIT AND TEXTILE TRADE EXTENSION ACT OF 2004

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. HOUGHTON. Mr. Speaker, today I am pleased to join my colleague from New York, LOUISE SLAUGHTER, introducing the ''Wool Suit and Textile Trade Extension Act of 2004.'' This legislation extends and improves an existing program designed to equalize the trade treatment provided to domestic manufacturers of worsted wool suits.

Over the last decade a provision in our trade laws has had a devastating impact on the tailored clothing industry in the United States—reducing employment by half. This provision effectively created a suit export industry overnight in Canada and Mexico. Effectively, finished suits were able to enter our market duty-free, while our domestic producers were forced to contend with a tariff of more than 30 percent on the fine fabrics used in their production.

With a shrinking customer base the textile mills that once produced enormous amounts of worsted wool fabric reduced their fabric production. Competition for supply and prices paid to woolgrowers in turn were impacted negatively.

Our proposal builds on action taken by Congress in 2000 and 2002 to address this situation. Under the existing legislation, domestic

suit makers, textile producers, and the domestic sheep industry received a combination of tariff relief and incentives to stabilize employment and production in the United States. This program has been extremely successful, and stopped the precipitous decline in employment in the tailored suit industry.

However, these provisions expire next year. Because the suit industry must design their lines months in advance, the expiration of this program will affect pricing and competitiveness much earlier than the close of 2005.

Our proposal extends these provisions for an additional five years, and makes improvements in the program for all interested parties. We are pleased to note that our legislation has the strong support of the suit manufacturers, the garment workers' union—UNITE, the sheep association, and the textile industry. As the domestic tailored clothing industry and wool textile mills continue to face significant challenges maintaining employment and production as a result of an unleveled playing field, an extension of this program is timely and vital to the continued health of this important manufacturing sector.

We hope our colleagues will join us in cosponsoring this legislation.

IN SUPPORT OF THE NATIONAL VISION STRATEGY

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. PRICE of North Carolina. Mr. Speaker, on behalf of the Congressional Vision Caucus, I rise to recognize May as Healthy Vision Month, and to discuss the importance of the recommendations of the Vision Problems Action Plan, A National Public Health Strategy to the prevention of blindness and vision loss.

Good vision is critical to conducting activities of daily living, and it affects developmental learning, communication, work, health, and quality of life. Unfortunately, far too many people are at risk for losing their eyesight. More than 80 million Americans have a potentially blinding eye disease, 3 million have low vision, 1.1 million are legally blind, and an additional 200,000 are more severely visually impaired. Despite the fact that half of all blindness can be prevented, far too many people do not have access to the care they need. If current trends continue, the number of blind and visually impaired individuals will double by 2030.

Healthy Vision Month, a component of Healthy People 2010, is a national eye health campaign to raise awareness about the various conditions that can affect eyesight and cause vision loss. Additionally, a coalition of leading eye health experts have just released the Vision Problems Action Plan, A National Public Health Strategy to provide our nation with a framework for preventing vision loss. This groundbreaking study recommends that, in order to reduce the occurrence of vision loss and its accompanying disabilities, we must concentrate our efforts on three priority areas: prevention; access to care and treatment; and research.

Our public health and prevention campaign must ensure that vision programs at the National Eye Institute (NEI) and the Centers for Disease Control and Prevention (CDC) have the resources they need to improve communication and education campaigns, increase surveillance, support epidemiology and prevention research; and implement appropriate program and policy changes.

In order to ensure access to and availability of treatment and rehabilitation services for individuals with vision loss, we must support programs at the Centers for Medicaid and Medicare Services (CMS) and the Department of Health and Human Services (HHS) that remove barriers and improve access to eye exams currently covered under Medicare, such as diabetic eye exams and glaucoma detection for high risk populations. We must also strengthen the Medicare program to advance coverage for vision rehabilitation services as provided by orientation and mobility specialists, rehabilitation teachers, and low-vision therapists.

Finally, we must bolster our research efforts to improve our understanding of the eye and visual system in health and disease, and to develop the most effective means of prevention, treatment and rehabilitation. This report provides the roadmap we need to raise awareness about vision loss, give individuals the tools they need to prevent it, and give hope to the millions already suffering from vision loss that better treatments for can be found.

As a co-chair of the Congressional Vision Caucus, I would like to thank all of the organizations involved in crafting this report, including the American Academy of Ophthalmology, the American Optometric Association, the CDC, Lighthouse International, the National Alliance For Eye and Vision Research, the NEI and most importantly, Prevent Blindness America. Prevent Blindness America should be commended for spearheading this effort, for bringing together this coalition of experts, and for its almost century-long dedication to preventing vision loss.

CELEBRATING THE 70TH ANNIVERSARY OF THE INCORPORATION OF THE TOWN OF TAOS, NM

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. UDALL of New Mexico. Mr. Speaker, I rise today to recognize an historic and outstanding community—Taos, New Mexico—and to congratulate the residents on the celebration of the town's 70th anniversary.

On May 7, 2004, the Town of Taos will commemorate the 70th anniversary of its incorporation as a general law municipality in the State of New Mexico. This event will also mark 389 years since the King of Spain colonized the Taos area in 1615—five years before the Pilgrims landed in New England.

Further, this will be the 209th anniversary since the Don Fernando de Taos land grant was declared an Ayuntamiento under the laws of the Spanish government in 1795. Finally, this will also mark 156 years since the Treaty of Guadalupe Hidalgo was signed by the United States and Mexico in 1848.

It is the traditions of the long-established cultures that make Taos a proud community, a desirable place to live, and a wonderful place to visit. Although the Town of Taos celebrates its 70th birthday this month, we must not forget that it is an area that has been home to American Indians for nearly 1,000 years. The arrival of the Spanish Conquistadores, led by Capitán Hernan Alvarado on August 29, 1540, marked the beginning of the three cultures that would eventually dominate the area.

Yet other newcomers emerged in the 18th century with the arrival of French and American traders. Taos, no more than a tiny mountain village, was transformed into a bustling trade center as wagon trains, frontier scouts and mountain men gathered. Taos was also the home of famous frontier scout Kit Carson, who is commemorated in a state park and museum.

The once geographically-isolated village became more accessible when the Atcheson, Topeka and the Santa Fe Railroad reached Santa Fe. The era of America's love affair with the West had begun. As tales of the region's beauty spread, tourists, writers and artists from the east discovered northern New Mexico's uniqueness. Some settled permanently.

By the end of the Roaring Twenties, Taos had an established reputation as a thriving art colony. Writer D.H. Lawrence is credited with saying, ''I think the skyline of Taos is the most beautiful I have ever seen. . .'' Perhaps the most prominent resident of the 20th century was none other than artist Georgia O'Keeffe.

The incorporation of the Town of Taos began as a community-wide initiative after several large structure fires destroyed most of the plaza buildings in existence at the time.

Community volunteers undertook an effort to organize a volunteer fire department, a community water supply system and a municipal form of government to ensure stability over the long term.

Taos, sometimes described as ''The Soul of the Southwest,'' is a flourishing community today in New Mexico. A hundred galleries showcase the works of artists past and present, local and international. Scattered within walking distance around the plaza and along side streets lined with bright hollyhocks and geraniums, the galleries invite thousands of tourists each year. World-class contemporary fine art, southwestern art, sculpture, ceramic, crafts, jewelry, and weavings are longtime economic staples of the town.

Wheeler Peak at over 13,000 feet looks down on the world-class Taos Ski Basin. During the warmer months, the area provides a scenic chair lift and trails for hiking, biking, horseback trips, llama treks and fishing.

Today, as in the past, Taos is a mecca for a wide range of people who are attracted by its mystique, unique heritage, historical significance, and beauty.

Mr. Speaker, I could speak for hours on the rich history of Taos. Let me finish by saying that this special occasion is a time for all Taoseños to honor 70 years of proud and noble history. While we are grateful for the past seven decades, I know that the best is yet to come. I ask that my colleagues join me as we honor all the contributions Taos has made to New Mexico.

ARTICLE BY RABBI ISRAEL ZOBERMAN

HON. EDWARD L. SCHROCK

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SCHROCK. Mr. Speaker, I share the following article on behalf of a constituent, Rabbi Israel Zoberman.

What a golden opportunity Mel Gibson had to introduce a significant note of much-needed harmony into the alarming discord of a polarized and fractured world community, and even here at home, with heightened religious and political strife. I fear that he missed it. It happened—and to Gibson's credit he didn't hide it—because so far he is passionately locked into the anti-Vatican II stance which longs for the ''good old days'' when the Mass was in Latin and Jews were not collectively free from the outrageous charge of deicide (the killing of God). The world-impacting crucifixion of a fellow Jew historically resulted in the varied crucifixion of millions of his brethren, including gas chambers, thus figuratively crucifying the suffering Jesus time and again.

Indeed Jesus' message and mission of Israel's shalom have been tragically overtaken by history's greatest and longest hatred fueled by The Passion, so ironically toward Jesus' own flesh and blood. Jews are still victims of nails spread in their bodies by suicide bombers. How in the world did Gibson cast that governor Pontius Pilate as a pussycat, manipulated by those scary-looking, menacing rabbis that he after all appointed to high office? He surely knows that all the Jews at that time were under terrorizing Roman rule which gave rise to the fertile messianism so poignantly represented by Jesus.

Gibson allowed his creative imagination to really soar high, but at what price? Millions will consider his take as gospel truth and perpetuate those stereotypical images pursuing us, Jews and Christians, with so much damage to both. Isn't it time to loosen those destructive bonds of oppression?

Gibson succeeded in resurrecting through the power of his artistic talent the ghosts that Catholics and Protestants courageously tried through revised doctrine and practice to bury in humanity's graveyard of monumental sins and errors. But he also presents us with a precious opportunity to redouble our ecumenical dialogue and sectarian educational efforts of all religions to prove that blood should lead to love, violence to vision, and reality to redemption.

Perhaps now that Gibson's risky financial investment—prompted by an evident deep faith which I'm glad he found—has borne substantial fruit, he would contemplate another version of The Passion that is less threatening to our common dream. It is high time to prove that religion can and should be a source of infinite goodness and not only of inexhaustible evil. My own young congregation met for 10 glorious years from 1985 to 1995 at the most gracious Catholic Church of the Ascension in Virginia Beach. That inspiring interfaith model could not have happened without the reforms of Vatican II when Pope John XXIII began and current Pope John Paul II enhanced the promising rapprochement with the Jewish people.

This sea change culminated in the Vatican's official recognition of the Jewish state, the Jews no longer rejected by the church's teaching of contempt condemning us to forever be wanderers with Cain's mark upon us. The Polish pope's visit to Israel's eternal capital Jerusalem witnessed his paying tribute and praying at the Western Wall around the temple where Jesus left his mark, and Yad Vashem's Holocaust Memorial reminding the courageous and visionary pope of his own proud anti-Nazi saga and the Jewish classmates he lost. And could I have honored retiring Bishop Walter F. Sullivan at our holiest service on Yom Kippur Eve? Our dear Catholic bishop, who has become a close friend, held our Holocaust Torah scroll from Czechoslovakia. He was instrumental in establishing the new Holocaust museum in Richmond.

Following Gibson's penetrating film, Jewish children in Virginia Beach and elsewhere have been socially ostracized. Would Gibson like to face the two high schoolers in my congregation who had swastikas left on their desks? And what might yet happen in a Europe that is experiencing the worst resurgence since the Holocaust of the virulent virus of anti-Semitism, as well as the vast Muslim world with its growing radicalism?

On the eve of Passover and Easter's shared rejoicing in the divine gifts of renewal and resurrection, respectively for Jews and Christians, there is much that Gibson can so ably do to help us build together God's kingdom on earth of healing, hope and harmony for all. There is much at stake and we are all in it together.

Rabbi Israel Zoberman, spiritual leader of Congregation Beth Chaverim in Virginia Beach, is son of Polish Holocaust survivors. He is immediate past president of the Hampton Roads Board of Rabbis.

HONORING VALERY (LAWRENCE) WEINBERG PRESIDENT, PUBLISHER, AND EDITOR-IN-CHIEF OF NOVOYE RUSSKOYE SLOVO

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. NADLER. Mr. Speaker, I rise today to recognize Valery (Lawrence) Weinberg, President, Publisher and Editor-in-Chief of Novoye Russkoye Slovo. On May 8th Mr. Weinberg will be celebrating 40 years of service at Novoye Russkle Slovo (New Russian Word). Novoye Russkoye Slovo is the oldest and most widely read Russian-language daily newspaper in the United States.

Born in the Ukraine in 1945, Mr. Weinberg emigrated first to Poland, and then to the United States in 1964—the same year he began his career at Novoye Russkoye Slovo. From 1964–1982 he held numerous positions at the paper. He was named Executive Vice President in 1982 and President in 1986. In 1995, Mr. Weinberg founded and became President of People's Wave Radio (WYDM 1380–AM), the only 24-hour, seven-day-a-week Russian-Language radio station in the world.

Under Mr. Weinberg's leadership, Novoye Russkoye Slovo played an important role in bringing democracy to the Soviet Union by supporting Russian dissidents and publishing their work. Former presidents from both political parties, including President Bill Clinton and Ronald Reagan, have acknowledged Novoye Russkoye Slovo anniversaries and noted the newspaper's part in helping new immigrants adapt to life in the United States and understand U.S. policy and democracy.

After the collapse of communism, the Russian government honored Mr. Weinberg for his and the paper's support of freedom and democracy. In 2000, he received an award from former President Boris Yeltsin celebrating the paper's 90th anniversary. In 2003 he was honored at an event in Moscow for his efforts to preserve Russian culture in the United States.

Mr. Weinberg is also a well-known philanthropist in the Russian-American community. He is the founder and President of the UJA-Federation Russian Division, which raises funds for economically disadvantaged Russian Jews worldwide. With his wife Lilly, Mr. Weinberg helped raise funds to build several projects in Israel, including a school for disabled children. In addition to his work the UJA, Mr. Weinberg is President of the Fund for the Neediest Russian Immigrants. The fund was instrumental in building an emergency room and hospital in Israel, and was active in providing assistance to Russian-American victims of September 11th. Finally, Mr. Weinberg also serves as President of Litfundt, which provides assistance for Russian-American artists and writers.

I am pleased to stand here today to congratulate Mr. Weinberg for his 40 years of service to the Russian-American community and thank him for his commitment to freedom and democracy. He is a man of integrity and drive, and I wish him all the best now and in the future.

PAYING TRIBUTE TO DAYNA LEONARD

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate Dayna Leonard of Montrose, Colorado on being named Youth of the Year by the Black Canyon Boys' and Girls' Club. The award, in its fifty-seventh year, recognizes contributions to family, community, school, and the club. Dayna will serve as a representative for the club for the remainder of the year, and it is my pleasure to recognize her achievement today.

A fifth grade student at Pomona Elementary School in Montrose, Colorado, Dayna was named Youth of the Month by the Boys' and Girls' Club in February 2003. This honor allowed her to compete for the honor of Youth of the Year. Dayna was selected Youth of the Year from fourteen other winners because of her moral character, life goals and public speaking ability, after a competition which included an essay, an interview, and a speech. In addition to her participation in the Boys' and Girls' Club, Dayna is active in Black Canyon Gymnastics, the Torch Club leadership program, as well as several community service projects.

Mr. Speaker, I am honored to pay tribute to the service and achievements of Dayna Leonard before this body of Congress and this nation; and to congratulate her on having the distinction of being named Youth of the Year. Her dedication to improving herself and her community are truly remarkable and I wish her all the best in her future endeavors.

STATEMENT OF AMBASSADOR LUIS GALLEGOS ON ''INTERNATIONAL DISABILITY RIGHTS: THE PROPOSED U.N. CONVENTION'' BEFORE THE CONGRESSIONAL HUMAN RIGHTS CAUCUS, MARCH 30, 2004

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LANTOS. Mr. Speaker, on March 30th, the Congressional Human Rights Caucus held a groundbreaking Members' Briefing entitled, ''International Disability Rights: The Proposed U.N. Convention.'' This discussion of the global situation of people with disabilities was intended to help establish disability rights issues as an integral part of the general human rights discourse. The briefing brought together the human rights community and the disability rights community, and it raised awareness in Congress of the need to protect disability rights under an international law to the same extent as other human rights through a binding U.N. convention on the rights of people with disabilities.

Our expert witnesses included Deputy Assistant Secretary of State Mark P. Lagon; the Permanent Representative of the Republic of Ecuador to the United Nations, Ambassador Luis Gallegos; the United Nations Director of the Division for Social Policy and Development in the Department of Economic and Social Affairs, Johan Schölvinck; the distinguished former Attorney General of the United States, former Under-Secretary General of the United Nations and former Governor of Pennsylvania, the Honorable Dick Thornburgh; the President of the National Organization on Disability (NOD), Alan A. Reich; Kathy Martinez, a member of the National Council on Disabilities (NCD); and a representative of the United States International Council on Disabilities (USCID) and Executive Director of Mental Disability Rights International, Eric Rosenthal.

As I had announced earlier, I intend to place the important statements of our witnesses in the CONGRESSIONAL RECORD, so that all of my colleagues may profit from their expertise, and I ask that the statement of Ambassador Gallegos be placed at this point in the CONGRESSIONAL RECORD.

Mr. Chairman, Members of U.S. Congressional Human Rights Caucus, Representatives of the U.S. Administration, Representatives of Disability and Human Rights Organizations, Ladies and Gentlemen: I am deeply honored by the invitation extended to me to address you at this distinguished panel of the United States Congressional Human Rights Caucus.

I regard the privilege of addressing you as imposing upon me three obligations: first that of discussing the background of the Ad Hoc committee on an international convention on the rights of persons with disabilities; second, that of informing you of its ongoing work and third my analysis concerning development of an international convention and the newly emerging disability rights movement.

I. BACKGROUND

The commitment of the United Nations to promotion of the rights of persons with disabilities is deeply rooted in the goal of the Organization: realization of the Charter's vision of a just and peaceful world and the better standards of life in larger freedoms. The work of the Organization in disability in its early period focused on improvement of the well-being of persons with disabilities to meet their needs in the social context. In the 1960s, initiatives within the disability community and adoption by the United Nations of the international human rights conventions both in civil and political and economic, social and cultural realms, resulted in a fundamental reevaluation of the rights of persons with disabilities within the context of development. The growing concern for the need of adopting a human rights perspective since 1970s were specifically addressed by the United Nations in adoption of the declarations concerning the rights of persons with disabilities.

The human rights of persons with disabilities became part of the international policy agenda in the 1980s since adoption of the World Programme of Action concerning Disabled Persons by the General Assembly at its thirty-seventh session in 1982. The World Programme transformed the disability issue from ''social welfare'' issue into that of integrating the human rights of persons with disabilities in all facets of development.

The Standard Rules on the Equalization of Opportunities for Persons with Disabilities was adopted by the United Nations in 1993 to focus on the human rights perspective of the World Programme of Action. Though the Standard Rules was not a legal instrument, it has been widely used as a set of strategic guidelines to promote the rights of persons with disabilities. The international frameworks to promote the rights of persons with disabilities were further advanced by a series of 1990s United Nations development conferences and their respective five-year reviews, the Millennium Development Goals and other relevant international commitments.

Proposals to elaborate a convention on the rights of persons with disabilities were presented during the United Nations Decade of Disabled Persons (1983–1992), many of which have reflected reformulated concepts of disability that have moved away from the traditional model of care, social welfare and medical support to a human rights framework. These proposals were required of further study by the international community.

The initiative on a comprehensive and integral convention to promote and protect the rights of disabled persons is the result of a proposal made by President Vicente Fox of Mexico during the fifty-sixth session of the General Assembly of the United Nations, which called upon the international community to combat poverty and social exclusion with Mexico taking the lead in promoting an agenda for development. The importance was highlighted to involve all citizens as stakeholders and that a just world must be inclusive of all groups. For that reason, Mexico had proposed the establishment of a ''Special Committee'' to study the elaboration of an international convention on promoting the rights and dignity of persons with disabilities, which was endorsed by General Assembly resolution 56/168.

II. PROGRESS IN ELABORATING A ''COMPREHENSIVE AND INTEGRAL'' INTERNATIONAL CONVENTION

The outcome of the first session of the Ad Hoc Committee (29 July–9 August 2002) was a resolution, adopted by the fifty-seventh session of the General Assembly as resolution 57/229 of 18 December 2002, on further action related to elaboration of a comprehensive and integral international convention. The Committee, in close collaboration with disability organizations and civil society organizations, reaffirmed the commitment to the goals set out before it by General Assembly resolution 56/168.

The outcome of the second session of the Ad Hoc Committee was the decision to elaborate an international convention and to establish the Working Group to draft a text that would form the basis for negotiations on the convention, which will be submitted to the Ad Hoc Committee at its third session, from 24 May to 4 June at he United Nations Headquarters in New York.

III. THE WORKING GROUP OF THE AD HOC COMMITTEE JAN. 5–16, 2004

The Working Group was chaired by the Permanent Representative of New Zealand, Don MacKay. It took into account all contributions submitted to the Ad Hoc Committee by States, observers, expert meetings, United Nations bodies, regional commissions and intergovernmental organizations, as well as by non-governmental organizations (NGOs), independent experts and national disability and human rights institutions.

Members of the Working Group were of a diverse body of policy makers, legal practitioners, disability advocates, and experts, consisted of 27 representatives of governments, one national human rights institution and 12 NGO representatives, mainly from organizations of persons with disabilities, resulting in a broader and enhanced understanding of disability in the context of promotion and protection of the rights of persons with disabilities in today's society and in development.

Disability advocates, working side by side with experts in international law and other relevant fields, helped to view the existing human rights norms and standards from a disability perspective, which, in turn, proposed viable options to strengthen the existing system for promoting and protecting the rights of persons with disabilities as well as to incorporate the disability perspective into the human rights norms.

(1) Summary of the meeting

The Group identified possible approaches and narrowed down the options, which resulted in the draft text with options for consideration of the Ad Hoc Committee. The draft text embodies successful collaboration among all the members of the Working Group. It covers, in its 25 articles and the Preamble, encompassing human rights principles and norms, such as general principles and obligations, equality and non-discrimination, the right to work, and equal recognition before the law with a disability focus. It also addresses disability-specific issues and concerns, such as accessibility, independent living, protection of persons with disabilities from violence and abuse, accessibility, education, personal mobility, social security and adequate standards of living, as well as issues of inclusion, such as inclusion of disabled children, disabled women and persons with multiple disabilities, promotion of positive attitudes towards persons with disabilities, inclusion in the community, participation in political and public life, and participation in cultural life, recreation, leisure and sport.

(2) Analysis

The draft text by the Working Group, reflecting their diversity in background and approach, resulted in a broader and enhanced understanding of disability in the context of promotion and protection of the rights of persons with disabilities in today's society and in development. The work of the Group facilitated interpreting the existing human rights norms and standards from the disability perspective as well as incorporating the disability perspective into the human rights norms.

Members of the European Union advocated that a proposed new convention should focus on the model of a non-discrimination human

rights treaty, such as the Convention on Elimination of all Forms of discrimination against Women and the Convention on Elimination of Racial Discrimination, which would minimize proliferation of detailed standards and mechanisms. Other Members, such as Mexico, Venezuela, Sierra Leone, South Africa, Thailand, and Organizations of Persons with Disabilities, promoting, in most cases, the model of a comprehensive convention, such as the Convention on the Rights of the Child, emphasizing on the specificities of the situation of persons with disabilities as their focus in elaborating the Convention.

The draft text by the Working Group, as it stands now, is the result of a hybrid between the two approaches and there are number of complex issues and tasks left to the Ad Hoc Committee for its consideration.

(3) The issue areas requiring close attention

The following issues would require close examinations and consultations by the Ad Hoc Committee as the views differed significantly among the Members: definition(s) of disability and persons with disabilities; disability statistics and data collection; international cooperation; special and inclusive education, and the monitoring mechanism(s). The Group did not cover the international monitoring mechanism at this time and focused instead on national frameworks for implementation and monitoring of the convention.

(4) The third session of the Ad Hoc Committee

The third session of the Ad Hoc Committee will take place from May 24–June 4 at the United Nations Headquarters in New York. The Ad Hoc Committee will have before it the draft text as a basis for negotiation of the text of an international convention on the rights of persons with disabilities.

IV. THE SIGNIFICANT ROLE PLAYED BY U.S. LEADERS AND ADVOCATES IN DISABILITY RIGHTS IN THE WORK OF THE INTERNATIONAL COMMUNITY

The commitment of the United States to further goals of human equality and dignity for persons with disabilities has been demonstrated in a number of legislative and policy initiatives, such as American with Disabilities Act (1992) and ''New Freedom Initiative'' (2001), which resulted in a comprehensive set of regulations and enforcement mechanisms and the new disability-sensitized community—leadership of government, organizations of disabilities, countless advocates, scholars, practitioners in disability rights, as well as civic groups. I am delighted to see many of those leaders present at this meeting today. Those leaders have made extraordinary contributions not only to their own society, but also to the work of the international community.

Such outstanding contributions are exemplified in a wide range of activities from legislative and policy initiatives, scholarship, research to advocacy at national, regional and international levels: for example, one of the finest institutions of higher-learning in the United States, University of California at Berkeley co-organized with the United Nations ''The United Nations Consultative Expert Meeting on international norms and standards relating to disability (December 1998). The work is considered as a first step to consider promotion of the human rights of persons through the use of international normative framework, including implications of an international convention on the rights of persons with disabilities. A number of US participants and leading scholars participated in both Berkeley and its follow-up meeting (the Interregional Seminar on international norms and standards relating to disability organized by the Equal Opportunities Commission, Hong Kong SAR, Republic of China).

During the past two sessions of the Ad Hoc Committee and the most recent session of its Working Group in January 2004, US participants as government and NGO representatives, panelists, researchers or individual advocates played a major role in promoting the rights of persons with disabilities. The international community, along with the disability communities worldwide, would have much to gain from the continuing and active participation of the United States in the work of the Ad Hoc Committee and the newly emerging international disability rights movement.

CONCLUSION

As a result of consultations at national, regional and international levels concerning an international convention since the Ad Hoc Committee was established, new networks and communities of disability-sensitized policy makers, programme specialists, academics and advocates have emerged. Together, they are contributing to a process of promoting and developing universal norms and thereby contributing to implementation of the universal human rights for all.

The on-going international discourse on disability rights in the process of elaboration of an international convention demonstrates our common foundation—a fundamental aspiration of the humankind to establish an integrated community of its members based upon the principles of the universality of human rights—the fundamental freedoms, the dignity and worth of every human person.

As we strive to promote and protect the rights of persons with disabilities through the work on an international convention, we are embarking upon a significant endeavour in translating the universality of the human rights into reality and taking a concrete step toward a just and equitable society.

MY COMMITMENT TO AMERICA'S FUTURE

HON. MIKE FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. FERGUSON. Mr. Speaker, I would like to submit a paper by Mr. James Rieder, Jr., of Colonia, New Jersey, into the CONGRESSIONAL RECORD. I would like to offer my congratulations to Mr. Rieder on his accomplishment of winning the 2004 Voice of Democracy broadcast scriptwriting contest. Following is the paper that Mr. James Rieder, Jr., wrote:

''The meaning of America is not to be found in a life without toil. Freedom is not only bought with a great price; it is maintained by unremitting effort.'' (Thirtieth President of the United States of America, Calvin Coolidge)

Consider these words by the late former President. ''The meaning of America is not to be found in a life without toil.'' In order to be a true American, one must not take his/her responsibilities lightly, and must instead strive to achieve not only what's best for himself/herself, but also what is good for all, no matter the task at hand. ''Freedom is not only bought with a great price . . .'' Our great nation was constructed from the ultimate sacrifices of others, their lives, but not just our forefathers, but our grandfathers and fathers, as well. ''. . . it is maintained by unremitting effort.'' The United States does not only thrive on those who lost their lives on the battlefield, nor even on those who govern our democratic nation, but on the American people. And because of this supreme responsibility, it is our duty as a free people to work hard in preserving our rights for the future generations. This is my commitment to America's future.

My commitment to America's future is to uphold the freedoms we were granted by the blood and sweat of our elders. For some, this may be as simple as voting on Election Day to empower a governing body capable of protecting our rights. For others, their commitment may lie in the front line, physically stopping those who endanger the American way of life. Does this mean that the soldier's blood runs redder than that of the simple voter? Of course not; both hearts beat strongly with American pride and both souls soar along with the majestic eagle. It is not what you are committed to, but how committed you are that counts. As for myself, I believe that I will perform whatever duties my nation calls on me to perform. I will be just as pleased if I can donate to a helpful cause, as I would be if I were to be called to a foreign shore to fight for our rights. Whatever my responsibility, I will certainly be dedicated.

My commitment to America's future is to educate my children and raise them in an environment where they, too, can respect and cherish their American citizenship. As Theodore Roosevelt stated, ''To educate a man in mind and not in morals is to educate a menace to society.'' We must educate our future generation so that they may continue the legacy of our grand country. If we do not teach them properly, they may lose sight of the importance of their freedom, and the rights we presently have may exist as just unachievable aspirations. The path these children traverse leads to America's future. Thus, we must keep them on this path and ensure that they view the end of the journey with the utmost respect and dedication.

My most significant commitment to America's future would be to always keep my American pride strong within my heart, for Coolidge never specified whether the ''unremitting effort'' he mentioned should be physical or spiritual. I believe that you must first achieve a spiritual dedication to the United States before you can move on, and the more spiritually dedicated you are, the more American you become. And so, as long as the stars and stripes continue to wave grandly over these fifty unified states, so, too, will my heart beat with pride for my nation. I conclude yet again with this small, yet powerful, phrase from Mr. Coolidge and I implore you to always remember it and keep it in your heart, as I keep it in mine: ''Freedom is not only bought with a great price; it is maintained by unremitting effort.''

A TRIBUTE TO JANE BAKER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LANTOS. Mr. Speaker, it is with great honor and pride that I pay tribute to an extraordinary woman, Jane Baker. For the past twenty years Jane has been an inspiration to those who wish to make positive change in their communities, as she has dedicated herself to serving both San Mateo city and County, located in my congressional district, through the various public service positions she held.

Jane Baker was born in Hamilton, Ohio, and after graduating from Purdue University, she

and her husband Bill moved to San Francisco. Shortly after moving to California, Jane hosted and produced a television cooking-show that aired in San Francisco and San Jose, where she demonstrated easy meals that one could make on an average night for the average family. By 1963, the Bakers had settled in San Mateo, where they have resided ever since.

Mr. Speaker, Jane had always participated in community events, being very active in her local Parents Teacher Association (PTA) and the Girl and Boy Scouts. Her commitment to save open space on Sugarloaf Mountain in San Mateo from overdevelopment prompted her to run for the San Mateo City Council in 1973. Her historic victory, at that time only the second woman ever elected to a City Council seat, was made more dramatic by the fact that she captured more votes than two male incumbents. Jane's traditional smashing ways continued when she became the first-ever female mayor of the city of San Mateo. During the twenty years that Jane Baker served on the San Mateo City Council she remained devoted to public service and although people encouraged her to run for higher offices, such as State Senate and Congress, Jane declined because she recognized the value of local government and the closer relationship to the public that comes with it.

Jane Baker's commitment to community service did not merely stop at being an elected official, as her drive and energy led her to serve on many boards and commissions. The number of boards and commissions that Jane served on is incredible. She represented the cities of San Mateo on the Bay Area Metropolitan Transportation Commission and served as Chair from 1993 to 1995. Jane also chaired the San Mateo County Transportation Authority for two years and was a member of the Joint Powers Board-CALTRAIN. Additionally, she served on the Association of Bay Area Governments for ten years, from 1975 to 1985.

In addition to her dedication to local government service, Jane was an active member of various statewide and national organizations. The litany of those organizations is too large to list in its entirety, but includes; the Board of Directors of the National League of Cities, the State Job Training Coordinating Council, the American Association of University Women, California Elected Women for Education and the Women's Association of the First Presbyterian Church of San Mateo.

As one would expect, Jane Baker has been honored for her numerous achievements by many of the organizations, including being named Safety Woman of the Year by the San Mateo Safety Council. She was also chosen as an Outstanding Graduate by the Purdue University School of Consumer and Family Services and inducted into the San Mateo County Women's Hall of Fame in 1999.

Mr. Speaker, Jane Baker was often hailed as a maverick mayor because she wasn't afraid to speak her mind. In an era where women were often seen and not heard in City Hall Jane helped shatter the glass ceiling. A true pioneer for women's rights, Jane Baker has diligently served San Mateo for over 20 years. I know that I will not be the only one to miss her presence in our city government. I extend my very best wishes to her and hope she finds the future as rewarding as her years of public service.

JUDGE WILLIAM B. BRYANT ANNEX TO THE E. BARRETT PRETTYMAN FEDERAL BUILDING AND UNITED STATES COURTHOUSE

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. NORTON. Mr. Speaker, this bill has an unusual origin. The Chief Judge of the U.S. District Court for the District of Columbia, for himself and the members of the trial court, visited my office to request that the annex under construction for the E. Barrett Prettyman Federal Building be named for senior U.S. District Court Judge William B. Bryant. Judge Bryant was unaware of the desires and actions of his colleagues, who unanimously agreed to request that the annex be named for the judge. It is rare that Congress names a courthouse or an annex for a judge who has served in that court and even more rare for a judge who is still sitting. Judge Bryant's colleagues, who know his work and his temperament best, have found a particularly appropriate way for our city and our country to celebrate the life and accomplishments of a great judge. I know Judge Bryant personally, I know his reputation in this city and on the law, I know that the request to name the annex for Judge Bryant reflects deep respect for his unusually distinguished life at the bar.

Judge Bryant began his career in private practice in the segregated Washington of the 1940s and 50s, when African-American lawyers were barred from membership in the District of Columbia Bar Association and from using the Bar law library. He established his legal reputation as a partner in the legendary African-American law firm of Houston, Bryant and Gardner and taught at Howard University Law School. His reputation as an extraordinary trial lawyer led to his appointment as the first African-American Assistant U.S. Attorney for the District of Columbia. He rose to become the first African-American to serve as Chief Judge of the U.S. District Court whose members now ask that the annex be named for Judge Bryant.

For his representation of criminal defendants in private practice, Judge Bryant was admired as one of the city's best and most respected lawyers. Among his many notable cases is the landmark *Mallory* v. *United States,* 354 U.S. 449 (1957), where the Supreme Court ruled that an arrested person must be promptly brought before a judicial officer.

Judge Bryant graduated from D.C. public schools, Howard University and Howard Law School, where he was first in his class. After graduation, Judge Bryant served as chief research assistant to Dr. Ralphe Bunche when Bunche worked with Gunnar Myrdal, the famous Swedish economist, in his studies of American racial issues. Judge Bryant served in the U.S. Army during World War II and was honorably discharged as a Lieutenant Colonel in 1947.

Judge Bryant, who is 92, took senior status in 1982. He raised a family but, as Chief Judge Thomas Hogan wrote, ''lost his beloved wife, Astaire and now lives alone—with this Court and the law as the center of his life.''

I am grateful to our judges of the U.S. District Court here for the thoughtful proposal that the annex to their court be named for Judge William B. Bryant. The residents of this city that Judge Bryant has served so well and the members of the bar here would be particularly pleased. I am delighted that Senator PATRICK LEAHY, ranking member of the Senate Judiciary Committee, has agreed to sponsor this bill in the Senate and I urge rapid approval to give honor to one of the great judges of our court.

TRIBUTE TO FORREST L. WOOD

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BERRY. Mr. Speaker, I rise today to honor an Arkansan who loves this country as much as any person I've ever met. Forrest L. Wood is an entrepreneur who has proved Americans can get as far in life as their talents will take them.

It was his own fortitude that made Ranger Boat Company what it is today. The company was founded in 1968 and almost as quickly was destroyed by fire in 1971. With no insurance and armed only with 60 salvaged boat orders, the Wood family nailed a telephone to a scorched tree, cleaned off the blackened site and began rebuilding. Within 40 days the company was back in operation building boats.

Mr. Wood's simple business philosophy continues to drive the Ranger Boat Company today, ''You must build a good product—price it fairly—let folks know you have it, and treat your customers right.''

In addition to his many business achievements, all leading to revolutionizing the Bass Fishing Boat industry, Mr. Wood is an aggressive conservationist. His efforts to save the environment for sportsmen are as legendary as the equipment he provides them to enjoy those lands. As a result, in 1998, he was named to the Arkansas Game and Fish Commission.

Mr. Wood, his wife, Nina Kirkland, and their four daughters work together, simultaneously running a cattle ranch, construction company, and fishing guide operation. Unlike so many other business success stories, Mr. Wood's drive is based on a true desire to further his community and this country. On behalf of the Congress, I extend gratitude for all the Wood family does to make the world a better place.

RECOGNIZING AN EXTRAORDINARY CITIZEN, DR. NEARI FRANCOIS WARNER

HON. RODNEY ALEXANDER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. ALEXANDER. Mr. Speaker, I rise today to recognize an extraordinary citizen from the Fifth District of Louisiana, Dr. Neari Francois Warner, who will soon be retiring as acting President of Grambling State University. Dr. Warner's tireless service and genuine commitment to education, and to GSU, her alma mater, are remarkable and inspiring.

In January 2001, Dr. Warner became the first female to hold the title of acting president

of Grambling State University, a position she held with great honor and distinction for three years. In this short period of time, Dr. Warner successfully obtained 100-percent accreditation of Board of Regents-mandated programs, from 87 percent when she accepted the position. Under Dr. Warner's leadership, six endowed professorships and a mini college by the Division of Continuing Education were established. She also took the leading role attaining the unconditional reaffirmation of Accreditation by Southern Association Colleges and Schools at Grambling State University.

Dr. Warner has shown many noteworthy accomplishments throughout her tenure at GSU. The Fall 2003 enrollment showed the first increase in three years, and retention rates increased system-wide and campus-wide. Under her leadership, funding was raised and groundbreaking began on the new Health, Physical Education and Recreation Building and Multi-purpose Center. Additionally, Dr. Warner signed several strategic partnerships in distance learning and created student and faculty computer labs.

I thank Dr. Warner for her outstanding contributions to the university and to our community and am proud to recognize her notable accomplishments and manifold contributions. I extend congratulations to Dr. Warner and best wishes for her future endeavors as she retires from acting president of Grambling State University.

RECOGNIZING MAY AS HEALTHY VISION MONTH

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MCINTYRE. Mr. Speaker, I rise today to recognize May as Healthy Vision Month and to highlight the important recommendations of the Vision Problems Action Plan, a National Public Health Strategy as a way to prevent blindness and vision loss.

As Proverbs 29:18 states, ''Where there is no vision, the people perish.''

As the son of an optometrist and someone who has focused carefully on proper eye care, I know that good vision is critical to conducting activities of daily living. Vision not only affects our ability to learn and work, but it also affects our ability to adequately communicate with others. Therefore, it is essential that we in Congress have the foresight and insight to put forth measures that will improve our eyesight. And, by encouraging awareness, early diagnosis and prevention of eye disorders, I am confident that we can.

First, it's about having the foresight to recognize the problems associated with eye disorders. Unfortunately, far too many people are at risk for losing their eyesight. In fact, more than 80 million Americans have a potentially blinding eye disease, 3 million have low vision, 1.1 million are legally blind, and an additional 200,000 are more severely visually impaired. In my state of North Carolina, over 6 million people over the age of 18 have some case of vision impairment or age-related eye disease. However, despite the fact that half of all blindness and some eye disorders can be prevented, far too many people do not access the care they need. If nothing is done, the number of blind and visually impaired individuals will double by 2030.

That is why it is so important that we have the insight to address these concerns now. And, what better way to do that than to highlight May as Healthy Vision Month—a national eye campaign to raise awareness about the various conditions that can affect eyesight and cause vision loss. A component of Healthy People 2010, this initiative will undoubtedly serve as a catalyst to highlight the horrors of serious vision problems.

Additionally, it is important that we highlight the recently released report, Vision Problems Action Plan, a National Public Health Strategy. Developed by a coalition of leading eye health experts, including Prevent Blindness American, the Centers for Disease Control and Prevention, Lighthouse International, the American Optometric Association, and the American Academy of Ophthalmology, this report will provide our nation with a framework for preventing vision loss.

In addition to its focus on preventing vision loss, this groundbreaking study also recommends that in order to reduce the occurrence of vision loss and its accompanying disabilities, our nation must concentrate on access to care and treatment including rehabilitation and research. The report also states that we must ensure that vision problems at the National Eye Institute and Centers for Disease Control and Prevention have the resources they need to improve communication and education campaigns and prevention research.

To better ensure access to and the availability of treatment and rehabilitation services for individuals with vision loss, the report recommends the importance of supporting programs at the Centers for Medicaid and Medicare Services and the Department of Health and Human Services that remove barriers and improve access to eye exams currently covered under Medicare, such as diabetic eye exams and glaucoma detection for high risk populations.

The report also recommends bolstering our research efforts to improve our understanding of the eye and visual system in health and disease, as well as developing the most appropriate and effective means of prevention, and access to treatment and rehabilitation.

Finally, it's about improving our eyesight. Working in conjunction with Healthy Vision Month, the Vision report will undeniably provide the roadmap that is necessary to raise awareness about vision loss, provide individuals with the tools they need to prevent it, and give hope to the millions already suffering from vision loss that better treatments can and will be found. I applaud those who played an integral role in developing this report, and I look forward to working with my colleagues to adopt its recommendations.

As a member of the Congressional Vision Caucus, I recognize the severity of eye disorders and the risks associated with not having regular check-ups. At the very least, proper eye care should be a basic component of adequate health care. Today, I stand committed to making it a national priority.

CINCO DE MAYO

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. STENHOLM. Mr. Speaker, today I would like to reflect on this important day in history where a relatively small group of valiant men met and overcame tremendous odds to bring hope and unity to a struggling nation.

On Cinco de Mayo, 1862, General Zaragoza led an untrained and outmatched group of 2,000 Mexican fighters to defend the town of Puebla against the French. Under the command of Napoleon III, these 6,000 French soldiers were among the best-trained and best-equipped armies in the world. However, their sophisticated armor and weapons were no match for the iron will and solidarity of the Mexican people.

Their victory became a symbol of the pride and patriotism of the Mexican people, who defended themselves against a superior force. In the United States, Cinco de Mayo has become a celebration of the achievements and rich contributions Hispanics have made to our great nation, as well as a reminder of the values and freedoms all Americans hold so dear.

Hispanics in my Congressional District, and across the nation, have added much to the cultural fabric of our country. As the fastest-growing minority population in the nation, they are a driving force in the U.S.—economically, politically, and socially.

That is why I am proud to cosponsor House Concurrent Resolution 163, a resolution which recognizes the historical significance of Cinco de Mayo and calls upon the American people to observe the date with appropriate festivities. I know in West Texas, folks are participating in local festivals and gatherings to commemorate Mexico's victory at Puebla.

Hispanics share with other Americans the common goals of freedom, opportunity, and a chance to build a better life. I am happy to be here and remember this momentous day as we are reminded that all people—regardless of their race, color, creed, or gender—deserve the opportunity to experience liberty, freedom and the right to self-determination. America stands behind these ideals and appreciates the contributions of Hispanics everywhere.

INTRODUCTION OF THE MARY McLEOD BETHUNE COUNCIL HOUSE NATIONAL HISTORIC SITE BOUNDARY ADJUSTMENT ACT—MAKE A HISTORICAL SITE MORE ACCESSIBLE TO TOURISTS

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. NORTON. Mr. Speaker, today I am introducing the Mary McLeod Bethune Council House National Historic Site Boundary Adjustment Act. This is the original home of the National Council of Negro Women founded by the great Mary McLeod Bethune. Ms. Bethune is also the legendary founder of the historically black college, Daytona Normal and Industrial Institute for Negro Girls, now Bethune-Cookman College, and she played a powerful role in the Roosevelt Administration.

The Bethune Council House, declared a National Historic Site by Congress in 1982, was acquired by the National Park Service (NPS) in 1994. The Bethune Council House, a historic house museum, features original furniture, photographs and facsimiles of historic documents from the National Council of Negro Women (NCNW). This legislation is needed for two reasons. First, the Bethune House is not handicap accessible, and as a historic building, it would be impossible to alter the house in any way without endangering its historic nature. This bill would extend the current boundary of the Bethune House by authorizing the NPS to acquire the abutting property to allow handicapped accessibility. Second, the bill provides space for administrative offices for the NPS to conduct duties related to the Bethune Council House.

This legislation is needed to carry out the important mission of the Bethune Council House. The Bethune legacy is carried forward today by the nation's most prominent civil rights leader, Dr. Dorothy Height, Chair and President Emerita of the NCNW, who recently received the Congressional Gold Medal of here in the Congress. Consequently, this bill honors both of these heroes of our country by assuring that the first home of the organization to which they dedicated their lives is accessible to all Americans. I ask that the House pass this bill promptly.

TRIBUTE TO MS. ESTHER WRIGHT

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. PAYNE. Mr. Speaker, Ms. Esther Dolores Wright has dedicated her life to the service of others as an educator for over 40 years. She began her teaching career in Newark, N.J. in 1964, and over the years, she has literally touched thousands of lives in a positive way. Ms. Wright received her Masters of Arts in Education with a concentration in Administration and Supervision from the University of Virginia in May, 1976. She has served the students, parents, and teachers of Maple Avenue School as an Administrator for over 15 years.

During her tenure as Principal of Maple Avenue School, she has presided over many important changes to the school facility and programs, including complete renovations to the school auditorium, gymnasium, and playground area, as well as the establishment of a state of the art science lab and the creation of a computer network, which provides internet access to all of Maple Avenue School's primary and middle school students. They have implemented a distance learning program in conjunction with the New Jersey State Department of Education, which recognized Maple Avenue School with a 'Best Practices' award. She has continued to provide support for innovative programs to encourage student achievement such as the Morning, After School, and Saturday Academy enrichment programs; character development programs such as Best Friends for girls and Best Men for boys; the Afternoon and Evening After School Youth Development Programs, which serve the student and community populations; and Project ACCEL, which reduces high school drop out rates and retention rates for students.

In addition, under Ms. Wright's guidance and direction, Maple Avenue School and students have been at the forefront of a number of innovative initiatives such as Law Day, Career Day, Instrumental and Choral Music programs, the Talented and Gifted Program, and a school wide Science Fair. Maple Avenue School students have represented the school in the district Science Fair, Math Fair, and Technology Fair, and have consistently won local and regional Art awards. In addition, their debate team has been City Champion for several consecutive years and their basketball team played in the 2003 District Championship finals.

During Ms. Wright's time as Principal, Maple Avenue School has also been recognized by the district for achievements in Literacy, Science, and Math. Based upon 8th grade GEPA scores for the past two years, Maple Avenue School has been cited as one of the top 5 schools and one of the top 10 schools, respectively, in the district in Literacy. During the same time period, Maple Avenue School has been recognized as one of the most improved schools and as one of the top 10 schools in the district in Science. During the 2001–2002 school year, Maple Avenue School has been one of the top 10 most improved schools in Math, according to ESPA scores, and has been a past winner of the Math Olympics and most recently went to the district semi-finals.

Maple Avenue graduates are accepted into the Newark Public School's Magnet High School Programs; Arts High; Science High; University, Technology, and Essex County Vocational High School; as well as area Private and Catholic High Schools at a rate of 30 percent. Many more participate in Magnet Career Academies, which provide transition into skilled career opportunities after High School.

I salute Ms. Wright for her dedication to the students, parents, and teachers in our community, and I am proud to have her in my district. Mr. Speaker, please join me in extending my thanks to Ms. Wright for her lifetime of public service, and I invite my colleagues to join me in recognizing the achievements of the Maple Avenue School.

IN SUPPORT OF THE NATIONAL VISION STRATEGY

HON. PATRICK J. TIBERI

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. TIBERI. Mr. Speaker, as a founding member of the Congressional Vision Caucus, I rise to recognize May as Healthy Vision Month, and to discuss the important recommendations of the Vision Problems Action Plan, A National Public Health Strategy as a way to prevent blindness and vision loss.

Good vision is critical to conducting activities of daily living, is a portal for language, and affects developmental learning, communicating, working, health and quality of life.

Unfortunately, far too many people are at risk for losing their eyesight. More than 80 million Americans have a potentially blinding eye disease, 3 million have low vision, 1.1 million are legally blind, and an additional 200,000 are more severely visually impaired. Despite the fact that half of all blindness can be prevented, far too many people do not access the care they need. If nothing is done, the number of blind and visually impaired individuals will double by 2030.

That is why awareness, early diagnosis and prevention are so important. Healthy Vision Month, a component of Healthy People 2010, is a national eye health campaign to raise awareness about the various conditions that can affect eyesight and cause vision loss.

Additionally, a coalition of leading eye health experts, including Prevent Blindness America, the Centers for Disease Control and Prevention, Lighthouse International, and the American Academy of Ophthalmology, just this week have released the Vision Problems Action Plan, A National Public Health Strategy, to provide our nation with a framework for preventing vision loss.

This groundbreaking study recommends that, in order to reduce the occurrence of vision loss and its accompanying disabilities, our nation must concentrate our efforts in three priority areas: prevention/public health, access to care and treatment including rehabilitation, and research.

Our public health and prevention campaign must ensure that vision programs at the National Eye Institute (NEI) and Centers for Disease Control and Prevention (CDC) have the resources they need to improve communication and education campaigns, increase surveillance, epidemiology and prevention research; and implement appropriate programs, policies and systems changes.

In order to ensure access to and availability of treatment and rehabilitation services for individuals with vision loss, we must support programs at the Centers for Medicaid and Medicare Services (CMS) and the Department of Health and Human Services (HHS) that remove barriers and improve access to services covered under Medicare.

Finally, we must bolster our research efforts to improve our understanding of the eye and visual system in health and disease, as well as developing the most appropriate and effective means of prevention, and access to treatment and rehabilitation.

This report provides the roadmap we need to raise awareness about vision loss, give individuals the tools they need to prevent it, and give hope to the millions already suffering from vision loss that better treatments can be found.

I would like to thank all of the organizations involved in crafting this report, including the American Academy of Ophthalmology, the American Optometric Association, the Centers For Disease Control and Prevention, Lighthouse International, the National Alliance For Eye and Vision Research, the National Eye Institute (NEI) and most importantly, Prevent Blindness America. Prevent Blindness America should be commended for spearheading this effort, for bringing together these various groups, and for its almost century-long tradition of preventing vision loss.

INTRODUCTION OF THE COLLEGE ACCESS & OPPORTUNITY ACT

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BOEHNER. Mr. Speaker, in 1965, Higher Education Act was established to assist low

and middle income students striving for a higher education. It was as simple as that; the law was put into place to ensure college access for those who might not otherwise be able to afford it.

In the last two years, I and other members of the Committee on Education & the Workforce have worked tirelessly to craft higher education legislation that will live up to that original mission. Our number one priority is, and must be, expanding college access for current and future students.

Today's introduction of the College Access & Opportunity Act represents the culmination of those efforts. We are pleased to be offering a bill that ensures students are priority number one, and are proud to have worked closely with the stakeholders of America's higher education system to have produced legislation that meets our principles of access, affordability, accountability, and quality; abiding by these principles has produced a measure that will ultimately ensure fairness for low and middle income students.

The College Access & Opportunity Act includes comprehensive reforms that will strengthen Pell Grants, student aid, college access, and Minority Serving Institutions. The bill will reduce loan costs and fees for students, and eliminate red tape for students and graduates. The College Access & Opportunity Act also includes steps to remove barriers for non-traditional students, and importantly, will empower consumers through increased sunshine and transparency in college costs and accreditation.

The bill will benefit students in numerous ways; in fact, there are far too many student benefits for me to list individually today. However, I'd like to describe some of the highlights of the bill that will show just a few of the many ways the College Access & Opportunity Act will expand college access for current and future students aspiring for the dream of a college education.

The College Access & Opportunity Act strengthens college access programs, particularly those serving students who may struggle to enter higher education. The bill enhances TRIO and GEAR UP programs targeted to first-generation, non-traditional and minority students, and ensures low-income working adults can also receive the valuable services provided through these access programs.

In Pell Grants, which are the cornerstone of federal need-based student aid, the bill includes an initiative we call ''Pell Grants Plus'' to provide additional Pell Grant aid to needy students who have completed a rigorous high school curriculum through the State Scholars program. The proposal, similar to one offered by President Bush in his FY 2005 budget request, would not only provide up to $1000 of additional Pell Grant assistance to Pell-eligible students, but would also serve as an incentive for more states to participate in the State Scholars program and prepare more students to excel in higher education.

The bill also repeals the unfair limit on Pell Grants called ''tuition sensitivity,'' which punishes very low cost schools and the students who attend those schools by reducing their Pell Grant aid they can receive. In addition, the College Access & Opportunity Act would permit year-round Pell Grants to allow students to accelerate their studies and graduate sooner.

Because Minority Serving Institutions play an important role for expanding college access, the bill makes a number of reforms designed to strengthen these institutions and allow them to better serve their students. For instance, the bill would make it easier for these schools to use technology to improve education, and would reduce red tape that creates unnecessary burdens as they apply for grants.

Importantly, the bill would make the student aid funding provided through the campus-based aid programs more fair and equitable. By phasing out unfair advantages given to older, more well-established schools, the College Access & Opportunity Act would ensure these funds are targeted to the students who need them the most.

Chief among our principles for reforming higher education was the need to increase accountability, and the College Access & Opportunity Act includes a number of steps that will accomplish that goal. By empowering the consumers of higher education—students and parents—with information, we will ensure they can fully exercise their power in the marketplace of higher education. Be it adding transparency to college costs or adding sunshine to the accreditation process, the bill will give consumers access to significant new information to help them make their own best decisions about higher education.

The College Access & Opportunity Act also includes a number of significant reforms to the multi-billion dollar federal student loan programs, with major steps to realign resources in order to better serve low and middle income students striving for a higher education.

Federal student loans provide access to low-cost funding that many students need to finance their higher education. The College Access & Opportunity Act will expand access to this important resource in a responsible manner that will not allow students to be burdened by unmanageable debt levels.

The bill will update loan limits for first and second year students, ensuring more money is available at the beginning of students' studies when loan limits are significantly lower and students may struggle with college costs. However, the bill will not increase the aggregate borrowing limits, ensuring students are not saddled with higher overall debt levels. The bill also reduces origination fees for students, an important step that will ensure students have access to more of the money they borrow.

In order to make these positive reforms that provide students with greater access to student loan resources, the bill includes significant realignment of federal resources within the loan program. The bill would limit excess subsidy payments made to lenders, changing provisions in current law and requiring lenders to return excess income that can be better used to expand student access.

The bill will eliminate the anti-consumer ''single-holder'' rule, which needlessly limits consumers' ability to shop around for the best deal on a consolidation loan by requiring borrowers to consolidate with their current lender if that lender holds all their loans. The bill will also ensure consolidation loans are provided under the current variable interest rate structure provided for other federal student loans, eliminating unfair treatment of borrowers based simply on the date the loans are consolidated. The variable interest rates for consolidation loans will ensure all consolidation borrowers have access to low rates while being protected from interest rates that rise too high through an interest rate cap.

In addition to ensuring consolidation loans are provided under the current successful variable rate structure, the bill will also prevent other student loans from moving to a fixed rate as they would in 2006 unless we take action to prevent that change. Without preserving the current variable rate structure for these loans, borrowers would be forced to pay 6.8 percent interest rates on all loans. With borrowers today paying 2.82 percent in school and 3.42 percent in repayment, it would be shameful to impose an arbitrary fixed interest rate that would double the rate available to borrowers today.

While strengthening the loan programs to better serve borrowers, the College Access & Opportunity Act will also protect the credit history borrowers earn while repaying these loans. The bill will require lenders to report federal student loan information to all national credit bureaus, ensuring borrowers are given the positive credit history they earn by repaying their student loans.

Recognizing that the face of America's higher education system has changed significantly in recent years—both the students and the institutions that serve them—the bill will ensure all colleges and universities are treated fairly as they seek to better serve students. The bill will repeal the unfair 90–10 rule, a requirement imposed only on proprietary schools. The 90–10 rule was implemented as a safeguard, yet there is no evidence it reduces fraud and abuse and significant evidence that it may reduce access for the neediest students by forcing schools to raise tuition or move out of inner cities where many students are receiving full federal funding.

The bill also recognizes the importance of distance education at the forefront of technological advancements that can give students new opportunities to learn. By eliminating the 50 percent rule, which restricts the number of students that can be enrolled in distance education and the number of courses an institution may offer via distance education, the College Access & Opportunity Act will increase access to quality higher education through alternate channels. The bill would maintain and even enhance safeguards to ensure the integrity of these programs, while removing restrictions that prevent innovation and expanded use of new technology for student learning.

Finally the bill will no longer include separate definitions of institution of higher education, placing all eligible schools on an even playing field as they work to provide higher education to their students.

The College Access & Opportunity Act is important legislation that will help fulfill the original mission of the Higher Education Act—expanding college access. By placing students as our first priority, we are bringing forward a bill that I am proud to say will significantly improve higher education in America. I am pleased to be offering this legislation with my good friend Rep. McKeon, and am eager to move forward with these important reforms to ensure access, affordability, accountability, and quality.

INTRODUCING THE IMPROVING ACCESS TO ASSISTIVE TECHNOLOGY FOR INDIVIDUALS WITH DISABILITIES ACT

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. MCKEON. Mr. Speaker, I rise today to introduce the Improving Access to Assistive Technology for Individuals with Disabilities Act. This legislation improves the Assistive Technology Act to ensure that individuals with disabilities have access to assistive technology services and equipment throughout their lives. I would like to thank the gentleman from Ohio (Mr. BOEHNER), the Chairman of the Committee on Education and the Workforce, for his assistance in bringing this bill to this point.

Since 1988, the federal government has played an important role in helping states develop systems to provide access to assistive technology devices and services for individuals with disabilities. The original intent of this program was to provide seed money for states to establish state-wide systems to help individuals with disabilities. Since then all 50 states, the District of Columbia, Puerto Rico, and the outlying areas have established systems of some design and scope. In the original legislation, we wisely put in a sunset provision that caused us to reexamine the role and scope of the original program.

For the past 2 years, my subcommittee has been investigating this program; we have held a hearing on this important program, visited assistive technology centers, and discussed the benefits and drawbacks of the existing program. We have sought broad input from our friends across the aisle, from the disability community, and from the state programs to gain valuable insight into this program. As we go through the legislative process we will continue to seek input from our friends on the other side of the aisle as well as our friends in the disability community to make this a strong bill.

In the bill we are introducing today, we are shifting the focus of the program to individuals with disabilities. Our goal is to help states get more pieces of assistive technology into the hands of individuals with disabilities. This new focus will expand the reach of the state programs by moving away from support of administrative activities toward emphasizing the importance of getting the technology itself to the individuals with disabilities that need it.

Although we are refocusing the program, we certainly recognize the importance of state flexibility, and our bill maintains that important element of the program. We direct states to focus their efforts of putting technology into the hands of individuals with disabilities.

We ask that States develop alternative financing methods to enhance the ability of individuals with disabilities to access assistive technology devices and services through low interest loans, interest buy-down programs, revolving loan funds, loan guarantee, or other mechanisms of the State's choice.

Additionally, we allow States to choose to develop: Assistive technology device loan programs to support short-term loan programs of assistive technology devices to individuals with disabilities; assistive technology device reutilization programs (i.e., recycling) to use assistive technology devices multiple times with multiple individuals; or assistive technology device demonstration programs to teach people with disabilities about the variety of available assistive technology devices and how to use them.

These are important and necessary activities and I am confident that states will continue to work with stakeholders in their communities to enhance or develop comprehensive programs that will provide tremendous benefit to individuals with disabilities. In fact, we require that states do just that, so we are ensuring that individuals with disabilities will continue to have important input in this program.

I deeply appreciate the importance of assistive technology devices and services for individuals with disabilities. These devices can make a major difference in the lives of individuals with disabilities. Assistive technology can help individuals meet the challenges they face every day, and through the use of assistive technology, an individual with a disability can overcome almost any obstacle he or she faces.

I look forward to working with the members of the Committee, other members of Congress, and other stakeholders as we craft legislation that will build upon and improve previous reforms. These steps to strengthen assistive technology programs will also complement our ongoing effort to ensure that children with disabilities receive a quality education. I urge my colleagues to join me in support of the Improving Access to Assistive Technology for Individuals with Disabilities Act.

TRIBUTE TO EVA GALLAGHER AND THE ONCOLOGY NURSING SOCIETY

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. RAMSTAD. Mr. Speaker, I rise today to call attention to the important and essential role that oncology nurses play in providing quality cancer care. These nurses are principally involved in the administration and monitoring of chemotherapy and the associated side-effects patients experience. As anyone ever treated for cancer will tell you, oncology nurses are intelligent, well-trained, highly skilled, kind-hearted angels who provide quality clinical, psychosocial and supportive care to patients and their families. In short, they are integral to our nation's cancer care delivery system.

Cancer is a complex, multifaceted and chronic disease, and people with cancer are best served by a multidisciplinary health care team specialized in oncology care, including nurses who are certified in that specialty. This year alone, 1.3 million Americans will hear the words, ''You have cancer.'' In addition, 556,000 will lose their battle with this terrible disease. Every day, oncology nurses see the pain and suffering caused by cancer and understand the physical, emotional, and financial challenges that people with cancer face throughout their diagnosis and treatment. Oncology nurses play a central role in the provision of quality cancer care as they are principally involved in the administration and monitoring of chemotherapy and the associated side-effects patients may experience.

Today, more than two-thirds of cancer cases strike people over the age of 65, and the number of cancer cases diagnosed among senior citizens is projected to double by 2030. At the same time, many of the community-based cancer centers are facing significant barriers in hiring the specialized oncology nurses they need to treat cancer patients. It is estimated that there will be a shortage of 1.1 million nurses in the year 2015.

The Oncology Nursing Society (ONS) is the largest organization of oncology health professionals in the world, with more than 30,000 registered nurses and other health care professionals. Since 1975, the Oncology Nursing Society has been dedicated to excellence in patient care, teaching, research, administration and education in the field of oncology. The Society's mission is to promote excellence in oncology nursing and quality cancer care. To that end, ONS honors and maintains nursing's historical and essential commitment to advocacy for the public good by providing nurses and healthcare professionals with access to the highest quality educational programs, cancer-care resources, research opportunities and networks for peer support.

On behalf of the people with cancer and their families in Minnesota's 3rd Congressional District, I would like to acknowledge Eva Gallagher for her leadership within the Oncology Nursing Society as a member of the ONS Board of Directors. Through Eva's and ONS' leadership, our nation is charting a course that will help us win the war on cancer.

The ONS has 4 chapters in my home state of Minnesota. Located in the Bloomington, Esko, Hayfield and Milan areas, these chapters serve the oncology nurses in the state and help them continue to provide high quality cancer care to patients and their families in our state.

I commend the Oncology Nursing Society for all of its efforts and leadership over the last 29 years and thank the Society and its members for their ongoing commitment to improving and assuring access to quality cancer care for all cancer patients and their families. I urge my colleagues to support them in their important endeavors.

TRIBUTE TO THE OREGON INSTITUTE OF TECHNOLOGY

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. WALDEN of Oregon. Mr. Speaker, I rise today to share with you and my colleagues my distinct pride in a winning institution in my district, the Oregon Institute of Technology (OIT). Located in Klamath Falls, Oregon, OIT is nationally recognized for its high standards and results-oriented approach to education. The school motto, ''First Hired, Highest Paid,'' is no idle boast. A few years ago I had the honor of serving as commencement speaker during an OIT graduation, and nearly all of the graduates I addressed had been offered high-paying jobs.

Ably led by President Martha Anne Dow, OIT pursues excellence in every aspect of the college experience, from research and technology application to career-oriented instruction and competitive athletics.

Mr. Speaker, it is in the realm of athletics that OIT most recently demonstrated its championship mettle when the men's basketball team won the NAIA Division II National Title. Seeded 16th, the OIT Hustlin' Owls were not favored to win, but when the final buzzer sounded they had proven themselves to be the best team in the nation among NAIA Division II teams. Their series of upset victories may have surprised some sportscasters, but it was no surprise to the fans of OIT who have come to expect great things from the Hustlin' Owls under the phenomenal coaching of Danny Miles.

Coach Danny Miles, a NAIA Hall of Fame coach, took over a losing basketball program at OIT thirty-three years ago and never looked back. Racking up 734 career wins, Danny ranks 17th on the all-time career victory list. It is no surprise that this year he was named NAIA Coach of the Year, an honor that he shares with his able staff: Mike Pisan, Doug Kintzinger, Jarrod Davis, Milijia Mitrovic, and Aristide Agnimel.

Although Coach Miles is proud to have won the national championship, he is even more proud of the fact that he, his staff, his team, and the OIT fans won the James Naismith Award for sportsmanship. This was not just a victory of superior athleticism and coaching; it was a victory of strong character.

I join the OIT family in my pride over senior Kevin Baker's winning the tournament's Most Valuable Player award. Baker was also joined by teammates Florian Houget and Todd Matthews on the All-Tournament team. It goes without saying that a championship performance involves every team member, so I also want to share with you my pride in Hustlin' Owls Michael Nunes, Jared Hall, Levell Hesia, Joe Billings, David Michaelis, Matt Johnson, Elijah Page, and Alex Carlson, each of whom contributed so much to their team's winning effort.

Mr. Speaker, for those who are familiar with the story of the Klamath Basin in my district, you know the story of a strong, proud people who live their lives with heart and determination. It is no surprise that the bond between OIT and the Klamath community is so strong. They share the character of winners who never, ever give up. We can all find inspiration from OIT's achievements, many more of which I expect to recognize in the future.

TRIBUTE TO PRIVATE FIRST CLASS MARQUIS ANTOINE WHITAKER

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BISHOP of Georgia. Mr. Speaker, it is with a heavy heart that I rise today to pay special tribute to one of our nation's many heroes, Army Pfc. Marquis Antoine Whitaker. Pfc. Whitaker lost his life April 27 while serving his country in Iraq. He was only twenty years old.

A beloved son and brother, a proud American and a devoted Christian, Marquis loved football, music, his GMC Jimmy and his girlfriend, Tarai, who misses him very much. He graduated from Kendrick High School in 2002 and joined the Army only months later, to give back to his country and put his career on a responsible path.

He began basic training at Fort Leonard Wood, Missouri and eventually became a motor transport operator assigned to the Regimental Headquarters Troop, 2nd Armored Cavalry Regiment, at Fort Polk, Louisiana. Pfc. Whitaker was deployed to Iraq in July 2003. Although his family expected him home April 14, his tour was extended due to the increase in insurgent activity in Iraq. Two weeks later a truck crashed into the back of his Humvee, pushing it partially over the side of a bridge. Marquis Whitaker fell while attempting to climb to safety.

Pfc. Whitaker joins 756 American troops who have given their lives to bring freedom to the people of Iraq. We mourn their loss and the promise of their futures, like that of Marquis, were cut all too short.

Mr. Speaker and distinguished colleagues, I ask you to join me in honoring Pfc. Marquis Whitaker. I promise his mother Jacqueline, his father Anthony, his five sisters and two brothers that Marquis will forever remain a hero in the eyes of his country and that we will never forget the sacrifice he made in the name of freedom and democracy.

IN RECOGNITION OF SHIRLEY V. EDWARDS

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. VELÁZQUEZ. Mr. Speaker, I rise today on the floor of the U.S. House of Representatives to recognize the achievements of Shirley V. Edwards, a visionary and the principal of EBC High School/Bushwick, Brooklyn in the 12th Congressional District.

After 25 years of blight, Bushwick is experiencing a renaissance. Despite this, it continues to suffer from a high rate of unemployment and poverty. Shirley Edwards, armed with her education specialist background, knew she had a mission to fulfill. She understood that education was the key to breaking the cycle of poverty, and she dedicated herself to the creation of EBC High School for public service and academic excellence.

For the last 10 years, Principal Edwards has called EBC High School/Bushwick her home, serving as a mentor to both students and teachers alike. She is said to have led EBC/Bushwick down the ''road not taken,'' showing many in the community that it was possible to leave an imprint when they had lost all hope. She was instrumental in creating an array of innovative programs, leaving behind an important legacy that forms the foundation of the high school.

Principal Edwards, among her many positive contributions, introduced students to the value of public service and giving back to their community, encouraging them to make a real difference. She witnessed first-hand how drugs, crime and poverty devastated lives, and she made it her mission to empower students and to give them a second chance at earning an education and forging a better path for themselves in the future. Principal Edwards motivated students to become enthusiastic lifelong learners and responsible adults. She truly changed lives—now over 90 percent of her graduating classes are pursuing college degrees.

Therefore, Mr. Speaker, I rise today to honor Shirley V. Edwards, and join with my colleagues in the House of Representatives to recognize her extraordinary work in New York City's public education system.

TRIBUTE TO PROFESSOR F. JAMES ROHLF

HON. TIMOTHY H. BISHOP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BISHOP of New York. Mr. Speaker, today I rise to honor Professor F. James Rohlf, for his outstanding career as a scientist and professor at Stony Brook University, who was elected a Fellow of the American Academy of the Arts and Sciences in 2001.

Professor Rohlf's current research is concerned with the development, evaluation, and application of new statistical methods for use in geometric morphometrics. Over the last few years he has written papers demonstrating how standard statistical methods such as principal components analysis, canonical variates analysis, multiple regression, and other methods can be adapted for the analysis of shape.

His work also emphasizes the development of interactive computer software to perform the unique computations needed in geometric morphometrics. This software also provides the special interactive graphical displays to enable users to visualize shapes and has made it possible for these new methods to be applied routinely by many biologists.

Due to the unfamiliarity of most biologists with the types of mathematics needed to understand the methods used in geometric morphometrics, many one to two week workshops have been held in cities and universities around the world, which Professor Rohlf has organized or in which he has been the principal lecturer. These programs are to teach the necessary techniques and to give potential users a chance to collect data, learn how to use the software, and to interpret the results.

Professor F. James Rohlf is also author and co-author of many publications. Early in his career he received fellowships from U.S. Public Health Service to conduct predoctoral research in 1959–1962, and a National Science Foundation postdoctoral appointment in 1962. He has received many honors including: W.J. Eckert Visiting Environmental Scientist; IBM T.J. Watson Research Center; Professor Visitant, Universidad Nacional del Litoral, Santa Fe, Argentina; Visiting Professor University of Rome ''La Sapienza,'' Dipartimento di Biologia Animale e dell'Uomo; and the election to the American Academy of Arts and Sciences.

Professor Rohlf held positions such as research assistant in 1958–59, teaching assistant in fall of 1959 and research associate in the summer of 1962 at the University of Kansas. He was visiting assistant professor of entomology in the spring of 1965 and associate professor of statistical biology, 1966–69. And, he was an assistant professor of biology at the University of California, Santa Barbara 1962–1966.

Professor F. James Rohlf is interested in and has been involved in the applications of mathematical methods and statistics (especially multivariate statistics) to problems in biology with emphasis on morphometrics and

the theory of systematics. I am proud to recognize and honor Professor F. James Rohlf for his outstanding career as a scientist and professor and for all the many accomplishments and services he has provided to the community of biological science.

PERSONAL EXPLANATION

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. ENGLISH. Mr. Speaker, I was unable to be present for rollcall votes 139, 140, and 141 on May 4, 2004. Had I been present, I would have voted in the following manner: Rollcall 139, ''yea'' on H. Res. 600—Congratulating charter schools; rollcall 140, ''yea'' on H. Con. Res. 380—Recognizing school-based music education; and rollcall 141, ''yea'' on H. Res. 599—Congratulating the UConn men's and women's basketball teams.

HONORING THE 100TH BIRTHDAY OF ITCHE GOLDBERG CELEBRATED ON APRIL 25, 2004

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. NADLER. Mr. Speaker, I rise today to congratulate my constituent, Itche Goldberg on the occasion of his 100th birthday. Itche is at once a leader, scholar and educator, yet he still remains a student. It is rare to encounter a man who has achieved as much as Itche has, but that is not what truly makes Itche unique. What sets Itche apart from those few who can match his accomplishments is his continued passion to learn, explore and delve further into the subjects he studies. The greatest beneficiary of Itche's work has never been Itche himself, but rather those who have had the pleasure of reading his works and the work he has translated and for the important role he has played in preserving the Yiddish language.

Itche began his path of scholarship in Canada, where he studied philosophy, political economics and German. At the age of twenty, he was already teaching in the Toronto Workmen Circle Folkshul, the first step onto a path of instruction that extended to Philadelphia and New York as well. His lectures have been in both Yiddish and English, covering Jewish culture and literature. From 1970 to 1985, Itche was professor of Yiddish language and literature at Queens College of the City University of New York.

From 1936 to 1951, Itche edited Yungvarg, a Yiddish children's magazine, and others for both parents and teachers. During that time, he wrote many children's stories in Yiddish. Also among Itche's work are numerous Yiddish textbooks he authored, and even more he edited. As Director of the Service Bureau for Jewish Education and the Zhitlowsky Foundation, Itche's mission was to make sure these books were not only produced, but also provided to their target audiences in Jewish secular schools. Itche was also recently awarded the prestigious Raoul Wallenberg medal.

Today, Itche goes to the office every day to ensure that the journal he is editor-in-chief of, Yiddishe Kultur, sees continued life. Even after forty years on the job, he remains tirelessly devoted to the endurance of one of the few surviving quality journals published in Yiddish language worldwide.

In a society such as ours, which values hard work, education and culture, Itche Goldberg is priceless. A child wishing to study Yiddish culture can turn to Itche's work at every stage of life; whether it is his children's stories, textbooks, journals or upcoming second volume of essays. Itche is an asset to us all, and I feel privileged to honor him for his profound contributions towards the preservation of Yiddish, and for doing so with such an inspiring passion. Mir shatsn op ayer vunderlekhe arbet l'toyves der yidisher kultur vos hot baraikhert dem gontsn Yidishn yishev. (English Translation ''We honor your wonderful work for the benefit of Yiddish culture which enriches all of Yiddish heritage.'')

RECOGNIZING LALO ALCARAZ

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. SOLIS. Mr. Speaker, I rise to recognize Lalo Alcaraz, a leader and political activist in the Latino community who exemplifies the best in American journalism today.

For almost 10 years, Mr. Alcaraz has touched the lives of millions of newspaper and magazine readers here in the U.S. and in Mexico. Born in San Diego, CA, in 1964, he grew up near the U.S.-Mexico border with his Mexican immigrant parents—each day sharing two different cultures. He began his journalism career as student at San Diego State University by drawing politically and culturally driven editorial cartoons for the university newspaper. As he gained notoriety among readers across campus, Alcaraz also grabbed the attention of top publishing media syndicates in southern California.

An award winning editorial cartoonist, screenwriter, and journalist, Alcaraz continues to entertain his readers today by skillfully capturing the essence of our country's changing cultural and political landscape. He is the creator of nationally syndicated and hardhitting editorial cartoons that depict pressing issues affecting the Latino community. Published in English and Spanish in publications such as the New York and Los Angeles Times, La Opinion, and Hispanic Magazine, his cartoons include the Latino-themed daily strip La Cucaracha, and Migra Mouse, a satire on Latinos and immigration. Alcaraz is also the co-editor of the satirical magazine Pocho and he is the illustrator of the book Latino USA: A Cartoon History.

Throughout his illustrious career, Alcaraz has been honored and recognized for his exceptional journalistic work. He has received four Southern California Journalism Awards for Best Cartoon in Weekly Papers between 1994–1999. He is also the 1998 winner of the Los Angeles Hispanic Public Relations Association's Premio Award for Excellence in Communications; the 2000 Rockefeller Foundation Multi-Media Fellowship; the 2003 Center for the Study of Political Graphics and the Keep On Crossin' Awards; and, most recently, the 2004 Interfaith Communities United for Justice and Peace Award.

Lalo Alcaraz is a loving husband, father and a devoted member of the Writers Guild Union, West. I commend him for his numerous contributions to the Latino community through his journalism career and political activism.

THE PASSING OF ILLINOIS STATE SENATOR RALPH DUNN

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SHIMKUS. Mr. Speaker, I rise today to recognize the life of Illinois State Senator Ralph Dunn on May 3.

Senator Dunn had a long list of accomplishments during his years as a State Senator, a State Representative and as a member of the Illinois Constitutional Convention—which he described as ''the greatest thing I've ever been involved with.''

Illinois State Representative Mike Bost said, ''He gave me some tremendous advice, even after he left office. He was well-respected and he served his district and his state well. Everybody knew Ralph was a square shooter. I never got in trouble if I followed him.''

Du Quoin Mayor John Rednour said, ''I always knew the best way to get something done for my town was to call Ralph. He was not only a gentleman, he was a gentle man.''

Mayor Rednour, Representative Bost and many others will join together on Friday, May 7th to celebrate the life and legacy of this Southern Illinois giant. There is little doubt that Ralph and his wife Ellen will be watching with their typical mix of pride and humility.

They have earned this moment of recognition as well as our thanks for a lifetime of service to all of us.

TRIBUTE IN HONOR OF LYNDSEY LEA TELLER, 2004 LEGRAND SMITH SCHOLARSHIP WINNER OF LITCHFIELD, MI

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence she has compiled in academics, leadership and community service, that I am proud to salute Lyndsey Lea Teller, winner of the 2004 LeGrand Smith Scholarship. This award is given to young adults who have demonstrated their true commitment to playing an important role in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Lyndsey is being honored for demonstrating the same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Lyndsey is an exceptional student at Litchfield High School. Aside from being at the top of her class academically, she possesses an outstanding record of achievement in high school. She is the Secretary for the National

Honor Society and the Treasurer for her graduating class. Lyndsey has run cross country and track for four years. She is also very active with her church.

On behalf of the United States Congress, I am proud to join with her many admirers in extending our highest praise and congratulations to Lyndsey Lea Teller for her accomplishments and selection as winner of a LeGrand Smith Scholarship. This honor not only recognizes her efforts, but it is also a testament to the parents, teachers, and other individuals whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

RECOGNIZING THE ALTAMED HEALTH SERVICES CORPORATION

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. SOLIS. Mr. Speaker, I rise to recognize the AltaMed Health Services Corporation (AltaMed). For 35 years, AltaMed has exemplified exceptional leadership in America by providing increased access and award-winning quality health care to the medically underserved multi-ethnic communities of Los Angeles County.

Established in 1969 at a modest storefront in East Los Angeles, AltaMed has never strayed from its commitment to serve medically underinsured and uninsured individuals. First known as El Barrio Free Clinic and later as La Clínica Familiar Del Barrio, the AltaMed organization was first managed by doctors, nurses, and social workers, who generously volunteered their non-working hours to treat individuals and their families with the best-available medical care. Spurred by a federal government measure known as the Urban Health Initiative and a federal grant in 1977, La Clínica Familiar Del Barrio managed to increase its services and the organization officially changed its name to the AltaMed Health Services Corporation.

Thirty-five years after its inception, AltaMed continues to provide quality medical service to over 46,000 patients at 19 service outlets, six stand-alone health care clinics, two mobile health care units, and 11 social service sites throughout Los Angeles County. Proudly serving predominantly low-income and underrepresented communities, AltaMed continues to be at the forefront of quality health care service. Its extensive services provide individuals of all ages with state-of-the-art medical and dental clinics, geriatric care, home safety, HIV/AIDS prevention, youth support groups, and substance abuse prevention and treatment programs.

With an annual operating budget of $55 million, AltaMed is the largest nonprofit health care agency in the greater East Los Angeles area—servicing 46 Zip codes in Los Angeles County. With support from various grants, AltaMed works to enroll uninsured individuals into low cost or no cost insurance programs such as Medi-Cal, Healthy Families, California Kids and Healthy Kids. In addition, AltaMed continues to promote economic and community development and is the second largest employer in the greater East Los Angeles area, with over 900 racially diverse and multilingual staff members.

I want to commend the work of AltaMed's President and CEO Cástulo de la Rocha, the Board of Directors, its nine senior management professionals, and its generous supporters for their tireless and excellent leadership efforts. Their hard work made AltaMed's 35th Anniversary Gala a reality.

May this historic event be an opportunity for everyone to commemorate the vision, compassion, and commitment that the original AltaMed founders had for their community 35 years ago. And may today's AltaMed leadership and medical team carry their mission forward into the future.

THE PASSING OF ILLINOIS STATE SENATOR VINCE DEMUZIO

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SHIMKUS. Mr. Speaker, I rise today to recognize the life of Illinois State Senator Vince Demuzio who passed away on April 27. Senator Demuzio, or Vince as most people knew him, lived a life dedicated to public service. While committing himself to the public good, Vince still found time for his family—his wife, Deanna, their two children and their four grandchildren.

In central Illinois, Vince Demuzio is remembered as a champion for education, a fighter for good jobs and roadways, and a tireless advocate for the needs of his constituents.

Illinois Senate Minority Leader, Frank Watson, said of Vince, ''If we all emulate the concerns that Vince Demuzio had for the people he represented and the people of this state . . . we would all be better off and be better people for it.''

I couldn't agree more. Illinois has lost a great leader with the passing of State Senator Vince Demuzio.

2004 LEGRAND SMITH SCHOLARSHIP FINALISTS

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SMITH of Michigan. Mr. Speaker, it is with my sincerest pleasure that I rise to recognize the finalists of the 2004 LeGrand Smith Congressional Scholarship Program. This special honor is an appropriate tribute to these remarkable young adults for their academic accomplishments, demonstration of leadership and responsibility, and commitment to social and civic involvement. We all have reason to celebrate their success, because our future rests in their promising and capable hands.

The finalists are being honored for showing the same generosity of spirit, depth of intelligence, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

They are young men and women of character, ambition, and initiative, who have already learned well the value of hard work and commitment.

These exceptional students have consistently displayed their dedication, intelligence and concern throughout their high school careers. They stand out among their peers not only because of their many achievements, but also the disciplined manner in which they meet all challenges. Although they have already accomplished a great deal, these young people possess unlimited potential.

On behalf of the United States Congress, we join the many admirers in extending our highest praise and congratulations to the finalists of the 2004 LeGrand Smith Congressional Scholarship program:

Tinsley Hunsdorfer of Albion, Michigan; Renee Gaudreau of Albion, Michigan; Benjamin Wilson of Battle Creek, Michigan; Heather Taylor of Homer, Michigan; Michael Schneider of Litchfield, Michigan; Lacey Ferro of Jonesville, Michigan; Joshua Robare of Hillsdale, Michigan; Amy Sanford of Reading, Michigan; Elysia Berry of Reading, Michigan; Kimberly Emens of Waldron, Michigan; Zachary Risk of Jonesville, Michigan; Ryan Cherry of Brooklyn, Michigan; Amanda Jones of Michigan Center, Michigan. Tiffany Lambert of Jerome, Michigan; Eric Palmer of Jerome, Michigan; Amy Nemeth of Jackson, Michigan; Kathryn Gillen of Jackson, Michigan; Zachary Kanaan, Jr. of Clark Lake, Michigan; Susan Hammond of Jackson, Michigan; Benjamin Stafford of Parma, Michigan; Rachel Osborne of Hudson, Michigan; Lyndsey Banks of Adrian, Michigan; Olivia Rawson of Onsted, Michigan; Leanna Pelham of Onsted, Michigan; Sara Worsham of Onsted, Michigan; Blythe Crane of Chelsea, Michigan; Ashleigh Doop of Dexter, Michigan; and Elizabeth Parker of Dexter, Michigan.

RECOGNIZING MR. SERGIO RASCÓN

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. SOLIS. Mr. Speaker, I rise to recognize Mr. Sergio Rascón, a labor union leader who exemplifies the best in American leadership today.

Born in 1953 in Sonora, Mexico, Mr. Rascón grew up and graduated from high school in the San Fernando Valley region of Los Angeles. Possessing a strong passion for labor union politics, in 1979 he was named Labor Foreman of the Laborers' International Union of North America LIUNA Local 300, a powerful subdivision of the American Federation of Labor.

In 1984, he was named an official agent of the LIUNA Local 300, while becoming a naturalized U.S. citizen that same year. Demonstrating a natural ability to lead, motivate, and organize workers, he earned the highest honors by his peers and was promoted to the executive board of the Labor Council for Latin American Advancement LCLAA in 1989 and later to Business Manager and President of the LIUNA Local 300 union throughout the 1990s.

Currently holding politically influential positions as First Vice President of the LCLAA State Chapter and as Los Angeles Commissioner on the Convention and Exhibition Center Bureau, Rascón is regarded as one of the most powerful and youngest political activists in the United States. Under his direction, the LIUNA Local 300 is involved in more political races than any other in its history.

In addition to being an effective political lobbyist for progressive politicians, Rascón's achievements extend from being a once active water board member to generous community provider. From 1997 to 2001, he served as a Board Director for the Metropolitan Water District MWD in southern California. During his position as a member of the board, he worked to ensure that everyone in Los Angeles County have safe drinking water. He served important roles in the MWD, such as being Vice Chairman of the Subcommittee on Organization and Personnel and an active member of the MWD's Budget and Finance and Legal and Claims committees.

As an active leader in his community, Mr. Rascón is involved in numerous charitable and educational activities in Los Angeles County. By collaborating with other prominent labor organizations, his LIUNA Local 300 has helped raise over $120,000 in scholarship funding for the children of southern California union members.

Mr. Sergio Rascón is an advocate for every working American in the United States. I am honored to recognize his illustrious career of exceptional and tireless leadership during this year's Cinco de Mayo week in the Latino community. May his legacy continue to live forever.

INTRODUCTION OF THE SMALL BUSINESS HEALTH FAIRNESS ACT OF 2004

HON. JOHN A. BOEHNER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BOEHNER. Mr. Speaker, I rise today to join my colleague, SAM JOHNSON, in introducing the ''Small Business Health Fairness Act of 2004.''

I have long felt that the most pressing crisis we face in health care today is the number of uninsured Americans, which currently stands at more than 41 million. And the problem is not going away. With health care costs continuing to rise sharply across the country, more and more employers and workers are sharing the burden of increased premiums. Health care costs rose by 14 percent in 2003, and surveys project another increase of 13 percent this year. As costs escalate, the ranks of the uninsured will increase as well.

Today we introduce the ''Small Business Health Fairness Act of 2004,'' which represents a bipartisan solution to this problem. The bill gives small businesses the opportunity to band together through bona fide trade associations and purchase quality health care for their workers at a lower cost.

The bipartisan bill would increase small businesses' bargaining power with health care providers, give them freedom from costly state-mandated benefit packages, and lower their overhead costs by as much as 30 percent—benefits that many large corporations like GM and UPS and many unions already enjoy because of their larger economies of scale.

President Bush addressed this point directly last year during a speech at the Women's Entrepreneurship Summit, where he said, ''Small businesses will be able to pool together and spread their risk across a large employee base. It makes no sense in America to isolate small businesses as little health care islands unto themselves. We must have association health plans.'' The President is right, and we should help level this playing field so that small businesses can offer quality coverage to their workers.

Importantly, the bill addresses both the access and cost issues at the heart of the health care reform debate, giving uninsured working families new hope for a solution that can give them access to quality health care. Small businesses in most states are stuck with disproportionately high costs because they have to choose from fewer than five providers, so AHPs offer them a new option for them to choose from. By pooling their resources and increasing their bargaining power, AHPs will help small businesses reduce their health insurance costs. Most importantly, AHPs will expand access to quality health care for the people for whom it is currently out of reach: uninsured working families.

I urge my colleagues to join Mr. JOHNSON, Mrs. VELÁZQUEZ, Mr. DOOLEY, Mr. BURNS and I in this effort, and to cosponsor this important legislation.

INTRODUCTION OF THE SMALL BUSINESS HEALTH FAIRNESS ACT OF 2004

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to introduce the ''Small Business Health Fairness Act of 2004.''

Today we introduce an important component of the Bush administration agenda—the ''Small Business Health Fairness Act''—to allow the establishment of certified, federal, association health plans (AHPs).

AHPs will significantly expand access to health coverage for uninsured Americans by: (1) Increasing small businesses' bargaining power with health care providers, and (2) Giving employers freedom from costly state-mandated benefit packages. As such, AHPs will increase the number of insured Americans by up to 8 million people. According to figures released by the U.S. census bureau, one in seven Americans lacks health insurance.

You might ask, just who are these uninsured?

Well . . . they are working people who simply don't have access to insurance, can't afford it, or their employer can't afford to participate in a plan for them. Sixty percent—or 24 million—of uninsured Americans work in small businesses. Some of these people are offered insurance and turn it down because they can't pick up their part of the tab. According to the same census report, the increase in the number of uninsured comes solely from declining coverage in the small employer market. And there is no sign that the trend will reverse, or even slow. Health insurance costs are still rising and many small employers are forced to drop health coverage, while some cannot offer it in the first place.

The cost-saving benefits of AHPs would help the small employers of Main Street access coverage at a more affordable price. Let's face the facts. Costs are rising, businesses are dropping coverage and more people are left uninsured. Congress must address the uninsured problem and move forward with increasing the insured through Association Health Plans. It's the least Congress can do to ensure that the American people will receive better health care at a more reasonable price.

I urge my colleagues to cosponsor this important legislation.

COMMENDING FREMONT ELEMENTARY SCHOOL

HON. BOB BEAUPREZ

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. BEAUPREZ. Mr. Speaker, I rise today to commend Fremont Elementary, a school located back home in my Colorado district, for displaying the kind of academic excellence that is to be recognized at a national level.

Fremont recently received word that they are one of the top three finalists for the 21st Century School of Distinction Award. Over 1,200 schools nationwide applied for this distinction. To be a finalist is an amazing honor for them.

The award is open to all public, private, charter and parochial schools. There are ten different categories of merit. Fremont is in the ''Technology Implementation'' category. Schools in this category have shown sensible improvement in the implementation of technology in at least one school program or the curriculum itself.

The review board will soon be making a visit to the remaining three schools and will make their final decision pending that visit. The awards program will conclude with a national awards ceremony in June. Also, the winner will be highlighted in a future issue of ''Scholastic Administrator''.

Recently, I had the honor of being able to read to the students at Fremont during their Celebrity Read Week. It was a pleasure to be in the presence of such great and enthusiastic young minds.

I am continually impressed with this school's administration and their dedication to educating these young leaders of tomorrow. The school and its staff raise the bar of academic expectations and set an example for all elementary schools, in and out of my district, to follow. I am proud to live in the same district as a school that exemplifies such superior academic programs.

I would like to wish the best of luck to Fremont Elementary with this award and with all future endeavors. This educational institution has shown amazing academic excellence and I would like to congratulate them for the distinction this has earned them.

IN RECOGNITION OF BROWARD COUNTY, FL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. SHAW. Mr. Speaker, I rise today in recognition of two programs in Broward County, Florida, that were awarded Acts of Caring

Awards by the National Association of Counties on April 21, 2004. Broward County's Water Matters Program and Library Friends Tutoring Program were both recognized by the National Association of Counties for their outstanding performance and service to the community.

The Water Matters Program of Broward County was designed to educate residents in the Everglades area on the importance of water conservation and environmental responsibility. Broward County educates their citizens on environmental awareness in several different ways, including public service announcements and the development of an informational web page. The county also implemented Water Matters Day to further support the program, including hands-on activities for those who attend. The program is supported by a large number of volunteers, allowing it to exist on a very small budget.

The North Regional/BCC Library Friends Tutoring Program was designed to create intergenerational relationships through education. Volunteer tutors who participate in the program vary in age from high school students to senior citizens. The diligent work of this program has impacted over 400 children since 1995 and also operates on a minimal budget.

Mr. Speaker, we owe a debt of gratitude to those citizens of Broward County who seek to improve the environment as well as educate the youth of our nation through volunteer tutoring services. Broward County best exemplifies a county government that has achieved its full potential, setting an example for other county governments around the nation.

IN SUPPORT OF THE NATIONAL VISION STRATEGY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. ROS-LEHTINEN. Mr. Speaker, as a Co-Chair of the Congressional Vision Caucus, I would like to recognize May as Healthy Vision Month, and to discuss the important recommendations of the Vision Problems Action Plan, A National Public Health Strategy as a way to prevent blindness and vision loss.

Good vision is critical to conducting activities of daily living, is a portal for language, and affects developmental learning, communicating, working, and quality of life.

Unfortunately, a large number of people are at risk for losing their vision. More than 80 million Americans have a potentially blinding eye disease, 3 million have low vision, 1.1 million are legally blind, and an additional 200,000 are more severely visually impaired. Despite the fact that half of all blindness can be prevented, far too many people do not access the care they need. If we do not take action, the number of blind and visually impaired individuals will double by 2030.

Awareness, early diagnosis and prevention are crucial for all. Healthy Vision Month, a component of Healthy People 2010, is a national eye health campaign to raise awareness about the various conditions that can affect eyesight and cause vision loss.

This week, a coalition of leading eye health experts, including Prevent Blindness America, the Centers for Disease Control and Prevention, Lighthouse International, and the American Academy of Ophthalmology, released the Vision Problems Action Plan, A National Public Health Strategy. This important document will provide our nation with a framework for preventing vision loss.

This groundbreaking study recommends that, in order to reduce the occurrence of vision loss and its accompanying disabilities, our nation must concentrate our efforts three priority areas: prevention/public health, access to care and treatment including rehabilitation, and research.

Our public health and prevention campaign must ensure that vision programs at the National Eye Institute (NEI) and Centers for Disease Control and Prevention (CDC) have the resources they need to improve communication and education campaigns, increase surveillance, epidemiology and prevention research; and implement appropriate programs, policies and systems changes.

In order to ensure access to and availability of treatment and rehabilitation services for individuals with vision loss, we must support programs at the Centers for Medicaid and Medicare Services (CMS) and the Department of Health and Human Services (HHS) that remove barriers and improve access to eye exams currently covered under Medicare, such as diabetic eye exams and glaucoma detection for high risk populations.

We must also strengthen the Medicare program to advance coverage for Medicare vision rehabilitation services as provided by orientation and mobility specialists, rehabilitation teachers and low-vision therapists including in patients homes and their environment.

Finally, we must bolster our research efforts to improve our understanding of the eye and visual system in health and disease, as well as developing the most appropriate and effective means of prevention, and access to treatment and rehabilitation.

This report provides the roadmap we need to raise awareness about vision loss, give individuals the tools they need to prevent it, and give hope to the millions already suffering from vision loss that better treatments for can be found.

We would like to thank all of the organizations involved in drafting this report, including the American Academy of Ophthalmology, the American Optometric Association, the Centers For Disease Control and Prevention, Lighthouse International, the National Alliance For Eye and Vision Research, the National Eye Institute (NEI) and most importantly, Prevent Blindness America. Prevent Blindness America should be commended for spearheading this effort, for bringing together these various groups, and for its almost century-long tradition of preventing vision loss.

HONORING EL GRUPO FOLKLORICO ATOTONILCO

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Ms. MCCARTHY. Mr. Speaker, I proudly rise to announce a celebration to honor El Grupo Folklorico Atotonilco, a nationally renowned traditional Mexican folk dance troupe.

On May 6, 2004, they will be celebrating 25 years of performing outstanding traditional Mexican folk dances for audiences in the greater Kansas City area. The event at the Folly Theater in Kansas City is part of a week of celebrations commemorating the 142nd anniversary of Cinco de Mayo. May 5, 1862, is the date of the famous triumph of Mexican General Ignacio Zaragoza Seguin's small, poorly armed band of 4,500 men over a well equipped French army of 6,500 soldiers, which occurred against all odds. Mexican culture and heritage is traditionally celebrated in commemoration of this historic victory for independence.

El Grupo Folklorico Atotonilco was founded in 1979, when Maria Chaurand was asked to round up some neighborhood children and teach them a dance to entertain festival goers. It was an opportunity for Chaurand to share her love of dance and Mexican culture. Since then, the dance troupe has had over 700 children learn this art, and the dance company currently boasts 85 members, ranging in age from 5 to 40 years old. El Grupo Folklorico Atotonilco is also the most highly requested dance group on the state of Missouri folk arts roster.

Dance in Mexico is considered one of the most basic artistic expressions of the culture and spirit of its people. Each region has its own unique style and each dance is performed in its distinctive costumes native to that region. An extensive repertoire, presented in lavish costumes worn by energetic dancers, makes El Grupo Folklorico Atotonilco's program an exciting and educational experience. The swing of every folkloric skirt and the bow of every sombrero represent the rich cultural heritage and unique characteristics of Mexico's 32 states.

Over their last 25 years, El Grupo Folklorico Atotonilco dancers have showcased their talents in theaters and performance halls in: Missouri, Kansas, Oklahoma, Nebraska, Iowa, New Mexico, Texas, Illinois, California, Spain and Mexico. The dance troupe has received numerous awards and recognition for their performances and has garnered a reputation as one of the best Mexican folk dance companies in the country. In 1997, El Grupo Folklorico Atotonilco received the honor as the ''Premiere Mexican Folk Dance Company in U.S.'' They are the sole recipient of that honor to this day.

Maria Chaurand has come a long way from her first Cinco de Mayo fiesta 25 years ago, when she coached 16 children in the art of sharing Mexican culture through regional dance and costume. Thousands of people throughout Kansas City and around the country have been thrilled to hear the exuberant beat and see colorful performances that have graced stages in many communities. Mr. Speaker, please join me in honoring Maria Chaurand and the dancers of El Grupo Folklorico Atotonilco for carrying on the folkloric traditions of old Mexico through the pageantry of music, costume and dance for the past 25 years. Viva El Grupo Folklorico Atotonilco!

HONORING THE LEGACY OF PAT TILLMAN: AN EXTRAORDINARY AMERICAN

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, Pat Tillman was assigned to A Company, 2nd Battalion, 75th Ranger Regiment, and was based at Fort Lewis, Washington. On April 22, 2004, he was killed in the line of duty near the Pakistan border as he led his Army Ranger team to help comrades caught in an ambush. He was 27 years old.

Pat Tillman attended Leland High School in San Jose, California. As a linebacker on the Arizona State University football team, he was named the 1997 PAC–10 Defensive Player of the Year. Finishing with a marketing degree in three and a half years, he graduated summa cum laude with a 3.84 GPA.

He was drafted by the Arizona Cardinals in the seventh round in 1998, the 226th pick overall. He became the Cardinals' starting safety and in 2000, he set a new franchise record with 224 tackles.

Following the terrorists attacks of September 11, 2001, Pat Tillman spoke of his admiration for his relatives who had taken up arms to defend the nation in previous conflicts. He went on: ''I really haven't done a damn thing as far as laying myself on the line like that. And so I have a great deal of respect for those that have and what the flag stands for.'' In 2002, he turned down a $3.6 million contract from the Arizona Cardinals and enlisted in the Army instead.

Following his death, the military posthumously promoted Pat Tillman from specialist to corporal. He also was awarded a Purple Heart and the distinguished Silver Star award for gallantry on the battlefield.

In the world of professional sports, Pat Tillman's story is extraordinary; choosing duty over dollars. However, in the context of our military, his sacrifice is typical of our soldiers.

His death reminds us about the sacrifices that our veterans and fighting forces have made for us. Not for fame or fortune, but for a love of country, with determination, courage and honor, the men and women of our armed services have dedicated their lives to the defense of our democratic ideals. Pat Tillman will be remembered as one of the most admirable of America's heroes. His legacy will strengthen the United States of America forever.

The life we live today is shaped by men and women like Pat Tillman. Each has stood ready in defense of their country. Our nation owes an immeasurable debt of gratitude for their service. We enjoy our freedoms because of their valor.

I join a grateful nation in sending my thoughts and prayers to the Tillman family and all families who have lost loved ones serving to protect our sacred liberty.

CALLING FOR SHARED SACRIFICE IN THE WAR ON TERROR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. RANGEL. Mr. Speaker, I rise today to call upon our nation to share the sacrifice imposed upon us by our war on terrorism. I have introduced a bill to reinstitute the draft for young Americans between the ages of 18 and 26 and national civilian service for all those not needed in the military.

Since I have submitted this bill in January 2003, my conviction that we need a draft has risen on an almost daily basis. In March 2003 the administration decided to take the nation to war against Iraq for doubtful reasons. I do not think that members of this administration and Congress would have been so willing to launch a war if they had known that their own children might have to fight it.

Fact is, that we are currently a nation in which the poor fight our wars while the affluent stay at home. The majority of our brave servicemen and women come either from poor rural areas or poverty-shaken inner-city neighborhoods. About thirty-five percent of our soldiers are minorities. These young people enlist in the military mainly for financial and educational opportunities.

I believe that the burdens of war should not be shouldered solely by the poor segments of our society, but must be fairly shared by all racial and economic groups. I am pleased to see that during the last couple of months the support for a reintroduction of the draft has risen substantially among the American people. As our casualties in Iraq increase daily and exhausted soldiers are kept in Iraq under stop loss orders, the debate about shared sacrifice is gaining ground.

I submit to the CONGRESSIONAL RECORD an article by journalist and Vietnam War Veteran William Broyles Jr. which was published in the New York Times on May 4, 2004. Mr. Broyles' article is one of the strongest pieces favoring the draft that I have read so far and it fully reflects my own opinion on this subject.

[From the New York Times, May 4, 2004]

A WAR FOR US, FOUGHT BY THEM

(By William Broyles Jr.)

WILSON, Wyo.—The longest love affair of my life began with a shotgun marriage. It was the height of the Vietnam War and my student deferment had run out. Desperate not to endanger myself or to interrupt my personal plans, I wanted to avoid military service altogether. I didn't have the resourcefulness of Bill Clinton, so I couldn't figure out how to dodge the draft. I tried to escape into the National Guard, where I would be guaranteed not to be sent to war, but I lacked the connections of George W. Bush, so I couldn't slip ahead of the long waiting list. My attitude was the same as Dick Cheney's: I was special, I had ''other priorities.'' Let other people do it.

When my draft notice came in 1968, I was relieved in a way. Although I had deep doubts about the war, I had become troubled about how I had angled to avoid military service. My classmates from high school were in the war; my classmates from college were not—exactly the dynamic that exists today. But instead of reporting for service in the Army, on a whim I joined the Marine Corps, the last place on earth I thought I belonged.

My sacrifice turned out to be minimal. I survived a year as an infantry lieutenant in Vietnam. I was not wounded; nor did I struggle for years with post-traumatic stress disorder. A long bout of survivor guilt was the price I paid. Others suffered far more, particularly those who had to serve after the war had lost all sense of purpose for the men fighting it. I like to think that in spite of my being so unwilling at first, I did some small service to my country and to that enduring love of mine, the United States Marine Corps.

To my profound surprise, the Marines did a far greater service to me. In 3 years I learned more about standards, commitment and yes, life, than I did in 6 years of university. I also learned that I had had no idea of my own limits: when I was exhausted after humping up and down jungle mountains in 100-degree heat with a 75-pound pack, terrified out of my mind, wanting only to quit, convinced I couldn't take another step, I found that in fact I could keep going for miles. And my life was put in the hands of young men I would otherwise never have met, by and large high-school dropouts, who turned out to be among the finest people I have ever known.

I am now the father of a young man who has far more character than I ever had. I joined the Marines because I had to; he signed up after college because he felt he ought to. He volunteered for an elite unit and has served in both Afghanistan and Iraq. When I see images of Americans in the war zones, I think of my son and his friends, many of whom I have come to know and deeply respect. When I opened this newspaper yesterday and read the front-page headline, ''9 G.I.'s Killed,'' I didn't think in abstractions. I thought very personally.

The problem is, I don't see the images of or read about any of the young men and women who, as Dick Cheney and I did, have ''other priorities.'' There are no immediate family members of any of the prime civilian planners of this war serving in it—beginning with President Bush and extending deep into the Defense Department. Only one of the 535 members of Congress, Senator Tim Johnson of South Dakota, has a child in the war—and only half a dozen others have sons and daughters in the military.

The memorial service yesterday for Pat Tillman, the football star killed in Afghanistan, further points out this contrast. He remains the only professional athlete of any sport who left his privileged life during this war and turned in his play uniform for a real one. With few exceptions, the only men and women in military service are the profoundly patriotic or the economically needy.

It was not always so. In other wars, the men and women in charge made sure their family members led the way. Since 9/11, the war on terrorism has often been compared to the generational challenge of Pearl Harbor; but Franklin D. Roosevelt's sons all enlisted soon after that attack. Both of Lyndon B. Johnson's sons-in-law served in Vietnam.

This is less a matter of politics than privilege. The Democratic elites have not responded more nobly than have the Republican; it's just that the Democrats' hypocrisy is less acute. Our president's own family illustrates the loss of the sense of responsibility that once went with privilege. In three generations the Bushes have gone from war hero in World War II, to war evader in Vietnam, to none of the extended family showing up in Iraq and Afghanistan.

Pat Tillman didn't want to be singled out for having done what other patriotic Americans his age should have done. The problem is, they aren't doing it. In spite of the president's insistence that our very civilization is at stake, the privileged aren't flocking to the flag. The war is being fought by Other

People's Children. The war is impersonal for the very people to whom it should be most personal.

If the children of the nation's elites were facing enemy fire without body armor, riding through gantlets of bombs in unarmored Humvees, fighting desperately in an increasingly hostile environment because of arrogant and incompetent civilian leadership, then those problems might well find faster solutions.

The men and women on active duty today—and their companions in the National Guard and the reserves—have seen their willingness, and that of their families, to make sacrifices for their country stretched thin and finally abused. Thousands of soldiers promised a 1-year tour of duty have seen that promise turned into a lie. When Eric Shinseki, then the Army chief of staff, told the president that winning the war and peace in Iraq would take hundreds of thousands more troops, Mr. Bush ended his career. As a result of this and other ill-advised decisions, the war is in danger of being lost, and my beloved military is being run into the ground.

This abuse of the voluntary military cannot continue. How to ensure adequate troop levels, with a diversity of backgrounds? How to require the privileged to shoulder their fair share? In other words, how to get today's equivalents of Bill Clinton, George W. Bush, Dick Cheney—and me—into the military, where their talents could strengthen and revive our fighting forces?

The only solution is to bring back the draft. Not since the 19th century has America fought a war that lasted longer than a week with an all-volunteer army; we can't do it now. It is simply not built for a protracted major conflict. The arguments against the draft—that a voluntary army is of higher quality, that the elites will still find a way to evade service—are bogus. In World War II we used a draft army to fight the Germans and Japanese—two of the most powerful military machines in history—and we won. The problems in the military toward the end of Vietnam were not caused by the draft; they were the result of young Americans being sent to fight and die in a war that had become a disaster.

One of the few good legacies of Vietnam is that after years of abuses we finally learned how to run the draft fairly. A strictly impartial lottery, with no deferments, can ensure that the draft intake matches military needs. Chance, not connections or clever manipulation, would determine who serves.

If this war is truly worth fighting, then the burdens of doing so should fall on all Americans. If you support this war, but assume that Pat Tillman and Other People's Children should fight it, then you are worse than a hypocrite. If it's not worth your family fighting it, then it's not worth it, period. The draft is the truest test of public support for the administration's handling of the war, which is perhaps why the administration is so dead set against bringing it back.

NEW HEADQUARTERS FOR CALIFORNIA FFA

HON. DEVIN NUNES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mr. NUNES. Mr. Speaker, as a former member of the Tulare Chapter of the Future Farmers of America, I am proud to announce that the California FFA is in the process of building a permanent $5 million home. This building will be located north of Galt, California, on Highway 99 and will contain housing for state officers, meeting rooms and dormitories. The new FFA headquarters will provide not only needed facilities but also long-term continuity for this important organization. Indeed, many future leaders of California will have their first leadership training experiences at this facility.

Funds for the project are being raised by 59,000 high school students who are studying vocational agriculture. In addition, former alumni and friends of the FFA have already contributed $1.3 million toward the project.

The Future Farmers of America is an organization that contributes support to vocational agriculture students through home projects and leadership training programs. It once was mostly a rural program, for high school students of vocational agriculture. Now, many of the students are from metropolitan areas and have projects designed for a broad spectrum of urban living.

I am very pleased to congratulate the FFA on this important step in preparing for and prosperous future.

THOMAS FARIA: MORE THAN THREE DECADES OF SERVICE TO THE RIGHT TO WORK CAUSE

HON. MARILYN N. MUSGRAVE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 2004

Mrs. MUSGRAVE. Mr. Speaker, I didn't know Thomas Faria. But I know of the work he did. And I know the importance of the fight he waged for years for freedom. I rise today to give tribute to Thomas Faria and his work.

Mr. Faria was a Connecticut businessman who had contributed to the efforts of the National Right to Work Committee. In 1977, after already contributing to the cause for 8 years, he sent a letter to Committee President Reed Larson offering his services as a member of the Board of Directors.

In that letter, Mr. Faria explained his strong desire to be more deeply involved with the Committee's efforts.

He wrote: ''Although I have supported the National Right to Work Committee for a number of years because of my strong belief in individual freedom, I did not really appreciate the clout of Union political power until I worked on trying to close loopholes in Connecticut's Unemployment Compensation law. I would like the opportunity to do more in the area of right to work as I feel America's future depends on it.''

Luckily for those in the Right to Work movement, Reed Larson took Mr. Faria up on this offer, beginning a quarter century fight together for workers' Right to Work.

Mr. Faria joined the board of directors of the National Right to Work Legal Defense Foundation shortly thereafter.

The Right to Work principle—the guiding concept of the National Right to Work Legal Defense Foundation and one of the guiding principles of Thomas Faria's work—affirms the right of every American to work for a living without being compelled to belong to a union. The National Right to Work Legal Defense Foundation gives legal assistance to employees who are victimized because of their assertion of that principle.

Mr. Faria generously supported the Foundation with his time and resources until his death almost 1 year ago. His efforts helped to provide free legal assistance to thousands of Americans whose rights had been violated by abuses of compulsory unionism and helped make more Americans free.

Many workers, and many Americans who believe in the American ideal of freedom, owe thanks to Mr. Faria. I am speaking on their behalf, and on my own today, to publicly acknowledge this gratitude.

So, Mr. Speaker, today I proudly pay tribute to Mr. Faria and the National Right to Work organization with whom he served. Their efforts have preserved and advanced freedom for individual workers for more than 35 years. I applaud their unwavering dedication and tireless action on behalf of what should be every American's birthright not to be forced to join a labor union to get or keep a job.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 6, 2004 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 7

9:30 a.m.
Armed Services
Closed business meeting to markup proposed legislation authorizing appropriations for fiscal year 2005 for military activities for the Department of Defense.
SR–222

Joint Economic Committee
To hold a hearing to examine the employment situation for April.
1334 LHOB

11:45 a.m.
Armed Services
To hold hearings to examine allegations of mistreatment of Iraqi prisoners.
SD–106

MAY 11

9:30 a.m.
Foreign Relations
To hold hearings to examine the deadly intersection of AIDS and hunger.
SD–419

10 a.m.
Health, Education, Labor, and Pensions
Aging Subcommittee
To hold hearings to examine breakthroughs in Alzheimer's research.
SD–430

Energy and Natural Resources
To hold hearings to examine the impacts and costs of last year's fires, focusing on the problems faced last year and what problems agencies and the land they oversee may face next season, including aerial fire fighting assests and crew, and overhead availability.
SD–366

Agriculture, Nutrition, and Forestry
Forestry, Conservation, and Rural Revitalization Subcommittee
To hold hearings to examine conservation programs of the 2002 Farm bill.
SD–628

Governmental Affairs
To hold hearings to examine tax payer dollars subsidizing diploma mills.
SH–216

Judiciary
Terrorism, Technology and Homeland Security Subcommittee
To hold hearings to examine rapid bioterrorism detection and response.
SD–226

MAY 12

9:30 a.m.
Environment and Public Works
To hold hearings to examine the environmental regulatory framework affecting oil refining and gasoline policy.
SD–406

Foreign Relations
To hold hearings to examine the current situation in Afghanistan.
SD–419

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings to examine proposed budget estimates for fiscal year 2005 for the Department of Defense.
SD–192

Governmental Affairs
To continue hearings to examine tax payer dollars subsidizing diploma mills.
SD–342

Indian Affairs
To hold hearings to examine S. 1715, to amend the Indian Self-Determination and Education Assistance Act to provide further self-governance by Indian tribes.
SR–485

Judiciary
To hold hearings to examine S. 2013, to amend section 119 of title 17, United States Code, to extend satellite home viewer provisions.
SD–226

MAY 13

9:30 a.m.
Foreign Relations
To hold hearings to examine combating corruption in the multilateral development banks.
SD–419

10 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine Commodity Futures Trading Commission regulatory issues.
SD–106

Health, Education, Labor, and Pensions
Children and Families Subcommittee
To hold hearings to examine causes, research and prevention of premature births.
SD–430

2 p.m.
Health, Education, Labor, and Pensions
To hold hearings to examine prescription drug reimportation.
SD–430

2:30 p.m.
Armed Services
Readiness and Management Support Subcommittee
To hold hearings to examine acquisition policy issues in review of the Defense Authorization Request for fiscal year 2005.
SR–222

MAY 18

9:30 a.m.
Foreign Relations
To hold hearings to examine the way ahead in Iraq.
SD–419

MAY 19

9:30 a.m.
Foreign Relations
To continue hearings to examine the way ahead in Iraq.
SD–419

10 a.m.
Banking, Housing, and Urban Affairs
To hold an oversight hearing to examine the International Monetary Fund and World Bank.
SD–538

Indian Affairs
Business meeting to consider pending calendar business; to be followed by a hearing to examine S. 1696, to amend the Indian Self-Determination and Education Assistance Act to provide further self-governance by Indian tribes.
SR–485

11:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

MAY 20

9:30 a.m.
Indian Affairs
To hold hearings to examine S. 2382, to establish grant programs for the development of telecommunications capacities in Indian country.
SR–485

2:30 p.m.
Energy and Natural Resources
National Parks Subcommittee
To hold hearings to examine S. 1672, to expand the Timucuan Ecological and Historic Preserve, Florida, S. 1789 and H.R. 1616, bills to authorize the exchange of certain lands within the Martin Luther King, Junior, National Historic Site for lands owned by the City of Atlanta, Georgia, S. 1808, to provide for the preservation and restoration of historic buildings at historically women's public colleges or universities, S. 2167, to establish the Lewis and Clark National Historical Park in the States of Washington and Oregon, and S. 2173, to further the purposes of the Sand Creek Massacre National Historic Site Establishment Act of 2000.
SD–366

SEPTEMBER 21

10 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to examine the legislative presentation of the American Legion.
345 CHOB

Daily Digest

HIGHLIGHTS

House committees ordered reported 26 sundry measures.

The House passed H.R. 4227, Middle-Class Alternative Tax Relief Act of 2004.

Senate

Chamber Action

Routine Proceedings, pages S4853–S4930

Measures Introduced: Seven bills and one resolution were introduced, as follows: S. 2383–2389, and S. Res. 352. **Pages S4910–11**

Measures Reported:

S. 2386, to authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System. **Page S4910**

Measures Passed:

Remembrance of World War II Veterans Day: Committee on the Judiciary was discharged from further consideration of S.J. Res. 34, designating May 29, 2004, on the occasion of the dedication of the National World War II Memorial, as Remembrance of World War II Veterans Day, and the joint resolution was then passed. **Pages S4921–22**

Jumpstart Our Business Strength (JOBS) Act: Senate continued consideration of S. 1637, to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, taking action on the following amendments proposed thereto: **Pages S4861–97**

Adopted:

By 76 yeas to 23 nays (Vote No. 84), Allard Amendment No. 3118, to provide for a brownfields demonstration program for qualified green building and sustainable design projects. **Pages S4882, S4894–95**

Rejected:

By 31 yeas to 68 nays (Vote No. 81), Breaux Amendment No. 3117, to limit the amount of deferred foreign income that can be repatriated at a lower rate. **Pages S4861–68, S4883–85**

By 22 yeas to 77 nays (Vote No. 82), Graham (FL) Amendment No. 3112, to strike the deduction relating to income attributable to United States production activities and the international tax provisions and allow a credit for manufacturing wages. **Pages S4861, S4874–77, S4878–82, S4882–83, S4885**

Dorgan Amendment No. 3110, to provide for the taxation of income of controlled foreign corporations attributable to imported property. (By 60 yeas to 39 nays (Vote No. 83), Senate tabled the amendment.) **Pages S4861, S4869–74, S4885–94**

Pending:

Cantwell/Voinovich Amendment No. 3114, to extend the Temporary Extended Unemployment Compensation Act of 2002. **Page S4861**

A unanimous-consent agreement was reached providing for further consideration of the bill at 11 a.m., on Thursday, May 6, 2004. **Page S4922**

Appointments:

Mexico-U.S. Interparliamentary Group: The Chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276h–276k, as amended, appointed the following Senator as a member of the Senate Delegation to the Mexico-U.S. Interparliamentary Group during the Second Session of the 108th Congress: Senator Bingaman. **Page S4921**

NATO Parliamentary Assembly: The Chair, on behalf of the Vice President, in accordance with 22 U.S.C. 1928–1928d, as amended, appointed the following Senators as members of the Senate Delegation to the NATO Parliamentary Assembly during the Second Session of the 108th Congress: Senators Hollings and Miller. **Page S4921**

Nominations Confirmed: Senate confirmed the following nominations:

A. Paul Anderson, of Florida, to be a Federal Maritime Commissioner for the term expiring June 30, 2007.

Paul V. Applegarth, of Connecticut, to be Chief Executive Officer, Millennium Challenge Corporation. (New Position)

Joseph E. Brennan, of Maine, to be a Federal Maritime Commissioner for the term expiring June 30, 2008. (Reappointment) **Page S4930**

Messages From the House: **Page S4906**

Measures Referred: **Page S4906**

Executive Communications: **Pages S4906–07**

Petitions and Memorials: **Pages S4907–10**

Additional Cosponsors: **Pages S4911–12**

Statements on Introduced Bills/Resolutions: **Pages S4912–18**

Additional Statements: **Pages S4902–06**

Amendments Submitted: **Pages S4918–20**

Notices of Hearings/Meetings: **Page S4920**

Authority for Committees to Meet: **Pages S4920–21**

Privilege of the Floor: **Page S4921**

Record Votes: Four record votes were taken today. (Total—84) **Pages S4884, S4885, S4994, S4995**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 8:18 p.m., until 9:30 a.m., on Thursday, May 6, 2004. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S4922.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS: DEPARTMENT OF DEFENSE

Committee on Appropriations: Subcommittee on Defense concluded a hearing to examine proposed budget estimates for fiscal year 2005 for defense-related programs, after receiving testimony from numerous public witnesses.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Subcommittee on Personnel met in closed session and approved for full committee consideration, those provisions which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2005 for military activities of the Department of Defense.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Subcommittee on Readiness and Management Support met in closed session and approved for full committee consideration, those provisions which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2005 for military activities of the Department of Defense.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Subcommittee on Strategic Forces met in closed session and approved for full committee consideration, those provisions which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2005 for military activities of the Department of Defense.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Committee met in closed session to mark up proposed legislation authorizing appropriations for fiscal year 2005 for military activities of the Department of Defense, but did not complete action thereon, and will meet again on tomorrow.

STEROID USE

Committee on Commerce, Science, and Transportation: Committee held a closed hearing to examine the use of steroids by United States Olympic Athletes, receiving testimony from Terrence P. Madden, United States Anti-Doping Agency, and William C. Martin, United States Olympic Committee, both of Colorado Springs, Colorado; and Donald Catlin, University of California, Los Angeles School of Medicine Department of Pharmacology, Los Angeles.

Hearing recessed subject to the call of the chair.

SPACE LAUNCH CAPABILITIES

Committee on Commerce, Science, and Transportation: Subcommittee on Science, Technology, and Space concluded a hearing to examine the space shuttle and the future of space launch, focusing on the International Space Station, defense launch systems, the civil and commercial perspectives, expendable versus reusable launch vehicles, and ensuring fairness in contracting, after receiving testimony from William F. Readdy, Associate Administrator for Space Flight, and Rear Admiral Craig E. Steidle, U.S. Navy (Ret.), Associate Administrator for Exploration Systems, both of the National Aeronautics and Space Administration; Michael Kahn, ATK Thiokol Inc., Brigham City, Utah; John C. Karas, Lockheed Martin Space Systems Company, Denver, Colorado; Robert A. Hickman, Aerospace Corporation, Arlington, Virginia; and Elon Musk, Space Exploration Technologies Corporation, El Segundo, California.

PUBLIC LANDS CONVEYANCES

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests concluded a hearing to examine S. 155, to convey to the town of Frannie, Wyoming, certain land withdrawn by the Commissioner of Reclamation, S. 2285, to direct the Secretary of the Interior to convey a parcel of real property to Beaver County, Utah, S. 1521, to direct the Secretary of the Interior to convey certain land to the Edward H. McDaniel American Legion Post No. 22 in Pahrump, Nevada, for the construction of a post building and memorial park for use by the American Legion, other veterans' groups, and the local community, S. 1826, to direct the Secretary of the Interior to convey certain land in Washoe County, Nevada, to the Board of Regents of the University and Community College System of Nevada, S. 2085, to modify the requirements of the land conveyance to the University of Nevada at Las Vegas Research Foundation, and H.R. 1658, to amend the Railroad Right-of-Way Conveyance Validation Act to validate additional conveyances of certain lands in the State of California that form part of the right-of-way granted by the United States to facilitate the construction of the transcontinental railway, after receiving testimony from Senators Hatch and Reid; Bob Anderson, Deputy Assistant Director, Minerals, Realty and Resource Protection, Bureau of Land Management, Department of the Interior; Mark Whitney, Beaver County Commission, Beaver, Utah; Stephen G. Wells, Desert Research Institute, Reno, Nevada; and John F. Gallagher, University of Nevada, Las Vegas.

HEALTHY MARRIAGE

Committee on Finance: Subcommittee on Social Security and Family Policy held a hearing to examine the benefits of a healthy marriage, focusing on the impact of divorce, drug use and poverty on children and marriage, receiving testimony from Julie Baumgardner, First Things First, Chattanooga, Tennessee; Dwayne Grimes, Dominick Walker, and Joseph T. Jones, all on behalf of the Center for Fathers, Families, and Workforce Development, Baltimore, Maryland; Kathryn J. Edin, Northwestern University Department of Sociology, Evanston, Illinois; Ron Haskins, Brookings Institution, and Theodora Ooms, Center for Law and Social Policy, both of Washington, D.C.; and Scott M. Stanley, University of Denver Center for Marital and Family Studies, Denver, Colorado.

Hearing recessed subject to the call of the Chair.

TERRORISM: MATERIAL SUPPORT STATUTE

Committee on the Judiciary: Committee concluded an oversight hearing to examine the material support statute relating to aiding terrorists, focusing on how material support statutes have been crucial in efforts in the investigation and prosecution of terrorists, and in the protection from future terrorist attacks, after receiving testimony from Christopher A. Wray, Assistant Attorney General, Criminal Division, Daniel J. Bryant, Assistant Attorney General, Office of Legal Policy, and Gary M. Bald, Assistant Director, Counterterrorism Division, Federal Bureau of Investigation, all of the Department of Justice; and David Cole, Georgetown University Law Center, and Paul Rosenzweig, Heritage Foundation, both of Washington, D.C.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee recessed subject to call.

House of Representatives

Chamber Action

Measures Introduced: Measures introduced will appear in the next issue.

Additional Cosponsors: **See next issue.**

Reports Filed: Reports were filed today as follows:

H.R. 4061, to amend the Foreign Assistance Act of 1961 to provide assistance for orphans and other vulnerable children in developing countries (H. Rept. 108–479). **See next issue.**

Chaplain: The prayer was offered today by Commander Maurice S. Kaprow, Chaplain Corps, U.S. Naval Reserve in Norfolk, Virginia. **Page H2551**

Middle-Class Alternative Minimum Tax Relief Act of 2004: The House passed H.R. 4227, to amend the Internal Revenue Code of 1986 to extend to 2005 the alternative minimum tax relief available in 2003 and 2004 and to index such relief for inflation, by a yea-and-nay vote of 333 yeas to 89 nays, Roll No. 144. **Pages H2561–85**

Rejected the Neal amendment in the nature of a substitute printed in H. Rept. 108–477 by a yea-and-nay vote of 197 yeas to 228 nays, Roll No. 143. **Pages H2570–84**

H. Res. 619, the rule providing for consideration of the bill was agreed to by voice vote, after agreeing to order the previous question by a yea-and-nay vote of 220 yeas to 201 nays, Roll No. 142. **Pages H2555–61**

Concurrent Resolution on the Budget for FY 2005—Motion to Instruct Conferees: The House rejected the Moore motion to instruct conferees on S. Con. Res. 95, original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009, by a yea-and-nay vote of 208 yeas to 215 nays, Roll No.145. **Pages H2585–93, H2598–99**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Recognizing the importance of increasing awareness of autism: H. Res. 605, amended, recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism, by a ⅔ yea-and-nay vote of 421 yeas with none voting ''nay'', Roll No. 146; **Pages H2593–98, H2599–S2600**

Amending the Safe Drinking Water Act: H.R. 2771, to amend the Safe Drinking Water Act to reauthorize the New York City Watershed Protection Program; and **Pages H2600–05**

Small Public Housing Authority Act: H.R. 27, amended, to amend the United States Housing Act of 1937 to exempt small public housing agencies from the requirement of preparing an annual public housing agency plan. **Pages H2605–07**

Suspensions—Proceedings Postponed: The House completed debate on the following measures under suspension of the rules. Further proceedings were postponed until Thursday, May 6.

Sense of the House regarding the Lao People's Democratic Republic: H. Res. 402, expressing the sense of the House of Representatives regarding the urgent need for freedom, democratic reform, and international monitoring of elections, human rights, and religious liberty in the Lao People's Democratic Republic; **Pages H2607–14**

Sense of Congress regarding the detention of Dr. Wang Bingzhang by the Government of the People's Republic of China: H. Con. Res. 326, expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release; and **Pages H2614–17**

Expressing the concern of Congress over Iran's development of the means to produce nuclear weapons: H. Con. Res. 398, expressing the concern of Congress over Iran's development of the means to produce nuclear weapons. **Pages H2617–23**

Amendment to the Communications Satellite Act of 1962: Agreed by unanimous consent to pass S. 2315, to amend the Communications Satellite Act of 1962 to extend the deadline for the INTELSAT initial public offering—clearing the measure for the President. **Page H2600**

Quorum Calls—Votes: Five yea-and-nay votes developed during the proceedings of today and appear on pages H2560–61, H2584, H2584–85, H2598–99, and H2599. There were no quorum calls.

Adjournment: The House met at 10 a.m. and at 11:50 p.m. stands in recess subject to the call of the chair.

Committee Meetings

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Projection Forces approved for full Committee action H.R. 4200, National Defense Authorization Act for Fiscal Year 2005.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Terrorism Unconventional Threats and Capabilities approved for full Committee action H.R. 4200, National Defense Authorization Act for Fiscal Year 2005.

NATIONAL DEFENSE AUTHORIZATION ACT

Committee on Armed Services: Subcommittee on Total Force approved for full Committee action, as amended, H.R. 4200, National Defense Authorization Act for Fiscal Year 2005.

MISCELLANEOUS MEASURES

Committee on Education and the Workforce: Ordered reported, as amended, the following bills: H.R. 2728, Occupational Safety and Health Small Business Day in Court Act of 2003; H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2003; H.R. 2730, Occupational Safety and

Health Independent Review of OSHA Citations Act of 2003; and H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act of 2003.

ALASKA NATURAL GAS PIPELINE STATUS REPORT

Committee on Energy and Commerce: Subcommittee on Energy and Air Quality held a hearing entitled ''Alaska Natural Gas Pipeline Status Report.'' Testimony was heard from Senator Murkowski; Patrick Wood III, Chairman, Federal Energy Regulatory Commission, Department of Energy; and public witnesses.

PHYSICIAN FEE SCHEDULE—CURRENT MEDICARE PAYMENT SCHEDULE REVIEW

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled ''Physician Fee Schedule: A Review of the Current Medicare Payment System.'' Testimony was heard from Bruce Steinwald, Director, Health Care—Medicare Payments Issues, GAO; Douglas Holtz-Eakin, Director, CBO; and Glenn Hackbarth, Chairman, Medicare Payment Advisory Commission.

ZERO DOWNPAYMENT ACT

Committee on Financial Services: Subcommittee on Housing and Community Opportunity approved for full Committee action, as amended, H.R. 3755, Zero Downpayment Act of 2004.

INTERIOR DEPARTMENT'S TRIBAL RECOGNITION PROCESS

Committee on Government Reform: Held a hearing entitled ''Betting on Transparency: Toward Fairness and Integrity in the Interior Department's Tribal Recognition Process.'' Testimony was heard from the following officials of the Department of the Interior: Theresa Rosier, Counselor to the Assistant Secretary, Indian Affairs; and Earl E. Devaney, Inspector General; the following officials of the State of Connecticut: Richard Blumenthal, Attorney General; and Mark D. Boughton, Mayor, City of Danbury; and public witnesses.

WILDFIRES IN THE WEST

Committee on Government Reform: Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs held a hearing entitled ''Wildfires in the West—Is the Bush Administration's Response Adequate?'' Testimony was heard from P. Lynn Scarlett, Assistant Secretary, Policy, Management, and Budget, Department of the Interior; Mark E. Rey, Under Secretary, Natural Resources and Environment, USDA; and public witnesses.

MIDDLE EAST—WATER SCARCITY

Committee on International Relations: Held a hearing on Water Scarcity in the Middle East: Regional Cooperation as a Mechanism Toward Peace. Testimony was heard from the following officials of the Department of State: John F. Turner, Assistant Secretary, Bureau of Oceans and International Environmental and Scientific Affairs; David Satterfield, Deputy Assistant Secretary, Bureau of Near Eastern Affairs; and James Kunder, Deputy Assistant Administrator, Bureau for Asia and the Near East, AID; and public witnesses.

SOCIAL INVESTMENT AND ECONOMIC DEVELOPMENT FUND FOR THE AMERICAS ACT

Committee on International Relations: Subcommittee on Western Hemisphere approved for full Committee action H.R. 3447, Social Investment and Economic Development Fund for the Americas Act of 2003.

CONSTITUTIONAL AMENDMENT REGARDING APPOINTMENT OF INDIVIDUALS TO FILL HOUSE VACANCIES; TERRORIST PENALTIES ENHANCEMENT ACT

Committee on the Judiciary: Ordered reported, adversely, H.J. Res. 83, Proposing an amendment to the Constitution of the United States regarding the appointment of individuals to fill vacancies in the House of Representatives.

The Committee also began markup of H.R. 2934, Terrorist Penalties Enhancement Act of 2003.

MISCELLANEOUS MEASURES

Committee on Resources: Ordered reported the following bills: H.R. 142, amended, To amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the Inland Empire regional water recycling project, to authorize the Secretary to carry out a program to assist agencies in projects to construct regional brine lines in California, and to authorize the Secretary to participate in the Lower Chino Dairy Area desalination demonstration and reclamation project; H.R. 1014, amended, Gateway Communities Cooperation Act; H.R. 2010, amended, To protect the voting rights of members of the Armed Services in elections for the Delegate representing American Samoa in the United States House of Representatives; H.R. 2201, National War Permanent Tribute Historical Database Act; H.R. 2663, To authorize the Secretary of the Interior to study the suitability and feasibility of designating Castle Nugent Farms located on St. Criox, Virgin Islands, as a unit of the National Park System; H.R. 2828,

amended, Water Supply, Reliability, and Environmental Improvement Act; H.R. 2912, To reaffirm the inherent sovereign rights of the Osage Tribe to determine its membership and form of government; H.R. 2966, amended, Right-to-Ride Livestock on Federal Lands Act of 2003; H.R. 2991, Inland Empire Regional Water Recycling Initiative; H.R. 3247, amended, Trail Responsibility and Accountability for the Improvement of Lands Act of 2003; H.R. 3378, Marine Turtle Conservation Act of 2003; H.R. 3504, To amend the Indian Self-Determination and Education Assistance Act to redesignate the American Indian Education Foundation as the National Fund for Excellence in American Indian Education; H.R. 3505, amended, to amend the Bend Pine Nursery Land Conveyance Act to specify the recipients and consideration for conveyance of the Bend Pine Nursery; H.R. 3706, John Muir National Historic Site Boundary Adjustment Act; H.R. 3768, amended, Timucuan Ecological and Historic Preserve Boundary Revision Act of 2004; H.R. 3819, amended, Lewis and Clark National Historical Park Designation Act of 2004; H.R. 3846, amended, Tribal Forest Protection Act of 2004; H.R. 3874, amended, To convey for public purposes certain Federal lands in Riverside County, California, that have been identified for disposal; H.R. 3932, amended, To amend Public Law 99–338 to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project; and H.R. 4114, amended, Migratory Bird Treaty Reform Act of 2004.

U.S. COMMISSION ON OCEAN POLICY PRELIMINARY REPORT

Committee on Science: Held a hearing entitled ''U.S. Commission on Ocean Policy Preliminary Report.'' Testimony was heard from ADM James D. Watkins, USN (Ret.), Chairman, U.S. Commission on Ocean Policy; and public witnesses.

IMPROVING THE REGULATORY FLEXIBILITY ACT

Committee on Small Business: Held a hearing entitled ''Improving the Regulatory Flexibility Act—H.R. 2345.'' Testimony was heard from Representatives Terry and Pence; Thomas Sullivan, Chief Counsel for Advocacy, SBA; and public witnesses.

OVERSIGHT—RAILROAD SECURITY

Committee on Transportation and Infrastructure: Subcommittee on Railroads held an oversight hearing on Railroad Security, Testimony was heard from Allan Rutter, Administrator, Federal Railroad Administration, Department of Transportation; Chet Lunner, Assistant Administrator, Office of Maritime and Land Security, Transportation Security Administration, Department of Homeland Security; Ernest R. Frazier, Sr., Chief of Police and Security Department, Amtrak; and public witnesses.

AGOA ACCELERATION ACT

Committee on Ways and Means: Ordered reported, as amended, H.R. 4103, AGOA Acceleration Act of 2004.

DCI WRAP UP BUDGET

Permanent Select Committee on Intelligence: Met in executive session to hold a hearing on DCI Wrap Up Budget. Testimony was heard from departmental witnesses.

DEPARTMENT OF HOMELAND SECURITY—MARITIME SECURITY OPERATIONS

Select Committee on Homeland Security: Subcommittee on Infrastructure and Border Security held a hearing entitled ''Maritime Security Operations within the Department of Homeland Security.'' Testimony was heard from the following officials of the Department of Homeland Security: RADM David S. Belz, USCG, Assistant Commandant for Operations, U.S. Coast Guard; Charles E. Stallworth II, Director, Office of Air and Marine Operations, Bureau of Immigrations and Customs Enforcement; Jayson P. Ahern, Assistant Commissioner, Office of Field Operations, Bureau of Customs and Border Protection; and Tom Blank, Assistant Administrator, Policy, Transportation Security Administration.

Joint Meetings

NORTHERN IRELAND MURDER CASES

Commission on Security and Cooperation in Europe (Helsinki Commission): Commission concluded a hearing to examine the impact in Northern Ireland of recently published reports on collusion in prominent murder cases, after receiving testimony from Peter Cory, former Canadian Supreme Court Justice, Ottawa; Geraldine Finucane, Northern Ireland; and Elisa Massimino, Human Rights First, Washington, D.C.

COMMITTEE MEETINGS FOR THURSDAY, MAY 6, 2004

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: to hold hearings to examine new opportunities for agriculture, focusing on biomass use in energy production, 10 a.m., SD–106.

Committee on Armed Services: closed business meeting to continue markup of proposed legislation authorizing appropriations for fiscal year 2005 for military activities for the Department of Defense, 9:30 a.m., SR–222.

Committee on Banking, Housing, and Urban Affairs: business meeting to mark up an original bill, The Public Transportation Terrorism Prevention Act, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation: to hold hearings to examine impacts of climate change and states' actions, 9:30 a.m., SR–253.

Committee on Governmental Affairs: Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to hold hearings to examine S. 1668, to establish a commission to conduct a comprehensive review of Federal agencies and programs and to recommend the elimination or realignment of duplicative, wasteful, or outdated functions, 10 a.m., SD–342.

Committee on the Judiciary: to hold hearings to examine the nomination of Jonathan W. Dudas, of Virginia, to be Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, 2:30 p.m., SD–226

House

Committee on Appropriations, Subcommittee on Defense, executive, on the National Foreign Intelligence Program Budget, 1:30 p.m., H–405 Capitol.

Committee on Armed Services, Subcommittee on Readiness, to mark up H.R. 4200, National Defense Authorization Act for Fiscal Year 2005, 9 a.m., 2118 Rayburn.

Subcommittee on Strategic Forces, to mark up H.R. 4200, National Defense Authorization Act for Fiscal Year 2005, 11 a.m., 2212 Rayburn.

Subcommittee on Tactical Air and Land Forces, to mark up H.R. 4200, National Defense Authorization Act for Fiscal Year 2005, 1 p.m., 2118 Rayburn.

Committee on Energy and Commerce, Subcommittee on Commerce, Trade and Consumer Protection, hearing entitled ''Online Pornography: Closing the Doors on Pervasive Smut,'' 10 a.m., 2322 Rayburn.

Subcommittee on Telecommunications and the Internet, hearing entitled ''The 'Dot Kids' Internet Domain: Protecting Children Online,'' 9:30 a.m., 2123 Rayburn.

Committee on Financial Services, Subcommittee on Domestic and International Monetary Policy, Trade, and Technology, hearing entitled ''Oversight of the Export-Import Bank of the United States,'' 10 a.m., 2128 Rayburn.

Committee on Government Reform, hearing entitled ''What's the Hold Up'' A Review of Security Clearance Backlog and Reciprocity Issues Plaguing Today's Government and Private Sector Workforce;'' and to mark up the following measures: H.R. 4259, Department of Homeland Security Financial Accountability Act; H.R. 4176, To designate the facility of the United States Postal Service located at 122 West Elwood Avenue in Raeford, North Carolina, as the ''Bobby Marshall Gentry Post Office Building''; H. Con. Res. 295, Congratulating and saluting Focus: HOPE on the occasion of its 35th anniversary and for its remarkable commitment and contributions to Detroit, the State of Michigan, and the United States; H. Res. 613, Recognizing and honoring the 10th anniversary of Vietnam Human Rights Day; H.R. 622, Supporting the goals and ideals of Peace Officers Memorial Day; and H.R. 3740, To designate the facility of the United States Postal Service located at 223 South Main Street in Roxboro, North Carolina, as the ''Oscar Scott Woody Postal Office Building,'' 10 a.m., 2154 Rayburn.

Subcommittee on Human Rights and Wellness, hearing entitled ''Autism Spectrum Disorders: An Update on Federal Government Initiatives and Revolutionary New Treatment of Neurodevelopmental Diseases,'' 2 p.m., 2247 Rayburn.

Committee on International Relations, hearing on The Crisis in Darfur: A New Front in Sudan's Bloody War; followed by markup of H. Con. Res. 403, Condemning the Government of the Republic of the Sudan for its attacks against innocent civilians in the impoverished Darfur region of western Sudan, 10:30 a.m., 2172 Rayburn.

Committee on the Judiciary, Subcommittee on Courts, the Internet, and Intellectual Property, to mark up the Satellite Home Viewer Extension and Reauthorization Act of 2004, 10 a.m., 2141 Rayburn.

Committee on Resources, Subcommittee on National Parks, Recreation and Public Lands, hearing on H.R. 3283, Federal Lands Recreation Enhancement Act, 10 a.m., 1334 Longworth.

Committee on Small Business, Subcommittee on Rural Enterprise, Agriculture and Technology, hearing entitled ''The Benefits of Tax Incentives for Producers of Renewable Fuels and Its Impact on Small Businesses and Farmers,'' 10 a.m., 311 Cannon.

Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, hearing on H.R. 4251, Maritime Transportation Amendments of 2004, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, Subcommittee on Health, hearing on the following: H.R. 4020, State Veterans' Homes Nurse Recruitment Act of 2004; H.R. 4231, Department of Veterans Affairs Nurse Recruitment and Retention Act of 2004; H.R. 3849, Military Sexual Trauma Counseling Act of 2004; H.R. 4248, Homeless Veterans Assistance Reauthorization Act of 2004; and a measure to reform the qualifications and selection requirements for the position of the Under Secretary for Health, 9:45 a.m., 334 Cannon.

Permanent Select Committee on Intelligence, executive, Briefing—Iraqi Prisoner Issues/Abu Ghraib, 10 a.m., H–405 Capitol.

Subcommittee on Intelligence Policy and National Security, executive, briefing on Global Intelligence Update, 9 a.m., H–405 Capitol.

Select Committee on Homeland Security. hearing entitled ''Progress in Addressing Management Challenges at the Department of Homeland Security,'' 10:30 a.m., 2318 Rayburn.

Next Meeting of the SENATE

9:30 a.m., Thursday, May 6

Senate Chamber

Program for Thursday: After the transaction of any morning business (not to extend beyond 11 a.m.), Senate will continue consideration of S. 1637, Jumpstart Our Business Strength (JOBS) Act.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, May 6

House Chamber

Program for Thursday: Rolled votes on Suspensions:

(1) H. Res. 402, expressing the sense of the House of Representatives regarding the urgent need for freedom, democratic reform, and international monitoring of elections, human rights, and religious liberty in the Lao People's Democratic Republic;

(2) H. Con. Res. 326, expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release;

(3) H. Con. Res. 398, expressing the concern of Congress over Iran's development of the means to produce nuclear weapons.

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