

Revitalization Tax Act of 2001. This legislation is designed to revitalize one of America's most important economic partners. The Commonwealth of Puerto Rico, home to 3.9 million U.S. citizens, purchases over \$16 billion a year in goods and services from the rest of the United States. A strong economy in Puerto Rico helps generate over 320,000 jobs in the U.S. mainland.

A strong Puerto Rican economy should be important to all of us. We need to recognize that since October of 1996 manufacturing employment in Puerto Rico has declined by 16,000 jobs, a drop of over ten percent. No other U.S. jurisdiction has lost manufacturing jobs at such a high rate. In calendar 2001, a growing number of American companies, including Intel, Coach, Sara Lee, Phillips Petroleum, Star Kist and Playtex have announced that they will close or reduce operations in Puerto Rico. This will entail a loss of more than 8,700 additional direct jobs. These jobs are being lost to foreign competitors.

Puerto Rico's main competitors enjoy significant advantages. For example, Singapore, Malaysia and Mexico have significantly lower wages and fringe benefits. Ireland enjoys low transportation costs and duty-free access to the European Market. Malaysia and Mexico not only have much lower wage costs but have less stringent environmental, health, safety and welfare standards.

To reverse this trend, today we are introducing legislation that will help make Puerto Rico more attractive to investors. Our bill simply states that if you invest in Puerto Rico instead of in a foreign country, you may bring your profits back into the U.S. at a preferred tax rate. This will not only help Puerto Rico directly, but it will also help the American economy by returning profits to the U.S. where they can be invested in other job creating activities.

In 1993 Congress imposed significant restrictions on the value of these tax incentives to raise more than \$3.7 billion in revenue to help balance the federal budget. In 1996, Congress approved a ten-year phase-out of what remained of these provisions (section 936 and section 30A of the Internal Revenue Code) to offset more than \$10 billion in the cost of federal tax benefits enacted to alleviate the impact of the increase in the minimum wage. This legislation is Puerto Rico's best opportunity to participate in the tax reduction measures that Congress enacted earlier this year. Puerto Rico helped reduce the budget deficit. It is now time for the U.S. citizens of Puerto Rico to benefit from the budget surplus.

HONORING JIM SAMUELSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 2001

Mr. McINNIS. Mr. Speaker, today I would like to honor a man whose contributions should be looked upon as an inspiration to all. James Samuelson, longtime resident of Glenwood Springs, recently passed away. James served in World War II, flourished as co-editor and publisher of The Glenwood Post, volun-

teered in his community, and gave his time and contributions to help those in countries less fortunate than our own.

As we mourn his passing, Jim will be remembered for his dedicated service with the Army Medical Corps during World War II. During his commitment, Jim served in many places including North Africa, Sicily, and Italy. After the war, Jim pursued his journalism career where he used his skills working as co-editor and publisher of The Glenwood Post with his brother, John, until 1966, after which he earned his Masters of Education from the University of Wyoming.

Throughout his life, Jim enjoyed many activities such as skiing, fly fishing, and playing sports. He also was an active volunteer with the Lions Club, American Legion, and the Mountain View Church. As we remember his life, let us not forget Jim's efforts to aid those less fortunate living in foreign countries where he helped establish medical clinics for the underserved in both Haiti and Mexico.

For 55 years, Jim was married to his wonderful wife, Marilyn. Together, he and Marilyn raised a daughter and five sons, and were the proud grandparents to fourteen and great-grandparents to two. He and Marilyn enjoyed traveling to such places as Europe, Israel, and Turkey, making their last trip just three years ago.

It is with this, Mr. Speaker, that I honor Jim Samuelson for his many contributions throughout his life. His formidable efforts deserve the praise and admiration of us all. His service to his community, and to those less fortunate, is something that we should all seek to emulate. I know I speak for everyone who knew Jim when I say he will be greatly missed.

ECONOMIC REVITALIZATION TAX ACT OF 2001

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 2001

Mr. RANGEL. Mr. Speaker, I have joined a number of colleagues today as an original co-sponsor to a very important piece of legislation, the Economic Revitalization Tax Act of 2001. This legislation will provide an incentive for U.S. companies that have international operations to invest in Puerto Rico, instead of in competing foreign countries, and to bring their profits back to the United States. Under this legislation, these U.S. companies will be able to lend or invest in the United States most of their profits from their Puerto Rico operations free of tax to their U.S. parents, or, in the alternative, to repatriate dividends with the benefit of an 85 percent dividends received deduction.

This legislation is necessary to protect the over 320,000 jobs in the U.S. mainland that depend upon a strong Puerto Rican economy. Historically, economic growth in Puerto Rico has paralleled or exceeded that of the United States. Since 1996, however, economic growth rates in Puerto Rico have averaged 21 percent less than in the United States. The divergent paths of the U.S. and Puerto Rico economies since 1996 would be even more

dramatic were it not for the fact that Puerto Rico has received over \$4 billion of private insurance and FEMA disbursements as a result of Hurricane Georges.

Puerto Rico is a vital member of the American family. The new administration of Governor Sila Maria Calderón, is continuing the vision of a prosperous Puerto Rico originated by the legendary Luis Munoz Marin. She is implementing a coherent development plan that will make that vision a reality. Governor Calderón understands that reform of the Commonwealth government and its economic development policies are necessary for Puerto Rico's economic development. She is doing this in close collaboration with business and community leaders in Puerto Rico.

Success in Puerto Rico requires action in Washington as well. The negative impact of the loss of federal tax provisions to offset Puerto Rico's disadvantages is becoming painfully evident. New federal tax incentives are a vital part of what is needed to bring Puerto Rico back to a dynamic economic development path.

The U.S. citizens in Puerto Rico deserve and expect this Congress to join them in an effort to revitalize their economy. If we do not do this out of principle, we should do it out of self-interest. What is good for Puerto Rico is good for the United States. More and better jobs in Puerto Rico mean more payroll taxes paid into our Treasury and more jobs in the U.S. mainland.

PERSONAL EXPLANATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 2001

Mr. OWENS. Mr. Speaker, because I was unavoidably detained, I missed the following rollcall votes:

Rollcall vote No. 229—S. 360; rollcall vote No. 230—H. Res. 195; rollcall vote No. 231—H.J. Res. 36 and rollcall vote No. 232, final passage of H.J. Res. 36.

Had I been present, I would have voted "yea" on rollcall vote 229; "nay" on rollcall vote 230; "yea" on rollcall vote 231, and "nay" on rollcall vote 232.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

SPEECH OF

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2500) making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes:

Mrs. JONES of Ohio. Mr. Chairman, over the past decade, the number of women in the