

do to keep our homeland safe. And at the same time, this partisan Republican bill also goes far beyond what the Commissioners recommended in curbing the civil liberties of American citizens in ways that won't make us any safer.

For example, one of the central recommendations of the 9/11 Commissioners was to establish a National Intelligence Director with full budgetary authority over our national intelligence agencies. The Senate bill upholds this recommendation. The House bill fails to give the NID the authority to establish national priorities and force bureaucracies to work together.

The September 11th Commissioners also recommended that we establish a Cabinet-level National Counterterrorism Center. The Senate bill does that. But again, the House bill doesn't give the new Center the authority to coordinate the war on terror.

The September 11th Commission recommend strengthening the programs that help us secure loose nuclear materials in Russia and around the world. The Senate bill does this—the House bill just calls for a study of the issue. Last week, I joined with Congresswoman Tauscher and Congressman Spratt in introducing a bill that would meet the 9/11 Commission's recommendations for developing a long-term nonproliferation strategy. Unfortunately, when the legislation was offered as an amendment in the Armed Services Committee last week, we were told that it wasn't germane.

The September 11th Commission called for doing more to exchange information on terrorists with trusted allies. The House bill is silent on this matter.

The September 11th Commission also urged Congress to improve aviation security—specifically, that we screen people for explosives and also put cargo in hardened containers. Again, the Senate accomplishes this while the House fails.

Finally, the September 11th Commission calls for a Civil Liberties Oversight Board. This provision is in the Senate bill but not the House bill. In fact, the House bill goes overboard in undermining civil liberties. Instead of reexamining the Patriot Act to see what is working and what goes too far, the Republican leadership has included new powers for law enforcement without even holding a hearing on them.

The Republicans knew that these provisions would prevent Congress from finding consensus, moving forward, and passing a bill before the elections. I would have hoped that, for once, the Republican leadership wouldn't have let politics get in the way of needed steps to improve our national security. Regrettably, it has. But the 9/11 families have waited three years for action, and it's not too late to follow the example and the recommendations of the 9/11 Commission and move forward in a bipartisan way.

This Congress created the September 11th Commission for a reason—to conduct an independent investigation into the terrorist attacks and recommend policy changes to ensure that they never occur again. The Senate bill takes these recommendations seriously. The House bill does not. I therefore urge my colleagues to support the Menendez substitute amendment and adopt the language in the Senate version of the bill.

Mr. MARKEY. Mr. Chairman, I rise in opposition to H.R. 10. This bill is nothing more than

a cynical sham masquerading as reform. It purports to implement the recommendations of the 9/11 Commission, but it actually implements only 11 of the Commission's 41 recommendations. What was left off the table? The bill on the House Floor today: Fails to strengthen our efforts to prevent proliferation of nuclear weapons; fails to give the National Intelligence Director sufficient authority over the budget and personnel of the intelligence agencies; and fails to secure U.S. borders by integrating disparate screening systems.

H.R. 10 has numerous additional flaws: There is no requirement to screen all cargo being placed on airplanes to ensure they do not contain explosives. There are NO whistleblower protections for TSA baggage screeners or employees of the FBI and the CIA who are retaliated against for disclosing security problems to their supervisors. Any reorganization of the intelligence community is rendered meaningless by the failure to protect modern day Paul Reveres like Coleen Rowley and Sibel Edmonds when they blow the whistle. An amendment offered by Mr. NADLER to increase the security of nuclear facilities and shipments of extremely hazardous materials that was actually ACCEPTED during the Judiciary Committee markup was inexplicably removed by the Rules Committee.

What was added to the bill? Dozens of pages of extraneous material that have nothing to do with anything that the 9/11 Commission recommended. The underlying bill actually contains a provision that would authorize the outsourcing of torture and limit any judicial review of this process! That's right—in this bill—H.R. 10—the House Republican leadership would actually make it easier for certain foreign persons to be sent to countries where they would be tortured in interrogations. I call this the Abu Ghraib-by-Proxy provision.

It's outrageous that these provisions have been snuck into the 9/11 bill behind closed doors when the 9/11 Commission specifically called for the United States to “offer an example of moral leadership in the world, committed to treat people humanely, abide by the law. . . .” Nothing could be farther from the 9/11 Commission's intent when it issued this recommendation.

Where does the Bush Administration stand on this Abu Ghraib? The White House's Legal Counsel sent a letter to the Washington Post saying that the Administration does not support these provisions in this bill.

Earlier this year I introduced H.R. 4674, a bill that would explicitly bar the U.S. from deporting, extraditing, or otherwise rendering persons to foreign nations known to engage in the practice of torture. If we really want to implement the 9/11 commission recommendations, we would be including this type of proposal in the bill before us today. I asked the Rules Committee to approve an open Rule that would allow me to do this, but they refused.

What the Rules Committee did approve was a Rule that makes in order an amendment by the Gentleman from Indiana (Mr. HOSTETTLER). What does the Hostettler amendment do? It would rely on “diplomatic assurances” that detainees would not be tortured. We should not be trusting “diplomatic assurances” from torturers that they won't engage in torture.

Both H.R. 10 and the proposed Hostettler amendment would legitimize the practice of

sending suspected terrorists to other countries to be tortured. That is wrong.

I urge a “no” vote on H.R. 10, and a NO vote on the Hostettler amendment.

The CHAIRMAN pro tempore (Mr. LINDER). All time for general debate has expired.

Mr. COX. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. LINDER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10) to provide for reform of the intelligence community, terrorism prevention and prosecution, border security, and international cooperation and coordination, and for other purposes, had come to no resolution thereon.

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#### REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON H.R. 4520, AMERICAN JOBS CREATION ACT OF 2004

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 108-762) on the resolution (H. Res. 830) waiving points of order against the conference report to accompany the bill (H.R. 4520) to amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad, which was referred to the House Calendar and ordered to be printed.

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#### REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 108-763) on the resolution (H. Res. 831) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

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#### CONFERENCE REPORT ON H.R. 4520, AMERICAN JOBS CREATION ACT OF 2004

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 830 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 830

*Resolved*, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill

(H.R. 4520) to amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore. The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

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

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

Mr. REYNOLDS. Mr. Speaker, House Resolution 830 is a standard rule that provides for consideration of the conference report to accompany H.R. 4520, the American Jobs Creation Act of 2004.

The rule waives all points of order against the conference report and against its consideration. The rule also provides that the conference report will be considered as read.

Mr. Speaker, over the past several years, America's economy has experienced more than its fair share of setbacks. We have had a triple shock of terrorist attacks, corporate scandals and a recession, but each and every time, this administration and this Congress has responded with sound policies to move forward, to create jobs, to stimulate economic growth.

After inheriting a slowing economy, President Bush and this Congress reacted quickly and enacted a series of tax cuts that resulted in the shortest and shallowest recession in this Nation's history. We have been resolute in our work towards recovery, and today, real GDP has grown at its fastest rate in 20 years.

More than 1.7 million jobs have been created, and more Americans are working today than in any other time in our history. The unemployment rate is below the average levels in each of the past three decades. In the past 4 years, we have seen the fastest rate of growth in productivity in more than a half a century. Homeownership continues at an all-time high.

In the particularly hard-hit manufacturing sector, we have seen 17 straight months of growth in activity, and the manufacturing employment index has been growing for 11 consecutive months. When President Bush took office, manufacturing employment had been on the decline for 3 years. In fact, more than 200,000 manufacturing jobs were lost in the last 6 months of the Clinton administration. So far this year, manufacturing employment is up by more than 107,000 jobs. We have seen the addition of 22,000 manufacturing jobs last month alone, and manufacturing output is at an all-time high.

But our work is not done until every American who wants a job can find one, and that is why, Mr. Speaker, I am proud to be here today on behalf of the American Jobs Creation Act by supporting this rule and the underlying conference report.

Now is the time to seize on the momentum that we have created and continue to enact policies that spur economic growth, generate jobs, bolster domestic manufacturing and protect small businesses and farmers.

As my colleagues know, European Union sanctions on American exports are costing our manufacturers and farmers billions of dollars. Tariffs currently stand at 12 percent and will continue to increase 1 percent per month until the FSC/ETI is repealed. That, Mr. Speaker, threatens the ability of our domestic companies to create jobs right here at home.

EU sanctions are increasing the price of 1,600 categories of U.S. goods sold outside of the United States. They are hindering the exporting capability of multiple industries.

Today, we have the power to stop them. Without our action, many small businesses and other employers face financial ruin, while their employees face their own job losses.

By repealing the FSC/ETI through the underlying conference report, this Congress will finally put an end to these staggering sanctions and help, once again, to put Americans to work.

This conference report permanently reduces the corporate tax rate to 32 percent for domestic, and only domestic, manufacturers, producers, farmers and small corporations. This is yet another stimulant for job growth, encouraging production and manufacturing here at home, giving employers incentives to reinvest, expand and, more importantly, create new jobs in the United States.

Mr. Speaker, the underlying report also addresses the primary obstacle in realizing even bigger job growth, the double taxation for U.S.-based manufacturers. Our global competitors enjoy a considerable advantage over the United States simply due to the burdensome U.S. tax code. In reducing this double taxation faced by U.S.-based companies, we greatly enhance their competitiveness in the global market and their ability to sell American-made goods, all the while making it easier for them to create more jobs here in the United States.

Mr. Speaker, another important part of H.R. 4520 is its relief for millions of small businesses and farmers from the alternative minimum tax. Over the years, that tax has unintentionally ensnared more and more middle-income Americans. With the passage of the underlying report today, this House will deliver much-needed relief for millions of American farmers and small businessmen.

We will end the double and triple taxation of farmer cooperatives, and we will provide capital gains tax relief

when livestock is sold and replaced on account of drought and other weather-related disasters.

The conference report also makes it cheaper for existing businesses to increase their investment and for entrepreneurs to expense new ventures.

Provisions to promote investment in new equipment are extended for an additional 2 years. This increased investment opportunity provides significant stimulus to the economy, and further aids in boosting job growth.

Partnerships and S corporations also receive a reduction for domestic production activities under the conference report. A whole host of reforms are included which provide S corporations with \$1.2 billion in tax relief.

In total, the conference report gives manufacturing companies, farms and small businesses \$76.5 billion in stimulative tax relief through a reduction for income attributable to production activities here in the United States. This relief will help keep individuals from sending exorbitant amounts of their hard-earned money to Uncle Sam and use it instead to create new jobs and new opportunities.

Mr. Speaker, our colleagues have worked tirelessly on behalf of the American people throughout this process. I would like to especially commend the Chairman and the conference committee members for their steadfast support of sound tax policy and job creation.

We have the opportunity and the responsibility to not only continue but also accelerate the last year of economic growth and job creation. We can do that today by passing the American Jobs Creation Act of 2004.

I urge my colleagues to support the rule and the underlying conference report.

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

Mr. MCGOVERN. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from New York (Mr. REYNOLDS) for yielding me the customary 30 minutes.

Mr. Speaker, I guess it is refreshing that the Republican leadership is allowing this House to debate and vote on a bill that now has actually been filed, and I am glad that the majority has finally provided paper copies of this massive bill to Members of this House.

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Unfortunately, we are still considering a flawed bill under a very flawed process.

Let me remind my colleagues this rule waives the normal 3-day layover of the conference report. Those are the rules of the House. Members of Congress and the American people deserve to have at least 3 full days to read and examine and analyze this massive tax cut, but this rule waives that layover and allows this body to consider this bill today when most Members have not read the bill in its entirety.

Like I said this morning during debate on the martial law rule, this is not the first time the Republican leadership has broken and flaunted the rules to get their way. And while I continue to be disappointed by the way the Republican leadership continues to misuse the House rules, I want to talk for a few minutes about the substance of this conference report.

Mr. Speaker, to describe this bill as flawed does not do it justice. This conference report is a legislative grab bag filled with goodies for special interests. Every Member of this body knew about the export subsidy that was ruled illegal by the World Trade Organization. Thousands of U.S. exporters are needlessly paying tariffs to European countries simply because the Republican-controlled Congress has failed to pass legislation to avoid these penalties. Thanks to the Republican leadership of this Congress, jewelry, textile and small manufacturers in my Congressional District have been especially hard hit by these sanctions.

Now, our colleagues, the gentleman from Illinois (Mr. CRANE) and the gentleman from New York (Mr. RANGEL) joined together and sponsored a bipartisan bill to fix this problem a long time ago, and 177 Members are cosponsors of that bill. The Crane-Rangel bill was clean, it was simple, and it would bring the United States into compliance with the WTO without the extra add-ons that the Republican leadership felt compelled to include in this conference report as sweeteners or incentives for passage of this bill.

Crane-Rangel would have been approved by this House if the Republican leadership would have allowed the bill to come to the floor for an up-or-down vote. It would have been sent to the President and signed into law by now, if the Republican leadership did not drag its heels while pretending to address this problem. And its small cost could have been completely paid for.

Instead of bringing a clean bill fixing this problem to the floor, the Republican leadership has delivered this monstrosity. Once again, the Republican leadership has turned a non-controversial issue in a noncontroversial bill into bad policy.

Does this conference report fix this problem we have with the WTO? Well, according to the Republican leadership it does. But according to press accounts, the European Union is hinting this legislation may not accomplish its goal; and, if true, the sanctions on American exports will not be lifted.

Mr. Speaker, there was a better way to do this, and I am disappointed that the Republican leadership took the hard way out of what should have been an easy problem to fix. But while this conference report should be about eliminating the WTO sanctions against American corporations, it is really about the tax breaks and other goodies provided to special interests.

This conference report gives tax breaks to various corporate interests.

There are 276 separate tax breaks that benefit everyone from restaurant owners to foreign gamblers. Provisions like the one that will help native Alaskan whalers were inserted to help vulnerable Members in the other body win reelection. Home Depot and General Electric, two companies who have donated large sums of campaign funds to the Republican Party, get significant tax breaks in this bill.

Mr. Speaker, this conference report should not be used to reward corporate contributors. This is no way to do tax policy. We can and we should do better.

Now, if that were not bad enough, Mr. Speaker, several provisions that actually do help average Americans, which were included in the other body's version of this bill, were stripped out by Republican leaders. When the Republican leadership had a chance to actually do something good for a change, they turned away and ignored the needs and concerns of everyday Americans.

Included in this conference report is a bailout for tobacco farmers. This provision will provide \$10 million to financially vulnerable tobacco farmers in tobacco communities. These funds would come from an assessment on tobacco companies, not from taxpayers.

While this bailout provision is important to a small segment of the American population, the heart of the amendment adopted by the other body was FDA regulation of tobacco. The Senate amendment would give the Food and Drug Administration the broad authority to regulate the sale, distribution, and advertising of cigarettes and smokeless tobacco.

We know that each day, 5,000 children try their first cigarette; that 2,000 children will become daily smokers, and nearly 1,000 will die prematurely from tobacco-induced diseases. The other body included this language as a bipartisan amendment adopted by a vote of 78 to 15. But instead of supporting this bipartisan amendment, the Republican leadership stripped FDA regulation from this conference report, leaving only the tobacco bailout.

By stripping out FDA regulation, we continue to leave our children vulnerable to the dangers of tobacco. This is unconscionable, and I am disappointed by the Republican leadership's action.

During debate on the other body's version of this legislation, two amendments were adopted to block President Bush's overtime regulations that recently went into effect. These regulations are yet another nasty attack by this administration on American workers.

Mr. Speaker, we all know that these overtime regulations will deny six million workers overtime protection. The House has voted against these regulations twice, and the other body has voted against it three times. These overtime cuts are pay cuts. When workers lose their overtime pay protection, employers force them to work longer hours for no extra pay. That is wrong.

Protecting the 40-hour workweek is vital to protecting the work-family balance for millions of Americans in communities in all parts of this Nation, and I am disappointed that the Republican leadership did not stand up to the corporate interests and support these two amendments. Instead, they caved to pressure from their corporate friends and allowed these misguided regulations to continue to stay in effect.

Finally, Mr. Speaker, I must express my extreme displeasure with the Republican leadership for stripping out the provision that would provide tax relief to every company in business that voluntarily makes up the difference in income to an employee activated in the National Guard or Reserves. This provision would also have provided support to those same companies to train temporary companies to fill the jobs left vacant by active duty employees.

The gentleman from California (Mr. LANTOS) and I attempted to offer this amendment during the debate on this bill when it was considered in June, but the Republican leadership denied us the opportunity to offer that amendment to the bill. However, a similar amendment offered by Senator LANDRIEU was adopted.

During this time of national emergency, when members of the Reserves and Guard are serving extended deployments in Iraq and Afghanistan, it is vital that the Congress provide help to the hundreds of small businesses suffering from long-term vacancies or the families whose loved ones have been activated for service in Iraq and Afghanistan. But instead of showing a little compassion, instead of doing the right thing, instead of standing with the troops, their families, and their hometown communities, the Republican leadership in both Chambers stripped this provision from the final bill.

Mr. Speaker, it is truly a sad day when this body turns its back on those who are fighting for this country.

Mr. Speaker, I urge my colleagues to join me in opposing this conference report. We need to draw a line in the sand when it comes to corporate giveaways and legislative sweeteners like the ones written into this conference report. It is time we say enough is enough.

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

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

Mr. Speaker, I was listening to the gentleman from Massachusetts. He said draw a line in the sand. I am willing to bet, by the time we complete our vote on the bill, the underlying legislation, it is going to be quicksand, because I think it will have bipartisan support not only in this body but the other body.

I guess it is okay to come on the floor and see just a half or a quarter of what the legislation does, but you cannot write history over again. The fact

is, earlier the gentleman from Massachusetts and I had the opportunity to bring back to the floor from the Committee on Rules a same-day resolution. It was passed by this honorable body and we are now having the underlying legislation brought down, the conference report, to be considered here.

So the will of the House was done today by a vote which allowed the bringing of this bill to the floor. It seems that this is a similar situation to a discussion we had earlier on the rule on this same-day legislation, and that was in reference to the Crane-Rangel legislation. I just must remind us again for the record in the rules debate we are now having that while my colleagues continue to talk about Crane-Rangel, many of the provisions that were in the legislation offered by the gentleman from Illinois (Mr. CRANE) are incorporated in the parts of this bill in the conference report. I also note that the gentleman from Illinois (Mr. CRANE) has signed this conference report as a conferee.

Mr. Speaker, I also want to remind my colleagues that it has bipartisan support, as the conferees deliberated on only those things that were in the House bill or in the other body's bill as a final product of the conference report. The minority leader of the other body has signed this as a conferee.

And there is good reason why it has bipartisan support. But before we discuss that, we might look back at the reality of what the chairman of the Committee on Ways and Means said earlier today in the previous rule which helped to bring this one to the floor. He said in order to have bipartisanship, it goes two ways. Sometimes we lose track of that, as it was extended by the chairman of the Senate Committee on Finance version, of having amendments offered from the conferees and then considered, as is done in the Senate Committee on Finance.

Before we conclude on what is in the bill through the eyes of my colleague from Massachusetts, let us be reminded that this legislation addresses help for exporters, where the European Union has imposed a penalty tariff of 12 percent on more than 1,600 categories of U.S. exports. And unless the U.S. Congress acts, the European Union will continue to increase that penalty tariff by 1 percent every single month until it reaches 17 percent.

Mr. Speaker, that affects Wisconsin's cheese, Florida's oranges, California's lemons and limes and other farm products which are subject to that penalty tariff; and U.S. manufacturers of jewelry and steel and tools, glass, toys, and clothing, and other products subject to the penalty tariff.

I keep hearing, Mr. Speaker, we have a plan for the middle class. Well, when I look at small business, that is middle class, on Main Street USA. This bill extends and enhances section 179 expensing for 2 additional years, so small businesses can write off the costs of their investments up to \$100,000 annu-

ally. Partnerships and S corporations receive a deduction for domestic production activities. It offers S corporations ten reforms providing \$1.2 billion in tax relief, and it provides for faster depreciation of leasehold and restaurant improvements on those mom-and-pop shops all through USA Main Street.

When we look at our farmers, Mr. Speaker, the impact of what has been done in this bill on the deduction for domestic production activities extended to farmers as well as to agriculture and horticulture cooperatives, it deals with AMT relief for farmers and fisherman who income average. It extends an ethanol subsidy for those under current law through 2010, thus improving farmers' incomes. It ends double and triple taxation of farmer cooperatives. It provides capital gains tax relief when livestock is sold and replaced on account of drought or other weather-related disasters. It extends capital gains treatment on outright sales of timber.

Mr. Speaker, on domestic manufacturers, the bill provides companies, farms, and small business with \$76.5 billion, that is with a "B," \$76.5 billion in stimulative tax relief through a deduction for income tax attributed to production activities in the United States. More tax relief is provided for businesses with proportionately more U.S. production operations. The deduction is available for domestic production activities only, and the deduction is limited to 50 percent of the wages paid to workers in America. The bill does not move jobs overseas.

And for those who do not have income tax, something that I live with in New York, Mr. Speaker, H.R. 4520 allows taxpayers, especially those in Nevada, Wyoming, the State of Washington, South Dakota, Texas, Alaska and Florida, to deduct their sales taxes because they do not pay income tax.

And ending the tobacco quotas, I have seen tobacco States where it is clear that the message of opportunity of offering tobacco farmers, including those in Florida, Georgia, South Carolina, North Carolina, Tennessee, and Kentucky, a fair buy-out to end the quota system.

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Mr. Speaker, this is a tremendous opportunity for middle America to get a tax break and to continue stimulating our economy.

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

Mrs. BLACKBURN. Mr. Speaker, I rise to support the rule, and I also want to commend the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), for his excellent work, the work of the Committee on Rules and also to commend the conference committee for their good work on this issue.

This is a fair rule. It is a good conference report. And it is time for us to

take action on this. The issue that we have before us is about tax fairness, it is about equity, and it is about jobs growth. Mr. Speaker, as I was listening to my colleague from across the aisle talk about tax cuts, you would think that they think that the tax cuts are bad, that reducing the tax burden on the American citizens is a bad thing to do. I am here to tell you from my constituents in Tennessee, reducing that burden is a very good thing to do. It is something that the jobs growth bill does. And so I do rise to enthusiastically support it.

There is a provision in this bill that is of great importance not only to my constituents in Tennessee but to 55 million Americans. As we were hearing from the chairman, he mentioned this was help for farmers, help for Main Street, and help for Main Street is what I want to talk about, because restoring the deductibility of sales tax to the Federal income tax filing for those of us that are in States that do not have a State income tax, that choose to fund our State governments by sales tax, that is an issue of tax fairness.

It is also a way to help out Main Street and provide an economic boost that is truly needed in our communities. This is a provision also that is very important to thousands of female-owned small businesses: increasing expensing, leasehold provisions, deductibility of sales tax that provides more traffic on Main Street for our thousands of female-owned businesses. This is a very positive move.

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

I just wanted to comment on some of the words of my colleague from New York (Mr. REYNOLDS) who read very well from the Republican talking points on this bill. I would say that if we followed the rules of this House and he actually had the 3-day layover to actually read what was in this bill or what was not in this bill, he would have noticed that this bill actually undercuts the will of the House and the other body with regard to President Bush's nasty overtime regulations which was removed from this bill.

He would realize that the Republican leadership stripped out a provision that would provide tax relief to every company and business that voluntarily makes up the difference in income to an employee activated in the National Guard or Reserves. I think he would see that of the 276 separate little provisions that benefit special interests, makers of bows and arrows, tackle boxes and sonar finders and even importers of Chinese ceiling fans, let me say to my colleague from New York that I think those who are serving in our National Guard and Reserves and those businesses that are struggling as those brave men and women are fighting overseas in Afghanistan and Iraq, I think they are more important, quite frankly, than Chinese ceiling fans. I think they deserve a bigger break than makers of bows and arrows and tackle boxes and sonar fish finders.

That is the complaint here, that this bill is filled with special goodies for people who do not need it when in fact some of the people who need it most do not get anything. What is even more frustrating is the fact that people are going to vote on this bill today, this conference report, when it was just brought before us today, breaking the rules of this House, waiving the rules of this House where we are supposed to have 3 days to know what is in it.

Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. RANGEL), the coauthor of the Crane-Rangel bill.

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

Mr. RANGEL. Mr. Speaker, I want to thank my friend and colleague from New York (Mr. REYNOLDS) for sharing with us what is in this bill because the Members probably are still at their Web sites trying to figure it out.

The reason we are here right now is not to go into the substance of the bill but for me and others to try to encourage the leadership to kill this bill and do this the right way. There are 650 pages to this tax bill and 650 pages explaining the tax bill. This adds another 1,200 pages to the 6,000-page IRS Code that we have here.

We know that Members are supposed to have 3 days in order to find out what is in these 1,200 pages. That is difficult enough. The problem is the Members do not have the bill. They have no bills in their offices. But our friend from New York (Mr. REYNOLDS) has said not to worry, the government has bought them Web sites to find out what is in the bill.

I want to say to those that may be interested in what is in the bill, since when you go home people may ask you, tune into wayside and share with Members of this august body what is in this bill we are going to vote on. We would like to have had 3 days to have looked into this. But the Republicans do not have 3 days to give us. We would have liked to have used the rules of the House, but they say we have to have martial law. I guess it has something to do with combat, but they have put martial law to the House of Representatives, denying us the opportunity to do anything but to look at the Web site.

Why are there so few Republicans and Democrats on the floor? Lack of dedication? Not wanting to understand this complex piece of legislation? No. They are at their Web sites. So, Americans, stop what you are doing now, go to [waysandmeans.house.com](http://waysandmeans.house.com) so when we come home and share with you the good things we have brought to you, the fact that you do not have to totally rely on the Internal Revenue Service, we will have the private sector collectors helping us out. It is on the Web site. And, of course, if you are in tobacco, bully, \$10 billion you get it, smoking goes up; but if you manufacture you are in a good business.

What about these charities that they ask you to give cause to? No, not in this tax bill. I do not know how to tell you to get that on [waysandmeans.house.com](http://waysandmeans.house.com), but it is there. But if you are into pro sports teams, if you are into race track cars being depreciated, if you are foreign, of course, and you are into horse racing and dog racing and gambling, then go to [waysandmeans.house.com](http://waysandmeans.house.com).

If you really want to find out what we are trying to correct, and that is the tariff and sanctions that have been put on us by the World Trade Organization, we are not certain yet whether we covered that, but when Santa Claus sees the sleigh coming, he wants to pile up on it. So the little part that this bill was supposed to take care of, we hope that they did that. But for the rest, the lobbyists that really believe that before this election they have to show their appreciation to those people who put the bill together, well, they do make out from what I understand.

I will not be able to speak too much about this. I was in the conference, and then they put the Senate piece together with the House piece. Therefore, I did not sign it because I did not know how it was all going to come together. But I said, I will wait and see what they have done. But guess what? It was not until 12:15 that they brought the 1,000 pages to my desk. So I immediately went out and I said, but it is not just for conferees, there are other Members here, there are Democrats and Republicans.

And what do they tell me? Tell them to go to [waysandmeans.house.com](http://waysandmeans.house.com).

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Ms. HARRIS).

Ms. HARRIS. Mr. Speaker, I rise to enthusiastically encourage my colleagues to vote for the rule this evening for the conference report on H.R. 4520. Once again the U.S. House of Representatives has risen to the occasion and placed job creation and tax fairness over simplistic rhetoric. For far too long the Federal Tax Code has permitted the residents of States with income tax to deduct their State burden while discriminating against Florida and other States who choose to rely upon sales tax. I commend Chairman THOMAS and the House majority leadership for their leadership in crafting compromise legislation that has attracted significant bipartisan support.

H.R. 4520, the American Jobs Creation Act of 2004, creates tax fairness for Floridians by allowing individuals, not just corporations, individuals who pay State and local taxes to have that deductibility. This will create jobs in Florida through its repeal of tax rules that have led to escalating European retaliation against U.S. exports and through its inclusion of offsetting tax relief for domestic manufacturers, producers, farmers, and small corporations. The sales tax deductibility will provide a direct economic boost to our consumers, especially middle-income families.

In closing, it is not only an issue of fundamental tax fairness; it is also an economic stimulus that will create jobs and improve the lives of 55 million Americans living in State income tax-free States.

On a personal note, Florida has been devastated by four hurricanes, three of which have crossed my district. This bill is going to be so important to those Floridians who will have a chance once again not only to rebuild their lives and their homes but a shot at that economic viability and restoration. I urge its passage.

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, the gentleman from Florida (Mr. HASTINGS) will control the time.

There was no objection.

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

The previous speaker, not the gentlewoman from Florida but the distinguished ranking member from New York, when speaking commented as to the site that could be viewed by one who was interested, and he said it was [waysandmeans.house.com](http://waysandmeans.house.com). I have been instructed that it was [waysandmeans.house.gov](http://waysandmeans.house.gov). It is kind of catching up here, sort of like Vice President CHENEY. You know, we can make those mistakes sometimes.

Mr. Speaker, I am pleased to yield 3 minutes to my good friend, the distinguished gentleman from New Jersey (Mr. ANDREWS).

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

Mr. ANDREWS. I would like to thank my friend for yielding me this time.

Mr. Speaker, if you had a leaky faucet and your plumber told you it was going to cost \$150 to fix the leak, you would not go out and put a \$100,000 second mortgage on your house. That is what this bill does. We had a \$4 billion problem, a very real and serious problem with respect to trade with our European allies and trading partners. What we now have to fix that \$4 billion problem is a \$140 billion raid on the Treasury.

I know we are going to be told that this bill is paid for. That is an incredible fiction, it is a delusion, because most of the way this bill is paid for is to assume that the tax breaks that are enacted in this bill will be repealed in a couple of years when they expire. You could make a fair amount of money if gambling were legal betting that that would not happen and it will not happen.

It is bad enough that we are going to reach into the Social Security trust fund again and we are going to reach out to foreign creditors again to borrow the money for these tax breaks; but when you look at what they are for and what they are not for, the bill becomes even more odious. What they are for in large part, \$42 billion worth of tax breaks for American firms to support their overseas operations.

I want to repeat that. At a time when virtually everyone except apparently the Secretary of Labor thinks that the outsourcing of jobs is a major problem in this country, this bill is going to borrow \$42 billion to reward American companies for creating jobs outside of the United States of America. That is pretty bad. What makes it even worse is the choice that this bill makes not to do as the gentleman from Massachusetts talked about a few minutes ago. There was an effort in this bill to provide tax relief for employers who voluntarily pay full salaries to members of the National Guard and the Reserve serving in Iraq and Afghanistan. So an employer who voluntarily says that he or she is going to keep paying a Guardsman or a Reservist while he or she is overseas was going to get some help. That was taken out of the bill. What was left in was the tax breaks for the sonar detection of fish.

I have a suggestion, Mr. Speaker, that the sonar detector would very clearly detect a fish here. It is a rotten fish. It does not smell very good at all. This is a bill that borrows money for the wrong reason. The rule should be amended so we could fix these problems in the bill. I oppose the rule and would urge my colleagues on both sides to do so.

□ 1930

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

I listened here, and I have just got to remind people that it is very clear this resolution is revenue-neutral, so it is not going to impact the deficit. Second, I listened to my colleague from New Jersey as he talked about jobs overseas and everybody getting a benefit, and I have just got to remind, again for the record, although we put it on in the previous rule, that nothing in this bill moves jobs overseas. More tax relief is provided for businesses with proportionately more U.S. operations. The deduction is available for domestic production activities only. The deduction is limited to 50 percent of the wages paid to workers in America. Income attributable to outsourcing does not benefit. Overseas operations of multinationals does not benefit. New taxes are imposed on expatriated entities.

The international tax reforms in the bill would not lead to the movement of jobs overseas, as many Democrats claim. In fact, these provisions would reduce double taxation on companies, thus encouraging them to keep their headquarters in the United States.

This conference report has bipartisan support, including the minority leader of the other body.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), who is an expert on the Committee on Ways and Means.

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

I rise in strong support of the rule and the underlying conference report,

the American Jobs Creation Act of 2004.

This bill is urgently needed and long overdue. We must send this bill to the President as soon as possible. Each month that goes by means another tax increase on American manufacturers and another job being pushed overseas. Right now the World Trade Organization is slapping 12 percent tariffs on dozens of American products. These tariffs are directly impacting the bottom line of my industries in my home State of Michigan like glass, agriculture, and paper. When a company's bottom line is hit, a family's bottom line is hit.

The conference report underlying this rule will end the WTO sanctions and enact meaningful reform and simplification of a tax structure that has not seen change in decades. Not only will this legislation repeal the 12 percent tariffs, but it will give U.S.-based manufacturers a 3 percent rate cut that will allow them to better compete with their foreign counterparts and give them the flexibility to start hiring again.

I want to remind my colleagues that the United States has the second highest corporate tax rate in the industrialized world. While Ireland is at 12.5 percent, Korea at 29.7, Britain at 30 percent, the United States businesses are saddled with a 35 percent tax rate. We lead the world in terms of productivity and efficiency, but we need to begin to erase the serious disadvantages the tax code places on American companies. Our workers and entrepreneurs can compete with anyone, but it is time we stop asking them to do it with one hand tied behind their backs.

Mr. Speaker, these tariffs are punishing our small businesses and manufacturers. We need to end the sanctions immediately. This bill is about helping American farmers, manufacturers, small business owners, and relieving the United States from its dependence on foreign sources of oil.

I urge support for the rule and support for the underlying legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 4½ minutes to the distinguished gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, a new report indicates that 275 giant, multinational corporations have been paying taxes over the last 3 years at an effective rate which is actually less than the marginal rate, for a family making \$35,000 a year. Over this same period, eighty-two companies paid zero or they got a refund in federal income taxes in at least 1 of these 3 years. These giant, multinational corporations are paying less than an insurance agency on East 7th in Austin, Texas; they are paying less than a used car dealer on South 23rd Street in McAllen, Texas or a cafe on Cage in Pham, Texas. They are paying less than hardworking families across this country trying to make a go of it, but having to bear much more than their fair share of the Federal tax load.

But as if that were not outrageous enough, tonight, this Congress is about to pour more largess on those same multinationals that are not paying their fair share.

Let me give some specific examples. Exxon Mobil down in Texas: Exxon Mobil received \$4.3 billion in corporate tax subsidies over the last 3 years, yet they stand to share in something like ten times that much in this bill. About a third of the cost of this \$140 billion corporate tax bonanza will reward companies like Exxon Mobil for moving more jobs overseas.

Of course, they are a key part of the lobbying coalition that produced this bill. And at the top of the list of that lobbying coalition is General Electric. General Electric has done pretty well under the federal tax system. They have had profits of nearly \$12 billion over a 3-year period. In 2002, it paid zero federal income taxes. Instead, it got \$33 million back in a refund check, a little bigger than that small business or that family with \$35,000 a year is likely to get when their refund comes, if it does. But General Electric has added new meaning to their motto "We bring good things to life." In this bill those "good things" are billions in tax breaks for GE—the top recipient of tax benefits from this bill.

One after another these multinationals are being rewarded in a bad corporate grab bag bill that is being pushed through here at the last minute. What is happening here gives new meaning to Leona Helmsley's infamous comment that "only little people pay taxes." The "little people" of America are the ones being left to pay the taxes when bills like this are passed that allow those at the top to dodge their fair share of taxes.

In addition, these same corporations will use the benefits that they get out of this bill to just export more jobs overseas. There are 24 separate provisions in this bill that deal with off-shore operations by multinationals.

We have, therefore, a bill that is tragic in both its gross size and in its encouraging even more jobs to be shipped abroad. It outrageously shifts yet more of the tax burden for our national security and our homeland security to the small businesses across America that are the focus for growth in our economy and to the working families of America that cannot hire a bevy of lobbyists and a fleet of limousines to come to Washington and do the things that are necessary to get the kind of special treatment that is being rewarded here tonight.

And there is another great example. The \$10 billion "buyout", as they call it, of tobacco farmers. Yes, it is a buyout that does not buy them out of anything, since they can keep producing just as much poison as they were before they were bailed out, which is what this bill really represents. The true effect of the bill is to reward big tobacco with cheaper tobacco with which to entice and addict even more of our children.

With one horrible giveaway provision after another, this bill must be flavored before it can be swallowed. For the folks in Texas and several other States that flavoring is a short 2 years in which they can deduct their sales taxes. I am all for that; I have voted to make such deductibility permanent. But when somebody is putting a dollar in one's hand, you need to consider whether they are swiping the wallet out of your back pocket. And that is exactly what this bill does. It is a very high price we are asked to pay for too modest of a benefit.

Indeed, this is the very kind of bill that causes Americans to become cynical about the legislative process and to feel their government is failing them because tonight it certainly is.

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

I do not know about everyone, but I know that a number of my colleagues on both sides of the aisle, the fact that H.R. 4520 allows taxpayers, especially those in Nevada, Wyoming, the State of Washington, South Dakota, Texas, Alaska, and Florida, to deduct their sales taxes is one that just brings about an opportunity for everyone no matter what their tax bracket is at. But let us not forget, while we kind of rant and rave about all the different aspects of domestic companies that will see taxes decrease, this thing is targeted right into middle America, whether it is on Main Street, USA, or in the fields of America or in those manufacturing plants of our communities, because this is about taking care of small business, our farmers, and small manufacturing.

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

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

We will hear a lot of demagoguery tonight and some just downright nonsense, but this is a beautiful thing if we look at the bipartisan coalitions that came together to bring this about. And as a representative from the great State of Tennessee, we are very pleased that farmers and growers of tobacco can finally move on after suffering for so long with the inequities that they have and that we are one of those seven States where sales tax is where most of our revenue comes, but there has not been any deductibility for 18 years of sales tax; and yet we do not have an income tax, and our sales tax is almost 10 cents on the dollar.

I thank the distinguished gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, who worked in a very fair manner with Members from both sides of the aisle. There was a lot of involvement here. And to the gentleman from upper east Tennessee (Mr. JENKINS) for really carrying this tobacco settlement through. The Senate spoke. The House spoke. We worked it out, and frankly, the tobacco companies now have to step up and put the money up to do this so that the growers and farmers

are not penalized anymore in the tobacco business.

But this sales tax equity is a beautiful thing. Politics is the art of the possible, and I am encouraged tonight that, even though it is near the end, there is almost an election here, people from both sides have worked together.

I commend the gentleman from Washington (Mr. BAIRD) for carrying his sales tax issue and bringing a coalition today. The gentleman from Texas (Mr. BRADY) was the champion. And the gentleman from Texas (Mr. DELAY), our majority leader, really helped us bring this about. And it is right for all of the people of this country because it really affects all 50 States, not just the seven States that have sales tax, because every State has the option of taking the income tax deduction or the sales tax deduction. This is good for America; \$635 million of economic impact on the tobacco settlement alone for my State. That is important.

We need to support the rule and pass the bill.

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

Mr. Speaker, the gentleman from Tennessee (Mr. WAMP) mentioned it is almost an election year. Judging from all the special goodies that are in this bill, it is an election year.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

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

Mr. SHERMAN. Mr. Speaker, I tell my colleagues, please do not listen to this speech unless they are from California.

As Californians, we, of course, care that this bill will hurt America because it encourages the export of jobs and increases the federal deficit. But we care perhaps even more that it is the most anti-California tax bill in history. If one is from Texas and they pay sales tax, they can deduct that under this bill. But if they are from California, they pay a higher rate of sales tax, and under this bill, they get no deduction.

The bill contains some loophole plugs for corporations doing funny things overseas, but then it provides exemptions for four specific corporations, four Houston-based corporations.

Our kids are dying from tobacco. This bill contains \$10 billion for tobacco farmers, and of course, not one penny of that is going to a Californian. But what we were supposed to get out of it is FDA regulation of tobacco to save some of our kids. Well, they stripped that out of the bill so the FDA will have no power to regulate tobacco, just \$10 billion goes to the tobacco farmers.

This is an export promotion bill, or so it claims. California is the number one export State. The entertainment industry, based in our State, is the number one export industry. Surely,

there must be something in it for California. And indeed, there is: \$1 billion and more of tax increases on America's number one export industry, the entertainment industry. Why is that? Are the authors anti-California? Perhaps more, they are anti-Democrat. The Motion Picture Association hired a Democrat, Dan Glickman. In doing so, they failed to abide by the pay-to-play corrupt rules of tax lobbying. So this is a corrupt anti-California tax bill.

I invite my fellow Californians, 20 of them from the Republican side of the aisle, to come on down and vote for this bill and then go to the Republican club and root for the Cardinals against the Dodgers.

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

I need to help the gentleman from California understand, particularly for his State, as I understand this legislation, it is designed for States like California and New York that have income tax, that they can deduct either the sales tax or the income tax, depending on how the taxpayer may choose which one they want to make for the deduction.

□ 1945

The States that I previously read that do not have an income tax, it allows them to use a sales tax deduction as an opportunity to participate. So let us not lose sight that the taxpayer has an individual option. So I believe that, helping the gentleman who was the previous speaker from California understand that, it is a more correct provision of what we outlined.

I also want to remind my colleagues that I believe, as he talked about giveaways and some of the other things, the motion picture industry, which hales greatly from his State and much less from our's, to the dissatisfaction of my colleague the gentleman from New York (Mr. RANGEL) and me, is the fact there are three tax provisions inside this bill that assist the motion picture industry. If he considers those assistance, I do not find how he can take some of the other parts for corporations and call them giveaways. Each would look at what those provisions might mean in their respective categories.

Let us not lose sight that this goes right after taking care of middle-class America, with helping our small businesses, helping our farmers, helping our small manufacturers, and making sure it all is accountable to domestic production and opportunity.

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

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. LYNCH).

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

Mr. Speaker, I rise today in opposition to the conference report for H.R. 4520, the so-called American Jobs Creation Act.

There has been a lot said here tonight, but if I could simply point out three numbers: One, this was intended to fix a \$4 billion problem, a real problem of tariffs that were going to be asserted against us by the EU because of violations or noncompliance with international trade agreements. But instead of fixing a \$4 billion problem, we now have a bill before this body that costs \$140 billion, \$42 billion of which go to special interests.

Mr. Speaker, this country really does need a true jobs bill, but this is a snow job bill. This is what we would call in my neighborhood a snow job bill. I cannot believe some of the people getting up on this floor tonight with a straight face and saying that this is good for America. That is truly unbelievable.

Politics is the art of the possible, but tonight it is politics is the art of the unbelievable. It is simply unbelievable, what I am hearing tonight.

Some politicians in Washington claim things are getting better here, but we have got to really ask ourselves, are they really? Just this past August, we had 8 million people unemployed in this country, 40 million people without health insurance, and we have a bunch of companies in this country being convinced to ship their jobs overseas.

While the conference report before us calls itself a "jobs act," in reality it does little to address the unemployment numbers in this country. Instead, we have 276 separate tax breaks for corporations who are being actively encouraged and being encouraged by our Tax Code to ship American jobs overseas. That is the truth. And even worse than that, the conference report strips out language that would have provided incentives to companies for keeping jobs here in the United States. That is the truth. And beyond that, the conference report strips the Harkin amendment, which would have restored overtime pay rights for 6 million Americans. That should have happened in this bill. It has been stripped out.

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

Mr. Speaker, I read this in the RECORD so many times I can almost do it from memory, but I cannot allow the beating up of this legislation with misnomers or false or inaccurate viewpoints in the debate.

This bill does nothing to move jobs overseas. Nothing in this bill moves jobs overseas. I want to remind my colleagues that more tax relief is provided for businesses with proportionately more U.S. operations. The deduction is available for domestic production activities only. The deduction is limited to 50 percent of the wages paid to workers in America. The income attributable to outsourcing does not benefit. Overseas operations of multinationals does not benefit. New taxes are imposed on expatriated entities.

The international tax reforms in the bill would not lead to movement of jobs overseas, as many Democrats claim. In

fact, these provisions would reduce double taxation on companies, thus encouraging them to keep their headquarters in the United States.

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

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, I thank my colleague for yielding me time.

Mr. Speaker, I want to talk about a provision tucked into this bill that has not gotten a lot of attention, but it should grab the attention of anyone who cares about fair treatment of the American taxpayer.

I just take you back to 1998 when, in response to concerns about overly aggressive IRS collection tactics against individual taxpayers, this Congress, the House and the Senate, passed the IRS Restructuring and Reform Act. That act specifically prevented IRS agents and their supervisors from being evaluated or rewarded based on the amount of tax revenues they collect.

The reason for that was pretty simple and straightforward. We wanted to make sure that those agents treat taxpayers fairly and objectively. We wanted to make sure they did not have a personal stake, financial stake, in how much they collected and the outcome of disputes with taxpayers. We did not want to turn them into bounty hunters.

Well, take a look at this bill. This bill has a provision that will authorize private contractors and private debt collectors to go out and collect the tax revenues of taxpayers and get a commission on it. They get to pocket that tax money, and they get a commission based on how much they collect from the taxpayer, and that is money that goes into their pockets, not into the public Treasury to spend on the public good.

I do not think anybody in this body focused on this issue on either side of the aisle. I think it is going to be tough to go back home and explain how you unleashed these private debts collectors on the American taxpayer.

I will say, when the Treasury appropriations bill was on this floor just a few weeks ago, by a voice vote, this body said, we cannot spend money for the purpose of private debt collection. The body was right then, we were right back in 1998 when we passed the IRS Restructuring Act, and it is a mistake to reverse that policy and unleash private debt collectors on taxpayers and let them pocket the money, rather than have those funds go into the public Treasury for the public good.

The SPEAKER pro tempore (Mr. LATOURETTE). All time for the gentleman from Massachusetts (Mr. MCGOVERN) has expired.

The Chair recognizes the gentleman from New York (Mr. REYNOLDS).

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

Mr. Speaker, as we close, if you vote against H.R. 4520, you are voting against exporters, small businesses, farmers, domestic manufacturers, States without an income tax and for ending tobacco quotas.

Mr. Speaker, we are here today to create jobs. Our domestic companies currently face countless disincentives to job creation, including onerous taxes, over-regulation, high energy costs, frivolous litigation and spiraling health care costs. For manufacturers and small businesses and farmers that are the entrepreneurial backbone of this country, these obstacles diminish their ability to compete in the international arena.

We need to level the playing field. The underlying bill brings us closer than ever before to the equitable and competitive global marketplace that can propel our domestic industries into the 21st century.

Free markets and free enterprise are direct outgrowth of the freedoms that we hold dear. I urge my colleagues to embrace this spirit by supporting the rule and the underlying conference report.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 830, I call up the conference report on the bill (H.R. 4520) to amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service and high-technology businesses and workers more competitive and productive both at home and abroad, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 830, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of earlier today.)

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

(Mr. THOMAS asked and was given permission to revise and extend his remarks, and include extraneous material.)

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

Mr. Speaker, the U.S. economy has experienced robust growth in the past 12 months, and it can be largely attributed to the tax relief this Congress provided the American people in 2001, 2002 and 2003.

Today, we are considering H.R. 4520, the American Jobs Creation Act of 2004. We believe it will encourage further economic expansion and job creation by relieving sanctions and providing tax relief to America's job creators.

Mr. Speaker, the U.S. economy has experienced robust growth in the past 12 months—which can be largely attributed to the tax relief this Congress provided to the American people in 2001, 2002 and 2003. Today we are considering H.R. 4520, the American Jobs Creation Act of 2004, that will encourage further economic expansion and job creation by relieving sanctions providing tax relief to America's job creators.

Right now 12 percent sanctions are being levied on thousands of American products—like agriculture, steel and timber—because the World Trade Organization ruled that the FSC/ETI export subsidy is noncompliant. These sanctions are making U.S. products more expensive in overseas markets, which hurts America's competitiveness in the worldwide economy. H.R. 4520 will repeal the offending provision, bringing our tax code into compliance, thereby ending sanctions.

Repealing that provision without providing equivalent relief will amount to a tax increase on American businesses. To encourage further growth in the U.S. economy, the American Jobs Creation Act will provide tax relief to American manufacturers—including corporations, S corporations, partnerships and sole proprietorships. These American businesses will save nearly 10 percent on their income tax bills for manufacturing activities here at home.

Meanwhile, the international portions of our Tax Code are antiquated—they have not been updated in four decades. To help provide U.S.-based businesses with a more level playing field when competing against their worldwide counterparts, this legislation reduces double taxation and simplifies our complex international tax law.

The WTO ruling forced us to update our tax laws but also provided the opportunity to improve the tax code to encourage business growth; to close abusive loopholes; to update our antiquated international tax law for the first time in 40 years; and to make all of these structural improvements without increasing the deficit.

This conference report rightly enjoyed strong bipartisan support from conferees and I urge Members of the House to vote for H.R. 4520, the American Jobs Creation Act of 2004.

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

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

Mr. Speaker, well, we have been denied the opportunity, at least the Members, to actually see what is in these 600 pages of statute and another 600 pages to explain what they mean. But, once again, I would ask Americans to go to [waysandmeans.house.gov](http://waysandmeans.house.gov), because if the Members do not know everything that is in this bill, then maybe their lawyers would be able to tell them, because if this is what simplification is all about, we are going to have a pretty rough time filling out our taxes.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), the outstanding minority whip, to share his views on this complex piece of legislation. I have been advised he has been at this website all evening studying the bill.

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

am not sure who he is getting advice from, but I rise in opposition to this bill.

Mr. Speaker, like most of my colleagues, I agree that we must address the underlying problems with our international tax rules. We should have done that over a year ago. As a result of not doing so, as a result of simply delaying until we could get enough special interest provisions in this bill to get a majority for it, we have cost American manufacturers and exporters millions and millions of dollars.

But I must voice my opposition to the conference report, a product that has not improved with age. In fact, as it has been drawn out over time, it gets further and further away from the problem it was supposed to address.

There are more narrowly-crafted tax breaks in the conference report than when it left the House in June. There are fewer incentives to keep jobs in this country and just as many incentives that will continue to move jobs overseas, no matter how often they say that is not the case. Read the bill.

On the whole, the balance of this measure has absolutely nothing to do with fixing international tax rules, and were it not for some extraneous provisions that are vital in several States, I doubt that we would be debating this conference report now, because it would have never passed the House in the first place. Period.

So, once again, after a decade of rhetoric on tax reform and increased calls by leaders of the other side of the aisle for action on tax simplification, a product has been brought before this House that only serves to complicate and carve up the Tax Code even more. As a matter of fact, as the gentleman from New York (Mr. RANGEL) knows, in 40 months, we have expanded the Tax Code and regulations by over 30 percent. My, my, my.

That is why, of course, Joe Scarborough said when informed that he campaigned on the basis of tax simplification, he shrugged his shoulders and said, "We lied." That is what Joe Scarborough said.

U.S. Treasury Secretary Snow, U.S. Treasury Secretary Snow agrees, indicating earlier this week that its content "went far beyond the bill's core objective," which was to resolve a \$4 billion trade dispute with the European Union.

□ 2000

At a time of record job loss, especially in the manufacturing sector, Republican leaders rejected a bipartisan solution that could have passed well over a year ago, at far less cost to the country and without the delaying tactics that allowed 1 percent tariffs on our exports.

The SPEAKER pro tempore (Mr. LATOURETTE). The time of the gentleman from Maryland (Mr. HOYER) has expired.

Mr. RANGEL. Mr. Speaker, I yield 1 additional minute to the gentleman

from Maryland, but I want to advise the gentleman that when he suggests that we read the bill, that the bill has not been distributed to the Members.

Mr. HOYER. Then that advice cannot be followed.

To date, Mr. Speaker, business across this country have been harmed to the tune of nearly \$187 million, because the majority did not pass this bill last year, as they should have. After having ignored fiscal discipline for the last 43 months, the majority has miraculously rediscovered the principle of revenue neutrality, but are using gimmicks, phase-outs, and controversial revenue-raisers that punish working families, small business taxpayers, and charitable organizations to do so.

True, hidden among the largesse are a few deserving provisions. I would like to support those. But I cannot support this bill, which continues the path of extraordinary fiscal irresponsibility, which took us from a \$5.6 trillion surplus told that we had by George Bush back in March of 2001, to the time now when we have a \$3 trillion deficit confronting the children and grandchildren of this country. How sad the performance. How ill-timed and ill-conceived this legislation.

Mr. THOMAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Speaker, I am pleased that the gentleman from Maryland has, in essence, kicked off the debate, because he indicated that since we did not operate on his timetable, that there is a 12 percent assessment imposed as sanctions, and basically shamed us for not moving sooner. If my colleagues did not pay attention to what he said during the remainder of his speech, what he said was, if it was up to him, the sanctions would stay in place, because he is going to vote no on this conference report, which means the sanctions would go up to 17 percent, which means all of the burdens that he described would be even greater. He wants it both ways. He wants to criticize for not moving, but he does not want to help to solve the problem.

I am pleased that in the conference, there were a lot of people who wanted to help, especially on the Senate side. There were 23 Senators; 17 of them voted to support the conference report. Six of them were Democrats. Three-quarters of the Senate conferees support this measure, a majority of the gentleman's own party in the Senate.

On the House side, of the 17 conferees, two-thirds of them supported the conference report. So an overwhelming majority of the conferees urge a yes. The gentleman from Maryland lambasts Republicans for not getting it done, but will not help solve the problem. That, I think, is a theme we are going to hear repeated over and over again on the other side: you folks did not do it right, but we are certainly not going to help. What a message.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on

Trade, and let me say that without his yeoman work, we would not be here today.

Mr. CRANE. Mr. Speaker, I thank the distinguished chairman for yielding me the time, and I rise in strong support of the American Jobs Creation Act. This important legislation will end EU sanctions against our exporters, which is harming U.S. workers while delivering much-needed tax relief to America's job creators.

In April 2003, with U.S. exporters facing EU sanctions, I introduced bipartisan legislation that repealed WTO illegal provisions in our Tax Code, while simultaneously lowering the corporate tax rate for domestic manufacturing from 35 percent to 32 percent. My goal was simple: to make sure that U.S. manufacturers can compete on a level playing field with our foreign competitors.

H.R. 4520 includes my legislation, which means that every U.S. manufacturer will see their taxes reduced by 3 points. That means more jobs here at home, and at great Illinois companies like Boeing, Caterpillar, Abbott Labs, Motorola, Baxter, and Brunswick.

In addition, this legislation contains a number of provisions I have long worked on passing that are very important to my home State of Illinois. For instance, hundreds of small businesses in my district will be able to take advantage of provisions I have authored to allow them to deduct up to \$100 for the cost of new equipment every year. The life insurance industry, including Allstate, which employs some 3,500 of my constituents, will benefit from the repeal of policyholder surplus accounts; and Lake County Partners, which helps businesses transform opportunities into success, will benefit from a provision I have championed allowing States to expand their small issue bond programs.

I would like to thank the gentleman from California (Chairman THOMAS) for working with me to include these very important provisions in the legislation that he has presented before us today.

Mr. Speaker, we certainly have traveled a long road in bringing this legislation to the floor, and I am glad to be here today in support of a great bill. I urge my colleagues to vote for the American Jobs Creation Act.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from Michigan (Mr. LEVIN), an outstanding member, a senior member of the committee.

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

Mr. LEVIN. Mr. Speaker, we needed to replace FSC, and the chairman knows that the gentleman from Illinois (Mr. CRANE) and the gentleman from Illinois (Mr. MANZULLO) and the gentleman from New York (Mr. RANGEL) and I introduced a bill over a year ago. It was before it was loaded up by this House with bills that have nothing to do with this issue. And I read from the

letter of Secretary Snow of October 4: "Both the House and Senate-passed bills include a myriad of special interest tax provisions that benefit few taxpayers and increase the complexity of the Tax Code." That is his letter: special interest tax provisions.

We have heard laudatory comments about major provisions, the small business expensing, the ethanol excise tax credit, that is agriculture; the State and local sales tax. I want to ask any Republican who signed the conference report, because these three provisions are sunsetted, will you come to the well and tell the people of this country that you will let the sunset occur. You will not do that.

What is really happening here is that these provisions are sunsetted in order to bring down the cost of this bill. In a real sense, it is not revenue-neutral. Do not say it. Those three provisions alone, \$35 billion, \$5.9 billion, \$25 billion, that is \$66 billion more are sure to continue. You laud them; you should have included the cost.

Let me say a word about another way that you brought down the cost, and that is you deferred the effectiveness of several of these provisions, including the interest allocation and the basket provisions. The effect of deferring them is that companies will keep their profits overseas longer, not bring them back home in order to gain the benefit of those tax provisions. In that respect as well as others, you are creating incentives for companies to invest overseas instead of the United States of America. This is a form of outsourcing.

The gentleman from New York (Mr. REYNOLDS) said that there are proportionately more monies here for U.S. producers. That is not true. The provision of proportionality was stricken from the Senate bill.

Also, when you put together the benefit under the so-called manufacturing provision, \$27 billion versus \$42 billion for overseas activities, even if that is what you mean by proportionality, there is an incentive here for operations overseas. In a real sense, not only special interest wins, so does outsourcing of U.S. jobs.

Mr. Speaker, we need to go back and do this right.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes and 15 seconds to a distinguished member of the Committee on Ways and Means, the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I wonder if the gentleman from California (Mr. THOMAS) might respond to a colloquy. I specifically have a question about how to interpret one of the rules contained in section 422 of the conference agreement.

Would the chairman please clarify what the rule that disallows deductions for expenses "properly allocated and apportioned to the deductible portion" of the dividend is intended to cover?

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Pennsylvania for his question.

The rule and the Statement of Managers upon closer examination, we believe, contain some ambiguity as to which deductions are disallowed. The intent of the rule is to disallow only deductions for expenses that relate directly to generating the dividend income in question.

Mr. ENGLISH. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, we have before us a conference report today that repeals the FSC/ETI regime and, while doing so, boldly strengthens our manufacturing sector. Passing this conference report will fulfill our duty to end the punitive job-killing tariffs that are being levied against American products.

Manufacturers in my home State of Pennsylvania are being hard-hit by the tariffs, and that is why ending the tariffs has been a top priority for many of us. The repeal of the export regime also provides us with an opportunity to enact pro-growth, pro-manufacturing policies, resulting in new and higher-paying jobs across the United States. This bill acts on that opportunity and significantly reduces the tax burden on manufacturers in the United States and begins to address the uncompetitive tax system U.S. employers are faced with.

Mr. Speaker, I particularly want to draw attention to one particular job-creating provision in this bill, which mirrors legislation I introduced and will lead to in-sourcing. This provision, known as the Homeland Investment Act, is one of the strongest stimulus proposals brought before Congress in recent years, and I think it is going to have a huge impact. It temporarily reduces the tax rate on foreign earnings of U.S. companies, when that money is brought back to the United States for investment here at home.

The billions of dollars that will be brought back will be used by American employers to hire new workers, invest in top-of-the-line equipment, and build new plants right here at home, instead of in the countries where their earnings are currently stranded. This is critical legislation to rebuild our manufacturing base.

Mr. RANGEL. Mr. Speaker, it is my great honor to yield 1 minute to the gentlewoman from California (Ms. PELOSI), our distinguished leader who has been a credit to our country and to this Congress.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank him for his great leadership on issues of importance to middle income Americans. The gentleman tried very hard to correct this problem in a way that would not decrease the deficit and would increase jobs in America but, unfortunately, that approach was rejected. I wish that we had a chance to vote on it today.

Mr. Speaker, in commending the gentleman from New York (Mr. RANGEL) for his excellent work on so many issues emerging from this committee, I deeply regret that we would not have the opportunity to take the approach he took, which the gentleman from New York (Mr. RANGEL) shared with the gentleman from Illinois (Mr. CRANE) for a long time.

The gentleman from California (Mr. THOMAS), the chairman of the committee, gave the gentleman from Illinois (Mr. CRANE) a dubious distinction by saying he did yeoman duties in bringing this bill to the floor, but this is a terrible bill for working families in America.

□ 2015

Please do not paint him with that brush. He really did try; but, unfortunately, he succumbed to the bad bill.

Mr. Speaker, I rise in opposition to this deeply flawed bill, and I thank the ranking member again for his steadfast leadership on behalf of our manufacturing sector.

This conference report is yet another example of the stark differences between Republican and Democratic priorities. We are faced with a simple problem caused by your trade sanctions, but Republicans are using a \$4 billion trade issue to pry open the door wide for special interests. This is a blatant example of corporate welfare, full of pork for the special interest. This is not, just as the expression goes, this little piggie goes to market. This is the whole hog lot goes to the public trough. The oinking is so loud the Republicans cannot even think straight.

If you listen closely you can hear those hogs oinking. Can you hear them?

That may be why at every step of this process Republicans have consistently made decisions that are against the interests of middle-income Americans.

The difference between the parties is clear. In our New Partnership for America's Future, Democrats pledge to create new jobs here in America. But Republicans under this bill are exporting jobs overseas. For more on the subject, I will follow the lead of the gentleman from New York (Mr. RANGEL) and say please visit [HouseDemocrats.gov](http://HouseDemocrats.gov) for more on the New Partnership for America's Future.

Can you believe this? In the past 3 years nearly half a million jobs have been shipped overseas. But instead of working to stop this hemorrhaging, this Republican bill tonight has in it tax incentives to export American jobs. Think about it. You are a U.S. taxpayer in a job. They are using your tax dollars to export your job overseas. In fact, as businesses around the country are hit with 12 percent tariffs on more than 1,600 products, Republicans have been holding this bill hostage so they could include 24 extraneous provisions that will create jobs overseas rather than here at home.

No, Mr. Speaker, our distinguished whip and I in criticizing this bill are not saying that the problem should not be corrected. We said it should be done right, not at the expense of middle-income Americans, not at the expense of increasing our deficit.

This bill includes a whopping \$42 billion in tax cuts for the foreign operations of U.S. multinationals. We all recognize the importance of multinationals to our economy, but we must face the facts. Many of those very same corporations pay no income tax whatsoever. Many of the multinational corporations getting tax breaks in this bill, pay no income tax whatsoever. And from 2001 to 2003, Federal corporate tax collections fell to their lowest sustained level in 6 decades, in 6 decades.

Democrats led by the gentleman from New York (Mr. RANGEL) pursued a bipartisan bill that was tailored to create good-paying jobs in the U.S. without sacrificing our long-term fiscal health.

The difference is clear. In our Partnership for America's Future, Democrats have made a commitment to fiscal responsibility and the gentleman from California's (Mr. GEORGE MILLER) pay-as-you-go. Republicans chose in this bill to spend as they please and then hide the true costs of their bill with expensive gimmicks. A convoluted combination of phase-in, sunset dates, changes in scoring rules mask the true cost of the bill and how it will constrict our choices in the future.

This conference report is being touted as revenue neutral. But, in fact, it will cost nearly \$80 billion over the next decade. The difference is clear. In our New Partnership for America's Future, Democrats put forth an agenda to support manufacturers and small businesses. In this bill, Republicans choose to give handouts to special interests. Please again visit us on [HouseDemocrats.gov](http://HouseDemocrats.gov).

Our manufacturing sector is struggling to stay competitive in global markets. The erosion of our manufacturing base is cause for serious concern in our country, but not in the Republican Party. Under the Bush administration, we have lost nearly 2.7 million manufacturing jobs. Despite this depressing fact, this conference report stripped language that would have given bigger tax cuts to companies that manufacture more of their goods in the U.S.

That was one of the gentleman from California's (Mr. RANGEL) provisions. They stripped from the bill a provision that would have given tax incentives to companies that manufacture more of their goods in the United States. The conference report also has broadly expanded the definition of manufacturing to include activities wholly unrelated to the manufacturing of goods and products.

Now, listen to this: the bill is riddled with special interest giveaways includ-

ing suspension of customs duties on ceiling fans and steam generators, tax deductions on bows and arrows, fishing tackle boxes and sonar devices, as well as tax incentives for other specialized industries. Even the Bush administration's Treasury Secretary has criticized the Republican FSC/ETI bill as including a myriad of special interest tax provisions that benefit few taxpayers and increase the complexity of the Tax Code.

How is that for an indictment? The choices that Republicans are making are clear, and it is clear that they are the wrong choices. The same Republicans who today will find enough money for their special interest giveaways have not found the funding to secure loose nuclear materials to protect the American people. They have shortchanged veterans health care by \$1.3 billion. They have underfunded No Child Left Behind by about \$9 billion every year, 9.4 billion this year; and they have broken their promises on Pell grants.

They have defeated a \$1,500 bonus for our brave men and women in uniform returning from Afghanistan and Iraq, 213 to 213. Every Republican who voted against that bonus is responsible for its defeat because it failed by one vote.

I urge my colleagues to make the right choice and defeat this job-exporting, budget-busting, special interest handout.

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

Mr. Speaker, the gentlewoman said "they" stripped from the bill. Well, who is they? How about six of the 10 Democrat Senators who were on the conference. The Democrats who were on the conference were the minority leader, the ranking member of the Senate Finance Committee, the ranking member of the Committee on the Budget, the Senator from Arkansas.

A majority of those Democrats support, signed a conference, and agreed with what we did. It seems to me that when the minority leader on this side describes "they," the world should know who "they" is.

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a distinguished member of the Committee on Ways and Means.

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

Mr. HAYWORTH. Mr. Speaker, I thank the distinguished chairman of the committee for yielding me time.

I too listened with great interest to the remarks of the minority leader who preceded me here in the well. Mr. Speaker, I think she offers ample evidence as to why she will remain the minority leader in this body unless she is involuntarily returned to the private sector where perhaps she can take up a career in writing more fiction. Although I would offer some friendly advice: it is probably not good to try to rewrite the Orwellian tale of "Animal Farm," but the valid theme rings true

here as borne out by my friend, the gentlewoman from California (Ms. PELOSI) the minority leader.

I guess in her mind some animals are more equal than others. Rather than an imaginary sound of a porcine species, perhaps if we listen closely, we hear the braying of the typical tired, shopworn refrain. The notion that somehow the highest and best use of the people's money is to be captured in the coffers of the government to offer this type of job growth. Job growth for bureaucrats, money always in the coffers being overspent. Not really accountable to the people but that for some of our friends is the highest and best use of the money for the American people.

And if there are businesses, be they small businesses, S corporations, partnerships, sole proprietorships, whatever category, why certainly they are part and parcel of some evil cabal of special interests. Certainly they exist only for greed and to rob the noble public treasury.

That is one vision of the future that was endorsed in this well by the minority leader. But a bipartisan coalition and majorities in both Houses rises to say no to that thinking with this, the American Jobs Creation Act of 2004 eponymously named, Mr. Speaker, because by reducing taxes, yes, even on corporations, we create more jobs. That is the key. Support the legislation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would advise all Members that, although it is not out of order to recite the content of the signature sheets by which the conference report was approved, parsing the votes of individual Senators, for example, by party affiliation or other characterization, goes beyond the factual descriptions permitted by the rule.

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

That was exactly what I was about to say, Mr. Speaker. They are telling us what is going on in this conference with those other people over there. What you should be telling us if this bill is so exciting for working people in America, why did you not give it to the Members to look at?

The distinguished gentleman from Oklahoma, he may not have a bill. No one else got a bill except we conferees, and I am not up to the 1,100th page yet. So all of the exciting things that you are hearing about what they finally put in the bill, I hope people go to [waysandmeans.house.gov](http://waysandmeans.house.gov) because none of the Members except the conferees have the bill. I do not know why they do not have the bill. But I suspect there are things in here that we are going to speculate that is in here and they will refer us to the problem page, wherever they are holding that bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), a great friend and a great legislator and a senior member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, let me just, if I can, respond to the remarks that the gentleman from Arizona (Mr. HAYWORTH) offered a moment ago.

You would have thought he was Robin Hood here at the well. He talked about the tax relief that they are giving to the little guy. The tax relief that this Congress has given now in terms of four tax cuts has overwhelmingly gone to the people at the very top of the income scale in America. But we have an obligation to object not only to the actions but to the rhetoric that was offered a few moments ago.

We are now fighting two wars with four tax cuts. The Republican Party says with a straight face that Social Security has got a problem, after they took \$2.2 trillion out of the budget during the next 10 years. Have a \$4.5 billion problem here with European Union and our other trading partners? Let us have a \$140 billion solution.

Do you know what that is the equivalent of? Using a machine gun to clean the wax out of our ears. That is how far-reaching this is.

Now, just here 3 years ago the gentlewoman from Connecticut (Mrs. JOHNSON) and a number of us were involved in what I thought was an entirely legitimate campaign to keep Stanley Works in America instead of reincorporating to Bermuda. Well, Stanley Works decided to stay in America. I was reminded of it the other night as I came through the airport in Windsor Locks, Connecticut. Stanley Works, New Britton, an American address.

What does this legislation do to one of its competitors? You grant them a permanent grandfather clause so that they can stay in a foreign tax haven and not be assessed the same obligation that that company that we fought valiantly to keep in America, to keep an American address, is assessed.

□ 2030

My Dad used to have a great line when I was a child when he saw something that was outrageous. He used to simply say, At least Jesse James had enough honor to wear a mask.

What we are seeing here tonight is another giveaway. They are pushing jobs offshore, and what do they wrap themselves in? Patriotism. This is all we hear from them is the line about patriotism, and then we witness the arguments and its aftermath and we know what it is going to be in terms of this argument some sense of justice?

Well, the news media is going to go through this legislation over the course of the next couple of weeks because we all know tonight we would not have a chance to go through the legislation. Heaven forbid that the minority might have an opportunity to look it over, and then the media is going to pick it apart and they are going to look back and say, who was watching in the House?

This is a bad piece of legislation. I close on the remarks I opened with, we

are fighting two wars with four tax cuts.

Mr. THOMAS. Mr. Speaker, might I inquire the time remaining on each side?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California (Mr. THOMAS) has 21½ minutes remaining, and the gentleman from New York (Mr. RANGEL) has 17 minutes remaining.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Virginia (Mr. GOODLATTE), the chairman of the Committee on Agriculture, a member of the conference committee, for the purpose of engaging in a colloquy with the ranking member of the House Committee on Agriculture, a member of the conference.

Mr. GOODLATTE. Mr. Speaker, I thank the chairman for the time, and I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank my chairman for yielding.

Mr. Speaker, the bill provides financial assistance for producers in return for the termination of tobacco marketing quotas and related price support. For kinds of tobacco other than flue-cured and burley tobacco, the payments to producers will reflect "the basic tobacco farm acreage allotment for the 2002 marketing year established by the Secretary for quota tobacco produced on the farm."

My understanding is that for this calculation, the Secretary will take into account nondisaster transfer of allotments that were made for the 2002 marketing year. Is that correct?

Mr. GOODLATTE. Mr. Speaker, reclaiming my time, yes, that is correct. For producer payments, such transfers for these crops will be taken into account as they are for the other tobaccos. The payments will be based on the actual amount available on the farm after those transfers.

Mr. STENHOLM. I thank the chairman for that clarification.

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman, and I also would like to thank the Chair and the members of the Committee on Ways and Means who worked with the Committee on Agriculture so diligently to finally accomplish something that has been badly needed for a long time, and that is, to buy out a bad program that has been working against America's tobacco farmers for a long period of time. I thank the gentleman.

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

First of all, I want to thank both of the gentlemen, members of the conference committee, Republican and Democrat. Both of them voted for the conference report, and the Chair appreciates that.

The Chair would like to engage in a colloquy with the gentleman from Florida and will consume as much time as is required.

Mr. MICA. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Florida.

Mr. MICA. Mr. Speaker, I rise to engage in a colloquy with the Chairman of the Committee on Ways and Means about the short line railroad incentives.

The tax credits in H.R. 4520 will apply to expenditures for maintaining railroad tracks. Does this definition of qualified expenditures include signalization and grade crossing devices and protections?

Mr. THOMAS. Mr. Speaker, reclaiming my time, I tell the gentleman it does and he is correct.

Mr. MICA. I thank the gentleman.

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

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a senior member of the Committee on Ways and Means.

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

Mr. CARDIN. Mr. Speaker, this is a serious issue, the fact that we have a retaliatory tariff that has been imposed against us because of our sales corporation fix. We need to take care of that.

The Foreign Sales Corporation Act has caused us a retaliatory tariff. The problem is, Mr. Speaker, we have an easy way to do it. There was a bill introduced by the gentleman from New York (Mr. RANGEL) and the gentleman from Illinois (Mr. CRANE), bipartisan, that would have fixed it. It would have done it in a true revenue-neutral way.

Instead, we have a bill that is going to cost tens of billions of dollars in unrelated provisions. Let me just mention one of those provisions.

It would authorize private tax collection on a contingency fee to harass our taxpayers, giving these private collectors government immunity. We tried that before and it did not work. That is wrong. It should not be in this bill, and yet it is.

When we take away the sunsets and all the other provisions, we really have \$80 billion that is not funded in this legislation, adding to the deficit of this country.

But, Mr. Speaker, there is another provision that was left out of this bill. There was a tobacco buyout that was put in, even though we had no hearings in our committee on it or any hearings at all, but the other body at least had the good sense to subject the tobacco to the FDA, using taxpayer money. That seems to make sense, and yet the final report leaves that out.

There are more people who die every year from tobacco than from alcohol, AIDS, car crashes, illegal drugs, murders collectively. We had a chance to do something about that in this legislation. Instead, we are spending taxpayer money and not taking care of the problem.

Mr. Speaker, there are numerous provisions unrelated that should be in this bill, and for those reasons I regret that

I will not be able to support this legislation.

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

This conference report is in front of us tonight due to a number of Members doing yeoman's service. There is a provision in this bill that was alluded to by the chairman of the Committee on Agriculture that is long overdue to be changed.

This gentleman from California started his congressional career on the Committee on Agriculture, and I tried to do something about it at that time. This was an opportunity to do something to correct the record that is long overdue for correcting.

The gentleman I am going to recognize to speak was one of the first to come to me to suggest that this might be an opportunity that we could take advantage of.

I have to tell my colleagues that as far as a State-wide race in North Carolina, I have received only one phone call from those individuals. I have worked beside only one of those individuals for far more than a decade, and the provision of removing the tobacco buyout was placed in the House bill long before it was placed in the Senate bill.

I can assure anyone that had we not been able to put it in the House bill, it would not have been in the Senate bill, and so for all of those people who are now going to receive a payment, the argument about how much they are going to get, whether or not it is greater than someone other's offer, is all moot.

The fact of the matter is, tonight, we are finally going to end a depression-era government created program that is long overdue for repeal, and the primary gentleman that worked with me to make sure that it would be in there is my friend, the gentleman from North Carolina (Mr. BURR), a senior member of the Committee on Energy and Commerce.

Mr. Speaker, I yield 3½ minutes to the gentleman from North Carolina (Mr. BURR).

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

Mr. BURR. Mr. Speaker, I thank the distinguished gentleman from California, the Chairman of the Committee on Ways and Means, for the time.

This is indeed a special night for many people across this country, farmers who have struggled over the last 5 years, who have made a livelihood on the farm, because of a commitment to the land, and throughout North Carolina and many other States, we see the benefits of their success in the schools and the churches because it is their generosity that built the communities that, in fact, they live in.

Because of that program that we put them into decades ago, which has now served as a noose around their neck over the past 5 years, the Federal Government has cut their livelihood by 50

percent. I ask anyone in this body who were in business before they came here if they artificially got 50 percent of their revenue eliminated, would they be able to survive? The answer is likely they would not, and the fact is that our farmers are not.

This piece of legislation that this body will pass tonight will probably enable 10,000 individuals in North Carolina alone not to file bankruptcy this year. It is inevitable that communities will exist tomorrow because we are willing to step up and to provide the necessary help that they need.

Mr. Speaker, former Senator Helms once said that getting a tobacco buyout through the United States Congress would be one of the hardest legislative efforts ever undertaken. He was certainly right about that. Mr. Speaker, not only was it a long road, it was an uphill road. The obstacles were many, but they have been overcome tonight, and I believe tomorrow both bodies will have passed this legislation.

I would like to take the time remaining to thank those individuals who helped so much: My colleagues, the gentleman from Tennessee (Mr. JENKINS), the gentleman from North Carolina (Mr. MCINTYRE), the gentleman from Kentucky (Mr. ROGERS), the gentleman from Kentucky (Mr. LEWIS), the gentleman from Virginia (Mr. GOODE), and the gentleman from Georgia (Mr. KINGSTON), individuals that for over 10 months met to try to strategize on how we move a piece of legislation, not that that was the richest, but one that could be signed into law, the single most important objective. We are not the first to stand in this well and promise people back home that we can deliver, but we are the first to be able to deliver.

I would also like to thank the staff members who put their long hours in and probably spent too much time with each other: Brenda Otterson, Jeff Hogg, Michael Higdon, Megan Spindel, Jerr Rosenbaum, Emily Howard and Chris Joyner.

I would also like to thank the gentleman from California (Mr. THOMAS). He was truly a partner in this every step of the way. It is not often that we take an agricultural piece and we ask to put it on a tax bill, but let us face it. We needed a vehicle that could become law. I thank the Chairman for his willingness to work with us. I thank him for the informative response that we always had with the Committee on Ways and Means, and I praise him tonight for a great piece of legislation.

I urge my colleagues to support this bill.

Mr. Speaker, I rise today in strong support of this legislation. This legislation contains a number of critical provisions. It ends sanctions on our exports, and provides tax benefits for our Nation's manufacturing sector. It provides tax incentives for businesses, including much needed S-corp reform. It extends important electricity production and alternative fuel tax credits.

But it also includes a long-overdue and desperately-needed provision that is near and

dear to my heart—and the hearts of countless farmers in my State and across the southeast: A tobacco quota buyout and repeal of the Federal tobacco program.

It is hard to find an agriculture issue in my State that has taken on more passion—more emotion—than the tobacco buyout. My State's tobacco farmers—like their colleagues in other tobacco States—are trapped in the depression-era tobacco program. It is a program that promises little more than bankruptcy and foreclosure. It is a program that promises economic collapse for their communities. Today, at long last, we are taking action to restore some hope to our tobacco farmers and their communities.

With the inclusion of the tobacco buyout and reform package, this Congress is extending a lifeline to rural communities that were built on tobacco, but have faced difficulties as tobacco use has declined. It is offering tobacco farmers a way out, and the assistance they need to transition to new crops. It is providing tobacco families with some certainty, and the promise of a better day ahead. It is restoring hope to those who thought that this city had forgotten them.

The inclusion of the buyout in this legislation is the culmination of years worth of work. It has been a long road since Charlie Rose began his work on the issue in the early 1990s. It is a road that saw few travelers in the early years—but it is a well-traveled road now.

So difficult has it been at times to see the end of the road that most people said it would be impossible to reach it—that we would never get to our destination. It was always just out of reach—just over the next hill. Over the years, the “buyout” took on an almost mythical status. It was talked about in feed stores and coffee shops in almost reverential tones, but people began to believe they would never see it in their lifetime.

Former Senator Jesse Helms once said that getting a tobacco buyout through the United States Congress would be one of the hardest legislative efforts ever undertaken. He was certainly right about that, Mr. Speaker. Not only was the road long, it was uphill.

The obstacles were many, but they have been overcome. I would like to take what time I have left to thank some of my fellow travelers on this long journey. We would not be here today if it were not for my colleagues BILL JENKINS, MIKE MCINTYRE, HAL ROGERS, RON LEWIS, VIRGIL GOODE, and JACK KINGSTON. I would also like to thank their staff members, who put in long hours—and probably spent too much time with each other—over the last year: Brenda Otterson, Jeff Hogg, Michael Higdon, Megan Spindel, Jerr Rosenbaum, and Emily Howard.

I would also like to thank Chairman BILL THOMAS and his staff for their hard work—and for recognizing the critical need for this buyout.

Finally, Mr. Speaker, we have reached our destination. I urge my colleagues to support this important legislation.

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

I want to join in thanking the chairman for expanding the jurisdiction of the Committee on Ways and Means so all of us could have a better understanding of these agricultural problems. Quite frankly, coming from New

York, I never did understand the plight of farmers and tobacco farmers, and I do not know how far we are going to go in expanding this, but I am glad that we have a gentleman from outside of the committee to recognize and to praise the chairman, as I do.

Mr. Speaker, I would like to praise and yield 2 minutes to the gentleman from North Carolina (Mr. ETHERIDGE) so we can further edify the Committee on Ways and Means about problems other committees of jurisdiction have.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman from New York for being kind enough, our distinguished ranking member, for yielding me the time.

Mr. Speaker, on behalf of North Carolina farm families and really a lot of farm families who grow tobacco across the southeast, I rise this evening to offer my support for this conference report on H.R. 4520.

The \$9.6 billion buyout this bill provides to tobacco growers and quota holders will stave off the economic disaster that my tobacco farm families currently face in my district.

Since 1997, North Carolina farm families and really other tobacco families throughout the southeast have seen their income cut roughly in half. This December they faced the prospect of another 30 percent cut in quota, and that will mean a resulting income loss.

But this evening, a new day dawns for the American tobacco farmer. Eliminating the current quota system will make American tobacco leaf, the finest in the world, more competitive on the world market.

In addition, the buyout will give many debt-ridden tobacco growers a chance to either retire with some dignity, invest in production of a different crop or restructure their current tobacco production.

Almost \$4 billion will flow into rural North Carolina during the next 10 years. Three-quarters of that billion will flow into my congressional district. This will have a tremendous transformative impact upon my mostly rural people.

While North Carolina's tobacco growers and quota holders are grateful to get this level of assistance, we wish the conference committee would have accepted either of the two amendments offered that would have increased the funding for the buyout.

I want to thank the Ways and Means chairman for honoring his pledge to keep the tobacco buyout in the bill. Four months ago, I told him, “Come back with your shield, or on it.” He did bring his shield back. It is pretty beaten and battered, has a few holes, and has lost some of its original shine since it was given to him, but he brought it back, and North Carolina farmers are better off this evening.

I will support the adoption of the conference report.

□ 2045

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Texas

(Mr. BRADY), an important member of the Committee on Ways and Means, who, I daresay, virtually single-handedly made sure that there was an additional item in this particular conference report for those States that do not have income tax.

Mr. BRADY of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, Republicans do not ship jobs overseas and neither do Democrats. Our own Tax Code does, though, and it is the responsibility of both parties. It is time to stop pointing fingers and start working together to save American jobs.

That is what this bill does. It removes the job killers in our Tax Code. It is a common sense principle: Stop punishing those who build in America and lower the tax burden on those who manufacture and produce here, and have a higher rate if you build it overseas.

This bill also restores sales tax fairness to the Tax Code, easing the burden on American families and giving a direct economic boost to Main Street. To States like mine, it means delivering \$1 billion of tax relief to Texas families each year. Best of all, every taxpayer in America will have the option of choosing to deduct either their State and local income taxes or their sales taxes, whichever is highest.

Thanks to the leadership of the chairman of our committee, the gentleman from California (Mr. THOMAS), and with the key support of the majority leader, the gentleman from Texas (Mr. DELAY), and the gentleman from Texas (Mr. SAM JOHNSON), we have reopened the door to sales tax fairness that has been locked shut for 18 years. Every legislator from a sales tax State should support this legislation.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to just note that I now get it. If you do not have enough votes to get a tax bill passed, reach out and get some farmers.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. MCINTYRE), to further explore the problems that have been resolved for our farmers.

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

Mr. MCINTYRE. Mr. Speaker, I rise in strong support of the conference report for the American Jobs Creation Act. This carefully crafted and skillfully negotiated piece of legislation would end the unfair tariffs that have been targeted at textile, agriculture, high-tech and manufacturing industries.

For thousands of families not only in my home State of North Carolina, but also from tobacco producing States from across the south, this legislation is monumental because it ends the Federal tobacco price support system and gets our farmers out from under a government mandate. The current Federal

tobacco price support system is the last depression-era farm program in America. Indeed, it is time to get out of the 1930s.

This is not a bailout. It is a buyout. It is a buyout of a Federal property interest that dictates what a farmer can and cannot do with his own land. Indeed, with this, our farmers, everywhere, will be relieved from the possibility of facing yet another 30 percent cut in their income this coming winter for the new growing season next year, farmers who have already suffered a 50 percent cut in income in the last 5 years.

I want to thank Members of both parties who have courageously stepped forward to pass this bill, and especially the gentleman from California (Mr. THOMAS) for his commitment. Let us give our farmers a choice. Get the government off their backs and out of their pockets. Let us do what is right and stop the uncertainty that has existed for everyone: the farmers, our government, and the American taxpayer.

Mr. Speaker, I rise in strong support of the Conference Report for H.R. 4520, the American Jobs Creation Act. This carefully crafted and skillfully negotiated piece of legislation would end the punitive tariffs that have been targeted at our Nation's textile, agriculture, high-tech, and manufacturing industries, and would replace those portions of our tax code found to be non-compliant in international law with provisions that will INSOURCE jobs to our Nation's economy. This must be done, and it must be done now!

For thousands of families—not only in my home state of North Carolina, but also from tobacco-producing states across the South—this legislation is monumental because it ends the federal tobacco price support system, allows our farmers to compete in a free market system, and gets them out from under a government mandate.

By including the Fair and Equitable Tobacco Reform Act with the American Jobs Creation Act, with which I had the privilege to coauthor with my friend from Tennessee, Rep. BILL JENKINS, we create trade opportunities for American farmers and prevent our farm jobs from going overseas.

The current federal tobacco price support system is the last Depression-era farm program in America! It's time to get out of the 1930s! Tobacco production has dramatically changed. Our federal tobacco policy, unfortunately, has remained the same: farmers producing tobacco in an overly-bureaucratic, government-controlled system which is unable to respond to market pressures and opportunities.

This is not a bailout, it's a buyout—a buyout of a federal property interest that dictates what a farmer can and cannot do with his own land.

Without this bill, tobacco farmers everywhere face the real possibility of a quota cut of over 30 percent next year under this antiquated price support system.

When I introduced the first comprehensive tobacco buyout proposal two and one-half years ago, I said then what I say now, "It's time for the uncertainty to end!"

Although this bill before us is not perfect, it puts an end to the uncertainty that has

plagued our farm communities for so many years. This bill is the right bill for our families, our farm communities, and our future.

While the underlying Jobs bill will Create, Cultivate, and Conserve American jobs, the long-awaited tobacco reform will Replace lost jobs, Revitalize rural communities, and Restore the American farmer to a competitive role in the world marketplace.

Instead of turning our backs on the families and rural communities across our Nation, we are on the cutting edge of ending discrimination against our farmers, and we are providing them with the tools to compete on the world market.

So many people have worked so hard to get us to this momentous time. I thank the Members of both parties who courageously stepped forward to pass this buyout. I also thank Chairman THOMAS for his commitment to helping our tobacco producing communities by including tobacco reform legislation in the FSC/ETA Conference Report.

Let's give our farmers a choice! Get the government off their backs and out of their pockets. Do what's right, and stop the uncertainty for everyone—the farmer and his children, the government, and the American taxpayer. Support passage of this Conference Report!

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

When there is a problem that is overdue for fixing, and has been for more than half a century, someone who argues process is the reason why we should not fix it, does not get it. Given the kind of problem that we have seen, it needs to be fixed. Tonight we are fixing it.

Mr. Speaker, it is my pleasure to yield 1½ minutes to the gentleman from Kentucky (Mr. LEWIS), a member of the Committee on Ways and Means who helped us fix this more than half-a-century-old problem.

(Mr. LEWIS of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of Kentucky. Mr. Speaker, I rise tonight to also applaud the gentleman from California (Mr. THOMAS); and, Chairman THOMAS, I think you not only came back with your shield, but for the Kentucky tobacco farmers and their families, I think you came back as a knight in shining armor.

This is a fair and comprehensive final product that came out of the conference. And as a member of the Committee on Ways and Means, I recognize the importance of stimulating continued economic growth by enabling a fair and free market for U.S. companies with their competitors overseas. H.R. 4520 provides a comprehensive solution to ensure fair play, invigorating our economy by reducing taxes and creating new jobs.

In addition to the important international provisions, the bill also includes a much-needed buyout for our tobacco farmers. Those of us who represent tobacco growing States have been working on a bipartisan basis for many years to end the depression-era price support system.

Since the late 1990s, burley tobacco quotas have been cut in half, causing significant financial loss for family farmers who currently earn less than half the amount they could have earned only 5 years ago. A tobacco buyout is essential to protect their futures and to ensure the prosperity of many States and local economies, and Kentucky thanks you, Mr. Chairman.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to note that I am not saying this problem should not have been fixed, I just wondered whether it should have been in a tax bill. I am certain that those that want to see other problems that were fixed can go to WaysandMeans.House.gov and they will understand why we had to fix bows and arrows, and fishing tackle boxes, and foreign made seal fans, how we had to help native whaling tribes, how we had to help foreign horse racing and dog racing gambling, how we had to help pro sports team owners, how we had to shorten the depreciation period for car race tracks.

This is really not admonishing, or, in any way, degrading the chairman, it is just we do not have the bill and we do not know what else is in there. So it is good to hear from Members that do know, because they know they promised to vote for the bill in order to get relief.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), whose taxpayers will be hurt seriously.

(Mrs. CHRISTENSEN asked and was given permission to revise and extend her remarks.)

Mrs. CHRISTENSEN. Mr. Speaker, I rise in opposition to H.R. 4520 for the damage that it does to our EDC program and the loss of jobs in my territory.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. BUTTERFIELD), a new but a very hardworking Member who is going to get us away from taxes and the complexity of the legislation and get back to tobacco.

Mr. BUTTERFIELD. Mr. Speaker, I rise in strong support of a much-needed and much-overdue tobacco quota buyout. I want to thank the chairman and ranking member for their tireless work on this important issue. The conference has worked very hard, and now we are coming to the end of a process that will recognize the commitment of tobacco farmers for so long.

Mr. Speaker, there are 1,040 tobacco producers in my congressional district producing a crop of 35,147 acres of land. Every single one of these producers is in dire straits. They are cashing in their retirement to continue farming. They are mortgaging their houses to stay in business. They are going deeper and deeper into debt. A buyout is not a luxury payment, it is a desperately needed infusion into an economy that depends on a depression-era program that no longer works.

Even farmers that would ordinarily be wealthy are instead being told by their bankers that their loan will have to be reevaluated in future years. Mr. Speaker, American farmers need a buyout.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to join with the gentleman in thanking the ranking member for his tireless work on the tobacco buyout as well.

Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a senior member of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for yielding me this time and for this bill, and I rise in strong support of it.

Let us remember why we are here. We are here because punitive tariffs are making U.S.-made products high priced. We are here because that reduces sales and endangers American jobs.

Some say this bill will result in exporting jobs. Inaction will result in exporting jobs. This bill provides \$77 billion in tax relief to every domestic manufacturer for work they do here at home. From the smallest S corporation or partnership to the largest C corporation, companies will be encouraged to produce more goods in the United States of America.

Furthermore, it provides a new source of funding for cleaning up brownfields in our cities and encourages the growth of manufacturing in the small, medium-sized cities of America, so important to their economic revitalization.

My colleagues, this is the best bill that has come on the floor of this House for American manufacturing in the 22 years I have been here, under Republicans or Democrats. Manufacturing is the foundation of our economy, and I consider this landmark legislation in laying the foundation for a competitive 21st century American economy.

Mr. Speaker, I thank the chairman for his remarkable leadership in making passage of this legislation possible here tonight.

Mr. Speaker, I rise in strong support of the American Jobs Act. Critics fail to remember why we are here. We are here because punitive tariffs on U.S. made products are increasing their price, reducing sales, and endangering U.S. jobs.

Every day we fail to comply with the WTO ruling American companies are losing market share in Europe. Tariff rates on some American goods stand at 12 percent and will rise to 17 percent. Our trade relationship with Europe includes \$1 trillion worth of goods and services and we cannot compromise that many goods without forcing many Americans into unemployment. We have an obligation to protect the jobs of our constituents and strengthen our economy to meet the challenges of the 21st century global economy.

Our bill creates greater incentives for domestic manufacturing, helps small businesses by increasing the amount of money they can

just write off for investing in equipment to improve their productivity or the quality of their product. It strengthens our competitiveness abroad by eliminating complex rules that hamper commerce.

Some critics complain that this bill will result in exporting jobs. They are wrong. The truth is we need to support American multinationals or we will fail to have a U.S. economy that produces good paying jobs here at home.

Literally millions of small firms depend on the successful performance of large companies abroad. The more business they win overseas, the more business they generate in the United States. It is that simple.

Important international reforms are matched by a firm commitment to domestic manufacturers. As we all know, the manufacturing sector has suffered disproportionately since 9/11. Our bill provides nearly \$77 billion in tax relief to every domestic manufacturer for work they do here at home. From the smallest S corporation or partnership to the largest C corporation, companies will be encouraged to produce more in the United States.

It should also be noted that we accomplished all of this without adding a single penny to the federal deficit. We were able to craft a revenue neutral package that clamps down on abusive tax shelters and corporate inversions.

The dispute that brought us here has lingered for too long. We owe it to American businesses and consumers to complete our work and rid ourselves of punishing tariffs.

I want to commend the chairman for remaining steadfast in his desire to get a bill passed and to the president's desk before we adjourn. I congratulate the Chairman on a bill that will help American manufacturers more than any bill ever passed by this body under Republicans or Democrats. Since manufacturing is the foundation of our economy, I consider this landmark legislation as laying the foundation for 21st century prosperity.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I do not have anyone left who wants to talk about tobacco, but I wish I had known the chairman would be this flexible. I had some draft legislation that I could have possibly gotten into the conference report, but I just did not know.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. LAMPSON), who would like to speak on a tax issue.

Mr. LAMPSON. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time. I do rise to support this bill, because I strongly support the sales tax deductibility provision of FSC-ETI that is supported by Texans and in the interest of all Texans.

This Congress must stop the Tax Code from penalizing those who live in States without local or State income tax. The sales tax deductibility provision gives taxpayers in these States an option to deduct either their sales tax or income tax from their Federal income tax returns. This is a fair and straightforward way to restore equity to the Tax Code as it applies to some 55 million taxpayers across this country.

Sales tax deductibility could keep \$1 billion in Texans' pockets and save

families roughly \$300 a year. That is money that Texans need to provide for their seniors, to plan for our retirements, and to prepare for any unexpected emergencies.

This provision has been supported by a bipartisan, bicameral group in Texas, its congressional delegation, and our State legislature, and I urge my colleagues to let this 108th Congress be the session to restore fairness to America's Tax Code by passing this bill and by passing this provision.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON), an invaluable member of the Committee on Ways and Means, a gentleman who also happens to be a member of the Texas delegation.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, thanks to the gentleman from California (Mr. THOMAS) we have worked for 3 years on this legislation, and I want to thank and congratulate Chairman THOMAS for making it a reality.

This bill strikes the right tone in repeal and replacement of the FSC-ETI benefit. And while I have disagreed with the premise of changing how we tax Americans just to comply with the whims of some Frenchmen or Europeans, this bill will make American companies more competitive in the global market. Our businesses will be able to export more from the United States and will be more competitive in foreign lands.

I am glad this bill will reinstate the sales tax deduction for Texans that the gentleman from Texas (Mr. BRADY) was ensured to get in here. Residents of other States have been able to deduct their State's income taxes, but now residents of Texas and six other States can deduct sales tax, an important fairness issue for all constituents.

I want to also thank Chairman THOMAS and his staff for working with me on a number of other provisions to get these items perfected. Now that this bill is behind us, I look forward to working on fundamental tax reform next year, and I encourage my colleagues to vote for this bill.

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

We have taken care of sales taxes and tobacco. I do not know whether we are taking care of the Treasury, though, because they had sent a terrible letter to us indicating that they thought that this bill had too much in the way of special interest tax provisions, which benefited few taxpayers and increased the complexity of the Tax Code.

The President indicated he wanted to simplify the Code. We know the only major Republican bill we have in the House is the national retail sales tax. So maybe, once again, I can say that since the Members of the House have not had the opportunity to review this five-pound bill, that people can go to

WaysandMeans.House.gov and find out whatever else Santa Claus has brought in bringing us this gift package on the eve of an election.

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

□ 2100

Mr. THOMAS. Mr. Speaker, I tell the gentleman that I would be pleased to invite him to the bill signing ceremony so that he can see the President of the United States sign this bill into law.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Louisiana (Mr. McCRERY) who is the chairman of the Subcommittee on Select Revenue Measures and was the foundation for building the overwhelming majority portion of this conference report, the tax provisions.

Mr. McCRERY. Mr. Speaker, I thank the chairman for recognizing me to speak on this bill and also thank the chairman for his work in putting together this conference report and in putting together the coalition that will pass this bill on the floor of the House tonight and, I believe, in the other body tomorrow.

Mr. Speaker, we have heard a lot of comments on this floor tonight about how this bill encourages companies to ship jobs overseas, to export jobs. First of all, who in his right mind would want to do that? Do you really think that any of us in this body wants to ship jobs overseas? Just think about it. Of course not. If you want to create jobs here in this country, if you want to preserve the jobs that are here in this country, if you want to make American companies more competitive, if you want to give them a better chance to compete in the international marketplace, then you should be voting for this bill tonight. That is what this bill is all about.

That is what we spent so much time investigating, bringing in witnesses, listening to testimony and then crafting provisions that will help our American companies to create jobs here in the United States.

Do some of the provisions help American companies with their overseas operations? Absolutely. That is what we want to do. We want our American companies to beat the French and the Germans and the Japanese in Europe and in Japan and in Asia. We want American investment there. We want American workers there. We want American profits there so they can bring those profits back here and invest them in research and development and invest them in infrastructure here and in retooling, modernizing their plant and equipment. That is what this bill is all about.

Forget all the political rhetoric. Think about the work that has gone into this product. Think about what we are all here to do, Democrats and Republicans, to make this country a better place to live, give people a place to work, a good job. That is what this bill is about. We ought to pass it today, and

I believe we will, thanks to the work of a lot of good people in this body on both sides of the aisle.

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

You just cannot have it both ways. You cannot say that you want our American firms to be competitive in France and all over Europe and in Central and South America. If you give them incentives to be able to do this to compete, the jobs that they would have here, these firms in order to be successful have to have some workers. And we are not going to say that we are going to give passports to every American to find a job overseas. It is the multinationals that have to be governed by where the profits are, not where the patriotism is.

So if you want to be competitive overseas, if you want them to be able to do the best vaccine in the world for flu, then you encourage them to do it overseas. But one day you will look around and you will see that all of this competition, we have taken our skilled labor jobs, things we used to be proud of, televisions, computers, cars, shoes, things that used to say "Made in the USA." Now, if it is not made in the USA, I hope you are not going to give a passport or citizenship to those foreigners who are making it. I have nothing against the CEOs except I want it to be, not an equal playing field, I want to give every American manufacturer a fair advantage to have jobs here in the good old USA. I am sorry that there are other people that believe that these tax incentives are good for the United States when our jobs go overseas.

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

Mr. THOMAS. Mr. Speaker, it gives me great pleasure to yield 2½ minutes to the gentleman from Ohio (Mr. PORTMAN), a valuable member of the Committee on Ways and Means, to perhaps offer another view on the position that the gentleman from New York just indicated.

Mr. PORTMAN. Mr. Speaker, I thank Chairman THOMAS for yielding me this time, and I thank my colleague on the other side of the aisle, the gentleman from New York (Mr. RANGEL), for engaging in this debate because I think he put his finger on what this is all about tonight.

What we are talking about is basically responding to the European Union's decision that we cannot continue to provide a subsidy to our exporters. That was the lemons. And then making lemonade out of it by saying, how are we going to help U.S. firms become more competitive, but not by using the FSC/ETI benefit that was found illegal.

How are we doing that? In two ways. One the gentleman from New York just talked about: we are helping manufacturers. This is an area of our economy that is under great challenge for two reasons: one, higher productivity. We are using fewer workers to produce just as much and more so we are losing jobs

in manufacturing. Second, international competition. In the last 3 years of the Clinton administration, we lost over 300,000 manufacturing jobs. They are starting to come back. This year alone, we have gained over 100,000 manufacturing jobs as the economy is starting to pick up. But that is not good enough. We want to do more. We want to make sure that we have a strong manufacturing base in this country. That is why there is an effective 3 percent reduction in the corporate rate for manufacturers, big, medium, small, all manufacturers, very similar to the gentleman's legislation he introduced about a year ago.

But, second, we do try to help those global companies. Why? Because, as the gentleman from Louisiana said, the global companies are out there competing in a marketplace where 95 percent of the consumers are outside of the United States. Ninety-five percent of them. Yet we have one-third of the world's economy here. If we are not out there competing with those French and German and Japanese and other companies, we are going to lose jobs right here.

A great example is in my own district. Procter & Gamble has about 14,000 jobs in greater Cincinnati. Forty percent of those jobs support international sales. That is where their expansion is right now. Those are the 95 percent of the consumers they have to access to keep jobs in my district. That is what this bill is about. And that is why I think it is so important that we pass it tonight on a bipartisan basis.

I thank the chairman for taking the lemons which were handed to us by the World Trade Organization and by the Europeans who brought that case; and by mixing them together to create lemonade, it will truly help create jobs in this country and help us in terms of our international competitiveness. There is no more important issue, I believe, over the next few decades for us in terms of job creation than being sure we have a strong manufacturing base. That is in the legislation, partly because the gentleman from New York raised that issue over a year ago. And then, secondly, to be sure that our global companies that are out there competing day in and day out to keep U.S. jobs right here in America have the ability to access those consumers overseas. Without it, the standard of living of our kids and our grandkids will not be what we have had. That is why this legislation is good. I congratulate the chairman for his good work in getting it done.

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

Let me thank the gentleman from Ohio, my friend and someone that has now brought us back to why we are here. From time to time people are talking about tobacco and sales tax and things like that; but as he pointed out, we are here to correct a \$4 billion World Trade Organization problem that we had. If we had just taken away the

subsidy, guess what? We would have reduced the deficit by \$70 billion. But we took a big different course, and so we are taking care of tobacco, and we are also taking care of a problem that some people have in their States where they do not have income taxes so they want to get equity. I have to learn how to do all of these things in case the original purpose of the bill does not have enough supporters and we want to make it bipartisan. We have to find Democrats who have real problems back home in other areas.

Mr. Speaker, for that reason, I yield 2 minutes to the gentleman from Washington (Mr. BAIRD) who really first brought this problem to my attention, and I wanted to make certain that it got in this bill before the Committee on Agriculture took care of it.

Mr. BAIRD. Mr. Speaker, I thank my good friend from New York for yielding me this time, and I want to express my profound gratitude on behalf of our citizens because it was the gentleman from New York who first put sales tax deductibility in the Democratic package, and for that our citizens will be eternally grateful. I personally am honored and appreciate his support.

I want to acknowledge the gentleman from Texas (Mr. BRADY) for his leadership and the gentleman from Tennessee (Mr. WAMP) and also the gentlewoman from Wyoming (Mrs. CUBIN). This has truly been a bipartisan effort. On our side of the aisle, Bob Clement, a former Member of Congress, also the gentleman from Tennessee (Mr. COOPER), have been leaders on this. And in the other body, Senators PATTY MURRAY and MARIA CANTWELL who coauthored the bill along with KAY BAILEY HUTCHISON.

In essence, the issue here is about tax fairness. If people in States with income taxes can deduct their State taxes from their Federal return, why not allow people in States with sales taxes? I thank the chairman for including this, and I thank the gentleman from Texas (Mr. DELAY). This will save Washington State taxpayers \$500 million a year; for an average family that itemizes, \$300 to \$500 every single year.

It is all about fairness. It will bring valuable dollars to help pay for education, food, health care and other basics. And most importantly of all, I think it will go to the people who most need it. I want to thank again all those who participated in this and look forward to working in the future to make this a permanent extension and permanent restoration of sales tax deductibility.

Mr. THOMAS. Mr. Speaker, I want to compliment the gentleman from New York for maintaining his competitive edge, notwithstanding the fact that by my count now more than a majority of the people who have taken the well on his side of the aisle are supporting the conference report.

Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), the real

Member from Washington who actually made sure that the sales tax provision was in the bill.

Ms. DUNN. Mr. Speaker, we are finally bringing to a close a dispute that has lasted not years, but decades. By repealing FSC/ETI, we will bring U.S. law into conformity with the rulings of the WTO and remove sanctions that are now hurting United States workers and companies. We have got to remove these sanctions, and we must do so without delay.

We are doing a lot more in this legislation. The conference report provides a credit for domestic production activities, including software, which is enormously important to the high-tech industry in our State of Washington. It is a critical component that I worked hard on in the Committee on Ways and Means as our committee developed this proposal.

In this bill, we also help millions of our constituents in Washington, Texas, Tennessee, and other States by restoring the deductibility of State sales taxes. But we would not be here without the tireless efforts of the gentleman from Texas (Mr. BRADY) and the gentleman from Washington (Mr. NETHERCUTT). I commend their leadership on this issue.

The legislation also includes relief for reforestation costs to help keep U.S. workers competitive with global and foreign industry. This is a critical reform for the thousands of people that I represent who work in the timber industry.

There is a long list of important reforms in this conference report, Mr. Speaker. It provides transition relief for current users of FSC. It clarifies the safe harbor provision for timber REITs. It will make U.S.-based mutual funds more competitive by suspending the withholding tax for foreign-based investors. And it goes a long way toward updating U.S. tax law and how we treat United States-based companies that operate overseas.

If we hope to continue to attract capital and keep our companies and workers competitive, we must adopt these reforms. The product before us today is the result of years of negotiations between members of the Committee on Ways and Means, among members of both parties, between the House and the Senate, between the White House and the Congress.

Nothing this complex and far-reaching is going to please everybody, but it is far too important a bill with too many critical reforms for this Chamber to reject.

Mr. Speaker, I urge all my colleagues to vote for this excellent bill.

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

I would like to say that she is indeed a real Member from Washington. We will miss her. I want to thank her for her support for the real FSC bill that she supported Crane-Rangel. We will miss her. We thank her for the great contribution she made to our committee and to this Congress.

Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE) for the purpose of making a unanimous consent request.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman for his leadership. I stand for the citizens of Texas who will get sales tax relief finally with the ability to file sales tax deductions on their Federal income tax. I support this provision.

I rise tonight in support of the Conference Report for this important legislation. While this is a difficult decision I will support the legislation because we must stand with those who own small businesses and working families who must squeeze as much as they can out of their income to have a decent standard of living. Coming from the great state of Texas I know that our American workers are in need of assistance and while flawed I believe this legislation gives that assistance to them.

I am heartened by the small business provisions in this legislation that will help growth in this vital sector of our society. The bill reduces the top corporate tax rate from 35% to 32% for domestic manufacturers and small corporations. These provisions will help small businesses with important reforms and investment incentives that can hopefully kick start a lagging economy.

The extension of section 179 expensing and the simplification of numerous small business rules will provide more growth opportunities for America's small business owners. I am also content that this Conference Report also includes an extension of the research and development credit, which in my mind is vital to stimulating advancements in technology and economic growth.

The provisions of this large legislation that I am most supportive are those that deal with Sales Tax Deductibility. This Conference Report finally restores sales tax deductibility to the federal income tax code that has cost people in the state of Texas billions of lost dollars over the years. I am proud to have been a cosponsor of the Sales Tax Equity Act which would restore sales tax deductibility to the federal income tax code and would ensure greater financial equity for all American taxpayers. Today, that legislation will become a centerpiece of this Conference Report. The language in this bill restores the deductibility of state and local sales tax from federal taxes that were eliminated in 1986. Taxpayers are currently permitted to deduct their state and local personal income taxes, leaving seven states, including Texas, Florida, Tennessee, Wyoming, Washington, South Dakota, Alaska, and Nevada, which rely on sales tax, out in the cold. Preliminary estimates from the Texas State Comptrollers office have indicated that restoring the deductibility of state and local sales tax could keep \$1 billion in Texas pockets and create nearly 16,000 jobs annually. Additionally, the Comptroller projects \$590 million in new investments and \$874 million increase in gross state product. Those kind of growth estimates are too important to Texas workers for me to ignore. Again, while I have many reservations about this Conference Report as a whole, the sales tax deductibility language in this legislation will restore fairness for Texas taxpayers, as well as taxpayers in

several states that have been penalized because of this tax code inequity.

While I will support this legislation I do want to voice my displeasure with many of the provisions in this Conference Report. Specifically, I am disappointed that the Republicans in this body did not accept the Rangel motion to instruct that would have protected many American jobs. The provisions in the Rangel motion to instruct would have helped deal with the issue of businesses that are incorporating overseas and taking American jobs with them. There are provisions in this Conference Report that help reward those companies who keep production and jobs in the United States as opposed to rewarding companies that move overseas despite the fact that they receive all their benefits in the United States. It is truly unfortunate that this necessary motion to instruct was struck down, its defeat can only hurt the American workers that this legislation is meant to protect.

My concern with this legislation also extends to the fact that its implementation will greatly raise our national debt. While the Republican leadership has assured Members of this body that this Conference Report is revenue neutral, I am not likely to buy that claim. The leadership of this Congress has consistently passed fiscally irresponsible legislation that has bloated our ever-growing national debt, for FY 2004 alone we have a record deficit of \$422 billion. These crushing debts will only hurt the average American worker and subsequently their families who they work so hard to support. The debts we create today will be a heavy burden for American workers of today and of tomorrow.

While I will vote to support this Conference Report, I am disheartened that important Democratic provisions that could have further helped the American worker were left out. I will support this legislation because I now how hard the residents of Texas work and they need all the support they can get. These Texas workers and the thousands of small businesses who dot my district make up the core of our society and I will not turn a blind eye to their needs. I only wish that this Conference Report were truly bipartisan, clearly too many Conference Reports this session have been one sided and therefore have been missing key provisions that could have strengthened the legislation. Our mission as a body is to come to a consensus on legislation that will benefit the American people; sadly we have fallen short of this noble goal.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL), an outstanding Member of our party and of the House.

Mr. EMANUEL. Mr. Speaker, I rise in opposition to this conference report. In the 1986 tax reform, President Reagan with the Congress flattened rates, simplified rules, and cut out loopholes. In the last 4 years, you have had 326 changes and added 10,000 more pages. It is a very funny way to pay tribute to Ronald Reagan.

Two weeks ago, we passed a \$13 billion corporate giveaway on the very day that the New York Times and the Wall Street Journal reported that 82 of the most profitable companies paid no Federal income taxes in at least one of the last 3 years. Today we are passing an additional \$42 billion in giveaways

on the heels of Saturday's New York Times which reported a rise of 45 percent of those who earn more than \$200,000 but paid no income taxes.

But I think this is a fitting way to end this Congress, because as I remember when the Speaker's gavel goes down, it is supposed to open the people's House, not close the auction house. That is what has happened on a Congress that has had, in fact, a prescription drug bill that has been a giveaway to the special interests, an energy bill that has been a giveaway to the special interests, and now a tax bill that has been given away to the special interests.

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They had a \$5 billion problem that they have resolved with \$150 billion. No wonder the American people are cynical about what goes on here.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me this time.

And I want to thank the chairman for his masterful work in bringing this bill to the floor and getting it done. This bill is designed to make our companies more competitive overseas and keep jobs here at home. There are many examples throughout this where we fix a lot of problems in our international tax laws.

One example that has been unfairly ridiculed here tonight is bows and arrows. Here is what we do here: current law, we tax domestic manufacturers from making arrows and we do not tax foreign manufacturers. So what happens? We lay people off in America. The companies go overseas, and they bring their products in tax-free. Is that good for America? Is that good for jobs?

That is a problem that is being fixed in this bill, as are so many other problems.

The point of this legislation is we are finally getting rid of these tariffs that are hitting a lot of our domestic manufacturers, a lot of our domestic industries, and costing jobs; and we are making American jobs more competitive in the international marketplace. That is a good thing, especially in this tough time of global competition.

I thank the chairman for doing this. And what we are doing is fixing up these ugly laws and making our businesses more competitive in the international marketplace and saving American jobs.

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

Mr. Speaker, I thank the chairman of the Ways and Means Committee and chairman of the whole conference for having a major tax bill come to the floor, not in the middle of the night, but at least nine or ten o'clock, which is a courtesy. I only wish that he had given the Members of the House an op-

portunity to at least see the bill, but that is asking for too much. But, again, I want to thank him that he did get it on the Web site, and it is going to encourage a lot of Members on both sides to get more computer wise. We may not ever know what is in these tax bills; but we are learning, in the few minutes that we do have, what they do have in this tax bill.

So remember, for people who do not know what they are getting and who is getting the benefits or whether it is tax related or not, if someone wants to say "thank you" or they are sorry that they missed me, go to [waysandmeans.house.gov](http://waysandmeans.house.gov).

I hope the other committees learn how to do this because I have spent 34 years here, and this seems to be a waste for us to ask what is in bills anymore since we have to go to the Web site. Or maybe we can find out how Members of the House really do not have to come down here. Just go to the Web site, ask what have they done, and if they are not a conferee, they can go to [waysandmeans.house.gov](http://waysandmeans.house.gov).

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

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

I want to thank all of the Members on both sides of the aisle. I want to thank the staffs on both sides of the aisle. This has been a very arduous and long journey. I think it is one of the more remarkable debates when half of the Members on the other side of the aisle taking the well say they are going to support the conference report. Apparently it was not that difficult for them to find out what was in this conference report.

It is kind of interesting that after all of the difficulties we have been through, the last comment was about process. Not about content, not about righting the wrongs that for so long should have been righted. I want to tell my friends on the other side of the aisle, I enjoyed working with them; I look forward to working with them again. Jurisdiction is not as important as righting wrongs, and we will do that.

And I want to tell the gentleman from New York that in the largest State in the Union, it is only 6:15.

I ask Members to support this conference report. Let us get this work behind us.

Mr. BLUMENAUER. Mr. Speaker, H.R. 4520 illustrates what is wrong with how we're operating in the House. In seeking a legislative solution to a relatively minor requirement to correct a problem that made our Tax Code for manufacturers conflict with our international trade obligations, the Republican leadership pushed aside a no-cost, bipartisan solution for a special-interest loaded bill that is much more expensive and complex.

The argument that H.R. 4520 is revenue-neutral is fiction. The actual cost that taxpayers will pay are hidden by delaying the starting date of some provisions and scheduling others to unrealistically end. It is certainly the intention of the sponsors of this bill to fully extend these tax cuts, which will add billions more dollars to years of projected deficits.

To compensate for its deficiencies, this bill was laden with targeted tax provisions that will secure the votes of those who represent various interests ranging from tobacco farmers to race track owners to manufacturers of bows and arrows. This has resulted in a bill with 700 pages of additional Tax-Code complexity, making it more difficult to enforce and creating a compliance nightmare for taxpayers.

This is not the way to craft tax policy. It erodes the confidence of the public, adding to their distrust of the political system and their belief that they are not being fairly treated.

Mr. MICA. Mr. Speaker, I would like to commend Chairman THOMAS and the House Ways and Means Committee for bringing the American Jobs Creation Act to the floor. I thank him for his leadership in the U.S. House of Representatives, and for his service to our Nation.

There are many excellent provisions in the bill that will assist expanding businesses, creating jobs and providing tax relief and incentives. One section of this bill provides tax credits as important incentives for investing in our class 2 and 3 railroad infrastructure. Today, short line and regional railroads—such as the Florida East Coast Railroad and the Florida Central Railroad—move freight loads that otherwise would help to clog our region's highways. More than 10,000 American businesses—employing over 1 million Americans—depend on class 2 and 3 rail services. Across the country our roadbeds, bridges and related track structures must be upgraded to ensure that we can continue to move both people and freight, safely and cost-effectively.

However, it is also important that we increase grade crossing protections and improve signalization as part of this effort to invest in our Nation's railroad infrastructure. The tax credits in H.R. 4520 will provide an important tool for increasing capacity on our railroads and will help to increase jobs, lower transportation costs, consume less fuel, produce less pollution, and reduce highway congestion and accidents.

Mr. Speaker, H.R. 4520 defines qualified expenditures for maintaining railroad track to include roadbed, bridges and related track structures. It is my understanding that this definition includes signalization and grade crossing devices and protections. These tax incentives will help short line railroads improve our nation's rail infrastructure not only in my congressional district in Florida, but to all parts of our nation.

I urge my colleagues to vote "yes" on the conference report.

Mr. ROGERS of Alabama. Mr. Speaker, I rise today to discuss a provision included in the conference report that will clarify an ambiguity in the tax law.

While Congress enacts the tax law, the Internal Revenue Service is called upon to provide technical details, filling in gaps and ambiguities so that taxpayers have clear guidelines for compliance. One such case where taxpayers have had to rely on the Service to "fill in the gaps," involves the depreciation treatment of motorsports facilities. Track owners have relied for years, in good faith, on revenue procedures promulgated by the Service to determine that these facilities have a 7-year depreciable life. The Service did not question the track owners' interpretation for two decades, in countless audits and reviews of tax returns. However, within the last two years, the Service has questioned the 7-year classification.

To address this issue, the conferees have included a provision in H.R. 4520 that clarifies that motorsports facilities should be considered 7-year property for depreciation purposes. While the provision is prospective, it also includes language stating that "nothing in the amendments to this section shall be construed to affect the treatment of property placed in service on or before the date of enactment of this act." In light of this "no interference" provision, and the policy direction regarding the 7-year classification going forward, I hope that the Service will take an opportunity to pause to reexamine whether it should penalize years of good faith reliance on its own regulations. Taxpayers deserve clarity and certainty in complying with the tax code and its regulations. Good faith reliance that is implicitly approved by the Service should not be punished.

While the provision provides certainty for new investments, it expires on January 1, 2008. I am familiar with the decisions that went into drafting this provision, and Congress agrees such a change should be permanent, but because of revenue constraints we were unable to make the provision permanent in this bill. I urge Congress to revisit this issue as soon as possible to extend the provision, or, ideally, make it permanent. Doing so would provide additional needed clarity for taxpayers.

Mr. WAXMAN. Mr. Speaker, I urge my colleagues to oppose the conference report. This legislation is stuffed with special interest giveaways. It contains billions in undeserved corporate tax breaks. Even foreign gamblers who make money at dog tracks get a special tax break.

I would like to talk about one of the most egregious provisions in this bill—a \$10 billion handout to tobacco growers.

This giveaway enriches hundreds of tobacco quota holders who are already millionaires. Less than 10 percent of those who benefit will take home 67 percent of the money. More than \$3 billion will go to people who do not even grow tobacco. Not a dime goes to help rural communities transition away from a tobacco-based economy.

The biggest winner is the tobacco industry itself. When tobacco quotas are eliminated, U.S. production of tobacco leaf will skyrocket, and the prices will plummet. A USDA economist has estimated that lower leaf prices will generate more than a billion dollars in profits for the tobacco industry each year. This windfall will far outstrip what the companies will pay to quota holders and growers.

What will tobacco companies do with the extra cash? Some will lower prices, attracting more children. Others will expand their advertising and marketing to youth. And without legislation granting authority to the FDA to oversee the tobacco industry, there will be virtually nothing to stop them.

Congress had a historic opportunity to add legislation giving FDA jurisdiction over tobacco to this bill. The FDA provision would have outlawed candy-flavored cigarettes, cigarettes that look like crayons, and other products explicitly designed to appeal to children. It would have provided for strong government oversight of our most deadly consumer product.

But this historic opportunity was squandered. The House leadership chose profits for the tobacco industry over protecting our children from addiction, suffering, and death.

This choice is shameful, and it symbolizes the misplaced priorities of this House.

I urge my colleagues to deny a victory for tobacco companies and stand up for children and families across the country. I urge you to reject this bill and fight for strong government oversight over tobacco products.

Mr. HOLT. Mr. Speaker, I rise in opposition to this tax bill, which is full of giveaways and loopholes for the special interest. I wanted to support this bill, I support an across-the-board corporate rate reduction for income from U.S. manufacturing activities so that more manufacturing jobs are created here in the United States.

Unfortunately, this bill is not about job creation or long-term investment in research. This bill is a laundry list of expensive tax breaks.

Many of my constituents enjoy NASCAR but I do not believe that they want a \$101 million tax break for NASCAR, when they are trying to figure out how to pay for college.

While, some of my constituents have some Chinese ceiling fans, I am sure they would not want a \$44 Million tax break for importers of Chinese ceiling fans, when they are trying to pay the mortgage on their homes.

Many of my constituents enjoy target shooting with bow and arrows but do the makers of bow and arrows really need the tax break that this bill provides? And even if they do should they get their tax break before we pass a tax credit for families who are trying to pay for health insurance?

This bill is a textbook example of legislative give away. What started as a modest effort in Congress to replace a \$5 billion-a-year export subsidy that the WTO ruled was illegal has turned into a \$145 billion, 633-page corporate tax giveaway.

As if all this were not bad enough the conference report uses a large number of gimmicks, such as long phase-ins, sunsets, and changes in scoring rules, fudge its true cost.

We know that this bill will drive us even deeper into debt. And a larger deficit is something we cannot afford. Massive deficits create high interest payments that will crowd out spending on public investments for future generations. Moreover, the resulting high interest rates make it harder for Americans to purchase homes, make college tuition payments or start business ventures.

Voting for this bill would not only be a mistake, it would be grossly negligent. Using scare resources to pay for corporate special interests, tax breaks when we have an enormous budget deficit and unmet needs like homeland security is an abdication of a responsibility to our constituents.

Ms. KILPATRICK. Mr. Speaker, I rise in opposition to H.R. 4520, the American Jobs Creation Act of 2004. The title of the conference bill is a misnomer. If enacted it will add to the loss of nearly 2.7 million manufacturing jobs. This conference bill will also increase tax incentives for large corporations to move manufacturing jobs overseas. It will increase the Federal deficit, endanger Social Security and Medicare which are directly impacted by burgeoning deficits, and limit the ability of states to fund public education in a high deficit environment.

This conference report contains enhanced benefits for offshore operations of U.S. multinational corporations that were not in the Senate or House bills. This conference report is significantly flawed because some of the taxes

paid by companies operating in high tax countries will be paid by our government in the form of tax credits. The Republican majority is rigging the tax system to advantage corporate interests overseas and further eroding the federal government's ability to invest in America's families. Corporate farms will directly benefit from the manufacturing provisions in this bill, not the family farmers who desperately need help.

Finally, my opposition to this bill is based on the fact that the conference report offers a complex solution to a simple problem. Instead of pulling the tax code up by its roots, the conference bill adds hundreds of complex rules and loopholes. This conference bill contains \$140 billion in gross tax breaks for companies. It is a flawed bill that will cause additional outsourcing of U.S. jobs.

Mr. Speaker, this bill has dropped the provision that was in the Rangel substitute and the Senate-passed bill that rewards companies for keeping jobs in America. This conference report makes a bad situation worse, and I urge my colleagues to join me in voting no on this measure.

Mr. BACA. Mr. Speaker, I rise in opposition to H.R. 4520, the Job Creation Act. This bill is guaranteed to do one thing—send American jobs overseas.

It is unconscionable that Congress would give a tax cut to companies that send American jobs overseas.

Corporations have outsourced three million jobs overseas, and have been rewarded with a tax break for doing so.

We should be passing legislation that creates high-quality jobs here in America.

Why continue to expand tax policies that threaten the American worker?

Under President Bush, America has lost 1.7 million private sector jobs. This calculates into a "jobs deficit" of nearly 8 million jobs in the last 42 months.

Manufacturing has been especially hard hit, with 2.8 million jobs lost, amounting to one out of six manufacturing jobs.

President Bush says things are getting better, but most of those jobs created in recent months are temporary jobs, seasonal jobs, and even part-time jobs, most of which do not normally have health and retirement benefits.

These statistics are fact, not rhetoric.

The response from the White House to these statistics is equally upsetting. Gregory Mankiw, President Bush' top economic adviser, wants to reclassify fast-food workers as manufacturing employees.

Trade is important, but we need trade and tax policies that promote a balance of both economic development and employment. A quarter of the economy of California is based on trade, but a quarter of Californians are now eligible for food stamps.

It's about balancing economic and human needs in our country.

The GAO, Boston Consulting Group, Economic Policy Institute and many other groups have come to the same conclusion—promoting the outsourcing of jobs is bad for America.

While the White House celebrates recently quarterly GDP growth, the fact is that most of it has been fueled by consumer debt and liquidation of home equity. That is hardly a solid foundation for growth.

The time for sophomoric economic policies has passed. Outsourcing may produce lower

consumer costs, but what good is that if Americans don't even have jobs.

I urge my colleagues to oppose this bill simply on the outsourcing component.

Mr. KIND. Mr. Speaker, the retaliatory tariffs that the European Union has issued over our delay in complying with World Trade Organizations are hurting manufacturers all over this country, and it is past time to address this issue. Legislators on both sides of the aisle and in both the House and Senate agree on this basic premise, and it is a shame that a bill to solve this problem has been burdened with unnecessary tax incentives to corporations. I, along with many other members of Congress from both sides of the aisle have been pushing for congressional action to fix the international trade dispute over the extraterritorial income (ETI) and Foreign Sales Corporation (FSC) programs. We have a bipartisan, fully paid-for remedy that would reform these tax provisions, put the United States tax code in compliance with the World Trade Organization (WTO), and reduce the tax burden on American manufacturers and farmers. Unfortunately, the Majority leadership ignored this bipartisan approach in favor of a budget-busting, controversial bill that does little for small manufacturers in Wisconsin and includes multiple provisions completely unrelated to the trade problem we need to fix immediately.

Because of the House majority's previous inaction on reforming the FSC-ETI trade dispute, the European Union (EU) continues to ratchet up tariffs on nearly 100 categories of U.S.-produced exports. This costs American businesses and workers by making our products less competitive in the major European market. Unless we reform the FSC-ETI tax provisions, EU tariffs on American products will continue to climb, potentially costing American exporters over \$4 billion.

With over two million American manufacturing jobs lost since 2001, it is critical that we act to reverse this trend by eliminating incentives for American jobs to be sent overseas and working to end trade barriers that hurt American exports. Anticipating the EU tariffs, Congressmen CRANE, RANGEL, MANZULLO and LEVIN introduced bipartisan legislation last year to address the FSC-ETI trade dispute. H.R. 1769, the Jobs Protection Act, would have eliminated the American tax breaks found in violation of WTO rules, and reinvested the savings back into American manufacturers by reducing their tax rates. I, along with 175 other members of Congress, cosponsored this legislation and have pushed for the House to consider this legislation.

Despite this bipartisan compromise, the conference agreement brought to the Floor today is a fiscally irresponsible bill that is filled with special interest breaks and will increase already record budget deficits. H.R. 4520 provides over \$42 billion in tax incentives for large multinational corporations while providing little to no tax relief to small and medium-sized manufacturers, farmers, and unincorporated businesses. The Republican chairman of the House Small Business Committee has expressed his opposition to this legislation because it fails to include smaller non-Chapter S corporations in its manufacturing benefit.

Furthermore, the House shamefully misses an opportunity to meaningfully reform the regulation of tobacco in this country. While I support the buyout for tobacco farmers, which will help hardworking farmers in Wisconsin, I am

disappointed that the bill does not include a Senate provision giving the Food and Drug Administration authority to regulate tobacco. This hard-won provision was supported by major tobacco manufacturers as well as health advocacy groups, and the conference committee, by eliminating it, has allowed an historic opportunity to improve the health of this country pass by.

Mr. Speaker, with 2.7 million American manufacturing jobs lost over the past years, including over 80,000 in my home state of Wisconsin, we should not be playing partisan games on the House floor. We should be considering legislation that will end European tariffs on American exports, helps domestic farmers and manufacturers be more competitive, closes abused corporate tax loopholes, and does not burden our children with huge amounts of debt that they will have to pay off in the future. I urge my colleagues to oppose H.R. 4520 in its current form so that Congress can move forward on responsible ETI-FSC legislation.

Mr. UDALL of Colorado. Mr. Speaker, there is much to dislike about the process that has brought this conference report before the House, and there certainly are things to dislike in the conference report itself.

This is not the best way to do business, and this conference report certainly is not an ideal legislative produce. On the contrary, it is filled with flaws and with provisions that are unnecessary at best.

However, with all its flaws, I will vote for the conference report.

I will vote for it because we need to make the changes in tax laws needed to end the escalating retaliatory tariffs that are being imposed because our current laws are not in compliance with our international agreements. This is a matter of great urgency and this conference report responds to it.

I will vote for it because it includes provisions to encourage American corporations doing business abroad to repatriate their overseas earnings for investment here at home. This has great potential to stimulate investment in new plant and equipment as well as in the research and development that support innovation, job creation, and prosperity.

I will vote for it because I think the provisions related to foreign tax credits will increase the competitiveness of America's information-technology companies in global markets.

I will vote for it because it includes provisions to ensure that employee stock-purchase plans and incentive stock options are not subject to payroll taxes—provisions that are very important to thousands of Coloradans and the companies that employ them.

And I will vote for it because it includes provisions that will help us lessen our dependence on fossil fuels—something that is very important because clean power production provides greater reliability for our electricity system, promotes cleaner air and water, and benefits our economy and our national security.

The conference report will extend and expand the renewable energy production tax credit (PTC) to apply to other renewable energy technologies, including solar energy, geothermal energy, open-loop biomass, and small irrigation power. An extended PTC will provide more market certainty, and expanding the

PTC to include solar, open-loop biomass, geothermal, and small irrigation power will ensure that all renewable energy sources can benefit.

Solar, wind, hydropower, biomass and geothermal energy are each potentially enormous energy resources. Every state has renewable energy potential. However, renewable resources are not spread uniformly across the country. Current tax law creates regional and technological inequities by failing to provide uniform benefits for all renewable energy resources. For example, the production tax credit enacted in 1992 has spurred significant new investment, but it only applies to power plants using wind power and closed-loop biomass. Allowing equal access to all the renewable energy sources will not only spur renewable energy investment, but it will also ensure that all renewable energy sources are allowed to compete fairly.

Also, importantly, I will vote for this conference report because as it stands it will not increase the deficit—meaning that as it stands it will not increase the national debt that will have to be repaid, with interest, in the future.

In making that statement, I refer to the conference report “as it stands” because I fully recognize that the present budgetary effect of the conference report reflects the fact that some of its provisions will come into effect in stages, or are temporary, or both.

I recognize—as we all recognize, Mr. Speaker—that in the future there will be proposals to extend some or all of the temporary provisions or to speed up the implementation of those that are scheduled to take effect in stages. And I recognize—as we all must—that adoption of those proposals will have budgetary consequences that should not be ignored.

So, Mr. Speaker, I want to give notice here and now that while I am voting for this conference report as it stands, I am making no commitment to supporting any of those proposals. If I still have the honor of serving in this House when any such proposal is considered, I will consider it carefully but I will not support it unless I am convinced that it merits approval.

And, further, I want to give notice here and now that my vote for this conference report should not be read as meaning that I fully support each and every one of its provisions. That is certainly not the case, and in fact I hope that I will have the opportunity to support efforts to remove or repair many of those provisions in the future.

I could cite many examples, but let me mention just one—the fact that the conference report does not include all the provisions of the Senate bill related to tobacco and tobacco products. Omission of key parts of those provisions means we are missing an opportunity to take an important step toward better health for many Americans, especially children. This is a very bitter disappointment.

Mr. Speaker, I am sure that in the days ahead there will be a great deal of public discussion of this conference report in Colorado and across the country. There will be many who will hail it as marking the dawning of a great new day. Many others will bewail parts that they think are examples of bad legislation.

I think the second group will have much ammunition. But I also am sure that the rhetoric on both sides will be excessive. My evaluation is that the bill is too flawed to be a model, but that its merits do outweigh its flaws, although not by very much.

Mr. MORAN of Kansas. Mr. Speaker, I am pleased that my colleagues on the conference committee for H.R. 4520, the American Jobs Creation Act, have, by passing this legislation, taken an important step to preserve jobs in rural Kansas and across the country. In specific, I applaud Chairman THOMAS for his inclusion of the Railroad Track Maintenance Credit.

This provision will help to preserve freight railroad infrastructure operated by short line and regional railroads. Over 12,000 manufacturing, mining, chemical and agricultural employers, who employ over one million workers in 49 states depend on short line railroads for their success. In many rural areas, such as the First District of Kansas, short lines are crucial in transporting agriculture goods and products to market. Across our country, there are over 500 short line railroads, operating nearly 50,000 miles of track, or nearly one third of the national freight rail network in the U.S.

The repercussions of certain federal regulations combined with the increasing gross weight of railroad cars have created a serious threat to the continued viability of this rail infrastructure. The Railroad Track Maintenance Credit will encourage investment to protect this important transportation link for American businesses and agriculture.

This provision originated with the introduction of H.R. 876. My colleagues also recognized the importance of short lines to their local economies, and as a result, 267 Members of the House co-sponsored this legislation.

I appreciate the conferees including a version of H.R. 876 with the railroad infrastructure provisions in H.R. 4520. These provisions will go a long way in preserving short line railroad track and keeping our local communities attached to the national rail network.

As drafted in H.R. 4520, the 50 percent tax credit available to each short line is subject to a maximum limitation. This limit is the product of \$3,500 and the number of miles operated by the railroad. Credits up to this limit may be earned regardless of the length of track that is improved by the expenditures. For example, if a 100-mile railroad invests \$800,000 in improving a 1,000 foot bridge span, the amount of qualified expenditures would be \$800,000. The credit earned on such investment would be \$400,000, or fifty percent of \$800,000. The last \$50,000 would be excluded as exceeding the limitation of \$350,000, determined by multiplying 100 miles by \$3,500. Therefore, the railroad would earn a credit of \$350,000.

I believe that such a limitation will allow short line railroads to upgrade segments of track, roadbed and bridges that are in the most dire need of upgrades. At the same time, this credit will cap the potential exposure of tax revenues at a known amount: the length of a short line in miles times \$3,500.

The conference committee version also includes an important provision that is a variation on the original subsection (g) proposed in H.R. 876. This provision will encourage those who depend most on short line railroads to invest directly in maintaining this critical infrastructure. Railroad customers or suppliers of railroad-related property or services may earn credits under this provision for railroad track maintenance expenditures they make in short line railroads.

I believe this provision is also critical for those two-dozen municipal or state owned railroads that are tax exempt. While those rail-

roads cannot benefit directly from the tax credit because they are tax exempt, their customers and suppliers can still help preserve this infrastructure by investing directly.

In conclusion I want to again thank all of my colleagues who have supported our short line railroads over the past two years. I also want to thank Chairman THOMAS and the conferees for including this provision to help rural America stay connected to the national transportation network.

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

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. RANGEL. 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 230, nays 141, not voting 12, as follows:

[Roll No. 509]

YEAS—280

Aderholt	Cubin	Hayworth
Akin	Culberson	Hefley
Alexander	Cunningham	Hensarling
Bachus	Davis (AL)	Herger
Baird	Davis (FL)	Herseth
Baker	Davis (IL)	Hill
Ballenger	Davis (TN)	Hinojosa
Barrett (SC)	Davis, Jo Ann	Hobson
Bartlett (MD)	Davis, Tom	Hoekstra
Barton (TX)	Deal (GA)	Hooley (OR)
Beauprez	DeLay	Hostettler
Bell	DeMint	Houghton
Berkley	Deutsch	Hulshof
Berry	Dicks	Hunter
Biggert	Dooley (CA)	Hyde
Bilirakis	Doolittle	Insee
Bishop (GA)	Dreier	Isakson
Bishop (UT)	Duncan	Issa
Blackburn	Dunn	Istook
Blunt	Edwards	Jackson-Lee
Boehner	Ehlers	(TX)
Bonilla	Emerson	Jefferson
Bonner	English	Jenkins
Bono	Etheridge	John
Boozman	Everett	Johnson (CT)
Boswell	Feeney	Johnson (IL)
Boucher	Ferguson	Johnson, E. B.
Boyd	Flake	Johnson, Sam
Brady (TX)	Foley	Jones (NC)
Brown (SC)	Forbes	Kaptur
Brown, Corrine	Ford	Keller
Brown-Waite,	Fossella	Kelly
Ginny	Franks (AZ)	Kennedy (MN)
Burgess	Frelinghuysen	King (IA)
Burns	Frost	King (NY)
Burr	Gallegly	Kingston
Burton (IN)	Garrett (NJ)	Kline
Butterfield	Gerlach	Knollenberg
Buyer	Gibbons	Kolbe
Calvert	Gilchrest	Lampson
Camp	Gillmor	Larsen (WA)
Cannon	Gingrey	Latham
Cantor	Gonzalez	LaTourette
Capito	Goode	Leach
Carson (OK)	Goodlatte	Lewis (CA)
Carter	Gordon	Lewis (KY)
Chabot	Granger	Linder
Chandler	Graves	LoBiondo
Chocola	Green (TX)	Lucas (KY)
Clyburn	Green (WI)	Lucas (OK)
Coble	Greenwood	Manzullo
Cole	Gutknecht	Marshall
Collins	Hall	Matheson
Cooper	Harris	McCotter
Cox	Hart	McCrery
Cramer	Hastert	McHugh
Crane	Hastings (FL)	McInnis
Crenshaw	Hastings (WA)	McIntyre
Crowley	Hayes	McKeon

Meeks (NY)	Radanovich	Souder
Mica	Ramstad	Spratt
Miller (FL)	Regula	Stearns
Miller (MI)	Rehberg	Stenholm
Miller (NC)	Renzi	Sullivan
Miller, Gary	Reyes	Sweeney
Moore	Reynolds	Tancredo
Moran (KS)	Rodriguez	Tanner
Murphy	Rogers (AL)	Taylor (MS)
Musgrave	Rogers (KY)	Taylor (NC)
Myrick	Rogers (MI)	Terry
Nethercutt	Ross	Thomas
Neugebauer	Royce	Thompson (CA)
Ney	Ruppersberger	Thompson (MS)
Northup	Ryan (WI)	Thornberry
Nunes	Ryun (KS)	Tiahrt
Nussle	Sandlin	Tiberi
Osborne	Saxton	Toomey
Otter	Schrock	Turner (OH)
Oxley	Scott (GA)	Turner (TX)
Pearce	Sessions	Udall (CO)
Pence	Shadegg	Vitter
Peterson (MN)	Shaw	Walden (OR)
Peterson (PA)	Shays	Walsh
Petri	Sherwood	Wamp
Pickering	Shimkus	Watt
Pitts	Shuster	Weldon (FL)
Pombo	Simmons	Weldon (PA)
Pomeroy	Simpson	Weller
Porter	Skelton	Whitfield
Portman	Smith (MI)	Wicker
Price (NC)	Smith (NJ)	Wilson (SC)
Pryce (OH)	Smith (TX)	Wu
Putnam	Smith (WA)	Wynn
Quinn	Snyder	Young (AK)

## NAYS—141

Abercrombie	Holt	Owens
Ackerman	Honda	Pallone
Allen	Hoyer	Pascarell
Andrews	Israel	Pastor
Baca	Jackson (IL)	Payne
Baldwin	Jones (OH)	Pelosi
Bass	Kanjorski	Platts
Becerra	Kennedy (RI)	Rahall
Berman	Kildee	Rangel
Bishop (NY)	Kilpatrick	Rohrabacher
Blumenauer	Kind	Ros-Lehtinen
Bradley (NH)	Kirk	Rothman
Brady (PA)	Kleczka	Roybal-Allard
Brown (OH)	Kucinich	Rush
Capps	LaHood	Ryan (OH)
Capuano	Langevin	Sabo
Cardin	Lantos	Sánchez, Linda T.
Cardoza	Larson (CT)	Lee
Carson (IN)	Lee	Sanchez, Loretta T.
Case	Levin	Sanders
Castle	Lewis (GA)	Schakowsky
Clay	Lofgren	Schiff
Conyers	Lowey	Scott (VA)
Costello	Lynch	Sensenbrenner
Cummins	Maloney	Serrano
Davis (CA)	Markey	Sherman
DeFazio	Matsui	Solis
DeGette	McCarthy (MO)	Stark
Delahunt	McCarthy (NY)	Strickland
DeLauro	McCollum	Stupak
Diaz-Balart, L.	McDermott	Tauscher
Diaz-Balart, M.	McGovern	Tierney
Dingell	McNulty	Udall (NM)
Doggett	Meehan	Upton
Doyle	Meek (FL)	Van Hollen
Emanuel	Menendez	Velázquez
Engel	Michaud	Visclosky
Eshoo	Miller, George	Waters
Evans	Mollohan	Watson
Farr	Moran (VA)	Waxman
Fattah	Murtha	Weiner
Frank (MA)	Nadler	Wexler
Grijalva	Napolitano	Wilson (NM)
Gutierrez	Neal (MA)	Wolf
Harman	Oberstar	Woolsey
Hinchee	Obey	Young (FL)
Hoefel	Olver	
Holden	Ose	

## NOT VOTING—12

Boehlert	Millender-	Slaughter
Filner	McDonald	Tauzin
Gephardt	Norwood	Towns
Lipinski	Ortiz	
Majette	Paul	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE) (during the vote). Members are advised 2 minutes remain in this vote.

□ 2145

Ms. LORETTA SANCHEZ of California, Ms. CARSON of Indiana, Ms. MCCARTHY of Missouri and Mr. MOHRBACHER changed their vote from “yea” to “nay.”

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. FILNER. Mr. Speaker, on rollcall No. 509, I was in my Congressional District on official business. Had I been present, I would have voted “nay.”

## GENERAL LEAVE

Mr. THOMAS. 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 conference report accompanying H.R. 4520.

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

There was no objection.

9/11 RECOMMENDATIONS  
IMPLEMENTATION ACT

The SPEAKER pro tempore. Pursuant to House Resolution 827 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 10.

□ 2145

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 10) to provide for reform of the intelligence community, terrorism prevention and prosecution, border security, and international cooperation and coordination, and for other purposes, with Mr. NETHERCUTT (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, all time for general debate had expired.

In lieu of the amendments printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule an amendment in the nature of a substitute consisting of the text of the Rules Committee print dated October 4, 2004. That amendment shall be considered read.

The text of the amendment in the nature of a substitute is as follows:

Strike all after the enacting clause and insert the following:

## SECTION 1. SHORT TITLE.

This Act may be cited as the “9/11 Recommendations Implementation Act”.

## SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—REFORM OF THE INTELLIGENCE  
COMMUNITY

Sec. 1001. Short title.

Subtitle A—Establishment of National Intelligence Director

Sec. 1011. Reorganization and improvement of management of intelligence community.

Sec. 1012. Revised definition of national intelligence.

Sec. 1013. Joint procedures for operational coordination between Department of Defense and Central Intelligence Agency.

Sec. 1014. Role of National Intelligence Director in appointment of certain officials responsible for intelligence-related activities.

Sec. 1015. Initial appointment of the National Intelligence Director.

Sec. 1016. Executive schedule matters.

Sec. 1017. Information sharing.

Subtitle B—National Counterterrorism Center and Civil Liberties Protections

Sec. 1021. National Counterterrorism Center.

Sec. 1022. Civil Liberties Protection Officer.

Subtitle C—Joint Intelligence Community Council

Sec. 1031. Joint Intelligence Community Council.

Subtitle D—Improvement of Human Intelligence (HUMINT)

Sec. 1041. Human intelligence as an increasingly critical component of the intelligence community.

Sec. 1042. Improvement of human intelligence capacity.

Subtitle E—Improvement of Education for the Intelligence Community

Sec. 1051. Modification of obligated service requirements under National Security Education Program.

Sec. 1052. Improvements to the National Flagship Language Initiative.

Sec. 1053. Establishment of scholarship program for English language studies for heritage community citizens of the United States within the National Security Education Program.

Sec. 1054. Sense of Congress with respect to language and education for the intelligence community; reports.

Sec. 1055. Advancement of foreign languages critical to the intelligence community.

Sec. 1056. Pilot project for Civilian Linguist Reserve Corps.

Sec. 1057. Codification of establishment of the National Virtual Translation Center.

Sec. 1058. Report on recruitment and retention of qualified instructors of the Defense Language Institute.

Subtitle F—Additional Improvements of Intelligence Activities

Sec. 1061. Permanent extension of Central Intelligence Agency Voluntary Separation Incentive Program.

Sec. 1062. National Security Agency Emerging Technologies Panel.

Sec. 1063. Service and National Laboratories and the intelligence community.

Sec. 1064. Improvement in translation and delivery of suspected terrorist communications.

Subtitle G—Conforming and Other Amendments

Sec. 1071. Conforming amendments relating to roles of National Intelligence Director and Director of the Central Intelligence Agency.