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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. KIRK).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
May 21, 2002.

I hereby appoint the Honorable MARK STEVEN KIRK to act as Speaker pro tempore on this day.

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

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Oregon (Mr. DEFazio) for 5 minutes.

CORPORATIONS MAKING FAKE MOVES OFFSHORE TO AVOID TAXES AKIN TO TREASON

Mr. DEFazio. Mr. Speaker, today the United States House of Representatives will take up legislation to accelerate and phase in relief from the marriage penalty. This is meritorious legislation, which I intend to support. The House was supposed to take up this legislation last Thursday. Strangely enough, it was postponed until today.

The reason it was postponed until today was so it could be brought up under an extraordinary procedure which does not allow amendments because the Republican leadership feared the Democratic amendment to that bill.

Mr. Speaker, we wanted to close a huge new corporate loophole which has been discovered by people who make Arthur Andersen and Enron look kind of honest. Major U.S. corporations have found, and they have known for years, that they can go to Bermuda and avoid taxes on their overseas earnings. Now they have found if they do a new Bermuda triangle, they can avoid all taxes in the United States of America while living here, being protected by our military and firefighters and police, but not pay one penny in Federal income taxes. This is a great country.

This, of course, has the support of the administration, quietly. They are quick to accuse people of being unpatriotic, and God forbid they accuse corporations of being unpatriotic for failing to contribute their fair share and going under a flag of convenience and making a phony move offshore to avoid paying taxes in this time of crisis. This is extraordinary to me.

Mr. Krugman explained it very well in the New York City Times. "By incorporating itself in Bermuda, a U.S.-based corporation can, without moving its headquarters or anything else, shelter its overseas profits from taxation. Better yet, the company can then establish 'legal residence' in a low-tax jurisdiction like Barbados, and arrange things so that its U.S. operations are mysteriously unprofitable, while the mail drop in Barbados earns money hand over fist." And, it is exempt from any tax anywhere in the world. That is just great.

That is what Secretary O'Neill calls competition. I call it tax evasion, skulduggery, and unpatriotic; and the Republican leadership should be ashamed

that they are not willing to vote about keeping this loophole open. If that is what they feel, allow us to offer our amendment and vote in favor of this tax loophole. Admit that they have thrown in with Secretary O'Neill who says corporations should not pay any taxes in the United States of America.

Yes, that is true. The Secretary of the Treasury, appointed by George Bush, says that corporations should pay no taxes in this country, that working people should pay all of the taxes, a shift that has been going on over 30 years, where 30 years ago corporations paid one-quarter of the taxes in this country. Today it is down to a little less than 10 percent. He says that is too much. The American people should carry that burden, not corporations.

People say they have stockholders and they will do well. Under this new scam with Stanley Works, the company that is most known for this recently, actually the stockholders are going to have to pay taxes when the company makes its fake move to Barbados, but the CEO is going to get 58 percent of the tax savings. So over 8 years, the CEO could potentially profit by \$385 million with his stock options, one individual, while the stockholders pay more in taxes, while the U.S. Government was deprived of \$240 million in taxes. If they had just cut his stock options and salaries down to \$140 million, they could have paid their taxes to the United States of America. Of course, he would have had to scrimp by on \$140 million over the next 8 years. Pretty tough to make ends meet in Connecticut on \$140 million over 8 years. I know the cost of living is way up.

This is just an absolute new low both for this body, this administration, and such an unbelievable fraud on the American people. This practice must be brought to a screeching halt. In a time of deficit and crisis, for a profitable U.S. corporation to make fake

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

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



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moves overseas to avoid their patriotic obligation to pay taxes is, I believe, akin to treason.

THANKING WORLD WAR II VETERANS

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized during morning hour debates for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, as we prepare to celebrate Memorial Day, I would ask that we pause and reflect on what some have called our greatest generation. Over 16 million Americans answered the call, and now we are losing over 1,000 World War II vets every day. We owe all our vets.

Perhaps one of the greatest tributes was offered by President Ronald Reagan when he went to Normandy to observe the 50th Anniversary of that amazing invasion. He said, "Those men of Normandy were men of great faith. They had faith that they fought for all humanity. They had faith that they fought for a just cause. They had faith in a loving God that would grant them His tender mercy on this beachhead, or the next. They somehow knew that word of the invasion was spreading through the darkness back home. That in Georgia, they were filling the churches at 4 a.m. That in Kansas, they were kneeling and praying on their porches. And in Philadelphia, they were ringing the Liberty Bell."

To all our vets, and especially the World War II vets, let us say a special thanks to them this Memorial Day.

PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, I want to stress again, as I have many times over the last 2 weeks, the fact that the Republican leadership has not brought up any type of prescription drug benefit. Two or 3 weeks ago we saw members of the Republican leadership in both the committees and various leadership positions say they were going to bring up a prescription drug benefit for seniors. They committed to the fact that that would be in committee last week. It would be reported out to the floor of the House, and would be voted on the floor this week before the Memorial Day recess. All of a sudden we hear nothing about it, no mention of trying to bring any action in committee, no specifics about what they might bring up, certainly no effort to bring anything to the floor.

I have said over and over again, this is the biggest crisis facing the American people, particularly seniors. I have seniors every day that call me up and say they cannot afford prescription

drugs. What we need to do and what the Democrats have been saying over and over again is that we should simply provide a prescription drug benefit under Medicare so that every senior has a guaranteed benefit, and in the same way they have their hospital bills paid for by Medicare, or doctor bills paid for by Medicare Part B, there should be a new Part C or D under Medicare where they pay a very low premium, a very low deductible per month, and the Federal Government pays at least 80 percent of the cost of their prescription drug bills.

We need to bring the cost of prescription drugs down. Seniors and people in general, Americans in general, cannot afford prescription drugs because of the increased costs. We have had double-digit inflation with regard to drug prices for the last 6 years. The Republicans refuse to provide a Medicare prescription drug benefit for seniors, and refuse to address the issue of cost. If we had all seniors under a Medicare program, as the Democrats have proposed, 40 million seniors, the Secretary of Health and Human Services would be able to negotiate reduced prices for prescription drugs because the government would have the negotiating power of all of the seniors in the United States, 40 million strong.

We must address the issue of cost and provide a Medicare benefit that includes prescription drugs. I do not understand why my colleagues continue to drag on the issue. Some of the talk is maybe they will provide a low-income benefit for just the poorest seniors, under 10 percent of the seniors. Other times we hear about their proposals to privatize, in other words, take some money and throw it to insurance companies and hope that they will provide some sort of drug-only policy for those seniors who might be able to find an insurance company that will sell them such a policy.

But these ideas on the Republican side about throwing some money to insurance companies, trying to help those with low income, they do not get to the real problem and the real solution, and that is a nationwide Medicare prescription drug benefit that every senior has and every senior is guaranteed. We have seen now for 30 years how effective the Medicare program is in terms of taking care of hospital bills and taking care of doctors' bills.

Mr. Speaker, why not just expand the program to include prescription drugs. It is a program that works. This is not an ideological problem. We are not trying to figure out who is on the right or left, who is a Democrat or Republican. We want to do something that is practical, that is meaningful for the average American, particularly for the average American senior.

The Democrats are going to be up here every day and every night asking the Republicans to bring up a prescription drug benefit, to have a debate and do something about this between now and the end of this session. The number

of days that we are going to be here gets shorter and shorter. If this is not brought up soon, certainly after the Memorial Day recess, it is very unlikely that we will see action on it before the end of the session. Bring up a prescription drug benefit, put it under Medicare, make sure that it applies to all seniors and we have a cost mechanism to reduce cost. Anything less than that is not fair to America's seniors.

NEW YORK DONATES WORLD TRADE CENTER STEEL TO SACRED HEART CATHOLIC CHURCH

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentlewoman from New Mexico (Mrs. WILSON) is recognized during morning hour debates for 5 minutes.

Mrs. WILSON of New Mexico. Mr. Speaker, this is a very special day. Something special is happening in New York City this morning. There is a small church in Baretas in the old part of Albuquerque, New Mexico called Sacred Heart Roman Catholic Church. In the 1970s, they had to tear down their church because it was structurally unsound. It had two bell towers. They rebuilt the church across the street, but the bells were lost until recently, and they found one of the huge bells and they are now going to rebuild the bell tower.

Some leaders in the community contacted me and the Archbishop and wrote to the mayor of the City of New York and asked for two beams from the World Trade Center to incorporate into the design of the new bell tower. Some people from New Mexico, including Father Moore and John Garcia and Sosimo Padilla and a member of my staff, are in New York this morning at ground zero picking up those two beams that were given to us by the City of New York.

Those bells at the Baretas bell tower rang when World War II ended. They rang for weddings and funerals. They rang every Sunday morning over the City of Albuquerque to call people to worship. We are pleased in Albuquerque and thankful to the people of New York that the bell towers will be rebuilt and the bells will ring again. They will ring in remembrance, and they will ring in the call to worship.

Sacred Heart Roman Catholic Church in Albuquerque is a beautiful church where about 800 people meet to worship. The Church, including twin bell towers, was razed in the mid-1970s because of structural problems, and its two bronze bells disappeared. One bell was found recently in a back yard, the other remains missing. The Church has been rebuilt and plans to build a new bell tower. This need and an inspired idea were the beginning of a wonderful journey that has brought together the people of New Mexico and the citizens of New York.

The bells in Baretas rang when the war ended. They rang for weddings and for funerals. They rang to call people to prayer. Now they will ring again in remembrance.