

investigate and question nurses, sent to his wife's home to terrorize her.

Representative Chuck Hopson, his wife left Austin to drive 4 miles to Jacksonville. The law enforcement officer got on her bumper and went with her the entire way.

Police entered the home of Joe Pickett, a State representative. His 17-year-old daughter was there alone, and as he explained it, "They scared the holy hell out of her."

Patrick Rose had his car searched after it had been placed on the TV and everybody in the whole country knew that the Texas legislators were in Oklahoma. A senior staff member, Representative Naishtat, was told it was a felony to withhold information about his whereabouts, a total lie.

In the Corpus Christi newspaper it said this: "The wife of State Representative Jaime Capelo, Democrat, Corpus Christi, looked out her kitchen window Tuesday and noticed a blue four-door vehicle driving past. The driver looked at her home as he passed. The vehicle pulled up next to a white Chevy. 'I asked him why he was watching my house.' The man identified himself as a State trooper and told her that officials in Austin had called his office and told the troopers to follow her."

These abuses and others prompted State Representative Jim Dunnam from Waco to send a letter to Speaker Craddick and say in part: "P.S. as you know, we are at the Holiday Inn in Ardmore, Oklahoma. Please stop having our loved ones followed and staked out by law enforcement." Mr. Speaker, surely, surely Mr. Craddick's family raised him better than that.

Mr. Speaker, using the power and authority of the Federal Government to trample the U.S. Constitution and the freedoms we hold dear is outrageous. Covering it up makes it worse. Coordinating with State enforcement to terrorize innocent families is not only illegal; it is inexcusable. It is time for the Federal Government to come clean and come clean now. Release the tapes, release the transcripts, stop the cover-up. The Constitution is superior to the arrogance of power. Thanks to my State reps, Barry Telford, Mark Homer, Chuck Hopson, they know that. They have learned that lesson. I wish the Republican power brokers in Washington, D.C. do the same thing.

SMALL BUSINESS HEALTH FAIRNESS ACT

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, last September the U.S. Census Bureau released figures that showed that the number of Americans who do not have health insurance has increased to more than 41 million Americans. Of those, 60 percent are employed by small businesses. We know that a great number

of these small business owners do want to offer their employees health insurance coverage; but with health insurance costs rising 14.7 percent just in 2002 alone, they are struggling to meet this cost.

House Resolution 660, the Small Business Health Fairness Act, opens the door for small business owners, providing the chance to give their employees high-quality health insurance at an affordable price by allowing associations to form large regional or national groups that can purchase fully insured health insurance which would put growing businesses on a level playing field for larger corporations.

Those opposed to AHPs, as they are called, claim that they will allow "cherry picking" or selecting only employees that are young and/or healthy for coverage. In reality, this legislation prohibits an AHP from denying health insurance on the basis of health status. They must follow the same rules on portability, preexisting conditions, and nondiscrimination that large employers must follow.

This legislation also contains solvency provisions that protect employees against the risk of health claims. These health plans must certify through a qualified actuary that an AHP is financially sound.

To conclude, what businesses want is to offer health coverage to their workers. House Resolution 660 gives employers the ability to provide this coverage by allowing small businesses to band together as a trade association to become larger purchasers of health insurance. By saving small businesses, an estimated 15 to 30 percent, compared to the cost of purchasing coverage directly from an insurance company, associated health plans will give more Americans the health benefits they need to provide for themselves and for their families.

JOB-KILLER POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, I came down here to talk about taxes, but let me first talk about Texas. All Americans must unite in the war against terrorism and we did that. We passed the PATRIOT Act. We provided resources for the Department of Homeland Security. But now we discover that the war on terrorism is a war against Democrats. This will divide America, and that is good for the terrorists. How many Americans may lose their lives because we cannot empower the Department of Homeland Security because it uses that power to pervert American democracy? Only an honest release of the tapes, only an honest approach will save the Department of Homeland Security and save only the Americans that it can save.

Now let us talk about taxes. The Bush recession continues. Republicans

continue to use their political power to adopt job-killer policies which means the Bush recession will continue to continue. The most obvious job-killer policy is the dividend exclusion provision included in the Senate tax bill passed last week. Every major tax provision has both positive and negative effects on our economy, and Republican after Republican has come down here to talk about the rather modest economic benefits of excluding dividends from taxation. Democrats, though, have not used our time to respond and to point out the much larger offsetting negative effects of this provision. The reason for that is that we Democrats have been so incensed at a policy that provides 50 percent of the tax benefits to 1 percent of the population and gives 1 percent of the benefits to 50 percent of the population.

We have been so incensed that the Republicans would launch a class war attack against working families. We have been so incensed that they would come up with a policy designed to allow the richest in America to buy the new \$350,000 Mercedes Benz, the Maybach, and pass the cost on to the sons and daughters of working Americans as they build the deficit. We have been so incensed about that that we forgot to mention, oh, by the way, it is a job killer.

Let us talk about that. We could of course drop currency from helicopters, \$25 billion a year, \$50 billion a year, and that would have some positive economic effects; but it would have a much larger negative economic effect because it would raise interest rates and it would deprive us of the opportunity to help States. They will have to discharge teachers, law enforcement officers, and others; and those folks will lose their jobs. So even helicopters dropping cash has some positive effect, but a larger offsetting effect.

The offsetting and negative effect of this dividend exclusion is worse because at least the people who catch the money from the helicopter will probably go out and spend it on necessities of life, whereas the dividend exclusion is aimed at the folks most likely to buy foreign luxury imports, which does not provide jobs for Americans.

The dividend exclusion was justified on the idea that it was going to build up corporate treasuries because people would invest in stock and then the corporations would go out and buy plants and equipment. This was proven to be a phony ruse because under pressure to bring down the price tag of the dividend exclusion, the White House has now written a version that obviously will not cause any additional corporate investment. What does that provision do? It provides half-tax exclusion for dividends paid in 2003; full exclusion for 2004, 2005, 2006, and then back to a full taxation of dividends starting in 2007 and future years.

What will that mean? First, all the dividends corporations were going to pay out this month and in the next 8

months will not be paid; so we will have a slump in expenditures by those who receive dividends. Why? Because they can wait until January 1 of next year, pay the dividend, and have it be completely tax exempt. So we start with the decline even in the amount of dividends paid, but come 2004 we will see huge dividend payments. That money comes out of corporate treasuries. It reduces the amount that corporations have available for investment of plant and equipment; and if they have any money after 2004, they will pay it all out in 2005, 2006. No corporate investment; huge dividends.

But it is argued that this dividend exclusion is going to encourage investment in stock. If it had been a permanent exclusion, maybe that was a possibility. A lot of people buy municipal bonds because they get tax-free income. But who would buy municipal bonds if their income was going to become fully taxable in just a few years? Who is going to buy corporate stock because they want dividend exclusion when the dividend exclusion is going to expire in just a few years? So there will be a huge outlay of corporate funds from corporate treasuries that will not be available to buy plant and equipment. But there will be no investment in corporations caused by this provision because nobody is going to buy a new issuance of stock if in just a few years we are going to be back to the old tax law.

The Bush recession continues. Job-killer policies like that contained in the Senate bill will ensure that the Bush recession will continue to continue.

A RISING SEA OF DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, in the next few days, Congress is going to pass another increase in the statutory debt limit, and it will be signed by the President. I want to talk about the rising sea of debt, and we have to be careful that we do not drown.

A few years of surpluses between 1998 and 2001, which were not really surpluses except by Washington standards, seems to have given us a false sense of security. Since then the situation has deteriorated very rapidly, with huge increases in spending; and now we face the most serious debt and overspending crisis in American history. The value of the dollar is going down because of the increasing debt and the tax obligation that our kids and our grandkids are going to pay is going up because of increased debt.

President Andrew Jackson paid off the Federal debt in 1835, retiring the last of the Revolutionary War bonds; however, the United States returned to borrowing which has now grown to levels that President Jackson could hard-

ly imagine. Starting at zero in 1835, it took more than a century for the debt to reach \$100 billion in 1943; \$100 billion in 1943. After 200 years of American history, the debt reached \$500 billion in 1976. Now we are projected to borrow more than \$500 billion every year, this year, next year, the year after. The debt stands at \$6.5 trillion today and will reach \$10 trillion at current borrowing rates before the end of the decade. The administration is now using gimmicks to pay our bills until Congress again increases the statutory debt limit.

The debt is not even the worst of it. The government unfunded liabilities are several times larger than the official public debt. These liabilities are promises that the government has made or obligations it has undertaken without setting aside any resources or a way to pay those debts. According to the Department of Treasury's latest financial report to the United States Government, we owe or can expect to owe \$57.8 billion to cover otherwise defaults on direct and guaranteed loans; \$55.8 billion on accounts payable across the government; \$1.86 trillion for government and military pensions and benefits; \$849 billion in other veterans benefits, mostly medical; \$273 billion for projected environmental cleanup from government activities; \$202 billion in miscellaneous liabilities. These are all OMB projections, and this is only the beginning. This is the least of it.

This still is not part of the unfunded liabilities which are Social Security and Medicare. It will cost \$9 trillion to pay promised Social Security benefits. Similarly, Medicare part A is expected to run \$5.13 trillion over expected taxes. Part B is another \$8.13 trillion.

□ 2015

Thus, the liabilities in just these three programs is about four times our current debt.

Further, this unfunded liability assumes the full repayment of all trust funds. Government has been borrowing from all of these other trust funds to afford the expenditures that have increased so dramatically over the last several years. If those trust funds are not paid, those amounts, which are really very small by comparison, will have to be added to the liability.

We have gotten to the sorry state of affairs through what I consider overspending and overpromising by Washington. Reelection votes are bought today in exchange for promises of benefits later, and the problem is that the country cannot afford all Washington is promising.

About 13 percent of the total Federal budget is now used to pay interest on the debt. If overspending continues and interest rates return to normal, we could easily see spending of the United States using one-quarter, one-fourth, of all of the total budget. A day of reckoning is coming sooner or later. If the government stays on its present

course, we will face the choice of much higher taxes or much reduced benefits and services.

In conclusion, Mr. Speaker, Washington needs a new sense of urgency. We are promising too much, spending too much, and leaving future generations at risk. I have long pushed for spending restraints and necessary entitlement reform, including Social Security reform. It is time for those issues to come before the floor.

The SPEAKER pro tempore (Mr. COLE). Under a previous order of the House, the gentleman from Texas (Mr. LAMPSON) is recognized for 5 minutes.

(Mr. LAMPSON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

INSIGHTFUL EXPLANATION OF TEXAS POLITICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BURGESS) is recognized for 5 minutes.

Mr. BURGESS. Mr. Speaker, I rise tonight to recognize a member of the Texas House from my district and my hometown of Denton, Texas.

Representative Myra Crownover has written what I consider to be the most insightful remarks regarding the recent lack of a quorum in the Texas House. Her remarks were written and carried in the Denton Record-Chronicle last weekend. I ask Members to listen to Representative Crownover in her own words.

"I would like to take this opportunity to explain what is at the heart of the battle between Texas House Republicans and Democrats.

"Though Republicans and Democrats debate and disagree on a number of issues each and every session, none is as arduous or contentious as redistricting. While most legislation concerns issues that cross party lines, such as children, health care or education, redistricting is simply about politics and elections. There is no bipartisan redistricting. There never has been, there never will be. It is the nature of the beast.

"Although the Legislature addressed congressional redistricting 2 years ago in the last legislative session, lawmakers could not agree on new lines, so a panel of three Federal judges did, and their map led to a 17-15 advantage for the Democrats. Rather than drawing a map that currently reflects the political landscape of Texas, the lines were tooled just enough to keep the map legal. There is no question that the current map meets the standards for redistricting spelled out in law.

"The argument for addressing the congressional maps this session rests in the fact that in the 2002 elections the GOP won every statewide race from the governor to the courts and took control over both houses of the State legislature for the first time since Reconstruction. Roughly 60 percent of the