

a confusing, insubstantial benefit to the majority of seniors.

If the Republicans wanted to save money, they could have put in a provision that I and many Democrats have pushed for—and that is to allow the Secretary of the HHS to negotiate with the pharmaceutical to get fairer prices for the American people. I believe that the American pharmaceuticals industry is the best in the world. They make good products that benefit the world. But Americans are now paying double the cost for drugs than their counterparts in other rich nations such as Germany, Canada, Great Britain, or Japan. I am glad our companies are making money. But as we enact a prescription drug benefit under Medicare, access to drugs will rise—and drug company profits will rise as well. It is only fair that the Secretary should have the power to negotiate a good price for American consumers, to make sure we get the best returns possible on our federal investment.

Not only did the Republicans not put in a provision to allow such negotiations, they went out of their way to forbid the Secretary from trying to get better prices for Americans. Why, because they value the profits of their corporate sponsors at Pharma, more than they do the well-being of our nation's seniors.

Similarly, the Republican plan's design wastes billions in kickbacks for HMOs—instead of using that money to bring down the premiums and out-of-pocket costs that seniors and the disabled are forced to pay.

The Republican plan is not available to everyone on Medicare. First, the House Republican plan reportedly will introduce “means-testing” for Medicare benefits—by which seniors with higher incomes would have to pay considerably more out-of-pocket before they reached the catastrophic limit. Medicare is supposed to be for all seniors, it is not welfare, just for the poor. It should be protected as such. What's more, under the Senate Republican approach, low-income seniors and Americans with disabilities would receive nothing at all—the 17 percent of medicare beneficiaries who are also eligible for Medicaid are simply left out. This misguided policy endangers coverage for millions of seniors whose fluctuating incomes change their Medicaid eligibility for year to year.

The Republican plan rolls the dice, gambling seniors' health. By relying on insurance companies to offer coverage instead of guaranteeing benefits in Medicare, the Republican approach runs the risk that no company will offer benefits to seniors in rural communities, where millions of Americans have already been abandoned by HMOs in search of bigger profits elsewhere. There are 9.2 million Medicare beneficiaries in rural areas nationwide. Eighty percent of these seniors have no access to any Medicare HMO. Only 13 percent of them have access to a Medicare HMO that offers a drug benefit. The bill we are getting glimpses of takes failed policy, and expands it to critical areas.

The Republican plan is a risky scheme only an HMO could love. The Bush Administration's Medicare Administrator has called traditional Medicare “dumb” and “a disaster,” highlighting Republicans' disdain for a program that Democrats have been fighting for since 1965. While Democrats have worked to modernize Medicare with prescription drugs, preventive care and other new benefits, Republicans are insisting on a riskier course even

the Wall Street Journal calls a business and social “experiment.”

The Republican plan destroys Employer Retiree coverage. The Congressional Budget Office has concluded that about one third of private employers will drop their retiree drug coverage under a proposal like the one being contemplated. In order to lower its costs, the House Republican plan stipulates that any dollar an employer pays for an employee's drug costs would not count towards the employee's \$3,700 out-of-pocket catastrophic cap. This would therefore disadvantage seniors with employer retiree coverage because it would be almost impossible for them to ever reach the \$3,700 catastrophic cap, over which Medicare would pay 100 percent of their drug costs. The practical effect of this is that employers will stop offering retiree coverage. That is a step in the wrong direction.

We can do better. The House Democrats' legislation, that I am a proud cosponsor of, is designed to help seniors and people with disabilities, not HMOs and the pharmaceuticals industry. Under the Democratic proposal, the new Medicare prescription drug program would be affordable for seniors and Americans with disabilities and available to all no matter where they lived. It offers a meaningful benefit with a guaranteed low premium; and would be available as a new “Medicare Part D” within the traditional Medicare program that seniors know and trust.

I am committed to getting seniors the prescription medications that their doctors deem they need. I want to work with our Colleagues on the other side of the aisle, and the Administration to make that happen. But unless I see a plan without a gap—with a consistent benefit—with some smart cost-controls—and some protections for Medicare, an excellent program for Americans, I cannot support this Republican drug scheme.

Let's do better.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX REPEAL PERMANENCY ACT OF 2003

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108-157) on the resolution (H. Res. 281) providing for consideration of the bill (H.R. 8) to make the repeal of the estate tax permanent, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1528, TAXPAYER PROTECTION AND IRS ACCOUNTABILITY ACT OF 2003

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108-158) on the resolution (H. Res. 282) providing for consideration of the bill (H.R. 1528) to amend the Internal Revenue Code of 1986 to protect taxpayers and ensure accountability of the Internal Revenue Service, which was referred to the House Calendar and ordered to be printed.

HONORING BOB SCHROEDER

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

Mr. BRADLEY of New Hampshire. Mr. Speaker, I rise today to pay tribute to a friend, Bob Schroeder, who has been named Town of Hooksett's Citizen of the Year. Bob was instrumental in the restoration and revitalization of a truly historic local, State, and national landmark.

Robie's Country Store, in Hooksett, has a lengthy history of acting as the town's gathering spot, a place to argue politics, play checkers, buy groceries and homemade baked goods. Robie's was also a required stop for local politicians and Presidential candidates visiting the first-in-the-Nation primary State for over 30 years.

The store closed in 1997, after the store's owners, Lloyd and Dorothy Robie, retired. After 5 years of dormancy, and a lack of funds and dedicated owners, Robie's Country Store reopened, continuing its 30-year political tradition and its 110-year presence in the town.

Bob Schroeder saw an imperative need to preserve this cultural and political landmark and formed the Robie's Country Store Historic Preservation Association to spearhead the renovation effort. The association has worked diligently to bring the store to life again; and on May 24, 2003, Robie's Country Store reopened to an eager and proud community.

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Bob and the Preservation Association were careful to maintain Robie's historical accuracy by keeping the 97-year old building's flooring, ceiling and picture wall of political memorabilia. Always humble, Bob refuses to take credit for the grand reopening of the store, instead pointing the spotlight on the efforts of the entire community. Under Bob's leadership, people of all ages worked together to restore Robie's through fundraising and renovation efforts. The community's hard work will undoubtedly ensure that the rich heritage and traditions of the store will remain intact for future generations to enjoy.

Bob's tireless commitment to preserving this landmark and energizing the whole community to get involved is a wonderful example of his perseverance and dedication to improving the community and State in which he lives. I can think of no better person than Bob Schroeder to receive the Hooksett Citizen of the Year Award, and I am honored to represent him and all other concerned and conscientious citizens from Hooksett and the First Congressional District of New Hampshire.

TRIBUTE TO THE TOWN OF LILLINGTON

The SPEAKER pro tempore (Mr. FRANKS of Arizona). Under a previous

order of the House, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 5 minutes.

Mr. ETHERIDGE. Mr. Speaker, I rise today to celebrate the 100th anniversary of the founding of my hometown, Lillington, North Carolina, the seat of Harnett County. For 100 years, Lillington has been home to many enterprising, patriotic and public-spirited citizens. Today as the town prepares to mark this occasion, I want to recognize the history, success and integrity of this remarkable community. When we talk of famous places, we often talk about buildings and landmarks, like the Capitol here in Washington, D.C., or the Empire State Building in New York.

While Lillington does not have any skyscrapers, it does have people of great character. It is that character which has made Lillington one of America's great communities. Named for General Alexander Lillington, a hero of the American Revolutionary War who is known for his heroic efforts at the battle of Moore's Creek Bridge in 1776, Lillington is one of those special places that welcomes with open arms strangers and family alike. Its citizens sincerely care about the well-being of their neighbors, as evidenced by their dedication to numerous civic organizations, schools, and churches in the area.

On July 4 and 5, and throughout this year, Lillington will celebrate its honored past and the centennial of its formal incorporation. The Greater Lillington Centennial Celebration will be marked by numerous events, including the dedication of roadside historic markers honoring General Lillington and Cornelius Harnett, for whom Harnett County is named; a lecture series honoring notable people who have lived and worked in the community; the installation and dedication of a town clock in front of town hall; the publishing of a history of the community entitled *Lillington—A Sketchbook*; and many other celebrations and reunions.

After my discharge from the Army in 1968, I moved to Lillington and immediately discovered what a unique place it is. In Lillington, Faye and I have raised our three children, Bryan, Catherine and David. It is truly a great place to live, work and raise a family.

Mr. Speaker, Lillington and other towns like it are the backbone of America. They may be hard to find on a map, but it is easy to understand their importance to this great Nation. It is in these tight-knitted communities that our Nation's values are shaped and future hopes reside. As Lillington moves into its second century, it has a bright future ahead of it, and I know that if we are willing to dream big and work hard, Lillington's next 100 years will be even more prosperous and purposeful than its first. I ask my colleagues to join Faye and me today in celebrating Lillington's 100th anniversary.

CONSERVATIVE MYTHS ABOUT THE ESTATE TAX

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

Mr. PASCRELL. Mr. Speaker, I heard two gentlemen this evening, one from Minnesota, the other from Texas, say some things and I need to respond even though it is also part of what I am going to be saying this evening.

One gentleman said the folks on this side of the aisle are concerned about class warfare. Now if we were in session, I would ask his words to be taken down because that has happened one too many times. That is serious business. That is political warfare here. We are all Americans, and we have a right to our opinions.

The other gentleman, the gentleman from Minnesota, talked about unfairness, that we on this side are unfair. Let me tell Members what is unfair. That is the subject about which I speak tonight.

The recent CBO study found that between 1979 and 1997, the after-tax incomes of the top 1 percent of the families rose 157 percent. The wealthiest 5 percent went up 81 percent compared with only a 10 percent gain of the people in the middle of the income distribution.

Mr. Speaker, during that period of time, incomes in the bottom fifth of the population actually fell. That is what is unfair. I want to examine tonight the five myths, I call them lies, that the Republicans have put forth on the estate tax.

The first myth: Many Americans will benefit from the repeal of the estate tax. It is in all of their literature. Well, let me see what the case is. Because the estate tax only falls on estates worth over a million, it only affects the richest of the 1.4 percent of American families. Two-thirds of the estate tax revenues comes from the wealthiest 0.2 percent. When the higher exemptions are fully implemented so a two-parent family could transfer \$7 million to their children without any estate tax, only 0.05 percent would be subject to the estate tax.

So in myth number 1, a study by the Center on Budget and Policy Priorities found that after all repeal of the estate tax, and that is where the other side is headed, the largest 4,500 estates, therefore the wealthiest 0.003 percent of all the taxpayers will receive as much relief from the repeal as 142 million Americans.

Myth number 2: The estate tax is forcing family farmers to lose their farms. We could not find one farmer who was losing their farm, and then they try to quote from the American Farm Bureau Federation, and they could not find one farmer who lost their farm either. And as far as I am concerned, the American Farm Bureau Federation is just like the National Association of Manufacturers, they talk, do no good, and we continue to export

jobs overseas. They are both worthless. Tell a lie enough times, and folks might believe it. The small farmers are not represented by the American Farm Bureau Federation.

Myth number 3: The estate tax stifles creativity and innovation by punishing the successful. Listen to what Andrew Carnegie said about that myth, that each generation should "have to start anew with equal opportunities. Their struggles to achieve would, generation after generation, bring the best and the brightest to the top."

Warren Buffett was quoted from this floor just a week ago, there is no free lunch.

Myth number 4: Taking 55 percent of someone's life earning is unfair. That is a myth. Conservatives, particularly on the other side, do not let facts get in the way of political ideology. The effective tax rate, which is the percentage of an estate, which is actually taxed, does not even come close to 55 percent, Mr. Speaker, and they know it.

In 1999, the effective tax rate on all estates was only 24 percent, less than half of the 55 percent reported. The 24 percent effective rate leaves heirs 76 percent of the value of the estates.

Mr. Speaker, do not let Americans think you are going to help them on this estate tax when we are talking about a tiny percent of the population. The other side of the aisle is trying to create that myth.

Finally, Mr. Speaker, the estate tax is double taxation. Do you want a list of those poor people in the middle class that we double tax on issues? There are a lot of ways that we tax beside the income tax. This is a myth and they have quoted from folks that do not even support the position. This vote that we will take on Thursday is one that everybody should look at the facts, not how things are perceived, not at how things look, look at who is being helped and look at the redistribution of wealth in this country, and we will see who is guilty of class warfare.

Without the estate tax, these assets would never be taxed. But that is exactly the point. Conservatives who argue that it is unfair to tax them twice are really trying to get out of having them taxed at all. Repeal of the estate tax means that huge amounts of capital gains would be passed on to children without ever having been taxed.

The fact that the estate tax also falls on a part of an estate made up of previously taxed income is not problematic because it is no different than how any other income is treated. Under our tax system, the same dollar is taxed multiple times as it moves through the economy from employer to employee to a gas station and then on to the next employee, ad infinitum. It is unfair and inconsistent to single out the estate tax for exemption from this system.

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