

ORDER OF BUSINESS

Ms. JACKSON-LEE of Texas. Madam Speaker, I ask unanimous consent to take my Special Order at this time.

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

There was no objection.

THE RAVAGES OF WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Madam Speaker, today I speak about the ravages of war. I also say to my colleagues that there is no claim of being unpatriotic when you desire to speak of peace. The ravages of war can generate much devastation, not only in our domestic society, but also internationally.

I rise today, first of all, to pay tribute to a young man who lived in my community who was buried today, a young officer in the United States military, enlisted personnel, young and bright and committed to serving his country. In actuality, he died serving his country.

□ 1545

Mr. Speaker, it was not by the ordinary manner in which you might have thought he may have lost his life, he did not suffer a wound, but he was a casualty of war.

For he was sent into Iraq already ailing, but because of the need for the recruiting numbers and the necessity of meeting quotas, he was sent to Iraq. And he served ably.

But he was carried out on a stretcher, because, unfortunately, he suffered liver failure. No matter how our young men and women, enlisted personnel, Reservists and National Guard lose their life in the line of battle, we owe them a great debt of gratitude. And so to his mother today as she buried her son, I offered to her my deepest sympathy.

Unfortunately, things do not work a lot of times when we think of the way our government should, and that is why I account or say that this is part of the ravages of war. The hospital system failed Nathaniel Parker, from the hospital system, the military system, the veterans system failed him, maybe because they had a billion dollar shortfall.

But when he went to the hospital to receive treatment, he was turned away. I will not allow that to stand, because I will be taking his case and calling for an investigation, because I do not want one single soldier to come home and face the doors of the hospitals being shut in their face.

The ravages of war also find that children are being killed. How sad it is to find that soldiers who simply wanted to engage children in Iraq were the cause or the genesis of children, because of a horrible suicide bomber, an evil person, yes, but because of the ex-

istence of our military there and the children coming to them to receive candy, much of what I have seen when I visited the soldiers, because they care and they love, the soldiers were endangered, the children were endangered, and we saw the killing of children in Iraq, the ravages of war.

And then of course in the last 24 hours, the Green Zone that is supposed to be safe, the very place that I slept while I was in Iraq, had two explosions. So that means that our command and our soldiers that come there for comfort, our contractors are not safe. The ravages of war. The explosions in the Green Zone.

There is no safety in Iraq. And then when you talk to the Iraqi people, they say, We have no running water, we have no electricity, we cannot send our children to school. Meeting with women there, they said that they are in fear of their lives, and their children cannot go to school.

There is no solution that seems to be to bring about peace. And then, of course, there is discussion of whether or not our military should be inside Iraq or really at the borders to stop the insurgents or those who come to do terrorists acts from coming inside into the country.

Most importantly, as we give the deepest sympathy to our friends in London, England, we offer to our prayers to their families. We realize that the terrorism was not one that came inside, it existed inside the country, and we realize that that terrorism is what we should be focused on, and the fact that Iraq continues to churn in the minds of those who think that we are not the great Nation that we are, it continues to foster in the minds of those that they should do evil things.

And so it is important for the President and this administration to set a timeline, not a date certain, but a timeline to bring our troops home. For the families who are now distraught, the Reservists and the National Guard families who cannot make ends meet, and, of course, for a war that is churning in the minds of those who believe that that is all that America represents, it churns, it permeates, it sours, and it turns into evil acts.

It is important for this Nation to stand up and acknowledge that Iraq must take the leadership of its own country. We might be able to stay on the border, but the constant jeopardy of our young men and women on the front lines, not because they are not brave, not because they are not courageous, because we have no plan, we have no solution, and they become targets of evilness, the children become targets of evilness because we represent a certain force in Iraq.

The war was based upon misdirection and untruth, and so it is hard to be able to be liberators when there are no weapons of mass destruction. I would simply argue that we must come together, and I am delighted to be on the bipartisan legislation that speaks about an orderly timeline.

And I hope if we ever take this country to war again, whatever president it may be, Democratic or Republican, that we will do so with a constitutional vote under the Constitution, because we recognize when America is at war, we come together as one, we support our troops.

But the way that we go to war is the key. And victory will come to those who understand process and understand plan and understand solution and understand exit strategies, success strategies.

And so, Madam Speaker, I think it is important, as I pay tribute to Nathaniel Parker who was buried today, a young soldier who served his country in Iraq, that we say to the Nathaniel Parkers whose medical system here in the United States failed him, not on our clock, not on our watch will this ever happen again, not at Abu Ghraib, or not the tragedies of loss of life, not anything that spoils the Democratic thrust of America. It will not be on our clock. And I ask my colleagues to work with us to bring our troops home.

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

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Miss MCMORRIS). The Chair would just remind persons in the gallery that they are here as guests of the House, and it is not appropriate to show any signs of approval or disapproval of the proceedings.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Ms. FOXX) is recognized for 5 minutes.

(Ms. FOXX addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

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

GOOD NEWS ABOUT AMERICA'S ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Kansas (Mr. TIAHRT) is recognized for 60 minutes as the designee of the Majority Leader.

Mr. TIAHRT. Madam Speaker, I plan on spending most of the next hour

talking about how we are going to create an environment in America to create and keep jobs here not only tomorrow and in the future, but for long, long term purposes.

First of all, though, I wanted to talk a little bit about the good news in our economy that we have seen lately. On July 8, the White House released some economic information that was very good for America. In the month of June, 146,000 new jobs were created. The payroll rose by that much. That makes 3.7 million jobs that have been created since May 2003.

We have seen steady gains over the last 25 months. And today, more Americans are working than ever before. It is also important to note that the average wage of working Americans is now higher than it has ever been before in the history of our Nation. The unemployment rate also fell to 5.0 percent in June. That is the lowest rate that it has been since September of 2001.

So our economy is strong, and it continues to grow. Our economic indicators show strong sustained growth, both in the real gross domestic product and in real income. Our durable goods orders are on the rise. They have increased 5.5 percent in May. That is the largest increase in 14 months. It is well above our early estimates.

U.S. manufacturing continues to expand for the 25th consecutive month. U.S. manufacturing expanded in June. The purchasing manager's index increased 2.4 index points to 53.8, indicating growth above market expectations. The nonmanufacturing sector has also showed strong growth. And consumer confidence is up by all indices.

The President's second-term agenda of creating jobs and growing the economy has been successful. We can attribute this economic growth to the tax cuts which we hope to make permanent, also to retraining Federal Government growth. That helps reduce the deficit. But we also want to go on to make a strong economic environment in the future.

One of the ways that we are going to do that here in the House of Representatives was started this morning. This morning, we kicked off the Economic Competitiveness Caucus. We started with a press event this morning that included the leader of the House, the Majority Leader of the House, the gentleman from Texas (Mr. DELAY), the Majority Whip of the House, and the gentleman from Missouri (Mr. BLUNT).

We also had the Secretary of Commerce, Secretary Gutierrez, and we had a representative from the Small Business Association, Tom Sullivan. We also had former Governor John Engler, the President of the National Association of Manufacturers, along with about 20 Members of Congress.

For almost two centuries, America has been the envy of the world with our economy. It has been dynamic. It has been supported by a hardworking motivated workforce. We have truly been

the land of opportunity where innovation has thrived. But our status is changing, and we must do something about it to address it. I have established the House Economic Competitive Caucus to take a long-term vision approach to addressing competitiveness issues.

Because the best ideas usually come from Main Street and not from Washington, D.C., we have joined efforts with business leaders to focus on removing barriers on the American economy, and that way, we can develop new economic goals for the future and find paths to get there.

The United States has the number one economy in the world. We have been the envy of the world. It is a dynamic economy. But we want to make sure that we can continue that status instead of dropping into a third-rate economy.

Last year, we ran a \$670 billion annual trade deficit. It has contributed to our Federal budget deficit, and it has slowed our economy the past few years. We have seen other nations move forward, though, and do things that I think we ought to take into consideration when we build our future economy.

Ireland, for example, has shifted from a third world nation in Western Europe to the envy of the European Union, largely due to its tax policies. The Celtic Tiger, as it is known, has lowered its corporate tax to 12.5 percent, and that stimulated their economy and created many jobs.

India was languishing under the burdens of a heavy socialist government, and now, through a concerted effort, has reduced regulations, and they have stimulated their economy.

China is currently graduating more English speaking electrical engineers than graduate in the United States. They have focused on education, especially in math and science and technology. China is setting up an environment to create their own Silicon Valley, and they are trying to attract the world's technological business.

Brazil has achieved what some believe to be a pipe dream. They are projected to be completely energy self-sufficient within a couple of years. It took them years to develop the type of renewable energy that they needed, but now they are leaders in ethanol production, and their economy is not suffering from the current high crude oil prices.

Chile has become an economic leader in Latin America by breaking down the barriers and doing business within their nation. Their emphasis has been on signing free trade agreements. It has been very fruitful for them. Last year, they signed free trade agreements with the United States, with South Korea. Chile is currently working on negotiations with China, India, New Zealand, Singapore, Japan and Australia. And they will continue to thrive.

For these reasons, these nations and other world economies are poised to

move ahead of the United States in the next decade. In fact, the 2005 Index of Economic Freedom by the Heritage foundation ranked the United States 13th in the world. For the first time, we have dropped out of the top 10. This is due both to other Nation's progress and economic competitiveness as well as our own barriers that have been rising up and stopping the growth in our thriving economy.

This development is not a temporary blip on the radar screen; it is the culmination of a generation of increased regulation, unsound tax policies, languishing emphasis on math and science education, unchecked health care costs, rampant lawsuit abuse, unfocused research and development funds, a lack of comprehensive energy policy, and weak trade policy enforcement.

In short, our government has made it difficult and undesirable to do business in the United States. We have put up road blocks to keeping and creating jobs in America. And we have done this to ourselves. If these current trends continue, our economy will continue to lag, and we will no longer remain the most dynamic economy in the world.

Without attention to these matters, the United States is headed toward a third-rate economy; 5, 10, 20 years down the road, we will no longer be the world's leader or even in second place. That is why we need to take these issues seriously today.

Last year, we began with the competitiveness legislative agenda on the House floor. And over a period of 8 weeks, we discussed and voted on issues relating to keeping and creating jobs in America. Starting this week, the jobs action team is again bringing legislation to the floor to combat this problem. We need to take a longer-term vision. For these reasons, we have established the House Economic Competitive Caucus, and this caucus is going to carefully examine issues facing our ability to compete economically for the coming years.

We will work to focus congressional efforts on removing barriers to the economy to make America more competitive. We are going to develop economic goals and find paths to get to those goals.

Now, the areas that we are going to focus on are in eight different issues. They start here on this placard that I have. We have health insurance. We have had the highest rising health insurance costs in recent history. And it has made it very difficult for small businesses to provide health care to their employees. It has been difficult for large corporations to meet their health care needs. And so health care costs has to be an issue that we address in making America more competitive.

We also have bureaucratic red tape termination as one of the issues that we need to work on. We have already focused on that earlier this week. I will talk about it a little more.

Lifelong learning is one of the issues, because we are seeing now other economies and other nations focusing on technologies, focusing on engineering, focusing on math and science.

□ 1600

And here in America we are having more and more problems.

I recently spoke with a college professor in the physics department of the University of Southern Alabama. He said they were looking for an associate professor, and they looked all over the United States to find an associate professor for physics. They were unable to find one to hire for that slot so they had to go outside the United States and look at applicants from other nations.

The reasons we are going outside the United States to look for associate professors of physics at the University of Southern Alabama is that we have not focused our education system on math and science and on engineering and on technology like other countries have. We need to change that in the future and focus our resources to prepare for tomorrow's economy.

Another issue is energy self-sufficiency and security. We know today every time we fill up with gas at the pump that our lack of energy policy has been a detriment to the cost of energy here in the United States. Five times the House of Representatives has passed an energy bill. And finally after passing it five times in the House, we have a piece of legislation in the Senate that is significantly different, but it is a basis for us to meet now in conference committees.

We hope to have a conference report available before the end of this year so that we can put into place energy policy that will help us become more self-sufficient and help us reduce the cost of energy in America. Because it is not only the fuel pump; it is also with natural gas prices. We pay more for natural gas than anywhere in the world. We use natural gas to generate power, to manufacture goods and to make fertilizer, a whole broad area, including plastics. But because of the high cost of natural gas, because of the high cost of petroleum products, we are seeing many of our industries go off shore.

We cannot have a competitive policy without dealing with energy. So energy is one of the issues that we are going to deal with, and hopefully we will have less of a need for foreign imports in petroleum products. Then we can lower our natural gas prices as well as our gas prices at the pump and continue to manufacture things such as plastics and fertilizer.

Another issue we will be dealing with is research and development so we can spur innovation. Our research and development is different than how they approach research and development in the European Union, for example.

What we see in America is a very open research and development policy. For example, in Wichita State Univer-

sity in Wichita, Kansas at the National Institute of Aviation Research, we do research on composite manufacturing, on stress loads for composites, on composite repairs; and that research is available to anybody inside the United States, anybody in the world. They can get online and find out the data, find out information that can be applied in Europe or in China or in Australia or anywhere.

If you look at Airbus and how they are focusing the research and development that they get from their member nations, such as Germany, France, Spain and the United Kingdom, they get research and development that helps them develop new products that is not readily available across the borders. It is not available to Boeing, for example. So we have a research and development policy that we need to focus to make ourselves more competitive in the future.

We also have trade fairness as one of the issues. We have seen time and time again where other economies are focusing their resources to try to drive certain American manufacturers out of the business, that way they can have a corner on the market and they can then raise the prices and make a higher profit level than they would necessarily get. So we have to have a trade policy that continues a fair, level playing field that does not allow our industry to be targeted.

One of the resources that we have in America, and we have plenty of it here, we have more of it in America than we have anywhere else in the world that we do not export, is lawsuits. Some people say, how do you export a lawsuit? Well, we have a lot of legal activity here in America, and it is driving up our costs; but the way you export lawsuits is through trade packages. When you see an unfair trade policy, then you go to the World Trade Organization or you go through an international court and you file a lawsuit in order to get a level playing field.

The other two issues we have are tax relief and simplification, and the other one is ending lawsuit abuse. Those are part of the eight issues that we will be dealing with in the Economic Competitive Caucus.

I am joined here today on the floor with the majority leader of the U.S. House of Representatives, the gentleman from Texas (Mr. DELAY), and I yield to him for his remarks about competitiveness in the United States.

Mr. DELAY. Madam Speaker, I appreciate the gentleman for taking this Special Order and particularly for his incredible hard work in pulling together the 21st Century Careers Initiative that he has been working on for a couple of years and certainly has brought it now to where we are actually making things happen starting this week and the following weeks to deal with these kinds of issues. It is incredibly important.

Last Friday, news came from the Bureau of Labor Statistics that American

businesses, mostly small businesses, produced 146,000 new jobs; and that unemployment for June 2005 fell to just 5 percent, the lowest since 9/11, and many economists call that full employment.

Tuesday, the Office of Management and Budget reported that a surge in tax revenue due almost entirely to the economic growth created by recent Republican tax relief had cut the Republican deficit by almost \$100 billion. The Congressional Budget Office for the same reasons believes that the 2005 deficit will now be even lower. And now just this morning we have received news that the consumer price index, the lead indicator of inflation, has unchanged in June, meaning that the robust economic growth that we are experiencing is occurring without any sign of inflation.

All of this good news is on the heels of the Bureau of Economic Analysis report late last month that first quarter economic growth was at a 3.8 percent annual rate, revised up from a 3.5 percent. Manufacturing industrial production is up 3.4 percent this year and 9.5 percent since 2003.

Business equipment investment has increased 13.5 percent over the last 2 years. New home sales are at record highs. And the homeownership rate, now 69 percent, is at an all-time high. Retail sales are better than expected in June and new jobless claims for the week indicate yet again an expanding job market. Put simply, Madam Speaker, the economy is growing, the deficit is shrinking, jobs and opportunities are being created, and unemployment and inflation are under control.

Rather than resting on the laurels of these successes, the House Republican Conference this week under the leadership of the gentleman from Kansas (Mr. TIAHRT) announced the 21st Century Careers Initiative, which is a far-reaching, far-sighted agenda for the economic reform that will remove eight barriers between the American people and the American Dream; and he has gone over them already. Removing this friction from our economy while holding the line on Federal spending is not only how we can reduce the deficit; it is how we can transform the role of government in our national economy and the role of the United States in the global economy.

This is a noble and necessary goal of the 109th Congress. So this week, as the gentleman has mentioned, we took up a resolution declaring the House's acknowledgement "that improving the competitiveness of the United States economy depends on congressional action to remove barriers" to prosperity, and all but 17 Democrats voted against it.

One hundred, seventy-seven Democrats voted against a resolution announcing this initiative promoting economic growth, security and prosperity, against opening new markets to our small business owners, against easing

\$850 billion in regulatory burdens annually foisted on American small businesses, against “innovation and investment,” against “health care security,” against “lifelong learning,” against simplifying a Tax Code that takes the American people 6½ billion hours every year to comply with, against liberating our legal system from abusive predatory lawsuits, and against energy self-sufficiency.

Now, how can anyone anywhere be against these things?

This is what has become of the once-great Democratic Party. The idea-driven policy colossus of FDR and JFK that gave us Social Security, the New Deal, the Marshall Plan, the space program, and civil rights is now led by a peanut gallery that has surrendered the field of public discourse and taken up residence as the backseat drivers of American politics.

On every issue now facing our Nation, from the war on terror to Social Security to economic reform, the Republicans have forged into that arena with bold and innovative proposals while Democrat leaders have sat back and heckled, offering nothing constructive to the debate, more pundit than party. No idea. No agenda. No cooperation. Nothing.

Well, faced with this partisan obstruction, House Republicans have no choice but to move forward with our positive agenda for reform, an agenda that has been affirmed by the American people in six straight elections. They can gripe. We will govern. Democrats can keep making noise, and with the new 21st Century Careers Initiative and the rest of our agenda, Republicans will keep making history.

I appreciate the gentleman for all the work that he has done and particularly for this Special Order so that we can talk about this in very real terms.

Mr. DREIER. Madam Speaker, will the gentleman yield?

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

Mr. DREIER. Madam Speaker, I would like to engage in a colloquy with my dear friend from Texas and with the gentleman from Kansas (Mr. TIAHRT).

First of all, let me join in extending congratulation to my friend from Kansas for his focus on Careers for a 21st-Century America. As we look at the litany of items, health care security, bureaucratic red tape termination, lifelong learning, energy self-sufficiency and security, spurring innovation, trade fairness and opportunity, tax relief and simplification, and ending lawsuit abuse, I think those are very, very important goals.

The majority leader and I yesterday had the opportunity, the gentleman mentioned the space program and the vision, of course, that Democratic President John F. Kennedy had for the space program, we yesterday were traveling to Florida; and, unfortunately, we did not get to see the space shuttle Discovery launched, but we know that

we will. We hope very soon. But when we sat down on the plane, the majority leader had a copy of the New York Times. And it is not often that we spend time focusing on the great headlines in the New York Times, but in the upper left-hand column of yesterday's New York Times it said: “Tax Revenues Surge and Will Cut the Deficit.” That was the headline in the New York Times. And, frankly, both of us were shocked for about 15 minutes having seen such an accurate headline in the New York Times, but it is very true.

And the thing that immediately came to mind was the fact that since Ronald Reagan was President of the United States, Democrat after Democrat would take to the well of this House, Madam Speaker, and proceed to say, if we put into place a tax cut, what is going to happen? Two things. We will see our economy head into the tank, and we will see the deficit surge.

Now, during the decade of the 1980s, we all know that because of the Economic Recovery Tax Act that President Reagan put into place with a bipartisan majority here in the House of Representatives, because we were then in the minority, we were able to see a tax cut which doubled the flow of revenues to the Federal Treasury through the decade of the 1980s.

People are regularly rewriting history around here. I constantly here that Ronald Reagan presided over all this deficit spending. Well, what happened was we were able to put together this fragile working majority to pass the tax cuts; but, unfortunately, because of the Democrat majority, we saw spending continue to increase in a wide range of areas. One very important area that we all supported, that was of course the defense build-up which brought an end to the Cold War, it brought the Soviet Union to its knees. We saw the Berlin Wall crumble because of what took place in the 1980s, but we had those revenues because of those tax cuts.

My friend from Texas knows very well, and we were discussing this yesterday, one of the things that is important, and that is why I am so proud of the work that this effort, the work being done by this group put together by the gentleman from Kansas (Mr. TIAHRT), is focused on rather than simply pointing our finger elsewhere, and I see the chart that the gentleman has there, juxtaposing Mexico's and Canada's regulatory burden as a percentage of gross domestic product versus ours. We have unfortunately in this country failed to spend time looking at ourselves. We are constantly pointing the finger outward saying, they have caused our problems here. This country has caused our problems.

We need to look ourselves at the tax and regulatory burden that jeopardizes the kind of growth that we need to have. In spite of these restrictions that exist, we have done phenomenally well.

□ 1615

And I will tell you, I am glad to see trade is one of those items on the agenda for our competitiveness, because we know that the world has access to the U.S. consumer market today.

One of the great things we have done is we have made sure that the American consumer can have access to the best quality products at the lowest possible price. One of the things that needs to be done is we need to recognize prying open new markets, when 94 percent of the world's consumers are outside of our border, is the right thing to do. That is why inclusion in the Central American Free Trade Agreement is absolutely crucial to this economic growth agenda.

The other day I had a former college classmate of mine come in, and I did not know this, but he has been living and working in Cambodia for the last 15 years. I said, well, what brings you to Washington? He said, I am here to make sure that you all pass the Central American Free Trade Agreement. The guy is in Cambodia and he is coming here to ask Members of Congress to support the Central American Free Trade Agreement. Why? Because he said the people of Cambodia are concerned that if you do not pass that market-opening opportunity for U.S. goods, then we will see this overall agenda for global leadership by the United States and free trade jeopardized. So we know this is a benefit to the U.S.

Again, that is a policy that we can pursue, and we have been very fortunate in being able to work with those five democratically elected presidents in Central America and the president of the Dominican Republic and their parliaments in making sure that we implement this. They understand that market-opening opportunities are very, very key.

Another thing that struck me was, I was reading a study the other day by a guy who actually had been associated with President Bush No. One, President Bush 41 we like to call him, one of his economic advisers. His name is Todd Buchholz, and he did this study in which he showed that 20 percent of the jobs in the United States of America require some kind of licensing to get that job. For example, in the City of New York, if you want to repair a video cassette recorder, you have to have a license to do that. In the State of Louisiana, anyone in the State of Louisiana who wants to arrange flowers has to be licensed by the State of Louisiana to be able to arrange flowers.

If you look at those kinds of constraints that are government imposed, that is the kind of thing that we as a Congress need to look at and focus on. And that is why focusing on the 21st-century economy, as the gentleman from Kansas is doing so well, is the right thing to do.

I would just like to see if my friend from Texas or friend from Kansas agree or disagree with the arguments I am trying to propound here.

Mr. DELAY. Well, Madam Speaker, if the gentleman would yield, I appreciate the comments of the gentleman from California because he is right on.

The thing that I was thinking about as he was speaking is, number one, the headline that he referred to in *The New York Times* on the front page yesterday is the same sort of headline on the front page of *The Washington Post* today. I know both papers hated to write those articles. And if you read the articles, they always qualify things and say, yes, things are good, the deficit is going down, revenues are going up, they are holding down spending, but there are some things out there that are going to throw cold water on this burgeoning economy. We have gotten that over and over again in this Chamber.

I can remember when we first started out with this majority in 1995, when we were committed to a balanced budget and this majority in this House led us to a balanced budget through the Balanced Budget Act of 1997, oh, the fear-mongering was absolutely outrageous. Hardly any Democrat voted for that bill, including President Clinton, who vetoed it one or two times, if I recall, and finally he signed it for political reasons.

But the point is, they fought us every step of the way. They fought the philosophy of letting people hang on to more of their money and invest it and spend it and try to hold down Federal spending, the key to bringing a balanced budget. We thought the budget would be balanced in 5 to 7 years, but it was balanced in 2 years because the philosophy worked. We started gaining surpluses and started paying down on the debt because we had surpluses.

We did run into economic problems because of the war and the bubble burst and recession and other things, and 9/11; but we are coming back. And the reason we are coming back is we are sticking to that philosophy that the gentleman is laying out here. We understand that the American business is overtaxed, overlitigated, overregulated. We understand that the government is too big and doing things it should not be doing, forcing monies out of the pocket of the private sector and families in this country and into the pockets of bureaucrats to do things that are unproductive; and we are attempting to get at that.

We just passed the toughest budget that we have passed in a very, very long time that gives us the opportunity to look at entitlement programs, which are the biggest spenders in this Federal Government. So we are doing that. We are attempting to bring not only fiscal responsibility to this government but understanding how we can get government out of the way of entrepreneurs and families to let them do what they do best, which is to create jobs and create wealth.

But the kinds of comments that are reported time and time again and never checked to see if they actually work,

that come from the other side of the aisle, from the Democrat leadership, is just incredible. And now is the time to compare those kinds of comments, talking about the fact that our approach to the economy is going to drive up the deficit, when the deficit is going down; that cutting taxes takes money away from very important programs in the government, when revenues are going up and we are still able to fund those programs that make sense.

Mr. DREIER. If the gentleman from Kansas will yield.

Mr. TIAHRT. Madam Speaker, I will be glad to yield to the gentleman from California.

Mr. DREIER. Madam Speaker, I think an important point that was actually included in that *New York Times* article about which we have been referring from yesterday is who is it, which taxpayer is in fact providing this dramatic increase in the flow of revenues to the Federal Treasury?

I would ask my colleagues if they could guess which taxpayer is in fact providing that flow of revenue. Does the gentleman know?

Mr. DELAY. Let me guess, Madam Speaker. It must not be the rich. Could it be the rich?

Mr. DREIER. In fact, if the gentleman will yield further, the *New York Times* made it very clear, it is wealthy Americans. Wealthy Americans, those in the upper income brackets, who have provided that great surge of revenues to the Federal Treasury.

Why? Because of the economic growth that President Bush and this Republican Congress predicted would in fact happen. And it was not simply a prediction. We are clearly the party of ideas. We have made that clear with all the proposals that are out here. But the bankrupt ideology, the ideological baggage of the past, more spending and higher taxes as a panacea of the future, is obviously a failed policy.

Time and time again the very distinguished ranking minority member of the Committee on Appropriations comes before the Committee on Rules and requests, on virtually every appropriations bill, to increase spending. And how does he propose to pay for that? By imposing a surtax on those upper-income wage earners. Well, the fact of the matter is, those upper-income wage earners are, by virtue of having made more and more investments with their income, are increasing their tax responsibility to the Federal Treasury.

So if you couple the economic growth policies along with, as my friend from Texas has just said, our passing appropriations bills that have real spending cuts for the first time in a long period of time, we are going a long way towards getting our fiscal house in order.

But being the party of ideas, we are not satisfied to stop right here and sit on our laurels. And that is why this Careers for a 21st-Century America agenda is such an important one, because

we want to expand on the great success that we are enjoying today.

I thank my friend for yielding to me and for taking out this Special Order.

Mr. DELAY. As I do, Madam Speaker, and I greatly appreciate the gentleman's efforts, as I said before; and we are looking forward to implementing his agenda and the agenda of the Economic Competitiveness Caucus that he has put together and kicked off today. We are looking forward to working with them to bring this very important agenda to the floor of the House.

It is only because we are in the majority that the gentleman is able to bring this agenda to the floor of the House, and we need to constantly remind the American people of that fact.

Mr. TIAHRT. Madam Speaker, I would like to thank the majority leader for joining me here this afternoon, and also I would like to thank the chairman of the Committee on Rules chairman, the gentleman from California (Mr. DREIER), for spending time with us on the floor talking about the importance of the future economy and how the ideas that we have in keeping and creating jobs in America are going to get an opportunity to be openly debated on the floor of the House.

One of the things I deeply appreciate about the chairman of the Committee on Rules (Chairman DREIER) is that he has been fairhanded. He has guaranteed open debate on the floor, and he has ensured that each and every American has had a chance for their Representative to have time on the floor to speak freely about issues they believe are important to them.

We have talked about how good our current economy is. We have talked about the issues that are very important for the future economy and how these eight issues will bring legislation and ideas to the floor that we can implement to ensure we have a strong economy in the future.

But, Madam speaker, let me talk a little this afternoon about the problems we are facing with regulatory costs. That is one of the issues that we are dealing with this week, the bureaucratic red tape termination. Why do we need to deal with that? One reason is the tremendous cost that the regulatory burdens have put on our economy.

If you look at what we have in this chart that is provided to us by the Competitive Enterprise Institute, it says that in 2004, the regulatory cost in the United States is \$860 billion. That is \$860 billion, with a "B." Now, that is the cost of implementing the regulations.

If we look at where that is evidenced in our economy, we do not have to look far. It is part of the cost of calculating taxes, part of the cost of implementing environmental procedures, and some of it is keeping up with health care regulations. Let us just talk a minute about health care.

If you look at health care regulations in America, you will find out that, according to the Kansas Hospital Association, for every hour of health care that they provide to a patient, it takes 1.1 hours to comply with the regulatory paperwork. More time to comply with paperwork than they provide in giving health care. There is something wrong with a system that demands more time to provide paperwork than it does to provide health care in our health care industry.

Last year it was \$860 billion, as I said. Now, let us just compare that to the gross national product of Mexico. They only had \$574 billion as their gross national product. Canada had \$701 billion in their gross national product. We spent more complying with regulations than they saw in their total economies in both Mexico and Canada.

The message we should gain from this is that we need to put some commonsense applications to our regulatory burden. A good example occurred just a couple of years ago in Wichita, Kansas. I received a call from the Wichita Builders Association. They said that OSHA had targeted Sedgwick County, Kansas, Sedgwick County being the county Wichita is located in. They had been targeted by OSHA. The homebuilding industry had been targeted by OSHA. OSHA had sent their representatives down and made unscheduled visits to work sites; they set off a block or two from work sites and took pictures. They ended up sending citations and levying fines against some of the subcontractors and contractors that were responsible for building homes in Kansas.

The net impact is that many employers just shut down their homebuilding. If you think about it, if you are a subcontractor and doing framing for a house, the most profit you may possibly see on that job would be \$1,000, maybe \$2,000. So when you compare that to the \$7,000 fine they were getting, which could have gone up to \$50,000, it was cheaper for them to stay home than to go to work. And when it becomes cheaper to stay home because of regulatory burdens, we are not going to have a strong economy.

So I spent time with the Wichita Building Association and I spent time with OSHA, and I found out they both had the same goal. They wanted a safe work environment.

Think about a lot of the small employers and subcontractors in the homebuilding industry. They employ their friends, their relatives, sons, uncles, and cousins; and they certainly do not want them getting injured on the job. I do not think any of them want to go to the next Thanksgiving reunion they would have with their family and try to explain why their brother-in-law got injured on the job. Instead, they want to have a work environment that is safe.

We know that when there is an on-the-job injury, workmen's compensa-

tion kicks in, their insurance costs go up. Economically it is not good for small employers to have an injury on the job. So we knew they wanted to have a safe work environment. OSHA is tasked with trying to create a safe work environment here in America.

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But the problem is we have this adversarial relationship where they work against each other for the same common goal. So by getting OSHA together with the Wichita Building Association, they figured out a way to work cooperatively to create a safe working environment. To do that, they had the OSHA representatives come on an announced visit, walk together with the subcontractor or the small business owner, walk through the workplace and list potential safety violations. After the visit, they would list the potential violations, and then the OSHA representative would give them some period of time, between 6 weeks and 6 months, to go out and fix that inequity in safety. Then OSHA came back and went through the checklist to see how they were doing to make sure that there was a safe work environment.

That was a cooperative effort, and people went back to work and had a safer work environment. A common goal was achieved by cooperation rather than an adversarial role.

Too much of our regulatory burden in America is created by an adversarial goal. Our Environmental Protection Agency, the way the law is structured, one company when involved in a potential violation of environmental law, is forced to sue all of their surrounding neighbors to get them involved in the lawsuit which comes from the Environmental Protection Agency to correct the problem. That drives up the cost of getting any potential environmental violation rectified.

Over half of the money spent by the Environmental Protection Agency goes to lawyers. That does not clean one drop of pollution. If we could work together in a cooperative fashion, we would have a cleaner environment, do so with less money, and it would make us more economically competitive, and it would bring jobs back to America.

Looking at other areas of our economy, for small firms that have less than 20 employees, the annual regulatory burden in 2000 was estimated at \$6,975 per employee. That is 60 percent higher than it is for the \$4,463 estimated for firms with more than 500 employees. What that means is small employers have a greater burden in trying to comply with regulation than larger companies. Larger companies have more resources. They can dedicate people to regulatory compliance. That means smaller employers have a harder time competing in a world market or in a local market.

In Kansas, four out of five jobs are small employers. If it is more difficult for them to be in business, there are less jobs not only in Kansas but across

the United States. Over the past decade, 60 to 80 percent of new jobs in the United States economy came from small businesses. During the last two recessions, 1990 through 1992 and 2000 through 2001, small businesses created almost all of the net job increases. So it is important that we focus on how to have a competitive advantage for small businesses as well as large businesses so we can create jobs in the future.

According to the Mercatus Center, the budgetary cost to taxpayers for funding regulatory agencies topped \$25 billion in 2002. So by applying some common sense reforms, we could save money in the Federal budget and reduce the amount of money going toward regulatory burdens.

The Code of Federal Regulations extends 19 running feet. From 1991 to 2002, the number of pages in the Code of Federal Regulations increased by 28 percent. Not long ago, FDIC Vice Chairman John M. Reich, said that there are 65 words in the Lord's Prayer, 286 words in the Gettysburg Address, 1,322 words in the Declaration of Independence, and 26,911 words in the Federal regulation governing the sale of cabbage.

When you think about those documents that are very succinct and very clear, they do not take a lot of time or space. But when you look at regulations, it is cumbersome and burdensome, and it is keeping us from being competitive in the future. It is a tremendous burden on our economy. Of the \$860 billion, part of that could be going to research and development, part of it could be going to creating new jobs and job training. It could be doing a lot of things that would help make America more competitive in the future.

To give some idea of how we can focus some of our efforts in the Economic Competitive Caucus toward reducing this regulatory burden, we can look at our tax laws. According to the Competitive Enterprise Institute in 2002, the Federal regulatory cost of \$860 billion, \$132 billion was complying with tax regulations. It takes a lot of money for people to comply with how they withhold taxes, pay their own taxes, State taxes, local taxes, Federal taxes. It is a big burden.

Environmental regulations, \$201 billion. The workplace regulatory burden was \$84 billion. The economic burden for regulatory cost, \$444 billion. This is an area that is very important for us to focus on. It is just one of the eight areas that we are going to be dealing with to make America more competitive.

To review, the eight areas are health care security; bureaucratic red tape termination; lifelong learning; energy self-sufficiency and security; research and development so we can spur innovation and investment; trade fairness; tax relief and simplification; and ending lawsuit abuse.

The last thing I want to talk about today is the agreement that is coming

up before the August break to deal with the Central America Free Trade Agreement, commonly called CAFTA. It deals with five Central American countries plus the Dominican Republic.

There has been a lot of opposition to CAFTA in Washington, DC. Much of it is by labor unions and by people who want to become more isolationist in their view of America. I think we need to look at some things, that not only are economic but also geopolitical, related to CAFTA.

On the economic side, America has been open to trade. We have a 2 percent tariff on anything that is imported into America. In the Central American areas, they have a tariff that would be reduced by CAFTA, but that tariff can be as high as 15 percent. Textron owns Cessna Aircraft in Wichita, Kansas. Cessna makes single-engine aircraft. Cessna told me they have lost \$43 million worth of sales just last year because of the trade barriers in Central American countries. That \$43 million would have been jets and single-engine airplanes that could have been built in Kansas, built in America, and exported to these Central American countries.

The reason they had to face a 15 percent tariff, that increased the price of those airplanes by 15 percent, they were competing with a Brazilian company which does not have that 15 percent tacked on because they have a free trade agreement with these Central American countries. So it is 15 percent less costly to buy from a South American company than buying from a North American company. That is unfair. The way to change that is to get CAFTA in place so that economically it makes sense.

According to the Chamber of Commerce, we could increase our sales next year by \$3 billion by passing CAFTA. The Farm Bureau estimates we would increase agricultural sales by \$1.5 billion by opening up trade through CAFTA. Economically it makes sense, but we also need to look at the geopolitical implication of CAFTA. We want to have strong economies in these free countries in Central America and in the Dominican Republic. We see now a lot of effort on the part of Mr. Chavez in Venezuela, who is a socialist who is working cooperatively with Fidel Castro from Cuba. With Mr. Chavez funding efforts and Mr. Castro putting people behind it, there are at least 35,000 Cubans in Central America trying to impact the effort to overcome CAFTA. Why would Mr. Chavez or Mr. Castro want to overcome this trade agreement with America? Because he wants to weaken the economies in these five Central American countries so he can take over and put a friendly socialist government in place. It is important to think about what kind of impact a trade agreement with America would have on these economies. Their economies will become weakened and vulnerable.

Right now, we see money being spent by a socialist in Venezuela through his

oil money, and people coming from Cuba to activate that. They are putting up health care clinics in rural Central American countries, giving money to political candidates and funding efforts to try to defeat any relationship these countries would have with America.

We are either going to deal with this issue through trade or through troops. If we do it through trade, we are going to have a strong economy down there. The people in Central America will tend to stay in their home countries rather than try to migrate to America.

If not, we are going to have people in the Central American countries that are pro-Castro, pro-Chavez, and they will be running these economies. And they will be socialists, communists, and they will be unfriendly to America. It could create a further problem down in that area. So we can deal with this issue with trade or troops. My view is to do it with trade. The way to do that, we pass CAFTA on the floor of the House.

Who opposes in Central America besides the Castro troops? It is the labor unions. The labor unions in Central America are opposed to a free trade agreement. I do not know why they are joining with American labor unions. I guess they have the same isolationist view. Maybe there is some common thread between the socialists in the labor unions in Central America and the labor unions in America.

I think by having free trade agreements, we are going to see very strong economies in the Central American countries, and that will keep people involved in jobs that can make their dreams come true in their home country. And they will be less likely to migrate to America.

One of the things that we grow in Kansas is cotton. A lot of people do not know cotton is grown in Kansas. We have always been known as the Wheat State, but when former Congressman PAT ROBERTS, now Senator ROBERTS, when he was chairman of the Committee on Agriculture in the House, he was essential in passing the Freedom to Farm Act. The Freedom to Farm Act allowed Kansas farmers to not have to maintain a wheat base, and they could experiment with new products.

They decided they could make money by raising cotton. Kansas State University came up with a way to have a shorter growing period for cotton. Combining those two things, we started growing cotton in southern Kansas. We now have over 50,000 acres. They are building their fifth gin mill to separate the cotton fiber from the cotton seed. That cotton is then put into a bale that is shipped to the Carolinas where it is manufactured into cloth stock or thread, and then it is sent to Central America where it is made into clothing and imported back to America. And we buy shirts and clothing made out of Kansas cotton that was put together by people in Central America.

That relationship is jeopardized if we do not pass CAFTA. The reason is because we will see these economies falter. We will not be able to keep the same supply chains, and that work will then migrate to southeast Asia. We will not be using Kansas cotton stock, it will be something that is grown in a different part of the world.

So CAFTA is very important to even remote areas of our economy, such as the cotton growing area; but also for south central Kansas. It is also important for the aerospace industry.

So one of the things that we are dealing with here is trade fairness and opportunity. The way we can see that as a reality is through the free trade agreement we have with Central America.

Just to summarize, this morning, we launched the Economic Competitiveness Caucus. We did it with the support of Republican leadership, with the support of the administration, with the support of strong groups like the National Association of Manufacturers that is represented by former Governor John Engler. We had the Secretary of Commerce there. The Majority Leader, the gentleman from Texas (Mr. DELAY) and the Majority Whip, the gentleman from Missouri (Mr. BLUNT) were there.

We kicked off this effort to deal with these eight issues: Health care security; bureaucratic red tape termination; lifelong learning; energy self-sufficiency and security; spurring innovation and investment; trade fairness; tax relief and simplification; and ending lawsuit abuse so we can create an environment that will be conducive to keeping and creating jobs in America.

When we look around the world, we see there are other economies that have done some things right. We want to make sure that we take those things and do them right here in America. These eight issues are going to be part of the agenda that we are going to deal with this year so the future economy will be strong.

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30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mrs. DRAKE). Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the minority leader.

Mr. MEEK of Florida. Madam Speaker, once again, it is an honor to not only address the House but the American people also at the same time. Madam Speaker, we would like to thank the Democratic leader for allowing us to have the 30-something Working Group once again here before the House. The 30-something Working Group is comprised of Members that are in the 30-somethings and 20-somethings on the Democratic side here in the House, and we come together on a weekly basis to talk about issues here on the floor that are facing Americans