

that this House of Representatives be mindful of the difficulties that the American people are faced with.

Madam Speaker, millions of American people and families are absolutely hanging on by their fingernails. They're on the verge of losing their homes. Many have already. And so much of it has been because of bad policies by their government. It is important for us to understand that, Madam Speaker, so much of this could possibly have been prevented had we moved quicker, had we made different policies.

This is a very sobering time. Two major events happened today. One is, the American people, many are in line at post offices as we speak trying to meet the midnight deadline to pay their taxes. Others are struggling to do so. Others are having difficulty even beginning to comprehend the complexities, the complications of a tax code that even if they sat down to read it, it would take them over 1 year trying to read the tax code, let alone trying to understand it, just the volume of trying to read it.

And Madam Speaker, we in Congress must take into consideration how difficult that is, the fact that the American people, many are not even taking the credits or getting the deductions that they should have because they don't understand it. Twenty-five percent of American families that are entitled to the Earned Income Tax Credit don't even get it because they don't understand how to do it.

Last year, over 65 percent of American families had to get a private person from the outside to come help them with their taxes. That has increased up 25 percent, since just 10 years ago it was 40. And in 1950, it was just 20 percent that did that. The complexity of our tax code is just out of whack. Many are gathered around the kitchen tables right now trying to find out how they're going to have ends meet.

And Madam Speaker, the other phenomenal event in our economy that took place today was the merger of Delta Airlines and Northwest Airlines, making the largest airline company in the world. That is certainly room to celebrate, but it's very important that we be very mindful to both Delta and Northwest to understand the implications of that, to have the sensitivity that there are many thousands of families that are impacted, and that we do not use the word "synergy" to equate with a loss of jobs, but that there are no jobs lost.

We in Congress must have the empathy of putting ourselves into the mindset of the American people, and we must show that we understand the difficulties that the American people are faced with; we understand the difficulties of knowing when they wake up the next morning, their car may be repossessed, they may have a foreclosure notice.

Our policies must be, here in this House of Representatives going for-

ward, to keep Americans in their homes, even if it means coming up with the policies and moving as fast as we can. If we could move with lickety-split speed to save Wall Street, Bear Stearns, and Madam Speaker, I believe that was the right thing to do because, had we not, global markets would have cascaded and we would have had an extraordinary world calamity in the financial markets, but just as aggressively as we moved with those policies that helped Wall Street and Bear Stearns, we must move to help our homeowners and our families.

And then finally, Madam Speaker, the real elephant facing us in the room, the real looming threat economically and financially to this country is our overwhelming debt. Madam Speaker, it is staggering to look at the debt that we are in. Every dime we are spending is on borrowed money. And we have spent, Madam Speaker, as I conclude, in the last 5 or 6 years, more money from foreign governments than in the entire history of this country.

Madam Speaker, that's the state of our economy. And it's very important that we reflect it from the perspective of the American people. And I thank you for this opportunity.

#### COMPLEXITY OF TAX CODE

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

Mr. BURGESS. Madam Speaker, you know, it is said that nothing in the world is certain except death and taxes. And I'll tell you, being a physician in my former life, that sometimes even death is a little less complicated than our tax system.

The complexity of the tax code is a consequence of countless deductions and exemptions that are aimed not at collecting revenue, but steering a social agenda. And the result is a Federal law that is fraught with opportunities for avoiding taxes and full of loopholes to be exploited, all at the expense of fellow Americans.

My criticizing the tax code is as American as apple pie and baseball, and for good reason, because every year Americans spend billions of hours and billions of dollars, and that's not counting the billions of hours that we spend complaining about the tax code. Time is money, and time should be spent growing the economy and creating jobs.

There is a strong prescription for real change in our tax code. We caught a glimpse of it when Ronald Reagan cut the tax code in half back in 1986. As a result of that reform, the economy grew, revenues increased, and jobs were created. The prescription is pretty simple: Flatten the tax, broaden the base, and shift the burden away from families and small businesses.

And we do have a practical and effective blueprint, it's called the flat tax. Back in 1981, Robert Hall and Alvin

Rabushka proposed a radically simple structure that would transform the Internal Revenue Service and our economy by creating a single tax rate for all Americans. Today, several States have implemented a single rate tax structure for their State income tax, and from Utah to Massachusetts citizens are realizing the benefit.

In Colorado, a single rate tax generated so much income that it was reduced 10 years after its implementation. In Indiana, the economy boomed after a single rate went into effect in 2003, and since that time the corporate income tax receipts have grown by 250 percent.

Now, several people in Congress are working on the problem. I have a bill, H.R. 1040, which is a voluntary flat tax. A companion bill was introduced by the senior Senator from Tennessee just this past week. We have bills from DAVID DREIER, the gentleman from California, PAUL RYAN from Wisconsin, all trying to accomplish the same goal, and it is so simple. You have a single rate, you have a single piece of paper. You put in your name, just a little bit of identification data, write in your income, there's a line for personal exemptions, calculate your deductions from personal exemptions and calculate your taxable income, multiply it by a flat rate, subtract the taxes already withheld, and you're done. And what did that take? Not even 30 seconds. No more expensive tax attorney bills, no more hours of stressful research, no more headaches. It is much less costly, saving the taxpayers more than \$100 billion per year. And it would increase tax compliance. The result: Increase in personal savings, and there is a stimulus package that would have an immediate effect on our American economy.

Recent polling by a group called American Solutions shows that over 80 percent of Americans favor an optional one-page tax return form with a single rate. Now, we hear a lot of talk about change this year. You practically cannot turn on the television without some political commercial talking about change. Well, let's consider how change could improve the most complicated of institutions, the Internal Revenue Service. And more importantly, consider how that change could deliver prosperity and return time, the precious commodity of time, to the American taxpayer. Now, that's a stimulus package worthy of everyone's vote.

#### THE REAL CULPRIT FOR RISING FOOD PRICES

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

Ms. KAPTUR. Madam Speaker, the world is beginning to understand what my constituents have known for far too long, higher food prices and higher

commodity prices are destroying prosperity for millions and millions of people here at home and abroad. Whether there is a hungry person in Toledo, Ohio or in Haiti, the rising costs of basic food are really placing the world's marginalized and poor in even a tighter squeeze.

Getting in the front of devastation that higher commodity prices can cause is a challenge to all of us. While I am pleased that the leaders of the International Monetary Fund and the World Bank have called for half a billion dollars more to feed the poor of the world, I'm deeply troubled that these leaders have pointed to the same tired rhetoric in diagnosing the cause of these rising prices. It's been very interesting for me to hear them say they're blaming higher food prices on the production of ethanol and biodiesel in agricultural America, which is actually a new value-added market for our farmers. It's actually a new market that's taking land that is just laying fallow for years, where we have paid commodity payments and gotten nothing, now we are beginning to reuse some of that land again.

The real culprit for rising food prices is rising oil prices. Our world is facing a crisis precipitated by the greater competition for dwindling supplies of world energy that has caused all the prices of basic goods to skyrocket. But instead of dealing with that reality of how oil is embedded in every aspect of life in this country and globally, they're trying to blame this on the new developing market of renewable energy.

Yes, under current technology biofuels consume some food stocks for the production of fuel. Corn has been utilized by some ethanol producers, for example. But to claim that biofuels are the cause of rising food prices, that's disingenuous at best. Look to the rising oil prices at over \$113 a barrel, and this oil-dependent economy must become energy independent here at home again. And renewable fuels based in agriculture are a part of the solution for this country in the world.

Take a look at the rising cost of fertilizer that can be directly attributed to the increasing cost of natural gas and smaller crop sizes. According to the recent Texas A&M Agriculture and Food Policy Center analysis, rising fertilizer costs have led to a \$3 million acre reduction in planted corn in the 2006, 2007 crop year.

Let's look at another major cause globally of why food prices are going up: Drought. World food production has gone down because in Australia and eastern Europe, and because of poor weather in Canada and western Europe and Ukraine, we've seen overall production reduced. With such world stocks for wheat at 30-year lows, buyers are turning to the United States for supplies. Has the IMF offered suggestions to these nations for dealing with the drought that global warming is causing? No. They're just blaming America's farmers.

Higher incomes around the world are boosting demand for processed foods in countries such as India and China. And this higher demand has skyrocketed the need for products produced across the supply chain. Now, has the IMF sought to better manage the uncontrolled growth in developing countries? No. They're just blaming America's farmers.

□ 1915

With the U.S. dollar in free fall, American agricultural goods have become extremely attractive internationally and have placed great demand on foodstuff production domestically. With greater competition for food, with more U.S. exports, our weak dollar due to terrible economic policies here at home has decreased the power of Americans to purchase food produced right here in our country. Has the IMF identified the weak dollar as the challenge to millions of Americans faced with food shortages? Of course not. They just blame the U.S. farmer and the new developing market of biofuels.

With the price of oil reaching over \$110 a barrel, the world's addiction to oil is driving up the production costs of agricultural products. How much do you think it costs to haul a truckload of bell peppers from Salinas Valley in California to Cleveland, Ohio?

I cannot accept IMF's wanton attack on the investment in rural America. If we follow their formula, we would not be growing any food domestically. If we were following IMF's advice, we would not be developing the infrastructure and capacity to produce our own renewable energy here at home and help lead the world in a real energy-independent transformation of this country.

Madam Speaker, Americans simply must commit to cutting off our oil addiction and restoring energy independence here at home.

[From IMF Survey Magazine, Apr. 10, 2008]

#### FOOD PRICE RISES THREATEN EFFORTS TO CUT POVERTY—STRAUSS-KAHN

Higher food prices have particularly adverse effect on the poor.

Projections show nearly all African countries suffering food price shocks.

IMF Spring Meetings to discuss global strategy on food price crisis.

A rise in food prices of 48 percent since end-2006 is a huge increase that may undermine gains the international community has made in reducing poverty, IMF Managing Director Dominique Strauss-Kahn warned.

He told an April 10 news conference in Washington that policy responses to higher food prices have to be tailored to meet the needs of each country.

Strauss-Kahn said the IMF could take four steps to help address higher food prices in the short term:

Support countries in designing appropriate macroeconomic policies to deal with shocks; provide advice and technical assistance for countries where rising food prices are eroding terms of trade, through targeted income support for the poor—without jeopardizing hard-won gains on economic stabilization; in countries where price shocks are affecting the balance of payments, provide assistance through IMF lending facilities, and work,

along with other agencies and donors, to help countries mitigate negative impacts.

#### OPEN TRADE POLICIES

Longer-term answers to the problem of higher food prices centered on removing obstacles to increased supply, Strauss-Kahn said.

The IMF cites increased trade as a policy option for mitigating the effects of higher commodity prices on national economies. IMF chief economist Simon Johnson told an April 9 World Economic Outlook briefing: "As a way to reduce global pressure on food and energy prices, more open trade policies in those products would be a good start. Less insular biofuels policy in advanced economies would help relieve some pressure. At the same time, we encourage countries to avoid raising taxes or imposing quotas on their food exports. These reduce incentives for domestic producers and also increase international prices."

#### IMPACT ON INFLATION

IMF research shows that higher prices for food pose new challenges for African policymakers and could have particularly adverse effects on the poor. Because food represents a larger share of what poorer consumers buy, a global increase in food prices has a bigger impact on inflation in poorer countries.

IMF studies show the rise in food prices reflecting a mixture of longer-term factors such as food crops being diverted to biofuel production; higher food demand from emerging economies; and higher energy and fertilizer costs. Temporary factors, such as droughts, floods, and political instability, also contributed to higher food prices.

Strauss-Kahn displayed a map at the press briefing that showed the impact of projected food price increases on global trade balances.

"Almost all African countries have a negative impact from these food prices," Strauss-Kahn told the briefing. A problem in trade balances meant problems in current accounts. Problems in current accounts meant problems that the IMF could help address, he said.

New projections on the effects of higher food prices follow publication of a World Bank-IMF report warning that most countries will fall short on the Millennium Development Goals, a set of eight globally agreed development targets that the international community is aiming to achieve by 2015. The report said that though much of the world is set to cut extreme poverty in half by then, prospects are gravest for the goals of reducing child and maternal mortality, with serious shortfalls also likely in primary school completion, nutrition, and sanitation goals.

#### NEW KIND OF IMBALANCE

In Africa and Asia the effect of higher food prices would have to be seen not only in terms of undermining the efforts to fight against poverty but also as representing a new kind of macroeconomic imbalance, Strauss-Kahn said. For a large part of Africa, a shock could be expected that was as big as, and maybe bigger than, previous shocks.

Strauss-Kahn welcomed an initiative launched by U.K. Prime Minister Gordon Brown that urges the IMF, the World Bank, and the United Nations to develop a global strategy to address higher food prices. "The initiative taken by Gordon Brown is perfectly timely. We need now to consider the rise in food prices as something which is not just happening for one or two months but as probably more structural," Strauss-Kahn said.

The Brown proposal would probably be on the agenda of the IMF-World Bank Spring Meetings and of the ministerial meeting of the Group of Seven industrial countries, he added.