

Mr. PASCRELL. Mr. Speaker, I rise this afternoon to speak on an issue that for too long we have known about but have done little to nothing to address on either side of the aisle. That issue is our growing trade inequity, which continually puts American manufacturers at a disadvantage and which has cost too many Americans their jobs.

I introduced bipartisan legislation, H.R. 2927, with my colleague, Representative WALTER JONES. So we've got Republicans on this bill, and we've got Democrats on this bill. It offers one path toward equalizing our growing trade inequity; but instead of having a thoughtful debate, we are again confronted by misinformation and, in this case, by an entirely unfounded and false fear of new taxes being imposed.

So, Mr. Speaker, I want to state for the record that H.R. 2927, the Border Tax Equity Act, has a singular mission—to stop the offshoring of American jobs. It does not impose a value-added tax. In fact, this legislation is geared to fight a value-added tax, which would be imposed by foreign nations on American-made products. The Border Tax Equity Act stands up against foreign export subsidies and trade barriers that offshore U.S. jobs.

Who is talking about this? When are we going to begin to protect American jobs?

We can have all of the job creation and all of the stimulus. If we don't get to the heart of the issue, we are going to lose any manufacturing edge that we have. We are not a service job country. We need to have agrarian; we need to have service, and we need to have manufacturing jobs. Otherwise, God forbid, if we ever went to war, we'd have to buy our tanks from China right now. We have dismantled our manufacturing base. We have destroyed the infrastructure of manufacturing in this country. Let me make it clear.

When I say "export subsidies," what I am talking about are our trade partners—our allies, many of them, and some not our allies. They give rebates and monetary givebacks—I call them "kickbacks"—to their own manufacturing companies. With a deal like that, it is impossible for our manufacturers to be on an even playing field, to compete or to stay in business.

This is the heart of our trade inequity. Free trade, fair trade—humbug. It doesn't go to the center of the issue. It seems that, lately, many have been confusing this bill with legislation that promotes a value-added tax when, in fact, the Border Tax Equity Act seems to level the playing field for U.S. producers of goods and services.

When are we going to give a break to the manufacturers, both large and small, in the United States of America? When are we going to stop saying that free trade is the panacea for creating jobs in the United States? Take a look at what NAFTA did to this country. Take a look at how many jobs we've lost, not only in the United States, but in Mexico. It is a disaster.

The Border Tax Equity neither imposes a value-added tax nor advocates for the imposition of one. I will repeat: It does not impose a value-added tax.

WALTER JONES and I introduced this legislation to encourage U.S. job creation and economic growth. That is at the center of the recovery. Countering foreign border adjusted tax export subsidies and trade barriers are a must if America is going to kick-start manufacturing job creation and double our exports in the next 5 years.

I also hope that this bill will shed light on our need to counter foreign border adjusted tax schemes that encourage the offshoring of production of U.S. goods and services. Here is a perfect example:

The rising export subsidies and trade barriers of foreign border adjusted taxes were a key contributor to the loss of 5.7 million manufacturing jobs over the last decade. It is the prime reason why U.S. industrial output is less today than it was 10 years ago, and this is despite a 50 percent increase in the global gross domestic product. Foreign border adjusted tax schemes are designed to make U.S.-produced goods and services less competitive by making exports to the United States cheaper, cheaper, cheaper so they can build more Wal-Marts, more Wal-Marts, more Wal-Marts and so they can put more people out of jail than are in the United States of America. That is fact, not fiction.

So, Mr. Speaker, I ask that we get the facts straight on what we are talking about.

PROTECTING CONSUMERS THROUGH REFORMING THE SECURITIES INVESTOR PROTECTION ACT

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

Ms. ROS-LEHTINEN. Mr. Speaker, during the past few years, the financial service industry has endangered the American Dream of capitalism. Each day, we learn more about those who are responsible.

It wasn't small business, the owners of these businesses or the entrepreneurs who harmed us but, rather, the Wall Street firms that manipulated the system and the Securities and Exchange Commission, SEC, that allowed greed to destroy the economy.

SEC Inspector General David Kotz, in his recent report, said that the SEC bears total responsibility for nearly \$70 billion of investor losses due to the Stanford and Madoff Ponzi schemes. Thousands of additional innocent victims were allowed to lose their life savings while they mistakenly believed that the SEC was actually regulating the securities market.

What is worse is that, even today, Wall Street is attempting to manipulate the laws to avoid their responsibilities under the 1970 Securities Investor

Protection Act, SIPA, and the corporation created to carry it out, the SIPC, the Securities Investor Protection Corporation.

SIPA provides \$500,000 of insurance to investors against the fraud or the dishonesty of an SEC-regulated broker. Wall Street supported SIPA because it wanted to encourage investors to allow brokers to hold their securities in their street name.

For example, if you bought securities through Merrill Lynch, instead of your name appearing on the stock certificate, it was held in Merrill Lynch's name. This allowed the brokerage firms to enjoy an enormous amount of additional revenue because they could treat those securities as their own.

The quid pro quo for giving up the protection of having securities in your own name was SIPC insurance. SIPC insurance was created to protect against the dishonest broker who either steals the customer's security or who steals the customer's money and never actually purchases the securities.

Today, 40 years later, Wall Street controls SIPC because the broker-dealers are members of SIPC. As a result, SIPC has spent more money fighting investor claims than it has paid out to investors—therefore, persecuting rather than protecting investors.

SIPC has the power to assess each member firm one-quarter of 1 percent of operating revenues, but instead, it has charged its members—many of whom were large firms—only \$150 per year for the privilege of promising millions of customers that they were insured. Thus, Wall Street figured out a way to have its cake and eat it, too. It advertised insurance, but in reality, never funded it; therefore, it could not provide enough funds to cover the victims' claims when Madoff collapsed.

Today, SIPC is paying the trustee and his law firm \$1.5 million each week to persecute investors by depriving them of insurance and by threatening to sue those who took mandatory withdrawals from their IRA accounts. I am referring to the clawbacks that Irving Picard, the SIPC trustee, has threatened against thousands of innocent investors, whose only mistakes were to rely upon their SEC broker-dealer confirmations and monthly statements.

SIPC refuses to honor the law's mandate to honor the legitimate expectations of customers who relied upon their confirmations and statements. If investors can't rely upon those documents, the entire stock market could collapse because no customer would ever have proof that he owned any securities.

I am asking that we hold Wall Street responsible for SIPC insurance. Every dollar that SIPC doesn't pay and every dollar that the SIPC trustee claws back increases the IRS theft loss to which an investor is entitled. Thus, after not only paying SIPC premiums for 19 years, Wall Street is cleverly attempting to pass their financial obligation back to the government.

We cannot let this happen.

I am aware that the bankruptcy court has ruled in SIPC's favor on this issue, but as we all know, the court sometimes gets things wrong. Madoff investors are entitled to an immediate amendment to SIPA to clarify that it was never congressional intent that a customer of an SEC-regulated broker-dealer would be subject to a clawback suit.

Under no circumstances, except complicity with a crooked broker, should these investors be subject to clawback litigation. If necessary, I am prepared to propose such legislation. Instead of representing the best interest of the victims, the Madoff trustee is representing SIPC against the victims.

Let's do the right thing for the average American—who works hard, who saves money, and who invests in the stock market with the hope of ultimately retiring on his savings.

Mr. Speaker, I will have further remarks on this important topic, which is of great importance to my constituents, later on next week.

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

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

HONORING THE MEMORY OF THOSE MASSACRED 40 YEARS AGO AT KENT STATE UNIVERSITY

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

Mr. GRAYSON. Mr. Speaker, earlier today, we voted on memorializing the tragic events that took place 40 years and 1 day ago at Kent State University.

Most Americans today are too young to remember what happened then, but I think that those of us who lived through that time and the many others who thought about it or who saw afterwards what happened have this picture in their minds.

This is Mary Vecchio, kneeling over the body of Jeffrey Miller, at Kent State, on that terrible day when four students were shot by American soldiers. I think we would honor them by remembering how and why they died, and that is what I propose to do now.

In 1968, Richard Nixon ran for President. He said he had a secret plan to end the war. That plan was so secret that, apparently, even Nixon, himself, didn't know what it was because, when he was elected, he simply expanded the war.

In November of 1969, the My Lai Massacre exposed to the whole world—not just to Americans but to the whole world—the sheer brutality of the war in Vietnam.

The following month, in December of 1969, the draft was instituted. American college students and others—everyone of a certain age—knew that they would have to serve in Vietnam unless the war was ended.

□ 1600

Then on April 30 of 1970, the first war ever announced on TV, President Nixon announced the invasion of Cambodia by U.S. forces. Almost immediately there were protests at universities all around the country, including at Kent State, and those protests grew and grew day by day. And the right wing immediately mobilized against these protests. In Ohio the Governor, Governor Rhodes, said, "They're the worst type of people that we harbor in America," these students protesting against the war. "I think that we're up against the strongest, well-trained, militant, revolutionary group that's ever been assembled in America." And President Nixon chimed in by saying that the antiwar protestors were pawns of foreign communists.

So it was that 4 days after the announcement of the invasion of Cambodia, there was a protest that took place at Kent State University in Ohio, 20,000 students collected, assembled peaceably to protest, and the National Guard was called in to drive them away.

First, the National Guard attacked them with tear gas. The students took the tear gas canisters and threw them back at the National Guard. The National Guard drew its bayonets and charged the students and forced them to a different location, but they still didn't disperse. So at that point they shot them. Four Americans died that day, including Jeffrey Miller.

The protests continued. In fact, they grew. Almost a thousand universities were shut down all across the country. For the only time in American history, we had a national student strike everywhere in the country. At Jackson State 10 days later, two more students were shot by the National Guard, shot dead.

And the thing that I remember most at that time is this sign, written on a bed sheet and dropped from a dormitory window outside of New York University in New York, this noble sign: "They can't kill us all."

Let's take a closer look. "They can't kill us all."

Then, as now, together, both times, there are people all around the world and especially people in America who want to live in peace, who think that no war is better than two wars, who think that we voted to end war, not to continue it. And for all those people, we know in our hearts they can't kill us all.

There are people who think that we should be concentrating on education and not war, and we know they can't kill us all. There are people who think that we should be concentrating on our health, our own bodies, improving our living standards, rebuilding America,

instead of war. And they can't kill us all. There are people who believe, not only in America but all over the world, that we should be striving every day toward peace, toward peace, not toward war. And they can't kill us all.

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

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

HONORING ROBERT POOLE AND GLENN E. SMITH OF THE BOY SCOUTS OF AMERICA

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

Mr. THOMPSON of Pennsylvania. Mr. Speaker, this year celebrates the 100th year of the Boy Scouts of America. And that means there has been a century of youth living the Scout law and the Scout promise.

Scouts have made a difference in their communities with their dedication to five of scouting's core principles: leadership, character, community service, achievement, and love of the outdoors.

Today, Mr. Speaker, I rise to celebrate two men from Centre County who will be honored at the Boy Scouts' annual Good Scout Dinner in State College on Friday, May 7.

Local homebuilder Robert Poole will be presented with the Good Scout Award by the Nittany District of the Boy Scouts of America. And longtime scouter Glenn E. Smith will be awarded the John M. Kriner Community Service Award.

Poole will be honored for his charitable work because he says, "The three things I really care about are: one, kids; two, health care; and, three, education." He has been chair of the Centre County United Way's 2004 campaign, co-chair of the State College YMCA's capital campaign, and supported the development of the S&A Stadium and baseball fields at the Shaner Sports Complex. He served for 12 years as chairman of the board of The Second Mile, a statewide nonprofit organization for children who need additional support and who would benefit from positive human contact. Bob Poole is a distinguished alumni of Penn State and currently sits on the Smeal College of Business Board of Visitors and Schreyer Honors College Advisory Board.

The Good Scout Award has been presented to local residents who have made a commitment to giving back to the community through charitable works since 1974. Past recipients include Joe and Sue Paterno.

Glenn E. Smith from Pleasant Gap, Pennsylvania, affectionately is called