

the regime. Legalizing drugs is not the answer. Instead, we must bolster regional security and directly target drug gangs and violent narcotrafickers. America must stand strong against these efforts and in favor of democratic values.

HONORING THE VOLUNTEER FIRE DEPARTMENTS OF LONG ISLAND

(Mr. BISHOP of New York asked and was given permission to address the House for 1 minute.)

Mr. BISHOP of New York. Mr. Speaker, I rise today to recognize and honor the courageous volunteer fire departments of Long Island for their skill and dedication in combating the recent outbreaks of wildfires in my district. Once again, they have proved their mettle and won our trust and admiration.

While, thankfully, no lives were lost, the fire, now extinguished, consumed roughly 1,100 acres, destroyed three homes, and damaged or destroyed six other structures, including one commercial building. If not for the actions of our local firefighters, the damage could have been far worse.

We are also fortunate that the three firefighters who were injured fighting the fire are all recovering well.

As a lifelong resident of Suffolk County, I was inspired by the willingness to help shown by the county's fire departments, all 109 of which participated in the effort to combat what turned out to be the seventh-largest fire in Long Island history. Through their combined and coordinated efforts, a larger crisis was averted.

Mr. Speaker, I ask that you join me in thanking all of Suffolk County's Fire Departments, as well as our local elected leaders who supervised this operation, for their dedication and exceptional skill in subduing the recent fires.

SOLUTIONS FOR SMALL BUSINESSES

The SPEAKER pro tempore (Mr. LANDRY). Under the Speaker's announced policy of January 5, 2011, the gentleman from Georgia (Mr. GRAVES) is recognized for 60 minutes as the designee of the majority leader.

Mr. GRAVES of Georgia. Mr. Speaker, tonight we're going to have a conversation that I think impacts Americans all across this country, and it's about small businesses, and what has this Congress been doing, what has the President been doing or promoting, and how is it impacting small businesses.

I am going to be joined tonight by some great, great colleagues and champions of small business to talk about what are some of the solutions, what can we be doing here in Washington, not creating more government, not spending more money, but what can we be doing to create an environment that is conducive for business development and for our small business owners.

When I think about the greatness of America, we can list so many items and characteristics of this great Nation, and one of those would have to be small businesses—taking a simple idea in a free market system and taking it to the consumer and growing a business.

And we hear a lot from the administration. They say, businesses are too big. Yet, they need to be smaller. For small businesses, you guys are going too fast, too far. You need to slow down. When, in fact, it should be just the opposite. We should be encouraging small businesses to do more, to grow faster, to invest in their employees.

There is no big business in this Nation that did not first start out as a small business. And I would contend that tonight, Mr. Speaker, that there are small business owners all across this Nation, here even in the eastern time zone, that have yet to have gone home because they're still working. They get up each and every day, putting on their boots, chasing that dream, that idea that they have, and turning it into a business or a concept and chasing that American Dream, to realize that American Dream.

So, to all those small business owners across this great Nation, I want to say thank you. I want to say thank you for your hard work, for pushing against the burdens that come from the Federal Government, the high gas prices, the regulatory environment, this crazy Tax Code that we have, and say don't give up. We are here with you tonight, and we're going to be speaking on your behalf tonight.

I have been joined by some Members from all across this country who are going to talk about small business and concepts that we can be promoting here in Washington to help the small business owner to promote an environment in which small businesses can flourish, not creating more government.

□ 1720

Before I do that, Mr. Speaker, I'd like to read a letter. I think it's important to share correspondence from our constituents. This comes from Mark, who is in Cumming, Georgia. He says:

Congressman GRAVES, I just wanted to let you know that I am a business owner in Cumming, and I'm tired of all my hard work going to pay taxes which the Federal Government squanders—Federal income tax, State income tax, property tax, sales tax. We are all taxed to death, and apparently, the tax system we have in place now is not working or we wouldn't be so far in debt. So I am strongly in favor of passing the Fair Tax. I believe this system is not only much more equitable, but it eliminates loopholes. It is a much simpler and fairer way to raise revenue. That won't solve the mismanagement of our taxes by government, but at least it will allow us to keep more of the money that we earn. Please vote for it. Thank you.

Mark, I'm happy to tell you, not only will I vote for it, but I'm a cosponsor of it.

Next up to speak on the Fair Tax is the sponsor of the Fair Tax himself,

and that's Congressman WOODALL from the great State of Georgia.

Congressman WOODALL, share with us a little bit about the Fair Tax, about how it impacts small businesses and how it would help them.

Mr. WOODALL. Mr. GRAVES, I appreciate you taking this time tonight.

Folks ask me, What goes on in the evenings there on Capitol Hill? When you finish the votes for the day, what goes on next?

I say, Well, folks are all back in their offices, working, just like small business folks across the country. Just because the customers leave doesn't mean the doors close.

Folks are still working, and this is that time when we get to come down and really fully debate some of these ideas that folks have been watching all day today. We've been talking about transportation policy. We've been talking about Mark Twain a little bit. We've been talking about the rules, the process; but we haven't gotten to talk about small businesses.

When we talk about economic growth in this country—you're from the great State of Georgia, as I am, and we've got some fantastic big companies there. UPS is there, doing fantastic things. They're the folks dressed in brown. Delta Airlines is there, carrying more passengers than anybody else in the country. We've got Coca-Cola there, a brand name that's known the world around. There's Home Depot, the Big Orange, which everybody understands. But that is not where the jobs come from. The jobs come from those small business men and -women who risk everything—everything—to believe that by the sweat of their brows and the power of their ideas they can make their tomorrows better than today.

That letter that you got from your constituent, Mr. GRAVES, is exactly the kind of letter that I get from folks every single day who say, Rob, I don't mind paying the taxes. I understand part of the social contract is that the government has to run, but it doesn't have to be this painful. We can do it in a better way, in H.R. 25, the Fair Tax, of which you are a proud cosponsor, a huge leader on that bill. It is the single most popularly cosponsored piece of fundamental tax reform legislation in either the U.S. House or the U.S. Senate because voters are demanding it one Member of Congress at a time.

Mr. GRAVES of Georgia. I thank you for your leadership on that.

I see we've been joined here by the chairman of Rules, the gentleman from California.

Mr. Chairman, thank you for joining us.

Mr. DREIER. I thank my friend for yielding, and I appreciate his yielding.

The reason I've come to the floor is to share with our colleagues the very sad news of the passing of my very close friend Dick Clark, who just within the past couple of hours, it has been reported, has passed away.

When I listen to the topic of your discussion, I am reminded of a conversation. I had dinner with him 2 weeks ago, and he was somebody who said exactly what my friend from Georgia indicated. He was a proud taxpayer. I know people are going to be talking about "American Bandstand." This was someone who actually broke the barrier by bringing African Americans on to television in the 1950s and the 1960s. He is someone who was an amazingly successful businessman. He was a small business man, himself, but was a very, very successful one. I just want to say that, as I listened to your discussion, I was reminded of how he regularly said everyone should pay their fair share of taxes. He said that not too long ago to me, and I said I appreciated that because he knew he was paying my salary and yours and yours as well.

But I just want to share with our colleagues what a great loss this is for our country. The show that he started initially and became so famous for was "American Bandstand," and I think it's a very appropriate one because this guy was a very patriotic American. He was a believer in the free enterprise system. He was a believer in encouraging individual initiative and opportunity on a regular basis, and he is someone who provided inspiration to people all the way across the spectrum.

I just wanted to say that, as you guys are here, talking about the need for tax fairness and the imperative to ensure that we encourage more people like Dick Clark, I think it's important for us to remember the wonderful life that this man had. I've got to say just a couple of things if I might.

He was someone who, you'll all recall, on New Year's Eve would regularly host up in Times Square; and in 2004, he suffered a massive stroke. I have never seen anyone with more determination and fight than Dick Clark. A number of people said, Gosh, why did Dick Clark continue to go out and be on television?

Do you know what? I had a conversation with him just before he decided to go this past fall to do this program. People across this country said to him, The fact that you have suffered this stroke and are continuing to fight to get better and continuing to be active is something that is an inspiration to us.

So that kind of fighting spirit is exactly what the small business man or woman has who at this hour is still working and who my friend was just talking about; and the imperative to make sure that everyone pays their taxes but no more is something that, I think, he should be remembered for along with all of the great, great accomplishments that he had.

I just wanted to take this moment to share this with our colleagues here in the House.

Mr. GRAVES of Georgia. Thank you, Mr. Chairman, for sharing that with us.

You're right, you talk about small business owners. They're going to work

extremely hard. They get up early every day. They work late every night. They're going to pay their fair share. They just want to know it's being handled properly and that it's being fairly collected.

Mr. WOODALL, I hear criticisms every now and then about the Fair Tax. I'm a cosponsor of it. I hear criticisms here and there. They say, Well, this will impact one group more than another. How can something called the "Fair Tax" not be fair to everyone?

How do you refute that when they come up with the criticisms to the Fair Tax? Actually, I guess, when they're criticizing the Fair Tax, they're defending the current Tax Code and the 60,000 pages of mess that we currently have and the loopholes and the corporate welfare. They must be defending that. So how do you respond to the criticisms that you hear?

Mr. WOODALL. That is what is so amazing about small business folks. You never have a small business person come to your office and say, Rob, what I want is a leg up on everybody else. I want an unfair playing field so I can beat all my competition.

That's not who our small business owners are. Our small business owners are people who say, Rob, give me a level playing field, and I will out-compete anybody in any nation around the globe because nobody works harder and has more powerful ideas than does the American worker. Well, that's what the Fair Tax is all about. It says, let's create a level playing field.

My friend is not a freshman as I am. He got here 6 months earlier in a special election that he had to work incredibly hard for; but those of us who are newer to this institution, as you and I are, know there are some folks here who like using the Tax Code to pick winners and losers. I mean, it's an easy thing to do. I look around this body. I can find some examples. I see fluorescent lights here in the Chamber. I could put a huge tax on fluorescent lights so we would never have any more fluorescent lights. I could put a huge tax on plaid shirts so we never have any more plaid shirts. That is what happens with the Tax Code.

The Fair Tax says no. It says we're going to have a single tax rate on everything the consumer buys. You're going to be taxed on everything once—but only once—because those small business men and women who write those letters to your office and to mine say, Rob, I spend more time trying to figure out tax decisions than I do figuring out business decisions. So, when these are the men and women who employ so many of our friends and neighbors, when these are the men and women who create the job growth in this country, we have to have them focus on business decisions, not on tax decisions; and the Fair Tax does that.

Mr. GRAVES of Georgia. Thank you. I hope you'll stick around. In a minute, I'm going to yield to the gentleman from Ohio.

Just to make clear, I mean, the Fair Tax is not an additional tax; it's not something that is added on, a layer. It's actually eliminating income tax, eliminating corporate income tax, eliminating capital gains tax, dividend tax, death tax. It's eliminating all of that. It's throwing it all out. I guess it's eliminating the Internal Revenue Service for some part and in a great way, and I think there would be a lot of Americans across the country applauding on that day if that were to ever occur.

□ 1730

Also with us tonight is the chairman of the Republican Study Committee, Congressman JIM JORDAN from Ohio, a great leader on conservative principles, a great mind when it comes to policy, and I know a great advocate for tax reform. Regardless of fair or flat or whatever it is, it's about empowering the taxpayer and not empowering the government.

Mr. JORDAN. I thank the gentleman for yielding, and I thank him more importantly for his leadership here in the Congress.

You said it right. You said it well. Whether you're for a fair tax or for a flat tax, one thing is certain: The American people have had it with the current Tax Code.

Think about it. Any Tax Code that allows 47 percent of the citizens not to pay, 47 percent of all the people that live in this country not to pay the main tax, the income tax that we have, you can't repair it; you can't fix it; it's completely broken, and you've got to throw it away and start over. Any Tax Code that now requires our companies headquartered in the United States of America to pay the highest corporate tax rate in the world is broken.

This is one thing that is amazing to me. We are talking about small business and we are talking about tax policy. What's amazing to me is, in spite of stupid policies from the Federal Government, how well our small business owners do. It's a testimony to what Mr. WOODALL was talking about, the work ethic and the entrepreneurship of the American people and the American small business owner that, in spite of bad policies, they're still succeeding.

Imagine if we had a tax policy that actually made sense. Imagine if we had a regulatory environment that made sense. Imagine if we had an energy policy that made some sense and used the resources the good Lord has blessed us with in this country. Imagine if we had monetary and fiscal policy that made sense. We wouldn't be having 1.5 percent, 2 percent growth. We'd be having 3 percent, 4 percent, 5 percent growth in this economy. As you said, Mr. Chair, we would be creating an environment that is conducive to economic growth.

If we actually did that, get out of the way and let the American entrepreneur, let the American family, let

the American small business owner do what they've been doing for 200-plus years, they would be making good things happen: growing our economy, creating jobs, helping our communities, and making us the greatest Nation in the world. That's what's at stake here, and it does start with the policies that we have here at the Federal Government.

So we need to change this Tax Code, change the regulatory environment, and certainly change our energy policy and start getting spending under control. If we have a chance, we'll talk about that here in just a few minutes, but I know we've got another speaker who we want to get to.

Mr. GRAVES of Georgia. Thank you, Chairman JORDAN.

You're absolutely right about small business owners. They don't want equal outcomes; they just want equal opportunity. That's what it's all about. That is the American Dream. That's American exceptionalism. Just give me a chance and I will beat the next guy, the next Nation. We are more competitive. And when we have that more competitive advantage and it's a level playing field, we will win every time. That is the spirit of the small business owner.

Speaking of spirit and small business owner, we have joining us also tonight, JEFF LANDRY from Louisiana. I thank you for joining us, and I look forward to hearing your insight.

Mr. LANDRY. I thank the gentleman for yielding.

Mr. Speaker, this week marks another tax day, culminating another year that Americans have been subjected to an outdated and overcomplicated Tax Code.

Three years ago on tax day, I attended the first Tea Party rally in my hometown of New Iberia. I was fed up with an overreaching government and fed up with an overburdensome Tax Code.

As a small business owner in the oil and gas industry, I've created jobs; I have made payroll; I have paid insurance; I have balanced budgets. I did these things like the majority of small businesses out there across America did, with hard work, determination, and, of course, a fantastic accountant to sift through the 3,837,105 words of the United States Tax Code.

Mr. Speaker, it's no secret that small businesses are the real drivers of our economy. To date, small businesses employ half of the U.S. workers. And despite our lagging recovery, they have managed to generate nearly 65 percent of all of the new jobs created over the past 15 years, often outperforming their larger counterparts.

I often speak with small business owners in my district. The one word I hear again and again from them is "uncertainty." From looming health care mandates to volatile energy prices, American small businesses simply don't know what to expect. To the farmer out there who is watching his

energy prices and his fertilizer prices increase, to the small business owner trying to determine if hiring that new talent is the responsible thing to do, to building a new factory, the uncertainty in the current environment is what is keeping them from expanding and what is keeping them from creating jobs.

The oil and gas industry is a classic example. And I'm not talking about Big Oil. I'm talking about the nearly 18,000 independent oil and gas producers here in this country who are small business owners. These small business owners develop 95 percent of all oil and gas wells, produce 68 percent of America's oil, produce 82 percent of America's gas. In total, America's onshore independent oil and gas small businesses supported 2.1 million direct jobs here in the United States in 2010.

In my State alone, over 47,000 people are employed directly by the oil and gas sector. When you add in other aspects of the oil and gas industry—refining, transportation, pipeline—there are over 111,000 people in the State of Louisiana directly employed by the oil and gas industry.

And just like every other small business, these businesses, the ones that literally fuel America, are faced with a crushing tax burden that threatens their very survival. And they hear from our President who is threatening to take away parts of the Tax Code that helps them.

I'm not talking about Big Oil subsidies. I'm not talking about lowering the corporate tax rate either. Believe it or not, most of our domestic energy producers don't pay that corporate tax rate. They don't get a subsidy. They don't get a direct check from the government. They simply are taking advantage of the same credits out there that other small businesses around this country partake in.

Logically, as most small businesses deduct their expenses, these small businesses deduct theirs as well. These independent producers, like other small businesses, like I said, do not receive a direct check from the government. Instead, it's a cost of doing business.

Without the ability to expense these ordinary and necessary business costs, an independent producer would have to reduce its drilling budget by 20 percent to 35 percent almost immediately and bring a drastic decrease of energy production here in this country.

Without this reinvestment, U.S. production would decline rapidly because wells deplete as they are produced. America cannot afford a decrease in energy production, and small oil and gas businesses cannot afford a tax hike.

Tax hikes would also hurt American retirees whose mutual funds, pension plans, IRAs are invested in these publicly traded oil and gas companies, all the while harming American energy.

With so much uncertainty being created here in Washington, the threat of billions of dollars in new job-crushing tax hikes, a Federal takeover of hy-

draulic fracturing, regulations, less access to taxpayer-owned energy resources of our Federal lands, the permitting process still lagging, the cost of doing business continues to be challenging.

Mr. Speaker, Washington can do better. We can do better. We owe it to our small business owners in every industry to provide for a basic sense of consistency and certainty in our Tax Code.

Tomorrow the House will consider the Small Business Tax Cut Act, legislation that would allow small businesses to deduct 20 percent of their active income in order to retain more capital and create more jobs.

I congratulate our majority leader for bringing this bill to the floor. I'm confident that with a strong step in the right direction, we will continue to work to make sure that our small businesses have the certainty they need to grow and to thrive.

I thank you, Mr. Speaker.

Mr. GRAVES of Georgia. I thank the gentleman from Louisiana for sharing his insight tonight, and you're absolutely right. You brought us some great points about small business owners. They do all the things they do that the government never does: They get up every day early; they work hard and long; they know how to balance budgets; they pay paychecks; they pay their taxes. They have to every day be held accountable by the consumer with their goods.

□ 1740

Is it meeting the demands of the consumer? Is the customer service there? Every day they're held accountable, and every day they get up with that desire and that drive to produce a better product, a better good and provide a better service. What a great tribute to the small business owners across America.

With that, I'd like to shift over to Mr. HANNA from New York, who is going to share with us about small businesses in his region. I want to thank you for joining us and appreciate your leadership on this issue.

Mr. HANNA. I thank the gentleman for yielding.

Mr. Speaker, small businesses are the lifeblood of our economy. They are the catalyst for job growth and job creation all across our Nation. They certainly are in upstate New York where I started my own small business some 30 years ago, which I ran successfully for that same period of time, employing hundreds of people from my community, friends and neighbors to this day.

Unemployment is still too high. It's over 8 percent in my home of New York. Our constituents want to go back to work. They just need the opportunity. That's what I heard from small business owners when I hosted a meeting of the Central New York Business Network earlier this month.

Government can help by advancing policies that enable our 27 million small businesses to do what they do

best—compete and create jobs. There is no silver bullet, but there are solutions that we can work together on starting today. Here are a few:

Tax relief. Small businesses in America pay some of the highest taxes in the world, and the associated regulations are also an enormous barrier to growth. The average tax compliance cost for employees for small businesses is three times what it is for large businesses. We need to make taxes lower, fairer, more predictable and generally more understandable. We will be voting on a bill of this nature sometime this week.

Freedom from government competition. Too many of our small businesses find themselves pitted against their own government when it comes to doing commercial work like landscaping, construction, and engineering. We should require Federal agencies to use the private sector when providing goods and services that are available in the open marketplace. This gives small businesses in our community a chance to work efficiently and create jobs, and this has been shown to save taxpayers money.

Finally, and most importantly, a jobs-based education policy. A major root cause of our long-term unemployment is the changing nature of the global marketplace. We are competing against developing countries like never before. Competition isn't bad, but we need to be better prepared. In order to maintain a high standard of living, we need cultivate the value-added, knowledge-based innovative sector of our economy. This can only be achieved through education and a new focus on the fields of science, technology, engineering, and math, also known as STEM. STEM jobs, on the average, pay 27 percent more than non-STEM jobs. The only effective long-term way to rebuild the middle class is through education. It's been this way since the dawn of time with better-paying, tax-generating jobs that provide at least those basics of the American Dream: a home, a college education for your children, and a dignified retirement.

Mr. Speaker, there are few tasks more important than helping small businesses put our neighbors and friends back to work in America. Let's join to work on pro-growth policies that will enable them to do just that.

Mr. GRAVES of Georgia. I thank the gentleman from New York.

I appreciate your plea there. Let's get government out of the way. Let's let small business owners do what they do best, and that is dream big and work hard.

Next to share with us is Mr. BARTLETT from Maryland. Thank you.

Mr. BARTLETT. Thank you very much for yielding.

I would like to spend just a couple of minutes putting this discussion in context.

I'm from Maryland. I have been there 51 years now, and for 12 years my wife and I ran a small business, meeting a

payroll every Wednesday morning. That's pretty good discipline. I wanted to give you some statistics from Maryland.

Now, we're an average, a little smaller than average State. We have only eight Representatives in the Congress. We have something over 5 million people. In our little State, we have 106,441 small businesses. That is a lot of individual businesses. They have between one and 500 employees, and they totally employ 1,105,200 individuals. Now, this is in a little State like Maryland.

It's interesting to see who employs these people. The top three industries by employment:

Over 157,000 in health care and social assistance. This is one of the most rapidly growing segments of our society, which we have to kind of calm down or we won't be able to afford it;

There are over 135,000 employees in professional, scientific, and technical services. And Maryland is probably either number two or number three in biotech in the whole country, so we're proud of that;

We have 133,000 employees in construction. That's down. We used to have more than that, of course, and we hope we can have more in the future.

According to the Census Bureau, of the small businesses in Maryland, 15,717 are women-owned, and they employ 147,751 employees.

I would just like to note that, before the recent increase in employment in Hispanic small businesses, that women-owned small business are the fastest growing small businesses in our country. They are better employers than men. Men and women are different. Our military has a little trouble figuring that out sometimes, but they are different. They are ranked to be better employers by their employees, so let's give a way to women who are entering the small business community.

In addition to this, to these small businesses, in 2009, Maryland was home to 365,492 sole proprietorships. These are small businesses with one person in them, sole proprietorships.

Many of these self-employed small businesses also benefit from the 20 percent small business tax cut in H.R. 9, which is one of the things we are focusing on this evening, because I understand that we're voting on that tomorrow.

A couple of interesting statistics:

Between '05 and '08, small business created a net total of 63,576 new jobs in Maryland, but in just '08 and '09, we've lost 57,433. So we just are barely up in small business now because of how many of those small businesses we lost.

One of the previous speakers mentioned the Tax Code and how we need to make it simpler and fairer. Let's just talk about the Fair Tax for just a moment.

If we went to the Fair Tax—that's a tax on consumption—then let's repeal the 16th Amendment. Don't give the government any chance to ever come back with a personal income tax again.

If we did that, we could have a bigger tax revenue with no increase in tax burden, because the tax burden today is not just the tax as you pay, but the \$200 billion that it costs businesses and individuals across their country every year to comply with the code.

I don't know anybody out there who wouldn't be happy to roll that compliance cost into the tax burden so that now the revenues will go up with no increase in tax burden. That's one of the things that we need to do to balance the budget. If we just went to the Fair Tax with no increase in tax burden, we'd have \$200 billion a year more money flowing into the U.S. Treasury and small business would be a big part of this.

Mr. GRAVES of Georgia. Thank you. I appreciate your words there.

As I wrap up this segment that we have here this evening, I just want to say thank you to the small business owners across America. You have heard great reports from Members of Congress who are with you, who are fighting with you and fighting for you. We just want to thank you, because every day you're getting up and you're going against some of the greatest pressures and the greatest burdens that a government could ever place on you, but you don't give up.

You get up each day. You put the boots on. You go out and you work hard. You take that dream, that idea, that concept, and you build it into reality, and you are building jobs and you are providing for other families. We want to thank you for that.

While the optimism index is getting lower, the misery index is getting higher. I'm here to tell you Americans have not given up. Small business owners have not given up. In fact, statistics show that if just one out of two businesses across this Nation hire one person in the next 12 months, unemployment would be near zero. That's how close we are, because small business owners haven't given up. I want to thank you for that. I want to applaud you for that. Keep up the great fight.

With that, Mr. Speaker, I yield back the balance of my time.

□ 1750

SMALL BUSINESS TAX CUT ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from Ohio (Mr. CHABOT) is recognized for 28 minutes as the designee of the majority leader.

Mr. CHABOT. Thank you very much, Mr. Speaker. I appreciate that, and I really appreciate Chairman GRAVES making it possible for so many of us who care about small business in this country this evening to take a little time to talk about how important it is and what we ought to be doing to support our small business folks all over the country. After all, 70 percent of the jobs that are created historically in the