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Frank (MA)
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Gingrey (GA)
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Graves (GA)
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Green, Al
Green, Gene
Griffin (AR)
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Johnson, E. B.
Johnson, Sam
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Lipinski
LoBiondo
Lofgren, Zoe
Long
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
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Manzullo
Marchant
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McCarthy (CA)
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McKeon
McKinley
McMorris Rodgers
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Miller (FL)
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Miller (NC)
Miller, Gary
Miller, George
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Murphy (CT)
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Ross (AR)
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Rothman (NJ)
Roybal-Allard
Royce
Runyan
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Scalise
Schakowsky
Schiff
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Scott (SC)
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Scott, Austin
Scott, David
Sensenbrenner
Serrano
Sessions
Sewell
Sherman
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Smith (NE)
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Upton
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Walsh (IL)
Walz (MN)
Wasserman Schultz
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Webster
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West
Westmoreland
Whitfield
Wilson (FL)
Wilson (SC)
Wittman
Wolf
Womack
Woodall
Woolsey
Yarmuth
Yoder
Young (AK)
Young (FL)
Young (IN)

NAYS—1

Amash

NOT VOTING—9

Akin
Filner
Holden
Loebsack
Lowey
Marino
Paul
Rangel
Slaughter

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1726

So (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FILNER. Mr. Speaker, on rollcall 181, I was away from the Capitol due to prior commitments to my constituents. Had I been present, I would have voted "yea."

Mr. AKIN. Mr. Speaker, on rollcall No. 181, I was unavoidably detained and would have voted "yea."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3674

Mr. LANGEVIN. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor to H.R. 3674.

The SPEAKER pro tempore (Mr. MEEHAN). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

□ 1730

APPOINTMENT OF CONFEREES ON H.R. 4348, SURFACE TRANSPORTATION EXTENSION ACT OF 2012, PART II

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees:

From the Committee on Transportation and Infrastructure, for consideration of the House bill (except section 141) and the Senate amendment (except secs. 1801, 40102, 40201, 40202, 40204, 40205, 40305, 40307, 40309–40312, 100112–100114, and 100116), and modifications committed to conference: Messrs. MICA, YOUNG of Alaska, DUNCAN of Tennessee, SHUSTER, Mrs. CAPITO, Mr. CRAWFORD, Ms. HERRERA BEUTLER, Messrs. BUCSHON, HANNA, SOUTHERLAND, LANKFORD, RIBBLE, RAHALL, DEFAZIO, COSTELLO, Ms. NORTON, Mr. NADLER, Ms. BROWN of Florida, Messrs. CUMMINGS, BOSWELL, and BISHOP of New York.

From the Committee on Energy and Commerce, for consideration of sec. 142 and titles II and V of the House bill, and secs. 1113, 1201, 1202, subtitles B, C, D, and E of title I of Division C, secs. 32701–32705, 32710, 32713, 40101, and 40301 of the Senate amendment, and modifications committed to conference: Messrs. UPTON, WHITFIELD, and WAXMAN.

From the Committee on Natural Resources, for consideration of secs. 123, 142, 204, and titles III and VI of the House bill, and sec. 1116, subtitles C, F, and G of title I of Division A, sec. 33009, titles VI and VII of Division C, sec. 40101, subtitles A and B of title I of Division F, and sec. 100301 of the Senate amendment, and modifications committed to conference: Messrs. HASTINGS of Washington, BISHOP of Utah, and MARKEY.

From the Committee on Science, Space, and Technology for consideration of secs. 121, 123, 136, and 137 of the House bill, and sec. 1534, subtitle F of title I of Division A, secs. 20013, 20014, 20029, 31101, 31103, 31111, 31204, 31504, 32705, 33009, 34008, and Division E of the Senate amendment, and modifications committed to conference: Messrs. HALL, CRAVAACK, and Ms. EDDIE BERNICE JOHNSON of Texas.

From the Committee on Ways and Means, for consideration of secs. 141 and 142 of the House bill, and secs. 1801, 40101, 40102, 40201, 40202, 40204, 40205, 40301–40307, 40309–40314, 100112–100114, and 100116 of the Senate amendment, and modifications committed to conference: Messrs. CAMP, TIBERI, and BLUMENAUER.

There was no objection.

THE SMALL BUSINESS TAX SIMPLIFICATION ACT

(Mr. BERG asked and was given permission to address the House for 1 minute.)

Mr. BERG. Mr. Speaker, in North Dakota, we know jobs come from small business, not from Big Government. Small business is the backbone of our economy, and it's the engine to get America back to work. Unfortunately, all too often, instead of helping small business, Washington serves as a roadblock to its growth by piling on excessive regulations and imposing burdensome complex Tax Code on the job creators.

The legislation I'm introducing today is known as the Small Business Tax Simplification Act. It will simplify our Tax Code for small businesses. Instead of being bogged down with complex tax-reporting requirements, this bipartisan legislation will allow businesses to use a simplified form of accounting that more closely matches the way small business owners run their businesses.

This bill represents commonsense change that would ease the burden of tax complexity for many small businesses, as they can spend more of their time and resources doing what they do best, and that's growing jobs and helping our economy.

GOP FRESHMAN CLASS ON COMPREHENSIVE TAX REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from New

York (Mr. REED) is recognized for 60 minutes as the designee of the majority leader.

Mr. REED. Mr. Speaker, I rise tonight to join here this evening with six or more of my colleagues from the freshman class to talk about a very important issue that we face in this Nation, and that is the need for our country to engage in an open and honest debate about comprehensive tax reform as we come to the end of the year with the expiration of our individual tax rates, our corporate tax rates, and the potential exposure of the estate tax being reinitiated at levels that would decimate family farmers and families across all of America.

I am pleased to be joined by so many of my colleagues who understand the importance and the critical nature of this issue to put us on a path to make America competitive when it comes to the world economy, and also to come up with a Tax Code that is simpler and easier for people to understand and that we don't have to spend thousands of dollars, hundreds of dollars, paying advisers to fill out forms just to meet the obligation of a tax burden that is out of control because of spending that is completely causing this Nation to create a national debt of $15.6 trillion. As we go forward in this conversation, let us be open, honest and fair about the issues before us.

With that, I would like to yield, Mr. Speaker, to a good friend of mine from Georgia.

Mr. AUSTIN SCOTT of Georgia. Thank you. I will tell you the key to this is open and honest debate.

We hear a lot from the President and from Democrats today about America's millionaires not paying their fair share. And they, quite honestly, quote Warren Buffett and talk about the Buffett rule. And certainly I'm happy that Mr. Buffett lives in a country like I do where he's able to achieve what he has. But Warren Buffett is a billionaire, not a millionaire.

Now, let's talk about who America's millionaires are. In my part of the country, farmland sells for about $3,500 an acre. So if you own 285 acres of land that you farm, you're a millionaire. In other parts of the country, it may sell for as much as $15,000 an acre. And if you're a farm family with 66 acres, that's one of America's millionaires.

These are hardworking, middle-income Americans who have saved all their lives to pay for the farm. We need to work to protect these family farms so the next generation can carry on their legacy. We hear a lot about that—protecting the American farmer—from the other side of the aisle. Yet they propose tax policies that do the exact opposite and very much would destroy our agricultural industry and the safety net that it provides this country.

□ 1740

In fact, if you follow their tax policy, America's farmers will simply be another statistic. What statistic? As it stands today, approximately 30 percent of family businesses will be passed on to the family's second generation—only in America—12 percent will make it to the third generation, and only 3 percent of all family businesses make it to the fourth generation or beyond. For a family farmer, for a small business owner, that's very disheartening. However, if the President has his way, those percentages will be even lower.

On January 1, 2013, the death tax will rise from the dead again, re-ordained by President Obama, and return with a rate of as much as 55 percent. Again, in my part of the country, a middle-income family farmer in my part of the country who owns more than 285 acres of land could be assessed a death tax of as much as 55 percent of what they try to leave to the next generation. That's what the President defines as the family farmer's ''fair share.''

Mr. Speaker, family farms are a significant and reliable food source for our country and the world, and they play a vital role in our Nation's national security. However, under the President's death tax proposal, family farmers will be forced to downsize their operations chunk by chunk, selling their assets to pay for what amounts to nothing other than the seizure of the family farm. Many may shut down and have to sell everything just to cover the cost.

I think of the song by Crosby, Stills & Nash that said: ''Tax the rich, feed the poor, 'til there are no rich no more.'' This is certainly the attitude of the current administration.

The truth is you simply can't feed the hungry without the family farmer. They play a vital role in everything we are and do as Americans.

Mr. Speaker, you want more hungry people in America? You want a decline in family businesses and higher unemployment? Follow the President's proposal on the death tax, because that's exactly where it leads. It's the seizure of assets of the family farmers and the family businesses in America. I promise you, if that happens, there will be more hungry people in America.

Mr. REED. I so appreciate my colleague from Georgia, the president of the freshman class, for his comments on the family farm and standing up for family farmers all across America.

One thing that we're going to face at the end of the year with the expiration of these tax rates and a need for us to commit firmly to comprehensive tax reform, I hope we all adopt a policy, a policy that I have heard from folks throughout my district, across my great State of New York, and across this entire Nation, and that is a firm commitment that they're looking for from Washington, D.C., to adopt tax policy that is going to be certain, that we adopt tax policy that is going to be permanent. Because as we ask our local manufacturers, our job creators of the United States of America, they need to know that when they make these decisions on millions, if not billions, of dollars in local plants to put people back to work that the rules of the road are going to be clear and they are going to be certain and they are going to be permanent so that they can rely on that certainty, so that they can make the investment necessary to get this economy going forward again, and making sure that they can rely on those rules and that they won't change midstream as we see with tax policy that extends on 10-year windows—or tax extenders, the 101 tax extender policies that either expired last year at the end of 2011 or will expire at the end of 2012, things as basic as the research and development tax credit for our manufacturers across America. Those types of policies need to be done on a permanent nature so that when these investment decisions are made, the people that are making those choices know that there will be a forum and a platform on the American market that is secure, certain, and will allow them to make sure that there is a good thought process put in place as they make those investment decisions.

At this point in time, I would love to yield to my good friend from the State of Pennsylvania, one of our leaders in the freshman class, MIKE KELLY.

Mr. KELLY. I would like to thank my friend from New York (Mr. REED).

Mr. Speaker, I rise today to talk about the things that are certain in life. People always say there's two things you can be certain of. One is death and the other is taxes. There's another one that we're going to be certain of after January 1, and that is you're going to continue to pay taxes after death.

In a government that borrows 42 cents of every dollar it spends, it comes as no surprise that we can't even let the dead relax. They're still going to be taxed beyond what they ever could have possibly imagined in real life.

So we look at a country that now has the highest corporate tax in the industrial world; we're going to have the highest or the second highest death tax in the world. And why? Because of a town that's never learned to do what it tells all of its citizens to do: live within your means, play fair, pay your fair share.

Well, I would just suggest to you that, in addition to that, what we're telling people is, look, you don't have the certainty anymore that you have planned your estate the right way, because after January 1 this government is going to come up with heavier taxes on its citizens—not the ones that are on the ground and living, but the ones that have already died, that have paid their fair share, that have played within the rules, that have done everything they're supposed to do as good citizens of this great country. They're going to be told at the end of their life that you cannot go to your final resting place in peace. No. Everything that you have accumulated in your life and already paid taxes on is going to be taxed again.

And who is it that's going to face that burden? All those people that we tried to work so hard for, that we tried to put things aside for. Our children and our grandchildren are facing a hockey stick of spending that goes up and off the charts. Again, a country that cannot live within its own means, and yet an administration that tells its citizenry you have to pay your fair share, the rich are not paying their fair share.

Listen, farms are not only going to go away because those assets are going to have to be liquidated to pay death taxes, small businesses are also going to be harmed by this new tax. They're going to have to liquidate in order to pay the estate taxes that are left over after somebody has worked their whole life, paid their fair share, done what they're supposed to do, lived within their means. But that's not enough. That's not enough for this administration. They will continue to rip off from your pocket after death that which you have worked so hard to earn over your lifetime.

There is nothing more prickly; not even the sharpest cactus in the desert has more prickly pins on it than this law and this rule in the way it's coming.

So I would just say to all my friends, if it's really about being fair, if it's really about playing by the rules, if it's really about a stewardship where you take what is given to you and you pass it on to the next generation in better shape than you got it, my goodness, how have we strayed so far from a basic American principle as that? How have we strayed so far as to tell those who have worked so hard in their lifetime that even in their death they cannot rest, they cannot be assured of that which they have worked so hard in order to pass on to the next generation is going to be vulnerable? Fifty-five percent tax on your estate.

The liquidation of family farms, the liquidation of family businesses, the liquidation of the dreams of our children and grandchildren, all of them go up in smoke as this tsunami of tax increases that this administration will be forcing on the American people after January 1.

I thank my friend from New York for bringing this issue up.

Mr. REED. Well, I thank the gentleman from Pennsylvania for joining us here tonight.

In listening to your comments, I wholeheartedly agree that what we're seeing at the end of this year, if Washington, D.C., does not get its act together—and we as the freshman class, I think, are doing a great job in holding this city accountable and really changing the culture of Washington, D.C. The job has just started. We have a lot more work to do, and we'll continue to go forward on that mission.

But what we have to commit ourselves to is, if we do not act by the end of the year, the largest tax increase in the history of America will go into effect with the expiration of the individual tax rates, the reinstatement of the estate taxes at levels of 55 percent and beyond, and we need to act.

Mr. KELLY. Will the gentleman yield?

Mr. REED. I yield to the gentleman from Pennsylvania.

Mr. KELLY. I think the other thing that is very important to understand is that we talk about competing in the global economy. Now, our friends to the north in Canada do not have a death tax. Our friends to the south in Mexico do not have a death tax. This, again, is an example of an administration that is so out of touch with the real world, that has never had any skin in the game, never understood that in order to produce a profit you must first know how to create one and not just how to tax it. But we are, again, taking ourselves out of the global economy and we are telling our people, You know what? You may be better off living in Canada or in Mexico, especially if you've accumulated anything in your lifetime, because you're not going to be able to pass it on to the next generation.

Mr. REED. I so appreciate that comment.

With that, I would like to yield to another colleague of ours, a great Member of the freshman class from Florida, Colonel WEST.

□ 1750

Mr. WEST. I thank the kind colleague of mine from New York (Mr. REED).

Mr. Speaker, as a field artillery officer in the United States Army, I learned a thing or two about weaponry. Our success on the battlefields of Desert Storm and Desert Shield depended on choosing the correct artillery for each specific objective, whether it was halting the enemy's forward progress, diminishing the strength of its forces, or completely destroying its capabilities.

Although he has never served our country in uniform or risked his life to defend its freedoms and liberties on distant shores, it seems President Obama understands a thing or two about weaponry as well. But in the President's case, Mr. Speaker, the current weapon of choice is tax policy, and the enemies are small businesses, investors, entrepreneurs, and corporations, who seemingly are deemed undesirable. In short, these are the economic engines of our Nation.

The President's planned tax increases seemed designed solely to demonize the rich and use them as a propaganda tool to score political points. But the collateral damage of these policies will spread far and wide into the heartland of America. After all, the 160 percent increase in Federal cigarette taxes put in place in 2009 by President Obama and his administration, certainly affects those earning far less than $250,000, despite his promise not to raise their taxes.

The fact is, Mr. Speaker, next year, unless changes are made in the Tax Code, Americans will be bombarded with the heavy artillery of the largest tax increase in the Nation's history, causing massive economic injury and destruction.

To begin with, if the Bush-Obama tax rates are allowed to expire, the current tax brackets of 10 to 35 percent will rise to 15 to 39.6 percent. Other tax provisions scheduled to disappear that will hit ordinary Americans include the American Opportunity Tax Credit—up to $2,500 per student for qualified college costs, a tax exclusion for forgiven mortgage debt, and a tax credit for employer-provided child care.

Children of farmers, as my colleague from Georgia talked about, and small business owners who wish to continue the legacy of their parents will find it increasingly difficult to do so, as the death tax exemption will shrink from $5 million to $1 million. Further, inherited assets exceeding that amount will be taxed at a maximum rate, Mr. Speaker, of 55 percent, up from 35 percent, and a 5 percent surcharge on estates over $10 million.

Investors will be battered with a capital gains tax increase from 15 percent to a maximum of 25.8 percent. Seniors who rely on their dividend returns will also be hampered. Stock dividends, currently 15 percent, will be taxed as ordinary income with a top rate of 43.4 percent. That's 39.6 percent income tax plus a 3.8 percent tax on investment income proposed in the President's health care law.

In the last few months we've heard a lot about fairness from the President, Mr. Speaker, especially when it comes to wealthier people. In President Obama's own message about his proposed budget for fiscal year 2013, he says everyone must shoulder their fair share. But how, Mr. Speaker, does he define fair when 47 percent of wage-earning households pay zero Federal income taxes, while the top 25 percent of wage-earning households pay 87 percent?

Besides, the spending proposed in the President's fiscal year 2013 budget is far beyond what the revenue base can support. It would be mathematically impossible to increase taxes on the Nation's highest earners to close the future trillion dollar-plus deficits if spending continues as President Obama has planned.

And according to a report by the Joint Committee on Taxation, the highly touted Buffett rule would raise a paltry 30 to $40 billion over the next 10 years.

Mr. Speaker, during that same timeframe, President Obama's budget would create nearly $7 trillion in new debt, which means the Buffett tax would lower that debt by less than half a percent. This is clearly not sound fiscal policy. It's the misguided policy of economic fairness, and it is just as Frederic Bastiat stated in his essay, ''The Law'': It is legal plunder under the guise of benevolence and misconceived philanthropy.

While the President has some understanding of the destructive capability of his tax policy, he demonstrates little understanding of battlefield strategy, because those who are on the receiving end of an artillery barrage seldom stay in place.

When businesses and individuals are being bombarded with higher tax rates, they will simply change their behavior. Investors will shift money from taxable to nontaxable investments. Total economic activity slows, as there is less incentive for employees to work extra hours, while smaller, potential returns mean investors and venture capitalists are less willing to shoulder risks. All taxpayers have a greater incentive to shield their income.

Obviously, President Obama is no student of history either, Mr. Speaker, for if he were, he would know revenues increased under Presidents Kennedy, Reagan and yes, George W. Bush, at least until the 2007 financial crisis, when tax rates were reduced.

But increasing tax revenue does not appear to be the President's strategic objective. If it were, he would be recommending policies to help increase the revenue base by optimizing the regulatory and tax environment to encourage businesses to invest, grow, and hire.

The House of Representatives, Mr. Speaker, has passed 26 bills to do just that, but they currently languish on the desk of Senate Majority Leader HARRY REID, who will not bring them up for vote in the Senate.

Instead, President Obama seems determined to punish and wipe out economic success in this country, leveling tax weapons of mass destruction on all taxpayers. This is a battle our Nation can ill afford to lose. We must reform our Tax Code, and we must restore the conditions for economic success for all our citizens because truly, they are taxed enough already.

Mr. Speaker, unleashing the individual industrialism and entrepreneurial spirit of Americans does not come from capital consolidation in Washington, D.C. The American people do not want more Solyndras and GSA boondoggles.

The American people want economic security, which comes from this body becoming responsible stewards of their tax resources, not taking more from them based upon divisive, socioeconomic rhetoric.

The American people, Mr. Speaker, want a constitutional republic, not a socialist, egalitarian, welfare nanny state. The American people want an economic future so bright that they will have to wear sunglasses.

Mr. REED. I thank my colleague for his sentiment and the words that you expressed. And I'm reminded that we here in Washington cannot be like my children when they used to sit in the TV room and watch their cartoons, such as Teletubbies and the other ones that are there. We need to grow up. We need to deal with this issue once and for all.

And one thing that I'm repeatedly reminded of when I hear the President's proposal about the top 2 percent need to pay their fair share. I try to deal with this issue in an open and honest way. And if you do the math on that proposal, you raise $70 billion over 10 years. We have a $1.3 trillion deficit every year. The math just does not add up.

And so I always have to remind people as I engage in this debate about the need for comprehensive tax reform that the solution to our national debt problem is not going to be a revenue solution unless we grow this economy. Raising revenue through increasing taxes is not going to bridge—as my colleague said, mathematically, it is impossible to raise taxes enough to get to that $1.3 trillion number.

That's why I'm always reminded that this is a spending problem at its root cause, and that's why we need to continue to focus on that arena.

And I would also like to echo my colleague from Florida in his words. Essentially, this is going to boil down, in this November 2012 election, to two strategies of moving forward. And if I heard your statements and your words correctly, we essentially have one strategy that is going to be deployed by my colleagues on the Democratic side, on the other side of the aisle, who say it needs to be a revenue-based solution.

But that is code word back in my living rooms in my district for, we're going to raise taxes to deal with this situation. And I think this freshman class and the people that have joined us here on this side of the aisle in the Republican Party have firmly committed that the solution is on downsizing government, cutting spending, adhering to what our Founding Fathers believed in and put forth in the Constitution, a limited Federal Government, not an all-encompassing Federal Government that has grown the debt to the level that we see today.

□ 1800

I am also firmly committed to not engaging in the debate as to who caused it be it which President from whatever party. That is not the solution moving forward, engaging in the blame game. It is about recognizing the problem is upon us, whoever caused it, Democrat or Republican, and let's solve it.

When we come to November of 2012, the American people will not be stupid. They are not stupid individuals. They will see that the math doesn't add up with a solution based on my colleagues on the other side of the aisle of increasing taxes to bridge this national debt problem. It is about truly being fiscally responsible and getting our fiscal house in order.

Does my colleague have any additional comments?

Mr. WEST. I just want to say you are absolutely right, and I thank you for yielding an additional minute.

It is truly the choice between two futures: it is a future of economic freedom, or a future of economic dependency. It is a future that talks about the entrepreneurial will and spirit and the individual industrialism of the American people or collective subjugation. I think that the American people will make the right choice in November 2012.

Mr. REED. I so appreciate it, and I wholeheartedly agree with that sentiment.

At this point in time, I would like to yield to my good friend from Kansas (Mr. HUELSKAMP).

Mr. HUELSKAMP. Thank you, Congressman REED. It is a very timely topic.

I come from western Kansas, and big skies and big dreams, and big visions; and I tell you, we can see an approaching storm brewing sometimes hundreds of miles away. You can see the dark clouds. You can feel the gusting winds. Though the skies are wide open, sometimes it's hard to predict which path the storm will take.

We've heard tonight, and I'll say it again, there is a storm brewing here in Washington that may seem like miles, perhaps hundreds of miles, away; but it's not. Unlike our Kansas storms, it's pretty evident this storm is going to hit America unless this Congress and this President act.

Every American will pay higher taxes next year. Let me rephrase that. Every tax-paying American—because you know half of Americans pay no Federal income taxes. So I'm talking about the half that actually pay. Income and the capital gains rates will go up; the death tax will go up as well. The child tax credit and the standard deduction will decrease. All of this is certain to happen unless we act.

It's been mentioned that this would be the biggest tax increase in American history. I think it actually might be the biggest tax increase in human history. It could be. We'll look forward to those figures. Our economy is just starting to show signs of life again, however weak. Can you imagine what it will mean for the economy if taxes go up at the end of the year? Can you imagine where the stock market is going to go in the final quarter if Congress goes home before the election without acting to extend the lower capital gains rate?

I know my colleague, Colonel WEST, noted the President might not be a great student of history. Actually, all he has to do is study his own comments and go back less than 2 years ago. The President said, ''You don't raise taxes in a recession.'' That's President Obama, the President of our country, if he could study his own history. I agree with him. I don't agree with him on a lot of things. But he said you don't raise taxes in a recession.

Sure, we might have emerged from a formal definition of a recession, but I don't think there is anyone out there who believes the economy is growing by leaps or bounds, and I don't think you can shoehorn a massive tax increase onto an already overburdened American economy. You just can't.

America needs and deserves a Tax Code that's not premised on pitting American versus American in a class warfare struggle. Unfortunately, that seems to be the only real solution this President has. The so-called Buffett rule is just a gimmick trying to distract the American people from the reality that he wants the biggest tax increase in American history, and he's going to get it unless we can change this before the end of the year.

I have proposed a bill called the American Opportunity and Freedom Act, which would make permanent the Bush-Obama tax cuts. Yes, the Bush-Obama tax cuts. Look back at history. This President extended the tax cuts. He signed them. They are the Bush-Obama tax cuts.

Remember, he called those tax cuts ''a substantial victory for middle class families.'' This was President Obama out on the campaign trail, today I believe, saying we have to extend these tax cuts. I agree.

I also support comprehensive reform, including the Fair Tax. I think my colleague from Georgia is going to visit about that, I hope. I've cosponsored the Jobs Through Growth Act and numerous other proposals to make our Tax Code fairer, flatter, and more simple.

The bottom line is we need to do something now. Our Tax Code should not outpace the Bible in number of words. It certainly doesn't outpace the Bible in wisdom, and families shouldn't have to read 100-page booklets to fill out their tax return. I'm told if you call the IRS one hour, you call the next hour, you call another hour later, you will get a different answer every time you call in, because even the folks who are implementing the Tax Code, they don't know what the answer is.

Americans out there are just trying to do the right thing, trying to do their fair share, Mr. President. Your IRS agents can't even tell them the right or same answer.

The most fundamental purpose of the Tax Code is to raise enough revenue in order to fund essential functions that fall within the purview of government.

I just got off a Skype phone call with fourth and fifth graders in Peoria, Kansas. They had a lot of great questions. I thought the best question was from a young man who said, Why are taxes so high? Of course, he probably doesn't pay much taxes. He probably heard that at home. The answer I gave him was this: because we spend too much money, and on top of that, we borrow another $1.1 trillion under the Obama budget. So not only are taxes high; they're still borrowing money so they can spend it. It comes down to how much we spend.

I think we can agree that Washington's problem isn't not enough revenue, it's too much spending.

Washington has created this storm. But unlike the tornadoes that sweep across the plains, we have an opportunity to avoid the devastating consequences of the approaching storm that's coming at the end of this year.

I'm excited to be here to talk about that because I must tell you, I am optimistic. We can solve this problem. We can take advantage of the approaching storm, actually do comprehensive tax reform that can change the future for all Americans. We can pull this economy out of the doldrums, go back to the days when the economy actually grew, when jobs were being created.

But in today's environment, the uncertainty created by this administration and by a tax law that's not permanent, that is dragging down our economy. We can't avoid that, and we can do much better. I'm happy to be here tonight to talk about that.

Mr. REED. I thank you so much, my colleague from Kansas, for coming down this evening to talk about this issue. You are exactly right. When I listened to the comments you had to offer, and as we go into this debate about comprehensive tax reform, I think there is somewhat of an agreement on both sides of the aisle that tax reform needs to be done because our Tax Code is way too complicated—70,000 pages of tax regulation and statutory language, legislation on top of legislation.

We need to firmly attack that Tax Code in a way that focuses on the primary goal of what our Tax Code was originally enacted for, to raise revenue, not to engage in policy determination or picking winners or losers through the Tax Code and advancing social policy through the Tax Code, but focusing on a Tax Code that raises revenue to cover our lawful, legitimate government expense as put forth in the United States Constitution of a limited Federal Government.

If we adhere to that principle and that goal, I am confident that both sides of this aisle will come together and achieve what could be one of those historical moments in this Chamber again where we set the country on a path to a more competitive and prosperous future moving forward.

With that, does the gentleman from Kansas seek recognition?

Mr. HUELSKAMP. If I might ask you a question, Have you read the entire Tax Code?

Mr. REED. I've tried. I've read numerous parts of it especially when I'm up late at night and I can't sleep. It seems like a panacea for those sleepless nights because it immediately puts me back to bed.

Mr. HUELSKAMP. It would probably be my guess that there isn't a colleague of ours that has read this Tax Code. Now, there are probably some special attorneys in this town that claim to have read that whole Tax Code. As you mentioned, how many pages?

Mr. REED. Seventy thousand.

Mr. HUELSKAMP. Seventy thousand pages. It's my understanding it's 3½ times the size of the Bible perhaps, longer than all of Shakespeare's works, and it's all about to be centralizing power in Washington.

We have a grand opportunity, I agree. With challenges come opportunities. We have a tremendous opportunity, and it will have to be a bipartisan opportunity. I agree with you. We have to have the President propose a solution and his only solution right now is let's just raise taxes.

□ 1810

If he does nothing, if he refuses to help us make America more competitive, if he refuses to help us, we'll have, as you mentioned, the single largest tax increase in American history. We can't stop it if he's not willing to help out, but I think the American people are demanding comprehensive tax reform. They're demanding us to get this right because we cannot afford the massive tax increases in the current law. I am very fearful about that, but I am optimistic that we can and will do the right thing.

I've got a friend of mine in Junction City, Kansas. I met him at a town hall. His name is Tom, and he's a small business owner. He said, You know, I'm going to start a small business—or I would—but because of those tax increases at the end of the year, I'm not going to do that. He said, I would have hired seven people. Those seven people not hired in Junction City, Kansas, don't show up on any list, but they show up in Junction City as seven more people—seven families—that don't have the income they need, and they probably end up having to have some government assistance or having to get help from their churches and their neighbors. Those are the things that get lost.

We can't forget in this town that it's not about us, that it's not about special interests. It's about the American people and about getting this economy going again. I appreciate the opportunity to talk about that. The common goal of those of us sitting in the Chamber tonight is to get this economy moving again and to actually be competitive internationally. I appreciate your leadership on that, CONGRESSMAN REED. You are doing a fantastic job here tonight.

Mr. REED. I appreciate the gentleman's comments, and I appreciate those kind words.

As we move forward, I'd like to bring a good friend of ours from Wisconsin into this conversation. He has been a stalwart down here on the House floor, and has joined us numerous times in these opportunities when we have a chance to debate the issues of the day.

With that, Mr. DUFFY, it is an honor to yield you time.

Mr. DUFFY. I appreciate the gentleman from New York for yielding.

As we talk about these issues—and I've been listening today as my colleagues have been discussing the tax policy—if you take a step back, if you look at all of the different rules and regulations and bills that have taken place over the course of the last 3½ years, it's a torrential rain. We have to take it almost raindrop by raindrop, looking at each policy, each rule, each law that has gone into effect. I want to take a moment to step back from the tax debate and first start with the conversation in regard to the budget because I think most Americans that I talk to, they are very nervous about what's happening with this ever-expanding government and ever-expanding debt. Many Americans know we owe now $15.6 trillion. They know we've borrowed $1 trillion every year for the last 3 years.

So they will step back and go, Well, what's the plan? How do we address this really difficult problem?

I know a lot of the moms in my district are concerned about who's lending us that money. Ask the Chinese. They're concerned about their kids that they're raising so well, are educating so well. What kind of an America are they going to grow up in?

So they say, Listen, what kind of budget are you going to have? How are you going to fix it?

If they were to look to the Senate, they would look and see that for the past 3 years the Senate wasn't willing to pass a budget, that they weren't willing to put out a plan on how they would deal with this daunting issue that this country faces. If they were to look over to the President and ask the President, How do you deal with this cancer that is growing in America, which is our debt? How do you deal with it? I think they'd say, Well, Mr. President, you've given us a budget, but it's a budget that never balances. It's a budget that includes all the tax increases you've ever discussed, but it doesn't balance. It's a budget that we've brought to this House floor, and it was such a political document that doesn't accomplish the goals that the moms and dads of America want accomplished that not one Republican or one Democrat voted for that budget.

We need real ideas to be put on the table, and we need bold leadership to address the large issues that we face in this country. For the last 2 years, the House Republicans have given that bold leadership. We've been willing to put ideas on the table on how we fix the great problems of our generation. I'm proud of our freshman class, and I'm proud of our House Republicans for willing to step out and lead. Part of that leadership has been the reform of our tax system, of our Tax Code, making it more competitive and more fair, and I want to talk about that a little bit, which is the conversation tonight.

I think many Americans may not know this, but as of April 1, April Fool's Day, we had the highest corporate tax rate in the industrialized world, and that's because the Japanese on April 1 were the last ones to lower their taxes, making us the highest tax country. That's a problem. We find ourselves in a situation in America where one party is asking for a more competitive Tax Code that will encourage investment and growth in America. We have the other side, which is the President's side, that encourages, under the auspices of fairness, that we increase taxes.

As I talk to people back at home, these conversations oftentimes come up, and I'll ask my friends at home. I'll say, Listen, if you look at businesses in America, can you name a few of them that don't pay taxes? Are there a few businesses here that you can identify that don't pay taxes?

Virtually everyone in the town hall will shake their heads and go, Yeah, yeah. I can name that business that doesn't pay taxes.

So I'll ask them, Well, if you want that business to pay taxes, if you were just willing to raise the tax rate from 35 percent up to 40 percent, which is what the President wants to do, will that business that's in your head that doesn't pay taxes now pay taxes if you just increase the rate by 5 percentage points?

No. The Tax Code is broken—for generations, long before I got here. I was riding my trike when people were carving out special interests in the Tax Code. There are 70,000 pages in the Tax Code that are for special interests, special loopholes. The people of my district don't take advantage of those 70,000 pages. It's for the special interests that come to this town day after day and ask to carve themselves out. What have we done? We in this House have said that's not fair; that's not right.

Let's carve them all back in. Let's reduce the complexity of the Tax Code, bring all these people back in and make them, yes, pay their fair share. What we've said that we can do is take the top rate from 35 percent and bring it down to 25 percent, and then the other rates down to 10 percent. If you do that by eliminating all the loopholes in the code, you'll bring in more revenue, and it will be fair. Doesn't that make sense? Raise and raise doesn't accomplish it. Reforming the Tax Code is where we have to go. Let's get a bipartisan group together, carve out those special interests, reduce the rates, and make us more competitive.

We hear a lot about the Buffett tax, right? It's a tax on investment income. Listen, there are two different kinds of income. You have the income that you get from your salary. Your salaried income, that's taxed at a certain rate. You're guaranteed to get that every week or every 2 weeks because you put your 40 or 80 hours in, and that paycheck comes to you and you're guaranteed to get it. But there is also investment income. In America and around the world, investment income is taxed at a little bit of a lower rate.

You say, Well, why? Why would that be taxed at a lower rate? The reason is—let's say you invest $100,000. You're not guaranteed to make anything on that $100,000. Actually, you might lose the whole investment—you might lose that $100,000—but if you're lucky enough or smart enough or savvy enough to make some money on that $100,000 investment, we've said you should have a tax rate that's a little bit less than that which is guaranteed in the salary. So we have a little less of a tax rate on investment income.

But there is something else. We want to encourage investment in America because we know, if you're investing in our infrastructure, in our manufacturing facilities, in our businesses, if we have investment, what happens? We create jobs. There is job growth in America when you have investment in America, and we want to make sure this is a great home for investment. If you raise the taxes on investment, you will get less of it. Let's make sure we have a great investment tax rate so money around the world wants to pour into this country and wants to take advantage of one of the best workforces in the world, which is right here in America.

One other point I want to make before I yield back to the gentleman is that there are a lot of people who talk about raising taxes to bring in more revenue. I think it's important that we're very clear: that when people are talking about raising taxes to bring in more revenue in order to pay down the debt, that's not what's happening. People are asking to raise taxes to spend more money. There is no effort to reduce spending in this town. Those who want to increase taxes want to spend more—they don't want to spend less—but if you want to actually bring in more money to the Federal coffers, you should look at the tax history, because every time we're raising tax rates, there is not a correlation in bringing more money into the Federal coffers.

□ 1820

Raising tax rates doesn't mean more money. What does mean more money into the Federal coffers is a growing economy. If you can grow your economy, if you can put your people back to work, more people pay taxes.

If more people pay taxes, more money comes into the Federal coffers, and we have more dollars to pay down our debt. Not only that, there's less people on food stamps and energy assistance because they have a job.

This is some commonsense reform that this group in the House is talking about. If we could just implement it, take the weight of a burdensome Tax Code off the shoulders of our entrepreneurs, our job creators, and our investors, we can see expansive growth, explosive growth.

I look forward to being part of a team who is willing to engage in a great debate to make sure we are again the most competitive and best placed in the country to invest.

Mr. REED. I thank the gentleman from Wisconsin for joining us and the sentiment and the words that you have expressed. As we go into the election and as we go into November 2012, I think what we are articulating on the House floor tonight as we are having this conversation about tax reform is that there are some differences that the American people are going to be able to choose between.

One of the fundamental differences, when it comes to tax policy, is I see a base philosophy differential between my colleagues on the other side of the aisle from the Democratic Party and those of us on this side of the aisle in the Republican Party, and that base differential and philosophy is what I hear from my Democratic colleagues on the other side of the aisle when they propose such things as let's increase taxes on the top 2 percent or this group or that group. It's a fundamental belief, I would submit, that they believe that that money is better given to them here in Washington, D.C., to then dole out as they in Washington, D.C., feel is appropriate.

The philosophy on this side of the aisle that I am firmly committed to, and I am sure many of my colleagues here tonight are firmly committed to, is that that money is the individuals' money, it is the American citizens' money. They are the ones who earned it. They are the ones who punched the clock around the hour—24/7 or 8 o'clock in the morning until 4 o'clock in the afternoon or midnight till 8 a.m. They are the ones earning that money, and that is their money. The more that we can keep that money that they earned as citizens and individuals in their pocket, they will do the right thing. We believe in the individual.

From the arguments that I have heard from my colleagues on the other side of the aisle, I would say that they differ in that opinion. They truly do believe that Washington should be the judge of where those resources go, because for some odd reason they sit here in Washington and try to come up with one-size-fits-all answers to the problems of the day. It fundamentally is a philosophy that that money is Washington, D.C.'s money and not the individual's.

My colleague from Georgia (Mr. WOODALL) is a strong advocate of the Fair Tax proposal that's been out there and that's being debated. That is one of the things that I have to say about this freshman class is that we have changed the culture of Washington, D.C., and that we are going to allow all alternatives to be on the table and have an open and honest conversation with all of America about reforms that are going forward and then going forward in a way that solves our Nation's problems, and everyone will be given a fair shake to express those ideas.

I'm sure my colleague from Georgia is rising today to offer his insight and his proposal as to an alternative to the income tax structure that we presently exist under, and that would be the Fair Tax. If I'm wrong on that, I apologize to the gentleman from Georgia; but knowing his reputation and his words around this town, I'm sure we are going to hear a little bit about that.

With that, I yield to the gentleman from Georgia.

Mr. WOODALL. I appreciate my friend from New York for yielding.

You are absolutely right. I have some Fair Tax passion. I believe that there is a better way to create a United States Tax Code, and I believe the Fair Tax is that. H.R. 25, for folks who haven't read it. But the truth is I came down here tonight because I knew that we were going to have that debate of ideas that you're talking about. I mean, whether it's your leadership on this Special Order, whether it's the enthusiasm my friend from Wisconsin brings to the floor, we're talking about the challenges that we face using a different language than we've used in this body before. This is a floor that has been taken over by freshmen here tonight. This is an institution that's been taken over by new ideas. I don't mean just new freshman ideas; I mean new ideas from all aspects of this institution.

I hear my friend from Wisconsin talking, and he comes from a competitive district. There is all this talk about these rabid freshmen, crazy Republicans. The people of Wisconsin, they can choose anybody they want. They don't have to choose Republican. They can choose a Democrat. They can choose an independent. They can choose anybody they want, and they choose him.

His message is not: Look what I am going to go to Washington and get for you. His message is: We don't need a subsidy here because we've got the hardest-working workforce in the world. His message is not: How can I give you an unfair advantage over your neighbors? His message is: How can we make the American economy the most competitive economy in the world, because if we do that, the American worker will succeed because we work harder, better, and longer than anybody else on the planet. That is a different take on what happens in Washington, D.C., and it's a different take on what happens in the Tax Code.

I know my friend from New York sits on the powerful Ways and Means Committee, as does my friend from Tennessee, and you have to have a Ways and Means Committee. For folks who don't sit on that committee, they're the ones who write all the Tax Code. The Tax Code is a complicated thing to do.

What this Ways and Means Committee is doing—and it's important to be said because this is an election year, and a lot of crazy things happen in an election year. There are crazy things like people supporting a Buffett rule to solve deficit problems, a rule that if it had been in place this year and collected that same amount of revenue for the next 250 years, it still would not have balanced the budget from last year. That's right.

This great savior of all that's good that ails us in this country, President Obama's Buffett rule, had it been in place this year, and not just this year but the next 250 years, it had raised that revenue, it still would not have balanced the budget from last year, just the budget gap from last year. We have all this nonsense in a political year.

But what we're getting out of the Ways and Means Committee—and I know my two friends from the Ways and Means Committee wouldn't brag on themselves, so I'm going to brag on you for you. We have had more serious hearings about fundamental tax reform in this Ways and Means Committee over the last 16 months than we've had in the last decade. This is a committee that, by virtue of simplifying the American Tax Code, is going to undo the work of the Ways and Means Committee for decades and decades and decades in the past. They're doing it not to exploit the power of their position; they're doing it to help grow the American economy.

As an alternative to the Buffett rule, I have brought down a chart to demonstrate what happens in today's Tax Code. My friends on the Ways and Means Committee know it all too well. But in today's Tax Code, the folks who have the money benefit from all the loopholes and exceptions and exemptions and carve-out. Of course they do. It makes sense. I will tell you, the folks who have the money are the ones who are paying the taxes, so it certainly makes sense that they are the ones benefiting from the carve-outs.

We have a choice of two futures here. We can either implement the President's Buffett rule, which again, by simple mathematics, will have absolutely no effect either on growing the economy or paying down the deficit, or we can simplify today's Tax Code to make it flatter and fairer.

That's what my friends on the Ways and Means Committee have been working on, Chairman DAVE CAMP and the rest of the committee, in ways that I have never seen before, with a sincerity that I have never seen before. You're absolutely right, and I appreciate my friend from New York for saying it.

They've said, Bring all comers. Bring all comers. We're not the smartest people in the room. If the idea comes from Lawrenceville, Georgia, bring it. If it comes from Seneca, New York, bring it. If it comes from Chattanooga, Tennessee, bring it. We want all the ideas, and we'll just let the chips fall where they may. That's what's different in this town.

I say to my colleague, what is different in this town with this Republican class is we don't have to rig the game to get to the outcome. We just bring the debates to the floor. Bring the facts to the floor. Let the facts speak for themselves. And then guess what. Have a vote. If it's a good idea, it wins, and if it's a bad idea, it loses. We see both of those happen on this floor every day, and the Ways and Means Committee is leading in this tax process.

This would have been a great year for the Ways and Means Committee—putting my political hat on for a moment—a great year for you all to play some sort of game with the Tax Code. I have seen it happen in Congresses past.

□ 1830

Oh, this is going to be good for reelection. We're going to go do X, Y, or Z. It's not going to happen. It's not going to be real. But we're going to play the game. The folks on this committee this year, the freshmen in the body this year, would rather lose in November, having tried each and every day to do the right thing, than win in November, having played the game the way it's been played for so many years.

So serious is the effort in the Ways and Means Committee that it was included in the House-passed budget this year—flatter, fairer rates, eliminating exemptions, loopholes, carve-outs—all of those things that the American people look at and lose faith in this body. You've stood up to them all. You've stood up to them all in the Ways and Means Committee. We've stood up to them in the Budget Committee to say, No more. There's a better way. And we're going to share with the American people.

I appreciate my colleague for taking on the time tonight. And I ask him to commit this chart to memory. I say to all my other colleagues who might be watching back in their offices that on budget.house.gov, you'll find myriad charts to talk about all the things that my friend from Wisconsin discussed and my friend from Kansas discussed and my friend from Florida discussed. It will lay them out in easy-to-see and visualized ways.

But if we want to get a handle on what's happening in America with the discrepancies—call it fairness, call it economic growth, you name your ill—a flatter and fairer tax code is the beginning of that solution, it's not the end. But the Tax Code was not designed to implement social policy. It was designed to collect revenue so that we can run the national defense of this country. And if we get back there, the American economy and the American taxpayer is going to be the beneficiary.

I thank my friend for his leadership tonight.

Mr. REED. I so appreciate the gentleman from Georgia and the expression and sentiments you bring to the floor and the passion that you bring to the floor on this issue and all the issues that you bring to our attention. And you are so right. We are committed to having an open and honest debate with all of America, because the American hardworking taxpayer deserves no less.

We are here to do what needs to be done. We are here to lead. And that's why I appreciate my colleague from Georgia on the Budget Committee, because I know there was some political heat put on that Budget Committee to back away from coming up with a budget that we could stand for in this Chamber. But we took the stand and you took the stand as part of that Budget Committee to say, You know what, we're not going to engage in the politics of old. We're not going to be afraid to lead. Because the problems that face us in America today are generational. They are the same level threats that generations before us faced.

And that most recent example, possibly, that jumps to the top of my mind is World War II, when the real fate of the American Government, the American symbol of freedom and democracy, was at risk with a threat from Europe with fascism and the expressions coming out of that area of the world. And what did America do? That's the history lesson that I bring to this Chamber tonight.

American leadership, our President, our leaders did not look to divide America on that issue. That leadership led by uniting America to come together to face the generational threat and survive so that the America that they had could be passed on to our generation and this generation and grandchildren's generations to come so they have the opportunity to succeed and take care and live that American Dream. It is time for our Nation to come together, not be divided. And I am very confident because I have faith in the American individual that come November, 2012, the American people will make the right call. And between the choices that will be clearly articulated between both sides of this aisle we will see what needs to be done, and the right decisions will be made, and we will overcome this generational crisis that faces us in our national debt and this economy that has bogged down in stagnation, debt, doubt, and despair. And we will overcome it, because failure is not an alternative.

With that, I'd love to yield to a great lady on the Ways and Means Committee, a fellow freshman and a good friend, Mrs. BLACK from Tennessee.

Mrs. BLACK. Thank you for yielding to me. I want to thank you as a fellow member of Ways and Means and a freshman for bringing us together tonight for this Special Order. This is such an important issue, and the American people really need to hear that there is a choice. There's a choice between a system or a plan that is going to take more money out of the pockets of our hardworking taxpayers or one that's going to put more money in those pockets and make a system that is fairer, flatter, and simpler.

As I traveled throughout my district over the last 16 months now, I've continued to hear from my businesses in particular that there's so much uncertainty out there. And I ask them, What is the uncertainty? What is it that's keeping you awake at night that keeps you from growing your business, and as a result of that creating more jobs? Obviously, when people have jobs, they have money in their pocket. And what do they do when they have money in their pocket? They spend that money. And they spend that money to buy other products and services, which means that the economy grows.

And what they tell me is there are really three things. One, they feel like they don't know when a new mandate is going to come down, such as the health care. And that's going to cost them money. They also don't know when we're going to put another regulation on them. And many of the businesses are very burdened by regulations that, frankly, those are not the same regulations that you see when they do take their businesses offshore, which means we are just driving them offshore.

And the third is the one we're here tonight to talk about, and that is tax. We have heard in a number of our hearings in Ways and Means that all the way from the corporate tax down to the individual tax and the pass-through tax that many of our small businesses use that they are willing to give up those deductions and loopholes that are currently in the Tax Code to get something that is fairer, flatter, and simpler.

This Tax Code has not been reformed in 25 years. What it has had is a lot of things that have been added to it. And with everything that's added to it, it only complicates it more. But it does something else. It picks winners and losers. And by having a tax reform that would make things fairer, flatter, and simpler, we wouldn't be picking winners and losers. It is far too complicated.

Most of the American people don't realize that the United States has the highest corporate tax in the world as of April 1, when Japan lowered their corporate tax. I don't know that we want to be very proud of this, but we became the country that has the highest corporate income tax. Talk about driving people offshore.

So in our tax reform we bring the corporate income tax down to a level that is an average for all of the countries that we do trade with and that we are in competition with, and we bring it down to 25 percent. We do something that makes sense. It's a commonsense reform. Likewise, when we take a look at our other businesses that are not the large businesses that are corporations, but the small businesses—and about 60 percent of the small businesses are pass-through. That means they're in the individual tax system.

Am I hearing that we're out of time?

Mr. REED. We are coming to our end of time.

Mrs. BLACK. If I may then just conclude with a couple of words.

Mr. REED. I would be honored to yield to my colleague from Tennessee for her closing.

The SPEAKER pro tempore (Mr. YOUNG of Indiana). The time of the gentleman from New York has expired.

MAKE IT IN AMERICA

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

Mr. GARAMENDI. Mr. Speaker, I want to thank the leader for the opportunity to take this hour to discuss some extremely important issues here in the United States. We've just listened to an hour discussion on taxes with actually very, very little specificity as to whose taxes are being cut and exactly what those tax cuts would mean to the American economy and to the people of America.

Normally, when we take the floor, as we do most every week on the issue of the American economy, we talk about making it in America and rebuilding the great manufacturing industry. We've seen over the last 20 years that the American manufacturing industry has declined by some 40, 45 percent, from just under 20 million Americans in manufacturing to just over 11.5 million. In the recent months, we've seen a resurgence of the American manufacturing sector, but nonetheless it is still very, very small compared to what it once was.

□ 1840

If we're going to rebuild the American economy, we do have to rebuild the American manufacturing sector.

I'm going to come back to this tax debate here very, very quickly; but I think we ought to put it in the context of what taxes mean to the American economy, which taxes can be cut and which could be raised.

The key issues in building the American economy are here on this chart, taxes being one of the second pieces. But the rest of them are also important: international trade issues, for example, how do we deal with China and the China currency issue; how do we deal with the importation of extraordinary amounts of material, equipment and goods while at the same time exporting even less and less; how do we deal with that? The energy issues are exceedingly important if we're going to rebuild the American economy. Labor issues, how do we prepare the American labor market? That is the men and women that work in America.

Oh, by the way, I heard something here from my colleagues on the Republican side that just drives me crazy. When they say that half of Americans don't pay taxes, then they say, oh, we mean income taxes. Let's understand that every American worker up to those who earn $106,000, pay 6-plus percent—almost 7 percent—excuse me, 8 percent—of their total income in taxes. That's the withholding tax. By the way, it was the Democrats who actually reduced the Social Security withholding tax to half of what it was in previous years. So let's understand that every American worker pays taxes.

Now, the income tax issue is another matter, and we'll come to that in a few moments. But Americans who work pay taxes. Let's not forget that in this discussion. In any case, labor is a major issue.

This issue of education is now very much being discussed in America, and I want to really focus on that during this 1-hour discussion. Research is critical to the future of America's economy and, finally, the infrastructure upon which all of this is built. These are the issues that the Democrats have taken up in building and restarting, reigniting the American Dream, reigniting the American Dream so that men and women in this country can get a decent job, earn enough to be in the middle class and raise their families, own a home if they want to own a home, take a vacation when they want to have one, and be able to have health care so they needn't worry about bankruptcy which is, in this Nation, caused more than 60 percent of the time by health care and health care problems.

So trade, taxes, energy, labor, education, research and infrastructure are the key issues in reigniting the American Dream and rebuilding the American economy.

Tax is a major portion of this, and I don't want to forget about taxes. We just heard this 1-hour discussion about it. The question is, who is taxed and who gets the tax benefits? Less than a month ago, our Republican colleagues put on the floor of this House their blueprint for the American economy, their blueprint for how we are going to use government or reduce government, their blueprint on how we are going to raise the tax revenue necessary for the operations of the government.

Very, very interesting because, essentially, what they have done is to take money away from education and give money to the wealthiest of Americans. Those who earn more than $1 million a year would, under the Republican blueprint on taxes, pay less and less. Actually, they would see a tax reduction. Remember, those whose adjusted gross income is over $1 million a year would pay less taxes. They would get a tax break of $394,000 a year, minimum.

Now, if you're a billionaire, the tax cut would be in the millions and millions of dollars. Is that fair? I think not. We just heard Fair Tax on the floor. I must tell you that the Republican proposal, in their blueprint, voted out of the House of Representatives, now the blueprint for the Republican action on this year's and future budgets and appropriations would reduce the taxes for millionaires by $394,000; for billionaires, millions and millions of additional reductions in their taxes. That is not fair.

What we on the Democratic side have proposed is to make certain that the elements that lead to a growing economy and a just society are in place. Let's talk specifically about education. In the previous Congress, the Democrats took up education and said this is a fundamental element in economic growth and social justice. The opportunity to get to the middle class is largely dependent upon the education that a person is able to receive in the K–12 system and in higher education. Specific steps were taken for those in low-income communities whose schools are unacceptable. Specific money was put to those schools through the title I programs so that they could raise up the standards of education and provide those who do not have the family support and those that do not have the economic support to be able to get a decent education in K–12.

Much, much more needs to be done. But that was put in place by the Democrats in the last Congress.

Take a look at the blueprint that passed this House not more than a month ago, the Republican blueprint for the future—cut title I, pull that money away from those low-income communities where the necessity of education must be available to every one of those students. Higher education, another example, in the previous Congress, controlled by the Democrats in this House, the Senate and the President, there was a significant improvement and expansion of the Pell Grants. This is money given to low-income and middle class families to assist them in going to higher education.

Expansion, yes. Community college and part-time students for the first time were given the opportunity to get a Pell Grant so that they can improve themselves in the community college or in higher education 4-year programs, from a little over $4,000 to $5,500 increase as well as an expansion of those who were eligible. This is very important in providing the educational opportunity that students must have if they're going to succeed in a highly competitive world economy.

Secondly, interest rates on student loans, almost every student now attending school, higher education, takes out a loan. The interest rates on those loans were over 6.5 percent.

Now, we did two things as Democrats. We took away from the banks, who were ripping the students off, the student loan program, and put it back into the government, saving billions upon billions of dollars every year; and then reinvested that money back into lowering the interest rates for the students. Not a bad thing, from a 6.5 or 6.8 percent interest rate down to a 3.4 percent interest rate. All of this is designed to make it easier for students who have to take out loans to be able to pay back those debts over time.

We also did a couple of other things for students who had taken out loans, low-income and middle-income families. We changed the way and the timing in which the loans needed to be repaid. We said, you're going to have to