PROVIDING PRESCRIPTION DRUG BENEFIT OUR SENIORS NEED

(Ms. MILLENDER-McDONALD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MILLENDER-McDONALD. Mr. Speaker, we come here each week to do the people's business, and we come hoping that we will do those things that are important to the American people. One of those groups of people are our seniors. They are waiting, Mr. Speaker. They are waiting to see just what we are going to do in terms of prescription drugs. Twelve million seniors are without prescription drugs, and yet we have sat, we have belabored this issue, and we have come to no conclusion.

I think if my colleagues look at the Democratic proposal, we will find the vast difference of the two between the Democrats and the Republicans. The Democrats are asking for a sound prescription drug proposal. The Republicans are not.

Mr. Speaker, it is high time for this body to do something for those who have done so much for our country, and those are the seniors. They are continuing to wait. They can wait no longer for us to do the business of this House, and that is providing the type of prescription drug benefit that our seniors need.

I yield back my time.

FARM POLICY

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, I would like to call to my colleagues' attention to a meeting I had yesterday with Senator GRASSLEY. We talked about the fact that there is no limitation on payments in the farm bill. We talked about the danger and the inappropriate farm policy, the inappropriate public policy for this Congress to give most of the farm support benefits to a very small percentage of the farmers. We are now, because there is no real limit on those price subsidy payments, giving millions of dollars of payments to the very biggest farmers.

I think it is going to be bad for farmers in the long run, and what we are doing is we are giving larger advantage to those great superfarms at the sacrifice of the traditional family farms. Work with us as we look for ways in the appropriation bills or elsewhere to have some kind of limit on farm payments so that we bring back and support what should be in farm policy, and that is supporting the traditional family farm.

CONGRATULATING SOUTH FLORIDA REGIONAL CLEFT LIP AND PALATE CLINIC

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I congratulate the South Florida Regional Cleft Lip and Palate Clinic at the University of Miami for its outstanding dedication and treatment of those suffering from craniofacial malformations. I would like to especially recognize Dr. Seth Thaller, Dr. Magdalena Plewinska and Mrs. Maria Santiago, whose selfless devotion has made this clinic successful.

This clinic is the largest in South Florida, and it utilizes the expertise of community and university doctors, surgeons and dentists who graciously volunteer their time to treat their patients.

This outstanding treatment center is initiating a program entitled Adopt a Smile, which will allow corporate and private donors to identify patients and follow their treatment over the years.

The treatment of facial anomalies at the Cleft Lip and Palate Clinic at the University of Miami has improved the lives of thousands, and I congratulate all who are involved in it.

ARAFAT MUST GO

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, 31 innocent Israeli men, women, and children have been brutally murdered by Palestinian terrorists in the past 3 days, most recently a mother and her three children last night in their own home.

Yesterday, many of us felt the pain personally when we learned that Michal Franklin, age 21, the niece of Israeli's Ambassador to South Africa, Tova Herzl, was one of the murdered on Wednesday in Jerusalem. My colleagues may recall that Ambassador Herzl served as congressional liaison here in Washington just a few years ago. We extend to Tova and her family our deepest condolences and condemn the barbaric and cowardly act.

Permit me to quote from yesterday's Washington Post editorial, which states: ''It is easy to understand why many Israelis would support the latest military campaign. There have now been at least 71 suicide bombings in 20 months that have killed some 247 civilians and wounded thousands more as they rode buses, shopped, sat in cafes, danced in clubs, or celebrated religious holidays. No democratic country could be expected to tolerate such a sustained campaign of murder.''

Mr. Speaker, that Washington Post editorial succinctly sums up the critical Middle East situation, underscores why Mr. Yasser Arafat must go, and why President Bush should not at this time announce American support for any provisional Palestinian state.

RETIREMENT SAVINGS SECURITY ACT OF 2002

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 451, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 451

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 4931) to provide that the pension and individual retirement arrangement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) One hour of debate on the bill equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Matsui of California or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, H. Res. 451 is a modified closed rule providing for the consideration of H.R. 4931, the Retirement Savings Security Act of 2002, a bill that makes permanent the pension and IRA enhancements contained within President Bush's 2001 tax relief program, the Economic Growth and Tax Reconciliation Act.

H. Res. 451 provides for 1 hour of debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. It also provides for consideration of the amendment in the nature of a substitute printed in the Committee on Rules report accompanying this resolution, if offered by the gentleman from California (Mr. MATSUI) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled by the proponent and an opponent.

H. Res. 451 waives all points of order against the amendment printed in the report and provides one motion to recommit, with or without instructions.

Mr. Speaker, this is a fair rule which will allow the House to work its will on the underlying bill, H.R. 4931. This legislation helps to provide for a new national strategy to promote more retirement security by providing a supplement to Social Security by enhancing employer-provided benefits and giving companies and individuals incentives to save more money for their retirement.

The underlying bill increases 401(k) contribution limits and IRA contribution limits and provides for enhanced flexibility by allowing employees to roll their pension savings from a prior employer to a new employer. These are just a few of the noteworthy benefits available to individuals looking to provide themselves with a more secure retirement.

H.R. 4931 also waives certain IRS user fees and enhances catch-up provisions to assist women who enter and leave the work force when they have children or care for their families.

I urge my colleagues to approve this rule so that the full House can proceed to adopt H.R. 4931 in order to ensure that we encourage investment in the market and continue to encourage older and younger workers to prepare for retirement.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Georgia (Mr. LINDER) for yielding me the customary 30 minutes.

Mr. Speaker, our constituents are reeling from the daily headlines that highlight the corporate implosions. Companies like Enron, Tyco International and Adelphia Communications, once the darlings of Wall Street and 401(k) managers, are now threatening the retirement security of thousands of Americans. I know of which I speak.

Global Crossing's North American headquarters were located in my district of Rochester, New York. I am sure my colleagues know Global Crossing. This is the company that plummeted from a net worth of $22 billion to just $750 million in a span of less than a year. In the wake of its collapse, the lives of thousands in my district were shattered, all because promised safeguards failed at every level. My constituents got a hard lesson in how companies cheat, overstate or obscure their financial disclosures in an effort to charm analysts and manipulate investor expectations.

Many of our constituents were also stunned to learn the top executives from many of these failing companies walked away with millions, while the pensioners and employees were left penniless. On March 9, I hosted a public forum in Rochester where 250 people came to share their experiences on Global Crossing. One constituent noted, ''Many former employees have been economically devastated as a result of corporate greed and mismanagement of Global Crossing. People have spent their life savings and have had to cash in their deflated retirement 401(k) plans just to survive these last few months after Global Crossing abruptly ceased their promised severance payments.''

□ 1000

Some former employees are now forced to file bankruptcy themselves while others may lose their homes and have had to drastically change their lifestyles and are barely surviving.

Since the collapse of Global Crossing, I have worked to ensure that the interests of current and former Global Crossing and Frontier employees are not forgotten in the bankruptcy proceedings. Indeed, I have asked the court to order expedited lump-sum payments to former employees and to give employee stockholders priority status during the proceedings.

But, Mr. Speaker, fundamental reform is required. We have an opportunity today to tackle some of the most egregious outcomes of these bankruptcies. It is unconscionable that executives can walk away from failing companies where pension plans are depleted. Congress should tackle the double standard that exists between workers and their executives. The so-called golden parachutes are a slap in the face to the work and trust afforded these executives by the working men and women of this country.

If we are serious about enhancing pension participation, workers must have confidence that Congress is doing all it can to protect them against corporate corruption. The substitute before us is an important step.

For starters, it would put a halt to executives resigning and receiving large severance packages while shareholders are left holding worthless stock. The substitute would extend the golden parachute excise tax to severances and retirement benefits when there is a large reduction in the employer's stock or when the corporation goes into bankruptcy.

Moreover, the substitute would eliminate the ability of corporations to provide performance-based tax double compensation in excess of $1 million if performance includes cost savings from raiding pension plans. Corporate executives should only receive tax deductible bonuses for real improvement of business operations, not fictitious improvements. And corporate executives should not be rewarded for cutting employees' pension benefits through conversion of the pension plan to a less costly plan.

Finally, when a corporation incorporates overseas to avoid United States taxes, the ordinary shareholders are required to pay capital gains tax on the exchange of their old stock for their new stock. But guess what? Corporate executives are not required to recognize gain on their stock options. The substitute would require executives to pay taxes on their stock options when the corporation moves overseas just as share shareholders are required to do.

Mr. Speaker, much is at stake here. The stability of our financial markets has been severely undermined by a perception of widespread corruption. This instability is hitting shareholders hardest, many of whom are middle-class workers whose only involvement in the stock market is their 401(k).

Congress must once again take the lead. Since the 1970s, Congress has been an important proponent for expanded savings participation. The enactment of tax incentives for retirement savings, together with the establishment of new investment vehicles, such as the Roth Individual Retirement Account, has significantly enhanced the level of pension participation among a larger cross-section of the American workforce. But these gains can be obliterated in a heartbeat if we do not take the serious and justifiable fears of our Nation's workers into account.

Mr. Speaker, I yield 7 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

I am frankly kind of perplexed today. We came into session on Friday, now, and we are taking up one bill, and that bill is to extend the Portman-Cardin pension legislation. Here we had Secretary Paul O'Neill, just 2 days ago, say that on June 28 of this year, next week, the Federal Government will reach a debt crisis. Because what is going to happen is we are going to meet the debt ceiling, and we are not going to be able to pay Social Security checks or veterans checks or meet our obligations.

At a time when most Americans are saying, what is the status of our Social Security benefit, because the President went out and scared everybody by wanting to privatize Social Security, we should be bringing up the Republican proposals to privatize Social Security so we can at least find out before November where Members stand and what their values are when it comes to income security for senior citizens.

We should bring a prescription drug bill that really does benefit senior citizens instead of the bill that passed at 2 a.m. in the Committee on Ways and Means Tuesday night and is still being worked upon in the Committee on Energy and Commerce.

But, instead, we are taking up a pension bill. A pension bill. What is ironic about this pension bill is that whatever we do today will not take effect until the year 2011, 9 years from now. It is 2002 today, 2011 is when this bill will take effect, 9 years from now. So we are not dealing with Social Security, we are not dealing with prescription drugs, we are not dealing with the debt crisis that we are going to see on June 28 that Secretary O'Neill has talked about.

We are also not dealing with another more fundamental issue as well. In Business Week of June of this year it has a front page story, and Business Week is not a liberal magazine, and it says, ''Special Report: Restoring Trust in Corporate America.'' This week's Business Week, again not a liberal manager: ''The Crisis in Corporate

Governance, a Special Report.'' Fortune Magazine, this week, and I would urge my colleagues to read it: ''System Failure, Corporate America. We Have a Crisis. Seven Ways to Restore Confidence.''

We are not dealing with these issues. Senator CORZINE AND SENATOR SARBANES on the Committee on Banking, Housing and Urban Affairs just this week passed legislation out of the Senate committee essentially trying to restore Americans' confidence in our soft market by dealing with accounting standards, by changing accounting standards so average Americans will understand when there is an Enron Corporation and they cannot cook their books, or when Arthur Andersen tries to manipulate books, it will not happen because there will be severe penalties under their legislation.

We are not dealing with that either. We are not dealing with that. We are ignoring it. In fact, the gentleman from Texas (Mr. ARMEY), the majority leader of the Republican Party, says we should allow companies to go offshore if they want to save taxes.

And that brings us right to Stanley Works. Stanley Works is going to vote in the next month or so whether to go to Bermuda and open up a post office box so it can save $30 million in taxes. It will not go to their employees. It is going to go to top managers. Because we have seen that on Enron and we saw that on Global Crossing, and we will see that on Stanley Works as well. But what is so offensive is not only that this bill that we are dealing with today will not take effect for 9 years, but there is another aspect of it as well. I am going to read a short part of a letter that I received on June 20, and it is available to my colleagues. This is a letter written by a professor of law who deals with pension issues, Norman P. Stein, University of Alabama, again not a liberal school.

He says in the second paragraph: ''The original Portman-Cardin bill was an unwieldy package of disparate measures cobbled together by the pension industry.''

On the second page and I read three short paragraphs: ''Many of the bill's provisions were so technically complex that their unlikely impact could only be determined by pension experts. Thus, many in Congress uncritically accepted the lofty expectations of Representatives PORTMAN and CARDIN (and industry lobbyists) and persuaded themselves that they were voting for a bill that would increase retirement security for middle-class Americans and particularly women. So far there is no evidence that the bill has done any of that, but there is evidence that many of the technical provisions are being manipulated by pension planners to allow the most affluent Americans to greatly reduce their taxes and to reduce retirement benefits for middle-class workers. If any legislative action should be taken now, it should be to scale back Portman-Cardin's one-sided tax breaks for the wealthy, extend and expand the tax credit to help lower income'' savers ''and to repeal Portman-Cardin provisions that some firms are using to reduce benefits for middle-class and lower-income workers.''

''In any event, it is certainly premature for Congress to'' take up ''the Portman-Cardin and make them permanent, just one year after their enactment and 9 years before'' we need to.

I find it to be absolutely inexplicable that the greatest legislative body in the history of the human race would be spending time when we have a crisis on the debt, when we have a crisis in Medicare and Social Security, to be talking about something that will not take effect until 9 years from now and we know that the provision will hurt the average American and only help the Ken Lays of America.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule and the legislation. I was not going to speak. I know we want to move ahead just as expeditiously as possible. But the fact of the matter is, as I listened to my dear friend, the gentleman from California (Mr. MATSUI), talk about the fact that we have not done anything on Social Security, we have not got a prescription drug plan, the fact is if we can put into place legislation that will allow those 76 million baby boomers who are approaching retirement to begin making long-term plans, that would go a long way towards dealing with the problems of no Social Security plan that they keep talking about that is out there, and we of course very much want to address that. It can deal with making sure that people have access to affordable prescription drugs if we allow people to have more resources as they approach retirement.

So we know that there are a lot of problems out there in the accounting field and corporate America. We are aware of that. We have dealt with that here by trying to bring about some major reform and accounting practices and in other areas, but to say that as we encourage people to make long-term plans for retirement beyond the year 2010 is somehow going to undermine the financial stability of the United States of America is just plain wrong.

This is very good legislation. The gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) have worked long and hard on this. It is important for us to expand it beyond the year 2010, and I urge my colleagues in a bipartisan way to support both the rule and the legislation itself.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. MCDERMOTT. Mr. Speaker, I include for the RECORD the letter from the University of Alabama signed by Dr. Stein, dated 20 June, 2002.

The letter referred to is as follows:

THE UNIVERSITY OF ALABAMA,
Tuscaloosa, AL, June 20, 2002.

Hon. ROBERT T. MATSUI,
House of Representatives, Rayburn Building, Washington, DC

DEAR CONGRESSMAN MATSUI: I understand that the House of Representatives is considering legislation making permanent certain temporary changes to the pension system that were enacted last year as part of the Portman-Cardin legislation. (The Portman-Cardin provisions themselves have a 10-year sunset provision.) Making the Portman-Cardin provisions permanent at this time is ill-advised and premature, for we do not yet have enough information on its effects to know whether it will advance, or as I believe, harm the retirement security of most Americans. We should at least wait until the evidence on whether Portman-Cardin is helping or hurting is in.

The original Portman-Cardin bill was an unwieldy package of disparate measures cobbled together by the pension industry. Although the bill included a few changes that were helpful to average American workers, its critics (of whom I was one) charged that most of its provisions would simply lavish further tax breaks on the most affluent Americans, who were hardly the group of workers most in need of governmental paternalism to help them save for their retirement. The only provision to help lower income workers save for retirement—a modest tax credit proposed by the Democrats—was watered down by House Republicans and is set to expire in the year 2007. (Ironically, this is the only provision that under the proposed Portman-Cardin extender would not be made permanent or even extended.) A benefit supposedly designed for women who return to the workforce late in life applies to men or women, regardless of whether they were out of the workforce, and in any event is only helpful to those few people who can afford to contribute at least $20,000 to their 401(k) plan. Worse still, the bill included several provision (supposedly to reduce regulatory burdens) that all but invite existing plans to reduce benefits for rank-and-file workers, while maintaining, or even improving, them for the owners of businesses and their most highly paid employees.

The sponsors of Portman-Cardin dismissed criticism of their bill. Instead, they argued that the bill would provide compelling new incentives for small businesses to adopt and expand their retirement and 401(k) plans. Congressman Portman and Cardin thus contended that the net effect of the bill would be to create thousands and thousands of new plans, whose very existence would benefit middle-class workers.

Many of the bill's provisions were so technically complex that their likely impact could only be determined by pension experts. Thus, many in Congress uncritically accepted the lofty expectations of Representatives Portman and Cardin (and industry lobbyists) and persuaded themselves that they were voting for a bill that would increase retirement security for middle-class Americans and in particular women.

So far, there is no evidence that the bill has done any of that, but there is evidence

that many of the technical provisions are being manipulated by pension planners to allow the most affluent Americans to greatly reduce their taxes and to reduce retirement benefits for middle-class workers.

If any legislative action is to be taken now, it should be to scale back Portman-Cardin's one-sided tax breaks for the wealthy, extend and expand the tax credit to help lower income people save for retirement, and to repeal the Portman-Cardin provisions that some firms are using to reduce benefits for middle class and lower-income workers.

In any event, it is certainly premature for Congress to make the Portman-Cardin provisions permanent, just one year after their enactment and nine years before their planned sunset. Before taking that step, Congress should at least wait long enough to study the real-world effects of Portman-Cardin, to determine whether it has helped or hindered the average American worker's efforts to save for retirement. Instead of precipitously acting on the important questions of whether to modify, repeal, or make permanent the Portman-Cardin provisions, Congress should ask the General Accounting Office to engage in a study of Portman-Cardin's effects on the retirement security of America's working people. There will be time enough to act when the results of such a study are in hand.

Please note that my comments are my own and do not necessarily reflect the views of the University of Alabama School of Law

Sincerely,

NORMAN P. STEIN,
Professor of Law.

Mr. Speaker, this is the letter that was referred to by the gentleman from California (Mr. MATSUI). It is always interesting to come into the well of the House on a day like today. We are celebrating baseball victories. And we have a simple one-page bill here. I mean, it is nothing. My mother, my brother, my grocer, the girl who makes my coffee could read this bill and understand what it is about. It makes permanent the provisions of a bill we passed last year.

This has been a very interesting procedure we have done over and over again. We passed the bill and then we come into make it permanent the next year; so we get two votes on it. But the letter from the professor in Alabama lays out the case very well for why we should not be extending it permanently. If we realize that 70 percent of what happens for the pensioners in this country goes to the top 20 percent and 42 percent of what comes out of this bill goes to the top 5 percent, we realize whom this bill is for. It is not for ordinary pensioners. It is not for ordinary people or women or people who enter the workforce. This is a bill about giving more to the rich, letting them use the tax policy.

And why do they need the repeal today? Mr. MATSUI acts as though we should be doing it or that it is a mystery why we are giving it to them now. It is because people who have a lot of money plan way out into the future. Most of us who are living paycheck to paycheck, we do not know where we are going to be in 9 or 10 years, but if someone has $50 million in their family or whatever or if someone makes $150 or $500 million in Enron, suddenly they need time to plan to deal with how they are going to deal with all that money.

□ 1015

Those of us who go down and get our paycheck and spend it that month, and wait for the next one to spend it that month, do not need a bill that goes out 10 years into the future.

Those provisions would be bad enough if it was not for what has not happened here around the issue of Enron. Enron went in the tank. They manipulated the pensions and the 401(k)s of their employees, and 100 Enron executives recently got more than $300 million in severance pay while the employees suffered devastating losses in their income and retirement packages. Those people at Enron who were working there, all they have left is their Social Security because we got away from defined benefits, and we gave them a defined contribution. We said, here is the money, and they can put it anywhere they want as long as it is Enron stock. When Enron stock went in the tank, they went in the tank. They have no job, no pension, and all they have left is their Social Security.

That should be changed, and that is in the substitute of the gentleman from California (Mr. MATSUI). There was no hearing. When we get on the substitute, Members will say we have never had a hearing on these provisions in the Committee on Ways and Means. Why not? Because we have to protect the people who got all this money, and we have to get their pensions set up, never mind the hundreds of people who lost their money at Enron. The Committee on Ways and Means has never looked at this issue.

We have another issue, and that is corporate investments, inversions. Presently when a company moves to Bermuda, the shareholders pay capital gains taxes when they exchange their U.S. shares for the shares in the foreign corporations. But the corporate executives, on the other hand, are not required to recognize accrued gain on their stock options. So again, the ordinary folks, they have to pay taxes; but the corporate executives, they can go over there, and they do not have to recognize it. They flip it over, and away they go. That should be changed.

Members will say we have never had a hearing in the Committee on Ways and Means on this issue. That is right. Nobody is going to bother Stanley Tool or anybody else going to Bermuda. That is why this is a bad bill. It has not been considered enough, and we ought to reject the rule and reject the bill and go back and do what needs to be done about corporate governance.

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, first of all, I strongly support the rule. It makes in order the substitute that the gentleman from Washington (Mr. MCDERMOTT) just talked about, which is very fair, and it gives us an opportunity to talk about the important project before us today, which is trying to make permanent these crucial changes in our pension system that we enacted a year ago.

I am concerned about the debate that I have heard so far this morning. We are going to have an opportunity during general debate to get into the specific details of the bill. Right now we are just talking about the rule, and yet the other side of the aisle is taking this opportunity to, in a very partisan way, attack the legislation we passed last year with over 400 votes.

Those Members who have spoken are among the less than 10 percent of this Congress who did not vote for the legislation, and I sense that there is a fierce partisanship in this House in an election year that makes it very difficult for them to accept the fact that this legislation was developed over a period of over 5 years on a totally bipartisan basis. All these issues were fully vetted with subcommittee hearings and full committee hearings. There has been ample debate on the floor. The gentleman from Maryland (Mr. CARDIN), who will speak in a moment, was the cosponsor of this legislation. There was support across the board from the Chamber of Commerce, the AFL–CIO, and the Building and Trades Council.

I know it is difficult for some Members on the other side of the aisle who would just like to attack each other and saying things like this bill is just about giving more to the rich. That is not the case here. That is not how this bill was developed. That is not the spirit in which the debate has been conducted over the past 5 years on this issue.

As we talk about this legislation, and we will have an opportunity to do that when we get beyond the rule debate, I hope we can have a more constructive debate sticking to the facts and sticking to what again in this case has been an unusual, admittedly, but important exercise of this Congress working across party lines to do what is best for the American people.

For those who think this is just about the rich, I hope they realize that half of America's workers have no pension whatsoever today; no 401(k), no defined benefit plan, not even the simplest pension program, like a SEP plan or so-called simple plan. Those are the Americans who will be helped by this legislation.

It has only been in effect since the first of the year, so we do not have year-end data yet, but all the evidence we have, including what was presented at a hearing yesterday of the Committee on Ways and Means Subcommittee on Oversight, indicated it is working to do that.

This is not about the rich. This is about helping where it is needed, which is in small businesses. With fewer than half of the workers covered by pensions

among small businesses, it is less than 20 percent that have any kind of pension coverage. This is where those low-income workers are who we all want to see get more coverage.

By raising the limits and simplifying the plans; taking the away the burdens, costs and liabilities; by permitting portability, all of which is done in this legislation, which again passed this House by more than 400 votes, admittedly not during an election year; by doing all of these things, we are going to be able to give people who work in small businesses more opportunities to be able to save a little money for their own retirement.

On the issue of planning, the gentleman from Washington (Mr. MCDERMOTT) said he lives paycheck to paycheck, and that is how most Americans live. That is fine, but I hope the gentleman is planning for his retirement, and I hope he is planning more than 9 years out. That is certainly what this Congress ought to encourage all Americans to do.

We need to encourage small businesses to get into the business of providing retirement savings. To do that, they need to know there is some certainty this is going to continue, that we are not going to go from a situation where one can put $15,000 aside in a 401(k) plan to go back to where one can only put $10,000 and $500 aside; to get to a situation where people will know that they will be able to put into their IRA accounts $5,000, and with a catch-up another $2,000, rather than going back to the situation where they can only put $2,000 aside. That is what would happen if this bill were repealed after 9 years, which is the current law.

So I would ask my Members on both sides of the aisle to view this differently than we usually do, particularly during an election year, and that is to focus on what is right and good for the American people and not try to make this another partisan contest where we are yelling and screaming at each other about who cares more about poor people, and making it into a class warfare argument.

This has not been that process all along. It has been a long and carefully thought out process, bipartisan from the start, and I hope that we can continue in that spirit today.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think it is important as we debate this matter to be clear on the urgency of the underlying bill. These issues actually do not expire until 2010. I wish that we could deliberate more on the substance and what is needed by those of us who claim responsibility for governance of the United States of America.

I represent Houston, Texas, and in that representation have Enron in my congressional district. First, let me say that the employees remaining at the company are trying their very best to turn the tide and work on behalf of those who work for them. As their Representative, and they are my constituents, I wish them well. But we have a duty here in this Congress, and the American people have not been responded to; that is, for corporate response, corporate reformation, restoration, and reconfiguration. We must reform the corporate laws of America.

Now we have the best opportunity with this legislation, particularly in the substitute that the Democrats have offered. Every commentator, every American that is asked the question, has Congress done anything to avoid another Enron, answers, absolutely not.

Members should step in my shoes and travel throughout my district and see the pain and the misery: people who are not able to get medical care, houses being foreclosed on, no jobs, children not being able to go to college. Members would say those are the things that happen to folks. These are hard-working Americans and taxpayers who believed in a corporation and management, and they believed in corporate executives who said that they had the best company in the world.

We have the opportunity in this legislation today to avoid corporations who run away from trouble and leave to go to Bermuda and do not pay taxes to help build this Nation. We have the opportunity to avoid having deferred compensation with loopholes surrounding the so-called nonqualified deferred compensation packages, which are retirement packages which are designed to be immune to creditors' claims.

Mr. Speaker, my constituents on Friday witnessed $105 million given in retention bonuses. On Sunday, the company filed for bankruptcy; and on Monday, 5,000 of my constituents were fired.

We need to have corporate reform for America. I say to my colleagues on the other side of the aisle, we need to work together. Golden parachutes for Enron executives, and it is not just Enron, it is across America. Ever since Enron, one after another has toppled. Americans deserve better.

In the underlying bill, rather than helping poor people, this particular legislation takes away the only provision that will help low-income workers. In addition, it lifts the pension amounts for executives.

Mr. Speaker, as I close, there is too much of an opportunity here for this Congress to do something. It is a darn shame that we are a Congress that is doing nothing.

Mr. LINDER. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. WELLER), a member of the Committee on Ways and Means.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding me this time to speak on behalf of this legislation.

Mr. Speaker, I rise in support of the rule, and I rise in support of passage of the permanency of the retirement savings provisions of what we call the Bush tax cut.

First, let me comment very briefly and to the point on my colleague's remarks just prior to my speech. I think it is simple. If those in business break the law, they should go to jail. If we are probusiness, we enforce the law, and lawbreakers are held accountable. Unfortunately, the ethnics of the 1990s have come home to roost with Enron and Global Crossing and other companies which broke the law. Again, if they broke the law, they should be held accountable and should go to jail.

Today I speak in support of the Retirement Savings Security Act of 2002, legislation which is so meaningful because it has a real impact on working middle-class families on the south side of Chicago, which I have the privilege of representing. What we call the Bush tax cut benefits 100 million taxpayers who saw their taxes lowered. We eliminate the marriage tax penalty and the death tax. We increase opportunities for savings for education and retirement.

Today we are focused on making permanent the retirement savings component of the Bush tax cut.

□ 1030

Unfortunately because of an arcane rule over in the Senate, it had to be temporary. If you think about it, all the good things that we did in the Bush tax cut to help working middle-class families, they expire unless we do something.

It is interesting that in the Congress it is easy to increase taxes permanently, it is easy to increase spending permanently, but when you want to lower taxes or cut taxes, you can only do it on a temporary basis. That is just not right.

We believe that increasing opportunity for retirement savings should be permanent and that the increases in the contribution limits for individual retirement accounts from $2,000 to $5,000 should be made permanent. Otherwise it goes back down to $2,000. And the increases in retirement accounts, of 401(k) accounts, which benefit millions of middle-class workers across America, that go from 10- to 15-, that, if it expires, goes back to 10-. Who is hurt? Working middle-class families. All the more reason we should make the Bush tax cut permanent, particularly the retirement savings component.

I want to commend the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) for their leadership on assembling this package which was included by President Bush in his package.

There are two provisions I want to draw attention to, one which is something that I really saw illustrated in

my own family. My sister Pat is a teacher and for years has taught in public schools. When she and her husband Rich, who is a farmer, decided they wanted to have children, they had three kids, Matt and Sarah and Christy, they decided that she would take time out of the work force and stay home and raise the children until they were old enough to go to school. What happened in that case is the family income was cut in half. They did not have any money to set aside in retirement savings. They were just basically making ends meet, so they were not able to set aside money for retirement savings.

Something that is really unique about this legislation is we allow people like my sister Pat and brother-in-law Rich, now in this case empty-nesters, or working women who go back into the work force, once they reach age 50 or older, we allow them to make what we call a catch-up contribution. They immediately can put up to $5,000 into their individual retirement account to make up for what they missed. If they have a 401(k) account, they can put an additional $5,000 above the 15-. That is meaningful. If this expires, they lose that opportunity.

Second, I want to draw attention to something that benefits millions of building trades people, union members across this country. That deals with the 415 provision that is in the legislation. It was brought to my attention by a couple by the name of Larry and Lori Kohr from Peru, Illinois, retired laborers, this 415 cap which said regardless of how much you contribute into your multiemployer pension funds, which is usually a building trade unions pension fund, that there is a cap on how much you can receive. That cap was originally put in place for high-paid executives and public employees. Over the years it was all removed, all those caps, except for working men and women in the building trades.

One of the priorities we in the Republican Congress made was removing that cap, so that people like Larry and Lori Kohr can get their full pension. They contribute more, they qualify for more, they should get their full pension. Prior to our cap, Larry and Lori Kohr only received about $19,500 a year, half of what they really should have received. Thanks to the Bush tax cut, by removing the 415 provision, Larry Kohr now receives a $39,500 pension. His pension was almost doubled as a result of removing that unfair cap. Think about it. If this is not made permanent, Larry and Lori Kohr will see their pension cut in half once again.

So let us help working men and women. Let us help those who benefit from the 415 provisions, and the working moms, and the empty-nesters who benefit from the catch-up provisions by making this permanent. That is why I commend the gentleman from Ohio (Mr. PORTMAN) for his leadership in bringing this legislation to the floor. It deserves overwhelming bipartisan support. Let us make the retirement savings provisions permanent.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, the President had it right soon after Enron when he was speaking down in Virginia at the naval base and he said, ''We've got to make sure that what's good for the captain is good for the crew.''

Last year prior to Enron, we passed this legislation, and this legislation greatly increased the disparities and the privileges to high-income earners within the pension system. Yes, we have done some things for those people at the bottom, for middle-class earners, but the fact of the matter is that increasing the amount of money that they can contribute is somewhat meaningless when only 2 percent of the individuals contribute the maximum because they simply do not make enough to have that kind of discretionary income to make additional contributions. But for those at the top, it is a very generous bill.

Yes, we are simply extending last year's bill, but what we had is we had an opportunity to review last year's bill, but we chose not to take that opportunity. We could have reviewed last year's bill in light of Enron, in light of Global Crossing, in light of Adelphia, in light of Tyco, when we see that clearly there are two classes of pensioners in this country. Those ordinary employees get treated with far less deference, with far less resources by the corporation than those who are at the corporate elite. We see those who are at the corporate elite have their pensions insured. They have their stock options not taxed in some cases if the company moves overseas. We see that those individuals are given severance pay that is insured, that is guaranteed, so that the very people who destroyed some of these corporations are now getting the most benefit. Yet this legislation refuses to address those issues.

The gentleman in the well that just preceded me said it is a simple basic rule: If you violate the law, you should be prosecuted. If you have not, no. What we are finding out is it is really not about a violation of law. Many of these activities are sanctioned within the law. That is what has got to trouble middle-class Americans as they see this rush in the Congress to continue to stuff benefits to the wealthiest elite people in this country, whether it is in the pension system, whether it is in the estate tax system, whether it is in the income tax system. There has been a rush by this Congress to stuff the money to the wealthiest people in this country before we hit the deficit wall and before America realizes that we are looting the Social Security Trust Fund.

It is very much like the executives of Tyco and Enron and Adelphia and these corporations that in the months preceding their bankruptcy, they started paying off their debts. Now when we examine who they were paying off, their children's real estate companies, their children's travel companies, their wives' auction houses, their wives' small businesses. They are getting the money out of the corporation to get it into their friends' hands before the bankruptcy.

So what was the end in Enron? One hundred forty executives walked away with 3- or $400 million, and the thousands of employees that were laid off walked away with $13,000.

We have an opportunity to reexamine the laws that govern the pension plans of this Nation, and we refuse to do it. We are now coconspirators in that disparity between the captain and the crew. But as this ship starts to sink, and we start to take the Social Security Trust Fund with us, the Republicans are not even going to hit the emergency bell as they head for the lifeboats with their friends. They are just going to get in the lifeboats with the income tax cuts, with the estate tax cuts, with the pension changes for the wealthiest people in this Nation, and they are going to sail away and watch everybody else go down with the ship.

What we are doing here is we are taking the payroll tax that pays for Social Security, and we are transferring it to the wealthiest people in the Nation, because that is how this $50 billion is being paid for, because there is no other tax available because we are running a non-Social Security deficit. We ought to understand that. If we are going to do that, we ought to make sure that some of those middle-class income workers in this Nation get some of the benefits. But in this bill 77 percent of the benefit goes to the top 20 percent of the people.

Mr. LINDER. Mr. Speaker, for the purpose of refocusing this discussion on what is actually on the floor, I yield such time as he may consume to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman from Georgia for yielding time. I will be brief.

Just to repeat, we are not really talking about the same bill here. What we are trying to do here today is simply to extend the provisions of the retirement savings law that was passed by this Congress last year. Congress just took up legislation to deal with the post-Enron pension issues, and we passed that on a bipartisan basis. Congress just took up recently corporate governance issues related to Enron. We passed those on a bipartisan basis. We can revisit those, we can go back, maybe we should do different things, but this is not what we are about today. We are talking about the pension changes.

Again, the gentleman from California, it is good theater, but he is not talking about the facts. I am happy to go into the lifeboat with the people we are talking about helping.

Let me give you some actual statistics rather than just rhetoric. Of those people who are involved in pensions, 77 percent make less than $50,000 a year. These are middle-income workers. These are lower-income workers. Let me give you another statistic. There was a recent study showing that those who benefit most from retirement plans earn between $15,000 and $50,000 a year. Those same families pay slightly more than one-third of all Federal income taxes. They receive two-thirds of the pension accruals in this country. Those are the folks we are trying to help.

Beyond that, we are trying to expand these pensions to people who do not have them now. Who are they? They are primarily middle- and lower-income workers. I am not worried about the high-income workers. They have nonqualified plans, meaning they are not even in the pension system. Those are increasing rapidly because we are not doing enough to help free up the pension system. That is what the legislation was about last year. That is why 400 Members of this House supported it.

I am happy to get in the lifeboat with those folks. I would hope my colleagues would be as well.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. I thank the gentlewoman from New York (Ms. SLAUGHTER) for yielding me this time.

Mr. Speaker, I am somewhat confused by some of the debate that we have heard on this rule. I would think that all Members would want to support the rule. First of all, it allows the Democratic substitute to be offered that deals with the issues that the gentlewoman from New York raised. These are very valid issues. It gives us a chance to debate on the floor today, or when this bill comes up, corporate governance issues. They are important issues. I agree with a lot of what the gentlewoman said, and the rule makes that in order.

The second thing the rule does is allow us to make permanent the provisions in the pension bill of last year. I strongly support that, Mr. Speaker.

Some of my colleagues have talked about the fact that this was truly a bipartisan bill. I think that is difficult for some people to understand, but it did go through the normal, regular legislative process. It was developed in a bipartisan way. It was developed by Congress. It was not part of the President's tax proposals. It came into the President's tax proposals because we had bipartisan support in this House and in the other body. It was well vetted.

My friend from California brings forward a letter from someone from Georgia. We have had congressional hearings on every one of the provisions in that bill. People were invited. In fact, my recollection is at one hearing we could not get anyone to testify against the bill; that everyone who testified said the provisions in the bill were well founded.

Let us talk about the specific provisions, and I think you will find that every one of them advances the issues of people having more opportunity to provide for their retirement. That is why the underlying legislation was supported by organized labor. That is why the underlying legislation was supported by small business. It provides more opportunities.

In all due respect, Mr. Speaker, Ken Lay's retirement security is not based upon increasing the IRAs from $2,000 to $5,000 a year. That is not the type of people who benefit from the changes that are in the underlying bill. We make modest adjustments in the 401(k) and defined contribution limits. We do not even keep up with inflation. These are very modest changes that affect middle-income people, not the wealthy. That is why the cost of this bill is extremely modest. It does not affect the overall fiscal condition of this country. It is $6 billion over 10 years. The Democratic substitute, which does some things that I happen to like as far as the small savers credit, costs $30 billion, or five times more than the underlying bill. I just bring that up because I think the underlying bill is a good bill, and it is worthy of continued support.

Many of the people who have talked against it have consistently been against it. I understand that. But 185 Democrats joined a large number of Republicans with over 400 votes in favor of this bill on three separate occasions. There was good reason as to why Democrats and Republicans have worked together on this issue. Retirement security is an important issue for middle-income people. You cannot do it on Social Security alone. We need private savings. We need private retirement. The underlying bill helps advance those issues.

I urge my colleagues to support the rule and support the underlying bill.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I am happy to yield 1 minute to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

□ 1045

Mr. STENHOLM. Mr. Speaker, I rise in opposition to the rule and opposition to a very good bill. The gentleman from Ohio and the gentleman from Maryland have stated factually the bill. My problem is with the plan that this bill is included in.

We are completely ignoring that last month, May, with a 20 percent increase in spending, a 19 percent drop in tax receipts, combined to result in a larger-than-expected budget deficit of $80.6 billion for the month. That eclipses last year's $27.9 billion shortfall and puts the government on course for a $200 billion deficit.

The economic game plan that we are under, that some of us would like to work with our friends on the other side of the aisle to change, has got us on course to where next week you must vote to borrow an additional X number of billion dollars, the Secretary of Treasury has asked for $750 billion, borrow that money, without first fixing Social Security and Medicare. That is inexcusable. It is inexcusable for this body to continue to have our dessert without being willing to deal with the spinach problems of this country.

It has been over six months since Treasury Secretary Paul O'Neill first wrote to Congress to request an increase in the statutory debt limit. Secretary O'Neill warned Congress that the Federal Government would be unable to meet its commitments and at risk of default if an increase in the statutory debt limit was not approved before June 28th.

Despite these warnings, the House Leadership has been unwilling to take responsibility for dealing with this issue.

The Republican leadership is trying to blame Democrats for the failure to increase the debt limit. The rhetoric blaming Democrats for inaction on the debt limit doesn't bear any resemblance to reality.

We repeatedly have offered to provide bipartisan support for a modest increase in the debt limit in order to avoid a default. The Republican leadership has rejected all of our offers and prevented us from even offering amendments which would provide for an increase in the debt limit linked to action on a responsible budget plan.

What we have refused to support is the administration's request for a $750 billion increase in the debt limit without a plan to put us back on a path toward a balanced budget.

We will not vote for any increase in the debt limit without a commitment to a plan to bring the budget back into balance.

DENNIS MOORE and I went to the Rules Committee again this week to ask that we be allowed to offer an amendment today which would deal with the debt limit in a responsible manner.

The amendment would provide an immediate increase in the statutory debt limit of $150 billion but limit future increase in the debt limit until the President and Congress agree on a plan to place our budget on the path to on-budget balance by FY 2007.

Unfortunately, the Rules Committee did not make our amendment in order.

The need to raise the debt limit should compel us to re-examine our ability to afford current tax and spending policies, just as credit card spending limits serve as tools to force families to examine their household budgets.

Congress and the President need to sit down, roll up our sleeves and have an honest discussion about what we need to do to put the budget back in order, with everything on the table.

But instead of figuring out how we are going to stop the tide of red ink and stop spending Social Security surplus dollars, the House leadership continues to bring to the floor legislation that will put us deeper into debt.

I do not understand the philosophy of folks who don't have a problem with leaving our children and grandchildren with a large debt just so we can have a tax cut or more spending today.

I hope that the members who are once again coming to the floor proudly supporting yet another tax cut will be willing to come to the floor next week and show just as much enthusiasm when the vote to borrow the money to pay for their policies by raising the debt limit.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, back to the issue at hand, I rise today in support of this underlying bill to make permanent the pension reforms in the tax relief act. Before I do that, I want to congratulate my colleagues from the Committee on Ways and Means, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN) for their leadership on this.

Mr. Speaker, while this legislation would make permanent many good pension reforms we enacted last year, I would like to highlight one particular aspect of it. Many States, including Texas, have favorable laws that encourage pension portability, the ability to take your pension with you when you move jobs, especially for teachers and other public employees.

However, before the President's tax relief plan, Federal law really frustrated what were very helpful State laws. Virtually every State authorizes teachers and other public employees to purchase service credit, their work performed, for the years in which they were not eligible for pension.

For example, suppose you have a teacher that works 2 years in a State, moves to another that requires her to work 30 years. She works 28 and then goes back and purchases from the other State the 2 years that she worked. That way she has that pension. The problem is that purchasing back that service, those years, is very expensive. It can be up to $20,000. Most employees do not have that sitting around, but many do in a savings plan, their 403(b) tax sheltered annuity, or 457 deferred compensation plan, that they could use to buy back those years.

However, before the bill was put in place, they are prohibited from transferring this money to purchase service; and because of the quirk in the tax law, they could not do it pre-tax. Well, the tax relief bill, thanks to the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN), solved this problem by allowing our teachers and our other public employees to use this money to purchase service credit on a pre-tax basis, which is far more affordable. It also makes other changes in the enhanced pension portability.

If these provisions are not made permanent, which this bill does in a very commonsense way, these options for our teachers and workers will go away.

I urge my colleagues to support the rule and the bill.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, at the outset, the arguments of my colleague, the gentleman from Texas (Mr. STENHOLM), need to be emphasized, because before voting on this or any other matter, no matter how worthy, we need to consider the fiscal consequences.

I think another way of putting it is that we have to evaluate each of these pieces of legislation, like the one in front of us, to decide whether we think it is so vital to spend that money that we are willing to borrow payroll taxes paid in for Medicare and Social Security and use them for a different purpose. That is a pretty heavy test to meet, and I do not believe this piece of legislation meets it.

Let me say, I think there are some very good provisions in the law that the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN) sponsored last year. That is why I voted for it. I was among the many Members of this body who felt that adding a little money to IRAs and 401(k)s, the portability provisions that let workers take these pensions from one place to another, were sound provisions. They were the highly publicized provisions by which this bill won the support of many people here and in the United States Senate.

The less publicized provisions, the fine print of that bill, contain the problems. It allowed more discrimination by the people at the top of pension plans against those at the bottom, the people who need retirement security assistance the most and who have done the least retirement planning. The fine print in that bill allowed some companies to stuff retirement plans with their own stock. And as if not enough of that were happening already, like at Enron, it actually provided them a tax subsidy to overfill plans. Those less publicized provisions are problematic and troublesome, and I wish I had been able to vote for a bill that did not have these problems, and I do not want to make those misguided provisions permanent.

But even if you think those bad provisions are good and you like the Portman-Cardin legislation exactly as it was passed last year, what do you think will happen if today's bill is defeated? Absolutely nothing. Those provisions will be the law of these United States until New Year's Eve 2010.

The reason that we are taking up a bill today to affect something that will not make a bit of difference, however you feel about this bill, until New Year's Eve on 2010, is because this Congress has little or no interest in standing up to special interests and doing anything about real retirement security.

We know that one executive after another is walking off with not a golden, but a platinum, parachute; meanwhile, many other people without a retirement plan are left to take the fall.

This bill that passed last year did something for those people. It gave them a small ''Saver's Tax Credit.'' This credit expires on New Year's Eve 2006. Is the benefit for the average worker extended? Is it made permanent in this bill? No. We had to extend the provisions that help those at the top that expire in 2010, but we are not extending those that expire in 2006.

If you look at this piece of legislation and you ask, ''will it do anything to protect retirement security and prevent more employees being victimized, just like those were at Enron?''—the answer is ''it does absolutely nothing.''

It ought to be rejected. It is fiscally irresponsible, and it does not improve retirement security for those who need it the most.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Georgia (Mr. LINDER) has 12 minutes remaining and the time of the gentlewoman from New York (Ms. SLAUGHTER) has expired.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I presume the gentleman who just spoke from Texas will be happily voting on the Democrat substitute, which is spending five or six times as much as this bill, but that will not be considered fiscally irresponsible.

Mr. Speaker, I urge my colleagues to support this rule so we can get on with the underlying bill, which is a good bill and will pass.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 344, nays 52, not voting 38, as follows:

[Roll No. 245]

YEAS—344

Abercrombie	Blumenauer	Carson (OK)
Aderholt	Blunt	Castle
Akin	Boehlert	Chabot
Armey	Boehner	Chambliss
Baca	Bonilla	Clay
Bachus	Bono	Clayton
Baird	Boozman	Clement
Baldacci	Boswell	Coble
Ballenger	Boucher	Collins
Barcia	Boyd	Combest
Barr	Brady (TX)	Condit
Barrett	Brown (SC)	Cooksey
Bartlett	Bryant	Costello
Barton	Burr	Cramer
Bass	Burton	Crane
Becerra	Buyer	Crenshaw
Bentsen	Calvert	Crowley
Bereuter	Camp	Cubin
Berkley	Cannon	Culberson
Berry	Cantor	Cummings
Biggert	Capito	Cunningham
Bilirakis	Capps	Davis (CA)
Bishop	Cardin	Davis (FL)

Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McGovern
McHugh
McIntyre
McKeon
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Nussle
Obey
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stearns
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—52

Andrews
Baldwin
Brady (PA)
Brown (OH)
Capuano
Clyburn
Conyers
DeFazio
Delahunt
Fattah
Filner
Ford
Gephardt
Green (TX)
Hinchey
Jackson (IL)
Johnson, E. B.
Jones (OH)
Kilpatrick
Kucinich
LaFalce
Lee
Mascara
McCollum
McNulty
Millender-McDonald
Miller, George
Mink
Mollohan
Oberstar
Olver
Owens
Pastor
Rahall
Rangel
Rivers
Sanders
Schakowsky
Scott
Sherman
Shows
Stark
Stenholm
Taylor (MS)
Thompson (MS)
Tierney
Towns
Turner
Waters
Watson (CA)
Watt (NC)
Woolsey

NOT VOTING—38

Ackerman
Allen
Baker
Berman
Blagojevich
Bonior
Borski
Brown (FL)
Callahan
Carson (IN)
Cox
Coyne
DeGette
Dingell
Everett
Ganske
Gillmor
Gutierrez
Hansen
Hilliard
Houghton
Keller
LaHood
Lewis (GA)
Lipinski
Manzullo
McInnis
McKinney
Miller, Dan
Murtha
Northup
Norwood
Ortiz
Riley
Roukema
Smith (WA)
Traficant
Weiner

□ 1120

Mrs. JONES of Ohio and Mr. MOLLOHAN changed their vote from ''yea'' to ''nay.''

Mr. WATKINS of Oklahoma changed his vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 451, I call up the bill (H.R. 4931) to provide that the pension and individual retirement arrangement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall be permanent, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 451, the bill is considered read for amendment.

The text of H.R. 4931 is as follows:

H.R. 4931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Retirement Savings Security Act of 2002''.

SEC. 2. PENSIONS AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS MADE PERMANENT.

(a) IN GENERAL.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new subsection:

''(c) EXCEPTION.—Subsections (a) and (b) shall not apply to the provisions of, and amendments made by, subtitles (A) through (F) of title VI (relating to pension and individual retirement arrangement provisions).''.

(b) CONFORMING AMENDMENTS.—Section 901(b) of such Act is amended—

(1) by striking ''and the Employee Retirement Income Security Act of 1974'' in the text, and

(2) by striking ''OF CERTAIN LAWS'' in the heading.

The SPEAKER pro tempore. After 1 hour of debate on the bill, it shall be in order to consider an amendment printed in House Report 107–522, if offered by the gentleman from California (Mr. MATSUI) or his designee, which shall be considered read, and shall be debatable for 1 hour, equally divided and controlled by a proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from California (Mr. MATSUI) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in our debate on previous portions of the tax package that became a law last year in which we have attempted to make particular provisions permanent, the argument has been made that we do not need to do it now. In fact, that argument was made as recently as the rule on this bill.

While there may have been some kernel of truth somewhere in the debates over the permanent repeal of the death or estate tax because we cannot control, in normal circumstances, the time of our death, that same argument made against this piece of legislation is an argument that is totally cynical and totally political.

Why? Because this is a provision to make permanent that portion of the tax bill that allows people to plan for retirement. Retirement is a voluntary decision, and the voluntariness of it depends to a degree on our ability to have effectively planned ahead of time.

The section that is probably most unfair to most Americans is the fact that we are going to keep them in doubt about what they can do with their own money to plan for their retirement.

Mr. Speaker, the argument that we do not need to make this permanent when we are dealing with the question of retirement is to basically tell those people who are in their last decade of work, who are around 50 years of age, and especially those who, in their forties, are going to be making their most significant retirement decisions, that we do not care. For what must be pure partisan reasons, we are not going to let them have that certainty.

And why do I say for pure partisan reasons? For a very simple reason. This bill passed the House as H.R. 10 by a vote of 407 to 24. I know that is not unanimous, but around here that is pretty overwhelming. So it is not the desire to implement the underlying provision, and perhaps the argument is, well, the budget situation has changed since that vote was recorded. We will accept that argument. Obviously we would not want to be voting out of here a budget-busting bill that we do not have to really deal with from a political point of view for 10 years, but from a personal financial-planning point of view, we desperately need this certainty.

Well, if one investigates, this bill only costs $6 billion over 10 years; and I know when I say only $6 billion, people would tend to relax, but I have to tell everyone, for the investment in the

comfort, in the belief in security of those Americans within a decade of retiring, $6 billion is a very, very worthwhile investment.

Then we heard the argument under the rule that why are we doing this today? We have other really important things we need to do. This is not going to become law anyway. Well, we also heard that argument about a stimulus package that was before this House in March. Why are we doing this? It is not going to become law anyway. That measure passed the House with 417 votes, and the Senate moved it on to the President and it became law. If the 197 Democrats who voted for this measure last year vote for it this year, it will become law. And if they are going to hide behind the $6 billion price tag for 10 years, if they are going to argue one does not need to have this kind of knowledge to plan one's retirement, then we need to understand it is politics. I find it ironic that we are going to see criticism of the cost that this somehow is for fat cats when in fact the Democrat substitute costs five times as much as this one.

So as we listen to the debate today, just keep a couple of things in mind. This portion of the tax bill that became law is not like the other portions. People can with certainty plan. It is extremely difficult to plan without certainty. The Democrats almost gleefully announce they are going to deny those people who are within a decade of retiring some certainty about the way in which they can manage their financial affairs so that in their retirement years they can live a little bit comfortably; and if this measure does not pass and if it does not become law, I want every American who cannot plan the way they should be able to plan to remember there were certain people here who thought it was more important in a political game of chess to try to advance a pawn in their goal to reclaim the majority of the House by playing stunts with this measure than it was to assure seniors and near-seniors of certainty for their retirement.

That is what this vote is all about. It is the ability to plan or the denial of the ability to plan. A ''yes'' vote lets Americans plan; a ''no'' vote denies them that opportunity. Let us see who will not let Americans plan their own futures.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to yield 10 minutes to the gentleman from Maryland (Mr. CARDIN), my colleague on the Committee on Ways and Means, and that he be allowed to yield said time.

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

There was no objection.

□ 1130

Mr. MATSUI. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I might just say at a time when we have a crisis in corporate America, one of the reasons the stock market is not doing too well, very sluggish, is because basically investors are not sure what companies are doing well and what companies are not, because we cannot get it any longer from the books because obviously after Enron, Global Crossing and a number of other corporations, we just do not know any longer what these books really mean because each individual accounting office like Arthur Andersen might decide on their own how to manipulate these accounts.

Business Week had a story Crisis in Corporate Governance, Special Report. Last week they had Restoring Trust in Corporate America, same Business Week. Fortune magazine this week talked about a System Failure in Corporate America. At a time when we should be talking about how we make sure that Stanley Corporation up in Connecticut does not move to Bermuda and open up a post office box basically to save $30 million in taxes, somewhat unpatriotically, at a time when 120 management employees of Enron Corporation were able to take $330 million in terms of retirement benefits right before they decided to file bankruptcy and gave nothing to their thousands and thousands of employees, it would only seem logical that we would try to deal in some fashion with those issues instead of dealing with extending a pension bill that is fatally flawed and will hurt the ordinary worker, not now, but will not take effect until 2011.

We need to really understand this bill that is on the floor now will not take until the year 2011. One must ask what is the House of Representatives, this august, wonderful body, doing talking about something that is 9 years away and not dealing with the fundamental problems of corporate governance, corporate responsibility, and the need to make sure that in a flagging democracy such as ours with the kind of marketplace economy, when there is no confidence in the fundamental stock market, why are we doing something with 9 years away instead of dealing with some of the major issues that are facing America today?

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Did my colleagues hear it? Why are we dealing with something that is 9 years away? For someone who has worked 40 years, what is 9 years in terms of planning? It may be everything.

The cynicism with which they simply disregard someone's few dollars, trying to be planned most efficiently for the time, value of money, so they can have a marginally better retirement, does not mean a darn thing. It does not mean anything to these people.

Mr. Speaker, at this time, I want to publicly, if it does not do him too much damage, compliment my friend and colleague from Maryland. I have worked with the gentleman on the Committee on Ways and Means with some of the original preventive and wellness provisions that went into the Medicare bill. I have worked with him in a number of other very difficult and politically sensitive areas. Very much enjoyed the working relationship with the gentleman from Ohio (Mr. PORTMAN) on our side of the line.

The proof of the product was that people have accepted their work product in a nonpartisan, nongimmicky environment by more than 400 votes, and with great difficulty, and with enormous courage, the gentleman from Maryland is supporting a position he knows to be right.

I do hope there will be no permanent political damage done because I know his own leadership has changed the rules of the game to create significant pressure on him, and I just want to say it publicly that I admire someone who stands up on the floor and speaks with what they truly believe is right, rather than simply mouthing comments that are designed to advance a cynical, purely partisan position.

I want to say I am extremely proud of two Members of the House of Representatives, one on our side of the aisle and one on the other side of the aisle, who want to make sure that those who want to plan for a retirement with dignity have those 9 years that some folks think are not worth anything.

Mr. Speaker, I yield the remainder of my time to the gentleman from Ohio (Mr. PORTMAN), and ask unanimous consent that the gentleman control the remainder of my time.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PORTMAN. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from California (Mr. THOMAS), the Chairman of the Committee on Ways and Means, for yielding me the time and for the work he has done to get us to this point.

This is a very important debate we are having today because it is about extending legislation this House passed last year on a totally bipartisan basis by over 400 votes, which is very important, as the gentleman from California (Mr. THOMAS) has said, to the retirement planning needs of America's workers.

Let me just talk for a moment about what we are doing here. Last year, as part of the overall tax relief measure, Congress passed this legislation which makes it easier for people to set more aside for their retirement. It increases contribution levels for IRAs, for 401(k)s, for other defined contribution plans. It increases the levels of benefits for defined benefit plans. It also simplifies the pension laws, takes away some of the costs, the burdens, the liabilities to enable small businesses to offer more plans, and it allows for portability so that people can move in a defined contribution context from job to

job without having to cash out on their pensions.

The need for these provisions is great. Right now, we know there are 70 million Americans, over half the work force, who have no retirement savings whatsoever through their employer, no pension plan of any kind. That is something that is even worse among small businesses, which is where a lot of lower-income, middle-income workers are.

Among smaller businesses, those with 25 or fewer employees, only 20 percent offer any kind of pension plan whatsoever. Unbelievably, there has been virtually no growth in pension plan coverage over the past couple of decades. At the same time, the baby boom generation, of which I am part and a lot in this House are, is beginning to retire, and we are finding that those baby boomers do not have adequate savings to be able to live a comfortable retirement, to have that kind of peace of mind and security that comes with having what someone needs through their retirement. In fact, baby boomers have put less than 40 percent aside of what they will need for a good retirement.

A major reason for this is because of what this Congress has done over the past couple of decades. Instead of responding to this by helping people save more for their retirement, Congress instead over the past 20 years has made pensions less generous by lowering contribution and benefit levels while making the pensions more costly by increasing the burdens, costs and regulations. That has had a very bad impact. Let me give you a specific example.

From 1982 to 1994, limits on defined benefit plans were greatly reduced by Congress, and new restrictions were added, primarily for the purpose of generating more revenue, dealing with the deficit, not for pension policy. The effect of that was, as those cutbacks took effect, the number of traditional benefit plans ensured by the PBGC dropped from 114,000 in 1987 to only 38,000 in the year 2000.

Anyway that is what this body tried to do last year was to take some steps, some steps, not as big as some would have liked, but some steps in the right direction to begin to reverse these trends and begin to let people save more for their retirement.

First, again, we allowed people to put more aside in their own retirement plans, put more aside in their union multiemployer plans, their defined plans, other pensions, IRAs. We moved the IRA contribution, for instance, from $2,000 to $5,000 per year. This year alone you can put another $1,000 in, another 50 percent, $3,000. By the way, the average income of somebody who does an IRA is less than $30,000 a year.

So as my colleagues hear the other side today, some Members of the other side talking about how this is primarily going to benefit the rich, remember that statistic. The biggest increase we have is in IRAs. Those who have IRAs on average have less than $30,000 a year in income.

We also did a lot in terms of 401(k)s, moving those limits from $10,500 a year to $15,000 a year by 2006. By the way, these provisions only restore the limits to where they would have been back in the 1980s in terms of IRAs if it is adjusted for inflation, or in the case of 401(k)s, we only adjust it back to where they were back in the 1980s, when, incidentally, Republicans were not in control of this House.

Secondly, we created these catch-up contributions. It helps workers over 50 to set aside more for their retirement. If someone is 50, we say they should be able to put more aside in their IRA, but, significantly, in their 401(k). This is because we know there are a lot of people out there, again, baby boomers, particularly women who have taken time off to take care of their families, raise their kids, coming back in the work force, who just do not have enough in that retirement security nest egg. We want to encourage them to save more, so we allow for this catch-up.

We modernized the pension laws to adapt what we have learned of the realities of an increasingly mobile work force. That is a reality in our country. People move jobs quickly. The old defined benefit model does not work as well as it used to because people do not stay long enough to get the benefit of that.

We decreased the vesting from 5 years to 3 years. This is extremely important and already having an enormous impact out there. We had some testimony in the Committee on Ways and Means yesterday at one of our subcommittees about this very fact, that just by changing that vesting helps a lot because a lot of people do not stay around for those 5 years to get vested, but now they stay around for 3 years, they get the benefits of the pension.

We also allowed for people to roll over from job to job, plan to plan. For instance, someone is a school teacher and they go into the private sector or vice versa, if someone is a government employee and they go into the private sector. Under the old law, a person could not roll over their defined contribution plan, the 403(b), their 457, 401(k) and vice versa. We allow for that. It is seamless. The gentleman from North Dakota (Mr. POMEROY) who is here on the floor with us is really the author of that part of the legislation, worked hard on that over the years. It has been bipartisan, even nonpartisan.

Finally, we made it easier for employers, particularly small businesses, to be able to establish and maintain pension plans, again, by reducing these costs, burdens and liabilities. We did not do everything the small business community wanted. They wanted to get rid of the so-called top-heavy rules altogether, which incidentally President Clinton's Labor Department advisory group on this said we ought to get rid of altogether. They said it is like suspenders and belts, we already have the nondiscrimination testing in place, why do we need the top-heavy rules on top of that. We did not do that. We kept the top-heavy rules in place. We did simplify them somewhat to make it a little bit easier for small business to get into this game.

Again, think about the fact here that small businesses are not in this game in the way they should be. Only 20 percent of them are offering pensions now. We know from all the surveys that have been done, it is costs, it is burdens, it is liabilities that they are worried about. So we tried to address this in a way to be able to help people get more pension coverage, and we are seeing benefits. It has only happened this year. So we do not have the data from year end yet, but we do have anecdotal evidence, again as recently as yesterday in the Committee on Ways and Means.

We also modernized our pension laws by section 415 of the Tax Code. This is very important to people who are multiemployer plans, including union members who have worked hard. They have come to the point in their career where they need to retire, they suddenly find out that this 100 percent of compensation limit came into effect and kept them from getting the benefits that they deserved. We removed the section 415 limitation. This is extremely important, and it is fair because the way multiemployer plans adjust and calculate when they receive their pension benefits, the rule did not apply fairly to them. So we got rid of 100 percent of comp limit, which is very important.

We also got rid of something very important called aggregation limits. We also allowed for early retirement benefits. This is part of our modernization effort. It was consistent with what we did all through the bill, rolling up our sleeves, looking at these plans, trying to simplify them, trying to make more sense for the modern work force, and these provisions are helping working Americans.

Seventy-two percent of those making contributions to IRAs again have an income of below $50,000. The average is below $30,000; 77 percent of American workers participating in a pension plan make less than $50,000 a year, and when we expand retirement savings options, we help those workers who need it the most. Again, it passed the House already on a number of occasions, most recently with 407 votes.

So if we already passed this bill, why are we on the floor today? Why did I just talk all about all these great benefits that we have already passed into law? Because of the arcane rule in the United States Senate, all of this goes away. Nine years from now it disappears. What would happen if that were to take place?

For starters, it make it very difficult, again, for people to plan for their retirement. For example, looking

at the chart here, workers can now save, under our IRA provisions, $3,000 a year on their IRA. Under the old law it was $2,000 a year. By 2010, we go up to $5,000 a person can save on their IRA. Remember, these are the lower- and middle-income workers who really need this for their retirement savings. In the year 2011, it would go back to $2,000 a year if we do not extend this permanently. Does that make sense?

Who would want to do that in terms of 401(k)s? In 2002, we go from $10,500 to $11,000 a year people can set aside in their 401(k) plan. By the year 2010 it will go to $15,000. Actually, it starts in 2006, but in 2010 it will be $15,000 a year. In 2011 it would go back to $10,500 a year. Again, these limits are not dramatic increases. They barely keep up with inflation the way we do it, and they do not keep up with the limits that were in place back in the 1980s when my friends on the other side of the aisle controlled the Committee on Ways and Means. When they controlled this Congress, they had higher limits than this and reduced them because they wanted to reduce the deficit, and they took it out of pensions.

So this is what is going to happen if we do not extend it. Does that make any sense? The catch-up contributions we talked about earlier, again, under the IRAs this year a person gets $500 more to put away if they are over 50. By 2010 they get $1,000 more. In the year 2011, nothing, no catch-up, zero, zip. It is repealed. In 401(k)s, a person gets $1,000 more this year; they get $5,000 more by 2010. If this legislation is not passed, do not extend it, 2011, zero, zip.

Very important for people to be able to plan. Very important for small businesses to be able to plan so they can put together something that works for their employees. We will have some data later if people are interested about what small businesses are doing. They are taking advantage of these increases. They are changing their plans to allow people to save more for their retirement. They are doing it because they assume the Congress is going to do this indefinitely.

□ 1145

Now they are finding, because of this quirk in the Senate procedures, it may be stopped in 9 years. It does not make any sense. The expiration date, of course, will hit hardest on oldest workers because of these catch-up provisions. So these oldest workers, getting right up to retirement, are suddenly going to find they cannot do the catch-ups. If we fail to act as a Congress, these improvements simply will disappear and people will not have the peace of mind they need for their retirement.

Mr. Speaker, that is what the debate is about today. I know the Democrats have a substitute that deals with some other very important issues. I hope we will have a full debate on that when we talk about the substitute. I understand these are important issues on corporate governance, on executive pay; but let us be sure, as a Congress, we stick together on a bipartisan basis to move forward with what we started last year, to reverse this trend in Congress that was encouraging people to get out of the pension business and instead to get people into it so all Americans can save more for their retirement.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I would like to inquire of the amount of time each of us has at this time. I understand the gentleman from Maryland (Mr. CARDIN) still has 10 minutes remaining.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from Ohio (Mr. PORTMAN) has 9 minutes remaining, the gentleman from California (Mr. MATSUI) has 17½ minutes remaining, and the gentleman from Maryland (Mr. CARDIN) has 10 minutes remaining.

Mr. MATSUI. Mr. Speaker, I reserve the balance of my time.

Mr. CARDIN. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), the sponsor of many of the provisions in the underlying bill, including the portability.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time.

Sometimes in this Chamber, Mr. Speaker, we spend so much time talking about where we disagree, and we disagree on a lot, that we do not get around to evaluating where we agree and where we can agree.

We have just heard a very informed, technically adept exposition of the terms of this bill and why they were in the bill by the gentleman from Ohio (Mr. PORTMAN). I certainly would like to commend him for his leadership in this area. It takes a lot of time to get that kind of command of the technical demands of this subject area; and the gentleman from Ohio, along with his colleague from the other side of the aisle, the gentleman from Maryland (Mr. CARDIN), have each, I think, represented the best of what this Chamber can bring forward by way of making national policy as they have applied themselves over the years in understanding retirement savings as a major national priority and then even getting deeper into the technical details of how to get it done.

There are some areas where we disagree, and we are going to be able to talk about them in the context of the substitute. I do believe it is very important we have the discussion on the range of what might be appropriate and needed policy responses to the troubled corporate governance issues that we have read so much about in the newspapers recently. What I worry about a little is that some of the debate on the substitute may spill over and taint our evaluation of the underlying bill.

I want to tell my colleagues, Democrat and Republican alike, I believe the underlying bill is solid, bipartisan, constructive advancing of retirement policy; and I hope once the substitute vote is taken, we will be able to give this the kind of rousing endorsement that it got as we passed it when it was first considered.

There is a provision in the bill I would like to speak to which I think illustrates in a real way how this matters. We have a variety of defined contribution plans allowed under the Tax Code, 401(k) is the best known. Virtually identical, but a different structure, 403(b)s for those working in the nonprofit sector, and 457 plans for those working for State and local governments. As one goes through the workforce, you cannot roll your account from one into another, even though they are all defined contribution plans; they just have their basis in different provisions in the Tax Code.

It is important we give workers this kind of retirement account portability so that rather than getting the lump sum and spending it, they roll it into their retirement savings at their new place of work. Studies show pretty convincingly that the larger amount in the retirement account, the less likely it is to be spent on nonretirement purposes. As we help the American workers save for retirement, it is important we facilitate this portability and allow them, in fact encourage our workers, to leave the money there for retirement purposes.

Also in the bill, as was mentioned by the preceding speaker, moving vesting in defined contribution plans from 5 years to 3 years is a very big deal. This is a win that on its face we can all understand is important to those in a mobile society; that if they leave after 3 years, presently they do not acquire necessarily any benefit. These are provisions that ought to be endorsed and advanced, and I urge adoption of the underlying legislation.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I stand in support of this vital legislation to provide certainty and predictability in pension retirement benefits for the people I represent at home in Washington State.

I want to compliment my two colleagues, the gentleman from Ohio (Mr. PORTMAN) and the gentleman from Maryland (Mr. CARDIN), for taking leadership to help all women who are being very diligent in their effort to become independent as they plan for their retirement years. This bill enables millions of women to devote more money to retirement savings, to accumulate assets more quickly, and to maintain their benefits in one retirement plan as they go from job to job.

Women choose to leave the workforce for many reasons, including to raise a family or care for ailing parents. Often during those years they are unable to

take full advantage of employer-sponsored pension funds. The retirement protections in our bill allow women to make catch-up contributions to their pension plans to make up for the time they spend away from the workforce.

Before Portman-Cardin, it was very difficult to consolidate retirement funds from different plans into one plan. We took away these restrictions in our legislation to reflect the changing employment market. Today, we have more women working who tend to change jobs more frequently than do men. By enhancing portability, we ensure the retirement benefits follow the employee as she changes jobs.

With more women working outside the home, Mr. Speaker, we have to modernize our retirement laws to take into account a more diverse workforce. We have now, for example, 70 percent of young mothers with young children still in the home in the workforce. It is about time we make up for them and create for them a further opportunity to gain self-reliance during retirement.

So I do not think we can afford the effort that is being made by some of our opponents to turn back the clock in 2011, and I encourage my colleagues to support this legislation.

Mr. MATSUI. Mr. Speaker, I yield myself 1 minute.

I find it kind of interesting because I have a letter from Norman P. Stein, a professor of law at the University of Alabama, not the most liberal institution in the America, dated June 20, 2002. He basically says, and I will quote: ''Many in Congress uncritically accepted the lofty expectations of Representatives PORTMAN and CARDIN and industry lobbyists, and persuaded themselves that they were voting for a bill that would increase retirement security for middle-class Americans and in particular women,'' as the gentlewoman from Washington State says.

However, he states in the next paragraph: ''There is no evidence that the bill has done any of that, but there is evidence that many of the technical provisions are being manipulated by pension planners to allow the most affluent Americans to greatly reduce their taxes and to reduce the retirement benefits for middle-class workers.''

So I really question whether or not women are going to be helped. In fact, I really believe strongly women are going to be harmed by this. So what is the hurry about extending this package from 2010 to 2011 and beyond? This bill is in effect now. It has no impact for the next 8 years.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from the State of New York, (Mr. HINCHEY), a member of the House Committee on Appropriations.

Mr. HINCHEY. Mr. Speaker, when the specific provisions contained in this bill as before us this morning first came before the House in the 106th Congress, there were only a handful of us who voted against it, in spite of the fact that the bill was enormously complex, incredibly detailed, and hardly anyone, other than staff members, had any real idea of what was in it.

We voted against it because we thought that the bill would harm the retirement circumstances for the vast majority of Americans, while, at the same time, it would provide ways in which those who were in charge of the retirement systems in individual companies could manipulate those systems in ways that would benefit them specifically and injure the vast majority of their employees.

When the bill came back last year, a larger number of people voted against it. It was contained in a larger bill. Why? Because I think people are beginning to realize very clearly what is going on here. The whole pension program in this country is under change; and in fact, the pensions of the vast majority of Americans are under assault.

The previously popular defined benefit plans, which most corporations had for most of their employees, have now essentially gone out the window. We have flexible plans, plans that are undefined, plans that are not clear as to what the benefits will be. And the enormous amounts of money, tens of millions, hundreds of millions, in some cases billions, of dollars that are tied up in pension programs in various places and in corporations around the country are being manipulated by the corporate executives for their own advantage, for their retirement situation, for their golden parachutes, for their specific needs, to the detriment of the vast majority of employees.

Now, what do we have in this bill that is before us this morning? In spite of the experience of the last several years, the Enrons, the Global Crossings, and on and on and on, in spite of all that experience recently, now we have a bill coming before us that would make permanent the most egregious provisions of the bill that was passed previously and does nothing whatsoever to make permanent the single provision in the original bill that benefited low-income, middle-income employees, the vast majority of people who work for these corporations.

This bill is bad. We need to support the substitute and defeat the bill in chief.

Mr. CARDIN. Mr. Speaker, I yield myself 1 minute.

I am somewhat perplexed by the argument because most of the provisions, almost 100 percent of the provisions that are in the underlying bill, are in the Democratic substitute. So I am not sure what the arguments being made against the underlying bill are really about.

There is a very small difference, and we will get the chance to talk about that as it relates to the highly compensated test that really helps companies provide matches for their employees, which help modest-income people. The overwhelming amount of dollars in the bill go to the same provisions that are in both the Democratic substitute and in the underlying bill.

As I pointed out earlier, the Democratic substitute costs six times as much as the underlying bill. So I think the arguments being made may be reserved for the substitute, where there is a major difference between the Democrats and the Republicans and it is worthy of debate. But on the underlying bill and the importance of increasing the limits and increasing portability, helping women with the catch-up contributions, I am pleased to see that Democrats have incorporated in their substitute the same provisions as the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself 1 minute.

I might just say that when the substitute is offered, actually by the gentleman from Massachusetts (Mr. NEAL), he will outline the bill. Much of the provisions, such as the IRA expansion, the 401(k) expansion, they are in the main bill and also in the substitute as well.

We have one thing in our substitute that is in current law that the underlying bill, the Republican bill, does not have, and that is the tax credit for small savers, the nonrefundable tax credit for small savers. Why that was taken out remains to be seen, because that was probably the only thing for the average worker in that legislation last year. But, nevertheless, we have it in our bill and they do not have it in their bill.

I might just also say, Mr. Speaker, there are some provisions in the bill that we do not have in ours, that is, that are in the Republican bill that we do not have in ours, and that is the fine print. They are the provisions that will really give high-management, top-management employees greater benefits than the average worker. We will be talking about those during the motion on the substitute itself.

Mr. Speaker, I reserve the balance of my time.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Michigan (Mr. CAMP), from the Committee on Ways and Means.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Speaker, I support the Retirement Savings Security Act, which has been introduced by my colleagues on the Committee on Ways and Means, the gentleman from Maryland (Mr. CARDIN) and the gentleman from Ohio (Mr. PORTMAN).

The pension measures contained in the original Economic Growth and Tax Relief Act include many long- sought provisions for our Nation's public sector employees and their State and local government-sponsored retirement plans. Twenty-eight national associations, representing State and local governments, government officials, and

public employee unions have sent letters supporting the public pension provisions in this act.

□ 1200

They all urged us to retain and enact these much-needed provisions. It is rare to see groups like the National Governors Association, the American Federation of State, County and Municipal Employees, the Fraternal Order of Police, the National Conference of State Legislatures, the International Association of Fire Fighters, the United States Conference of Mayors, the American Federation of Teachers, the National League of Cities all virtually agreeing together on any policy, and they agree on this.

They came to support these public pension provisions that will help the nearly 16 million public sector employees. The public pension provisions in this bill are really modest in cost and would apply to middle-income workers. In the bill is the enhancement of pension portability. Public employees are given greater opportunities to purchase credit for time served, such as time in the military or maternity leave, and they are also allowed to roll over their retirement assets between and among various types of account plans and jobs.

These portability provisions assist employees in building their retirement savings, especially those who have worked in various public and nonprofit institutions.

The act also provided assistance to governmental deferred compensation plans, and many State and local government entities sponsors these arrangements to allow participants to defer some portion of their salary to strengthen their individual retirement savings.

However, the administration of these plans and the ability of public employees to take advantage of them was often hampered by complex rules and lower contribution limits and other options that were in place prior to the passage of this act. But I think greater clarity and flexibility, which will now be provided under this bill, will help.

Mr. Speaker, the bill also addressed Federal limits that had an adverse effect on the administration of these plans, improvement of benefits and the ability of individuals to effectively contribute to their retirements savings. So for individuals who have been unable to take advantage throughout their career, the catch-up provisions will really provide an opportunity to help catch up with past contributions. These provisions will enhance the ability for people to save for their retirement. I urge support of this bipartisan, comprehensive approach.

Mr. MATSUI. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, various Members who have spoken on this bill have talked about the fact that there are things that we agree with. I think all Members of Congress like the idea that we can put another thousand dollars in our IRA. Some of us who are over 50 can add an extra $500, if we did not do it before. Those benefits that benefit us, we certainly like them, and they are in the bill, and we like them. Nobody should want to hide that.

But what is peculiar about this issue, and I think that somebody has to sometime explain to me the equity questions here, if 77 percent of the benefits go to people in the top 20 percent in this country, and 42 percent go to the top 5 percent in this country, where is the equity when we bring the bill to make it permanent and leave out the one piece that was there for the small savers?

Now, for the life of me, why for PR purposes would we want to give more to people at the top, and the little bit that we were giving to people that expires in 2006, it does not even make it to 2010, but they took it away. They took it away. They said, we do not need those folks. Now, last year's bill, let me be specific, included a nonrefundable tax credit for low- and middle-income workers who elect to contribute to either an employer-sponsored program, like a 401(k) at the Enron company, or an IRA. The maximum credit of $1,000 was available to taxpayers filing a joint return with an income up to $30,000, we are not talking about rich people here, $30,000 is below the average income in this country, that is all they have, or single filers up to $15,000.

Now, these would seem to me to be the people that the other side of the aisle would want to save. We would want to give them an incentive. We do not need to encourage people who have a lot of money to save money. They have got it already; but they save some more, that is nice, and get it tax free.

But the people on the bottom, a husband and a wife making $15,000 apiece, that is a little over $1,000 a month, which means about $250, $300 a week. So they are not cleaning up. But the other side of the aisle has that provision, and it goes out to 2006, and then it is dropped. They are now going to make things permanent, and they now say, well, we have evaluated the impact of this, and we do not think the small savers are doing much anyway, so let us take away their tax benefit, but let us make sure that the taxpayers in the upper 5 percent get theirs.

Now, I think when we think about this country, the questions of equity and the division between the rich and the poor in this country is getting wider and wider, and we are creating more and more tension. My question to the other side of the aisle is: Why was that taken out? I would love to hear the explanation. We could actually have a debate, and I can see the other side is eager to respond. Finally, we are going to get them the other side of the aisle to discuss why they took out the small saver.

Mr. CARDIN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I agree at least in part with the gentleman from Washington (Mr. MCDERMOTT). I think we should be doing more for low-income workers, and we need to improve, not only extend, the low-income credit for workers, but it is going to take some more hearings and some more work. We have 5 years to get that into place.

But let me just disagree with the numbers of the gentleman from Washington (Mr. MCDERMOTT). This is both in the underlying bill and in the Democratic substitute which deals with increasing the amount of money that individuals can put in their IRAs and 401(k)s. More than 69 percent of those people contributing to traditional IRAs contribute the full $2,000, and 61 percent of those have incomes under $50,000. Over half the cost of the bill is in the IRAs. The gentleman's numbers do not add up. The underlying bill helps the average worker. It does not help the individuals the gentleman is referring to. This is a good bill, and I urge Members to support it.

Mr. PORTMAN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I agree with what the gentleman from Maryland just said, that the numbers of the gentleman from Washington (Mr. MCDERMOTT) are simply wrong. I do not know where he comes up with them. He does not cite where the numbers are from. We discussed this earlier, 77 percent of those involved in pension plans make less than $50,000 a year. Those who benefit the most make between $15,000 and $50,000. They pay one-third of all Federal income taxes. They get about two-thirds of the benefits under pensions. That is the reality, and that is what we are dealing with.

In terms of the so-called small savers provision, the low-income saver provision, the gentleman wants an answer why we took it out. We are not taking anything out. That was not in the bill that was passed by over 400 votes here in the House. It was added by the Senate. Those of us in the House accepted that issue. We believe we ought to try this on an experimental basis to see if we can get more low-income people in through what will be a relatively complicated, but an interesting experiment to see if it works. We set it for 5 years. We keep it in the underlying bill. We do not take it out. It stays in the legislation exactly as it was passed in the House after coming over from the Senate.

The gentleman used the phrase ''take out.'' Nothing is taken out here. We put this in the bill for 5 years for a specific reason. Look at the legislative history in the House and Senate. We want to see how it works. We do not have the history on it yet.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. MCDERMOTT) to respond.

Mr. MCDERMOTT. Mr. Speaker, I am glad to hear that they have an answer, although it seems inadequate to me that we ought to have more hearings on the poor folks, but we do not need any more hearings on the people on the top. No, that is perfect.

The gentleman questions my number. The Institute for Taxation and Economic Policy says 66.9 percent goes to the top 20 percent, 42 percent goes to the top 5 percent. That comes out in the Joint Tax Committee the same. The Joint Tax Committee has talked about income distribution over and over again. They are saying that 75 or more percent goes to the top of the scale.

Mr. PORTMAN. Mr. Speaker, will the gentleman yield?

Mr. MCDERMOTT. I yield to the gentleman from Ohio.

Mr. PORTMAN. Mr. Speaker, I respond to the gentleman regarding where that data comes from for two reasons: One, as the gentleman from Maryland (Mr. CARDIN) and the other side of the aisle has just said, most of the money in this bill actually goes in the IRAs. People on average make less than $30,000 a year, so the numbers could not be right.

Second, the gentleman does not understand the purpose of this bill if the gentleman thinks it is all about doing an income distribution. This is about expanding pension savings for low- and moderate-income Americans.

Mr. PORTMAN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the whole purpose of this legislation is to try to expand for those 76 million Americans who have no retirement savings at all right now, including those who work in small businesses where fewer than 20 percent of businesses offer a plan, to get them to offer plans. How do we do it? Yes, by increasing limits; but, very importantly, by simplifying the plans, taking out some of the costs and taking out some of the burdens. That is what is going to expand coverage for low- and moderate-income Americans. That is the point of the bill. None of the income analysis of the gentleman is taking that into account.

Mr. MCDERMOTT. Mr. Speaker, will the gentleman yield?

Mr. PORTMAN. I yield to the gentleman from Washington.

Mr. MCDERMOTT. Mr. Speaker, I think the gentleman is misstating what the point of the bill is. The point of the bill is to give people at the top more ways to save more money.

Mr. PORTMAN. Mr. Speaker, reclaiming my time, I should know what the point of the bill is since on a bipartisan basis we have spent 5 years putting it together, fully vetted by all committees of Congress, including the Committee on Ways and Means that had jurisdiction.

Mr. MATSUI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, under current law, Ken Lay and 109 others from Enron Corporation were able to give themselves pension benefits of $330 million. This is under current law. Basically what this legislation does is loosens it. Obviously, the high-income people are going to get more money. The top 5 percent are going to get 42 percent, and the top 20 percent are going to get 77 percent.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, it is said that a rising tide lifts all boats. Certainly this tide lifts some boats. The yachts do pretty well. Over three-fourths of the tax reductions in this bill go to the wealthiest 20 percent of Americans. Almost half of the tax breaks go to the wealthiest 5 percent. The other 95 percent, most of whom are in rowboats, they remain anchored at the bottom.

The ''Savers' Credit,'' targeted at low-income workers and the working poor who earned $30,000 or less, is the only provision that will not be permanently extended. It expires on New Year's Eve of 2006, sooner than the provisions that are being extended. But for some unknown reason, we are told we need to study the working poor who lack retirement security now and do not have adequate retirement savings. We are going to study that and not extend it, but the yachts at the top, they get their benefits made permanent.

Under this bill, companies even get a tax incentive. That is right. Uncle Sam helps them with their taxes if they stuff their retirement plans with more company stock, the kind of problem that capsized the Enron employees. As if there were not already enough incentives for companies to put their stock into company plans, they get more in this bill.

What happens to the 95 percent who are anchored in the rowboats in a rising tide? Well, they get swamped; and it is the richest who already have some retirement plans who get to bailout. There is a word for this, and it has multiple meanings in this context. It is ''dinghy,'' and this is ''dinghy'' to extend this program on a permanent basis.

There are good provisions in this bill. There are so many such provisions in the bill that I voted for it when it was up for consideration in the last Congress. Some of the provisions that were less publicized and never noted in debate in the fine print of this extended bill, like the tax incentive for companies to put more of their own company stock into the company plan, were not publicized and were not well known, and a vote in favor of them is certainly not a vote to be proud of.

□ 1215

But I do not know many people that are now planning their New Year's Eve party for this coming year. Yet the sponsors of this legislation, they are already thinking about New Year's Eve in 2010, because if we take no action today, on New Year's Eve of 2010, all of these benefits will be gone.

Of course there are a few Congresses that meet between now and 2010. And there are some problems that exist right now that cannot wait until 2010. There is the Enron problem where the people at the top are selling their stock through their stock options while at the same time they are telling the employees to keep the company stock and put more of it into the plan. That is what happened at Enron. What does this bill, or anything else this Congress has done, do to remedy that? Absolutely nothing. There is the problem of three out of four people in this country who earn less than $25,000 according to the Consumer Federation who do not have an adequate retirement. Yet this bill refuses to continue permanently their benefits.

Today is the longest day of summer, and the lobbyists are here telling us that they want to ensure that the sun never sets on the privileges they gained in this bill, but they do not care, about extending benefits to the people earning under $30,000. Do not be fooled. This is not about sunshine. The Members have been left in the dark about many features of this bill. It ought to be rejected.

Mr. PORTMAN. Mr. Speaker, I just want to remind my colleague that he voted for this legislation three times without any low-income saver provision in it.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank the gentleman for yielding me this time. I am one of the people who voted for the underlying bill. I think it is excellent in many ways. I agree with the gentleman from Maryland's analysis and the gentleman from Ohio's analysis of the underlying bill. But I am not going to vote for this extension today, and I would adopt the reasoning that the gentleman from Texas (Mr. STENHOLM) put forward just a few minutes ago.

Right now for every $100 that we are spending to run our government, we are bringing in $80 worth of revenue. We are borrowing the other $20. We are borrowing about half of it from the Social Security trust fund, and we are going to borrow the other half from the private capital markets. I have come to the floor in the last several weeks and voted against a lot of things which I would like to see happen. I would like to see more aid to our exporters, but I voted against the Export-Import Bank reauthorization. I would like to see the marriage penalty permanently done

away with, but I voted against the permanent cessation of it. I am one who favors the permanent repeal of the estate tax, but I did not vote for the permanent repeal of the estate tax. And as strongly as I feel about the merits of this underlying bill, and they are very meritorious, I think the principle of doing anything that reduces revenue by borrowing from the Social Security trust fund and from the private capital markets that fuel our economy is a mistake.

It is painful to oppose things that one embraces, and I embrace these; and I certainly do not mean to imply that the supporters of this bill are fiscally irresponsible. They are not. But it is my judgment that the highest priority of this country at this time is to get back into the black. The highest priority, therefore, will lead me to oppose the bill.

Mr. CARDIN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, as we have been getting into this debate, a lot of the issues that have been talked about on corporate governance will be debated when we get to the Democratic substitute. I appreciate the fact we may have different views on that. I am somewhat perplexed, as I have said before, on the underlying bill because there is not much difference between the Democratic substitute and the underlying bill on almost all of the provisions in the underlying bill. There is good reason for that. This bill was developed in a very bipartisan way. We had hearings. We in Congress initiated these changes. It did not come from the President. We made modifications as the bill worked its way through Congress on several occasions. We worked with Senators in the other body, both Democrats and Republicans. It was truly a bipartisan effort.

As a result, we have done some things that I think are important for this Nation. We have increased the amount of money individuals can put away in their IRA accounts. We have increased the amount of money that people can put away in their 401(k) plans. We have dealt with portability, knowing full well that people change jobs regularly. Now individuals will be able to combine those accounts and keep them in retirement. That is an important provision. These provisions should be permanent. They should be permanent. We may have different views as to how we should handle Social Security and the protection of Social Security, but there should be no disagreement about the need to strengthen private retirement and savings.

The savings ratio in this country is deplorable. Just 10 years ago, it was approximately 9 percent. We have actually had negative quarters. We are the lowest industrial nation in the world in the money that we put away for savings. We need to do a better job. We need to encourage, not discourage, employers to put money into retirement plans for their employees.

I have heard arguments about, well, there are differences in the underlying bill. None of those differences go to the cost issue, though. We talk about the simplification provisions. I am going to talk about one, because I may not have a chance later, that deals with a subject that may seem controversial, highly compensated employees. But look at the underlying provision and why it was not controversial in this body, because it took away a penalty that employers suffered if they provided a match to their employees. We should be encouraging employers to provide matches to their employees. So we took away a penalty that was in the bill that will encourage more employers to get involved in matches for their employees. That is why we put that provision in the bill. That is why it was not controversial. It was never raised in controversy as it was considered.

We have heard who benefits from the bill. Most of the money goes into the IRAs. IRAs are used by modest-income people. We keep hearing the 20 percent figure. You know, 20 percent is $68,000. I do not happen to think that someone who makes $68,000 is particularly wealthy. It is not the Ken Lays of the world. They are not the people who benefit from the 401(k)s and from the IRAs that we make more available under the bill before us.

Mr. Speaker, there may be disagreements among our parties on some of the underlying issues concerning what happened in Enron, but there should be no disagreement as to the need to make permanent the pension provisions. I want to thank my friends on the other side, the gentleman from Ohio (Mr. PORTMAN), the gentleman from California (Mr. THOMAS), and others who gave us an opportunity, Democrats and Republicans, many of us, to work on ways that we could help Americans save for their retirement. This bill is one part of that. The reason it enjoyed such an overwhelming vote was because the process was fair.

We are going to certainly get into a debate on the substitute, but I would hope after we debate the substitute that we come back together and proudly support the underlying bill that will help Americans save for their future.

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

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), my colleague on the Committee on Ways and Means and also chairman of the Subcommittee on Employer-Employee Relations of the Committee on Education and the Workforce.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, the pension legislation enacted last year needs to be permanent. That will help Americans plan and save for a more secure retirement.

One year has barely passed since enactment, and our dear colleagues on the other side of the aisle are ready to regulate and strangulate pension plans. The people who oppose making these provisions permanent only want to play politics, and they are doing so to the detriment of the retirement system.

Yesterday at the House Committee on Ways and Means, we held a hearing on defined benefit pension plans. We heard the testimony about the decline of these pension plans which provide retirees guaranteed income. The number of plans peaked in 1985 at 114,000. At that point, Congress began tinkering with the pension plans. Congress so loved defined benefit plans and made them so safe that by 2001 the number of plans dropped from 114,000 to 35,000, a decline of almost 70 percent.

Congress has legislated pension plans to death. Last year by a vote of 407–24, we took some important steps to begin to roll back some of this red tape. What do the proponents of Big Government red tape want to do? Roll back these reforms. They cannot stand the fact that we took a hedge trimmer and began to cut away at the kudzu they had grown. They actually want to go back in time and put more regulations on these plans which have been pushed nearly to extinction.

By trying to pick apart this bill today, opponents are asking to undermine the whole law and undermine confidence in the portability and vesting rules that we tried so hard to achieve. Those who oppose making these provisions of law permanent do not seem to understand that pension plans require stability. It is all just a game to them and for the people who originally required these provisions to sunset in the first place. What a shame.

I want to see this law made permanent so all Americans can know their retirement is safe and secure.

Mr. MATSUI. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, for closing debate on general debate at this particular time, I just have to say that many of my colleagues have said, well, many of the Members, 400 Members, voted for this when it was up 2 years ago. One of the problems with pension legislation is it is extremely complex. I think we all know that. The gentleman from Maryland said that 90 percent of the bill, or more perhaps, is the same as our substitute. That is correct as well. We support the IRAs, we support the 401(k)s, we want to make sure we have an extension of the 415 multiemployer program to allow portability. All these things we support. That is in our substitute.

But the real dangerous part of this piece of legislation, that is, the Portman-Cardin legislation, is the fine print. Many of us did not spend time understanding the fine print. It deals with the top-heavy rules. As the gentleman from Maryland said, it basically eliminates the penalty, because if you put it in a match, then you get credit for it. That basically means that

top-management employees, who today could get 60 percent of the benefits and the workers only 40 percent of the benefits, that is under current law, they can get 70, 80, 90 percent and not pay a penalty as long as they paid the match.

So you could have a situation where top management gets 90 percent of the benefits, average workers get 10 percent of the benefits, it could be 15 of the top management people and 200 of the workers getting 15 percent to 85 percent, or 90 percent to 10 percent. That is what is really dangerous about this legislation. It does not cost the government any money, but I can sure assure you it will cost the American workers their retirement benefits. That is what is dangerous about this bill.

What is really odd, Mr. Speaker, is the fact that it is in effect. It has only been in effect a year. What we really ought to do is not extend it and make it in perpetuity. What we ought to do is make sure that we correct some of the flaws in it. We will find flaws in this legislation. A GAO report will be done. We are going to do a lot of things to find out about this bill. We do not want to be embarrassed. We should not put ourselves in a position where we do not have to do something and we do extend it from 2010 onwards. We do not need to do this now. We need to vote ''no'' on the underlying bill, and we need to vote ''yes'' on the substitute when we have an opportunity.

Mr. PORTMAN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, closing out the first part of this, which is talking about the underlying bill, I would encourage my friend from California to read the fine print again because he is inaccurate with regard to how the top-heavy rules work in this legislation. It keeps the top-heavy rules in place. It does encourage more matching contributions, which is a good thing.

Look, this was done over a 5-year period on a bipartisan basis from the start, fully vetted by the committees of Congress. It allows people to save more for their own retirement. It allows for portability. It allows us to simplify the rules so that people can offer more pension plans, particularly small businesses. It is supported by a broad spectrum, including the United States Chamber of Commerce, which will key vote this today, including by the Brotherhood of Carpenters, including by the Building and Trades Council of the AFL–CIO.

I encourage all my colleagues to support final passage and extend this good law.

Mrs. JOHNSON of Connecticut. Mr. Speaker, as a result of our arcane and complicated pension laws, 70 million workers have no pension plan. Unfortunately, Americans who work in small businesses are much less likely to have pension coverage than those who work for larger companies. Among companies with fewer than 100 employees, as many as 80% of the workforce have no retirement savings plan available to them.

The primary cause: small business owners find the cost and complexity of setting up and maintaining retirement plans to be overwhelming.

So last year, Congress passed the Portman-Cardin pension reforms to help workers save for their future and enable small businesses to offer pension plans to their employees. The changes we made streamline and simplify the complex rules governing our pension system to ensure meaningful coverage of small business employees. They will reduce the administrative burden on small businesses and provide incentives to help them establish plans for their workers, including cutting the IRS user fee small businesses have to pay to establish a pension plan and lowering premiums small businesses pay for their defined benefit plans to make that option more attractive.

Several years ago we adopted ''SIMPLE'' pension plans. That has enabled numerous small companies in my district to offer plans to their employees. This modernization of our basic pension law will expand and improve retirement options dramatically, which in the long run, means more working Americans will enjoy financial security in their retirement years. I urge passage of this legislation.

Mr. BLUMENAUER. Mr. Speaker, it is getting harder to vote for tax legislation, even provisions that I actually strongly support. This bill misses the mark because it eliminates provisions for small savers and it continues an incremental approach to making permanent the massive tax cut of last year despite the changed economic and national security situation. Most troubling, is that we continue to ignore the major issues that demand our attention in reforming the tax structure.

This bill does not speak to the highest priorities of the American public. It does not move us towards a fiscal framework that is necessarily sustainable and it is certainly not done in a context of long-term consequence. Congress must begin to address the most critical unresolved tax issues that will create fairness and fiscal stability.

Alternative Minimum Tax—Increasingly burdensome, this tax now affects millions of taxpayers to whom it was never intended to apply. In a few short years tens of millions of taxpayers will be penalized by additional taxes and more burdensome tax preparation.

Estate Tax—It is time to stop playing politics. The estate tax can be reformed to be fair and equitable by removing family-owned farms and businesses from its scope, raising exemption levels, changing the marginal rates, and indexing for inflation.

State Tax Consequences—Future changes should be in the form of specific credits that will not penalize state tax systems that are tied to the federal code.

Payroll Taxes for Medicare—Currently the Medicare system is dramatically shortchanging Oregon and other states billions of dollars a year. Until the federal government stops penalizing Oregon and other low-cost states for being efficient, the tax should be reduced.

It will be increasingly difficult to vote for any tax adjustment that does not speak to these larger needs. I reluctantly vote yes because this is something I have long supported, is not particularly expensive, and is an important signal in times of economic uncertainty.

Mr. KIND, Mr. Speaker, I rise today to support the Retirement Savings Security Act (H.R. 4931) to ensure that working Americans will continue to have the opportunity to save for a financially secure retirement. Retirement benefits are critical to ensuring that older Americans have the income to live out their Golden Years.

According to the Social Security Administration, many retirees received 19 percent of their income from employer provided pensions. However, half of private sector workers have no pension coverage at all. Further, only 20 percent of small businesses offer pension plans.

My colleagues, Representatives ROB PORTMAN and BEN CARDIN, have worked tirelessly to correct these problems and assist more worker is in saving for their retirement. Provisions from the original Portman-Cardin pension reform bill, which I supported, were included in the large tax bill last year. I am pleased that the House has the opportunity today to make these provisions permanent.

H.R. 4931 permanently expands pension coverage and will encourage companies to provide retirement plans for those workers who are currently without coverage. It also increases the amount an individual can contribute to an Individual Retirement Account form the current limit of $2000 to $5000 and allows individuals 50 and older to make ''catch-up'' contributions to ensure they have a secure retirement.

In addition to H.R. 4931, I also support the Democratic alternative. Not only does the Democratic alternative repeal the sunset provision, but it also includes corporate governance measures that will ensure that executives are held accountable and live by the same rules as rank-in-file workers. Specifically, executives should not be rewarded for moving their company overseas to avoid paying taxes when the nation is engaged in a war against terrorism. The Democratic substitute would ensure that corporate executives of expatriate companies pay their fair share.

In addition, the Democratic substitute provides pension security for all workers. In specific, the substitute permanently extends the tax credit for low- and moderate-income individuals in order to help them make contributions to their own retirement savings.

In the next 15 years, 76 million Boomers will retire. It is time that Congress repeal the sunset and pass permanent legislation that will encourage retirement and pension savings for all workers. With the Social Security Trust Fund expected to be exhausted by 2037, we must act now to ensure the financial security of our future generations. H.R. 4931 is a step in the right direction.

Mr. GREEN of Texas. Mr. Speaker, I have been in a Medicare and prescription drug markup for the last two days trying to give our nation's seniors a meaningful health coverage. Every Democratic amendment to improve seniors access to cheaper prescription drugs has been blocked by the Majority. The reason they give is that it costs too much.

I find it amazing than that we are here today once again giving the richest people in this country another break. Over the next 10 years, millions of Americans will benefit from the increased pension contribution allowances this body passed last year.

I support all Americans saving for their retirement and believe over the next ten years they should do just that. However, by permanently extending these pension reforms so early, these same people may be devastated

by astronomical health care costs when they retire. We do not have to make the decision on this legislation today. Ten years from now our elderly population is going to explode and we will have no wiggle room to ease their financial burden.

In addition, the huge budget deficit being run up by the federal government will only compound the problem.

Mr. Speaker, for upper-income Americans, this legislation will be a real bonanza and over the next ten years I hope everyone is able to enjoy the benefits, but we all know everyone will not. We have once again pulled out the government credit card and are back to the ''buy now pay later'' approach. I just want everyone here today to know that we will not feel the effects of this bill for ten years, but when we do it is going to be very bad.

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 4931, the Retirement Savings Security Act of 2002. I urge my colleagues to join in backing this appropriate measure.

Last year, the House passed sweeping tax reduction legislation. In addition to various tax repeal provisions, that bill also contained a number of improvements designed to strengthen both pensions and individual retirement accounts.

Those provisions included: Increasing the $2,000 IRA contribution limit, for both traditional and Roth IRA, to $5,000 by 2008, increasing annual individual contributions to 401(k) plans to $15,000 by 2006. The inclusion of ''catch-up'' contributions for workers aged 50 and over for certain types of 401(k)s and IRA, and a number of provisions to facilitate faster vesting of pensions and pension portability between jobs.

Those provisions in the tax reduction legislation were intended to make it easier for more Americans to save for retirement. It has been estimated that almost 70 million workers, which is nearly half the nation's workforce, have no pension plan. Many of these people work for small businesses, which frequently have found the cost and red tape involved in setting up such a plan prohibitive. In acting last year, Congress sought to reduce some of those barriers and subsequently encouraged more companies to set up pension plans and 401(k)s.

Regrettably, an arcane budgetary rule in the Senate required that all of these beneficial provisions sunset after ten years. The House has moved this year to repeal the sunset provisions on the estate tax, marriage penalty and reduction in marginal rates.

This legislation follows the same line of reasoning as its predecessors which repealed the aforementioned sunset provisions. It provides stability and helps individuals and companies better plan for the future. For these reasons I support its passage.

Mr. KIRK. Mr. Speaker, I rise in support of the permanent extension of the retirement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001. Within the next 15 years, more than 76 million baby boomers will retire. Studies have shown that older baby boomers have less than 40 percent of the savings they will need to maintain their standard of living in retirement. Last year, Congress took action to remedy this situation by including the provisions of H.R. 10, the Comprehensive Retirement Security and Pension Reform Act of 2001, in the tax relief bill. I supported this action and believe that the increase in personal retirement savings it will bring about in the coming years will benefit millions of Americans.

The Department of Labor estimates that less than one in every three women are covered by a retirement pension plan. These plans are proven to pay out greater benefits than Social Security, yet they are not readily available to most women and employees of small businesses. Last year's bill addressed this concern by providing an immediate benefit—the ''catch up'' provisions—for working women and individuals age 50 and above. These provisions allow women reentering the workforce, presumably after raising children, to contribute an additional $5,000 to their IRA. This will allow those approaching retirement age to save the extra money they need, while also allowing women who work intermittently to ''catch up'' for money not contributed because of time off. This is particularly helpful for working mothers who need to raise children and put them through college.

With the unfunded liability of many government retirement systems the need for increased personal retirement savings is greater than ever. By increasing the contribution limits for and portability of qualified 401(k) plans and pensions, the Portman-Cardin legislation will help Americans build assets to supplement their Social Security income in retirement. This will improve the quality of life for retirees and ensure that they have the financial resources needed to address any challenge that may emerge.

Congress would do the nation a great disservice by allowing these important reforms to expire. The need for greater personal retirement savings will not expire, and future generations should enjoy the same opportunity to save that the Portman-Cardin bill envisioned. Permanently extending these provisions is the responsible thing to do.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEAL of massachusetts

Mr. NEAL of Massachusetts. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore (Mr. SIMPSON). Is the gentleman from Massachusetts the designee of the gentleman from California (Mr. MATSUI)?

Mr. NEAL of Massachusetts. That is correct, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Retirement Savings Security Act of 2002''.

TITLE I—PENSION PLAN PROVISIONS

SEC. 101. PENSIONS AND INDIVIDUAL RETIREMENT ARRANGEMENT PROVISIONS MADE PERMANENT.

(a) IN GENERAL.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by adding at the end the following new subsection:

''(c) EXCEPTION.—Subsections (a) and (b) shall not apply to the provisions of, and amendments made by, subtitles (A) through (F) of title VI (relating to pension and individual retirement arrangement provisions).''.

(b) CONFORMING AMENDMENTS.—Section 901(b) of such Act is amended—

(1) by striking ''and the Employee Retirement Income Security Act of 1974'' in the text, and

(2) by striking ''OF CERTAIN LAWS'' in the heading.

SEC. 102. CREDIT FOR RETIREMENT SAVINGS OF CERTAIN INDIVIDUALS MADE PERMANENT.

Section 25B of the Internal Revenue Code of 1986 (relating to elective deferrals and IRA contributions of certain individuals) is amended by striking subsection (h).

SEC. 103. INCREASED COMPENSATION LIMIT NOT TO RESULT IN REDUCED BENEFITS FOR THE NONHIGHLY COMPENSATED.

(a) IN GENERAL.—Paragraph (17) of section 401(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(C) BENEFITS MAY NOT DECREASE.—Subparagraphs (A) and (B) shall be applied by substituting '$150,000' for '$200,000' with respect to a plan for any year if any employee's benefit under the plan would decrease were the $200,000 amount used by the plan instead of the $150,000 amount.''

(b) DEDUCTION LIMITATION.—Subsection (l) of section 404 of such Code is amended by adding at the end the following new sentence: ''The preceding sentences of this subsection shall be applied by substituting '$150,000' for '$200,000' with respect to a plan for any year if any employee's benefit under the plan would decrease were the $200,000 amount used by the plan instead of the $150,000 amount.''

(c) SIMPLIFIED EMPLOYEE PENSIONS.—Subsection (k) of section 408 of such Code is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

''(9) LOWER COMPENSATION LIMITATION IF BENEFITS DECREASE.—Paragraphs (3)(C) and (6)(D) shall be applied by substituting '$150,000' for '$200,000' with respect to a plan for any year if any employee's benefit under the plan would decrease were the $200,000 amount used by the plan instead of the $150,000 amount.''

(d) CERTAIN TAX-EXEMPT ORGANIZATIONS.—Paragraph (7) of section 505(b) of such Code is amended by adding at the end the following new sentence: ''The preceding sentences of this subsection shall be applied by substituting '$150,000' for '$200,000' with respect to a plan for any year if any employee's benefit under the plan would decrease were the $200,000 amount used by the plan instead of the $150,000 amount.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

SEC. 104. MATCHING CONTRIBUTIONS NOT TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS UNDER TOP-HEAVY PLAN RULES.

(a) IN GENERAL.—Subparagraph (A) of section 416(c)(2) of the Internal Revenue Code of 1986 is amended by striking the last sentence.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after the date of the enactment of this Act.

TITLE II—RESPONSIBLE CORPORATE GOVERNANCE

SEC. 201. PERFORMANCE-BASED COMPENSATION EXCEPTION TO $1,000,000 LIMITATION ON DEDUCTIBLE COMPENSATION NOT TO APPLY IN CERTAIN CASES.

(a) IN GENERAL.—Paragraph (4) of section 162(m) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(G) CERTAIN FACTORS NOT PERMITTED TO BE TAKEN INTO ACCOUNT IN DETERMINING WHETHER PERFORMANCE GOALS ARE MET.—Subparagraph (C) shall not apply if, in determining whether the performance goals are met, any of the following are taken into account:

''(i) Cost savings as a result of changes to any qualified employer plan (as defined in section 4972(d)).

''(ii) Excess assets of such a plan or earnings thereon.

''(iii) Any excess of the amount assumed to be the return on the assets of such a plan over the actual return on such assets.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 202. INCLUSION IN GROSS INCOME OF FUNDED DEFERRED COMPENSATION OF CORPORATE INSIDERS IF CORPORATION FUNDS DEFINED CONTRIBUTION PLAN WITH EMPLOYER STOCK.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 409A. DENIAL OF DEFERRAL FOR FUNDED DEFERRED COMPENSATION OF CORPORATE INSIDERS IF CORPORATION FUNDS DEFINED CONTRIBUTION PLAN WITH EMPLOYER STOCK.

''(a) IN GENERAL.—If an employer maintains a defined contribution plan to which employer contributions are made in the form of employer stock and such employer maintains a funded deferred compensation plan—

''(1) compensation of any corporate insider which is deferred under such funded deferred compensation plan shall be included in the gross income of the insider or beneficiary for the 1st taxable year in which there is no substantial risk of forfeiture of the rights to such compensation, and

''(2) the tax treatment of any amount made available under the plan to a corporate insider or beneficiary shall be determined under section 72 (relating to annuities, etc.).

''(b) FUNDED DEFERRED COMPENSATION PLAN.—For purposes of this section—

''(1) IN GENERAL.—The term 'funded deferred compensation plan' means any plan providing for the deferral of compensation unless—

''(A) the employee's rights to the compensation deferred under the plan are no greater than the rights of a general creditor of the employer, and

''(B) all amounts set aside (directly or indirectly) for purposes of paying the deferred compensation, and all income attributable to such amounts, remain (until made available to the participant or other beneficiary) solely the property of the employer (without being restricted to the provision of benefits under the plan), and

''(C) the amounts referred to in subparagraph (B) are available to satisfy the claims of the employer's general creditors at all times (not merely after bankruptcy or insolvency).

Such term shall not include a qualified employer plan.

''(2) SPECIAL RULES.—

''(A) EMPLOYEE'S RIGHTS.—A plan shall be treated as failing to meet the requirements of paragraph (1)(A) unless—

''(i) the compensation deferred under the plan is paid only upon separation from service, death, or at a specified time (or pursuant to a fixed schedule), and

''(ii) the plan does not permit the acceleration of the time such deferred compensation is paid by reason of any event.

If the employer and employee agree to a modification of the plan that accelerates the time for payment of any deferred compensation, then all compensation previously deferred under the plan shall be includible in gross income for the taxable year during which such modification takes effect and the taxpayer shall pay interest at the underpayment rate on the underpayments that would have occurred had the deferred compensation been includible in gross income when deferred.

''(B) CREDITOR'S RIGHTS.—A plan shall be treated as failing to meet the requirements of paragraph (1)(B) with respect to amounts set aside in a trust unless—

''(i) the employee has no beneficial interest in the trust,

''(ii) assets in the trust are available to satisfy claims of general creditors at all times (not merely after bankruptcy or insolvency), and

''(iii) there is no factor (such as the location of the trust outside the United States) that would make it more difficult for general creditors to reach the assets in the trust than it would be if the trust assets were held directly by the employer in the United States.

''(c) CORPORATE INSIDER.—For purposes of this section, the term 'corporate insider' means, with respect to a corporation, any individual who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) PLAN INCLUDES ARRANGEMENTS, ETC.—The term 'plan' includes any agreement or arrangement.

''(2) SUBSTANTIAL RISK OF FORFEITURE.—The rights of a person to compensation are subject to a substantial risk of forfeiture if such person's rights to such compensation are conditioned upon the future performance of substantial services by any individual.''

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by adding at the end the following new item:

''Sec. 409A. Denial of deferral for funded deferred compensation of corporate insiders if corporation funds defined contribution plan with employer stock.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts deferred after the date of the enactment of this Act.

SEC. 203. INCLUSION IN INCOME OF CERTAIN DEFERRED AMOUNTS OF INSIDERS OF CORPORATIONS WHICH EXPATRIATE TO AVOID UNITED STATES INCOME TAX.

(a) IN GENERAL.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. UNREALIZED GAIN ON STOCK OPTIONS OF INSIDERS OF CORPORATIONS WHICH EXPATRIATE TO AVOID UNITED STATES INCOME TAX.

''(a) IN GENERAL.—In the case of a corporate insider of any expatriate corporation, the gross income of such insider (for the taxable year during which such corporation becomes an expatriate corporation) shall include as ordinary income the net unrealized built-in gain on options held by such insider to acquire stock in such corporation or in any member of the expanded affiliated group which includes such corporation. Proper adjustments shall be made in the amount of any gain or loss subsequently realized with respect to such options for any amount included in gross income under the preceding sentence.

''(b) DEFINITIONS.—For purposes of this section—

''(1) CORPORATE INSIDER.—The term 'corporate insider' means, with respect to a corporation, any individual who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation.

''(2) EXPATRIATE CORPORATION.—

''(A) IN GENERAL.—The term 'expatriate corporation' means the acquiring corporation in a corporate expatriation transaction.

''(B) CORPORATE EXPATRIATION TRANSACTION.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'corporate expatriation transaction' means any transaction if—

''(I) a nominally foreign corporation (referred to in this subparagraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly substantially all of the properties held directly or indirectly by a domestic corporation, and

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation.

''(ii) LOWER STOCK OWNERSHIP REQUIREMENT IN CERTAIN CASES.—Subclause (II) of clause (i) shall be applied by substituting '50 percent' for '80 percent' with respect to any nominally foreign corporation if—

''(I) such corporation does not have substantial business activities (when compared to the total business activities of the expanded affiliated group) in the foreign country in which or under the law of which the corporation is created or organized, and

''(II) the stock of the corporation is publicly traded and the principal market for the public trading of such stock is in the United States.

''(iii) PARTNERSHIP TRANSACTIONS.—The term 'corporate expatriation transaction' includes any transaction if—

''(I) a nominally foreign corporation (referred to in this paragraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly properties constituting a trade or business of a domestic partnership,

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former partners of the domestic partnership or related foreign partnerships (determined without regard to stock of the acquiring corporation which is sold in a public offering related to the transaction), and

''(III) the acquiring corporation meets the requirements of subclauses (I) and (II) of clause (ii).

''(iv) SPECIAL RULES.—For purposes of this subparagraph—

''(I) a series of related transactions shall be treated as 1 transaction, and

''(II) stock held by members of the expanded affiliated group which includes the acquiring corporation shall not be taken into account in determining ownership.

''(v) NOMINALLY FOREIGN CORPORATION.—The term 'nominally foreign corporation' means any corporation which would (but for this subparagraph) be treated as a foreign corporation.

''(3) NET REALIZED BUILT-IN GAIN.—The term 'net unrealized built-in gain' means, with respect to options to acquire stock in any corporation, the amount which would be required to be included in gross income were such options exercised.

''(4) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group (as defined in section 1504(a) without regard to section 1504(b)).''

(b) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end the following new item:

''Sec. 91. Certain deferred amounts of insiders of corporations which expatriate to avoid United States income tax.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to corporate expatriation transactions completed after September 11, 2001, and to taxable years ending after such date.

SEC. 204. GOLDEN PARACHUTE EXCISE TAX TO APPLY TO DEFERRED COMPENSATION PAID BY CORPORATION AFTER MAJOR DECLINE IN STOCK VALUE OR CORPORATION DECLARES BANKRUPTCY.

(a) IN GENERAL.—Section 4999 of the Internal Revenue Code of 1986 (relating to golden parachute payments) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) TAX TO APPLY TO DEFERRED COMPENSATION PAID AFTER MAJOR STOCK VALUE DECLINE OR BANKRUPTCY.—

''(1) IN GENERAL.—For purposes of this section, the term 'excess parachute payment' includes severance pay, and any other payment of deferred compensation, which is received by a corporate insider after the date that the insider ceases to be employed by the corporation if—

''(A) there is at least a 75-percent decline in the value of the stock in such corporation during the 1-year period ending on such date, or

''(B) such corporation becomes a debtor in a title 11 or similar case (as defined in section 368(a)(3)(A)) during the 180-day period beginning 90 days before such date.

Such term shall not include any payment from a qualified employer plan.

''(2) CORPORATE INSIDER.—For purposes of paragraph (1), the term 'corporate insider' means, with respect to a corporation, any individual who is subject to the requirements of section 16(a) of the Securities Exchange Act of 1934 with respect to such corporation.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to cessations of employment after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 451, the gentleman from Massachusetts (Mr. NEAL) and the gentleman from Ohio (Mr. PORTMAN) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. NEAL).

□ 1230

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of our Democratic substitute and in opposition to H.R. 4931. This Congress should and can do more to help those workers who were practically left out of the pension bill last year. The gentleman from Ohio knows that my objections really have been fairly narrow largely based upon who is in and who is out of their proposal.

While we are providing these important retirement incentives for the rank and file, we should also try to clean up some of the abuses that have come to light since the demise of Enron and other fallen corporate giants. That is why this Democratic substitute makes significant strides forward for corporate responsibility, which, in the end, by the way, only helps corporations, provisions that are absent in the Republican bill.

Regarding our corporate governance provisions, we must address the issue of corporate expatriates who relocate offshore to avoid paying U.S. taxes. Currently when a company moves to Bermuda, shareholders are subject to a capital gains tax when they trade their U.S. shares for foreign shares. Corporate executives, such as Stanley's John Trani and Tyco's Dennis Koslowki, on the other hand, are not required to recognize accrued gain on their stock options. What our substitute does is to require that executives of corporate expatriates are taxed on the accrued gains on their stock options. It is only fair for these executives, who are picking the pockets of the American taxpayer to the tune of $4 billion, to feel some of the pinch.

And what are the reasons that these changes have occurred for people at the low end of the spectrum, and why they do not receive the same benefits as the people at the top end are receiving? It is elementary. After the people at the top exhaust all of the money and set up loans for themselves, by the way, interest-free loans of millions and millions of dollars, there is no money left for the people at the bottom.

How many more abuses can we read of, how many more times do we have to be witness to what is happening to the people at the bottom end of the pension rung? The reason we are trying to change, I am not saying we are trying to change, but the other side is trying to change these pension rules, is to give more to the people at the top. I ask, as I have repeatedly on this floor, can we, can we, can we in this Congress do anything more to help the wealthy? I tell you that when the closing days of this Congress occur, the slogan of this Congress is going to be ''We are rich, and we are not going to take it anymore.''

How many times can we come to the assistance of those at the top, even in the face of the headlines we read day after day after day? Homes on Nantucket the shareholders had no idea of, loans of $20 million and $25 million that are interest free, and the boards of directors of these corporations respond by saying, ''I had no idea. I had no idea this was happening.'' Then the company goes under, the shareholders lose everything, and the board of directors have insurance to cover their problems.

We look at Enron. We look at Enron in this institution, where employees are encouraged to buy stock, told by company rules they cannot unload the stock that they have, at the same time the heads of the corporation to the person sell off the stock. It is astounding what we witness here. It is as though it is amnesia when we move down the road on these topical challenges.

What this substitute does today is to require that executives of corporate expatriates are taxed on the accrued gains of their stock options. It is only fair, and I know that is a word that we do not use around here, because who wants to be fair to these folks when we can be favorable to them? They are picking the pockets again of the American taxpayer to the tune of $4 billion. Is it not okay that they feel some of the pinch?

Second, the substitute closes the loophole surrounding executives' nonqualified deferred compensation plans. These plans are specifically designed to be out of the reach of creditors during bankruptcy. During bankruptcy.

What do we say to those people at Enron? Who covered them during bankruptcy, when they lost everything? But there is never any money left to take care of those people.

One of the things I pride myself on, Mr. Speaker, is where I grew up. We were not into stock options, and we were not into pension plans and sophisticated tax planning. But you know what, Mr. Speaker? There is not one guy I grew up with that would have stood by and watched what happened at Enron. They had far too much honor. And we should not be defending those practices in this wonderful old House.

Now, third, there are some executives who manipulate pension plans in order to create illusory cost savings. Well, we have all read about what these cost savings mean and how they are done. These phantom savings allow executives to meet performance goals which, by the way, they quickly retreat from, and then they receive large tax deductible bonuses. Tax deductible bonuses.

Well, the Democratic substitute demands today accountability from these companies and their executives by ensuring that tax deductible bonus pay is not, not, based on pension plan manipulation.

Finally, and I hope we can all listen to this, finally this week it was revealed that 100 Enron executives reaped $330 million in severance pay at the same time the employees saw their retirement plans, their job security, their investment plans wiped out. Their retirement plans are gone. And what do we want to do here today? More for the people at the top by this proposal that the Republicans are offering.

These executives were rewarded for sinking the company and bad behavior. Well, the substitute that we offer today addresses this issue by applying an excise tax on the executives' golden parachutes when they have steered the company and the employees down with the Hindenburg.

Now, let me, if I can, and the gentleman from California (Mr. MATSUI) or anybody else may if they would like to say something, let me turn to some of the changes we have made to improve and reform the pension provisions in the underlying bill. That is really what we are trying to do, to improve the bill.

First, the original bill included a saver's credit, which is a nonrefundable

tax credit, of up to $1,000 for lower-wage workers. For no apparent reason, this is the only provision, and, let me repeat, this is the only provision that will not be extended by the Republican bill. Why would we want to kill the only incentive for lower-wage workers before it even gets off the ground? The Democratic substitute today will make this essential provision for low- and moderate-income workers permanent, along with the rest of the bill.

Second, the Republican bill, unfortunately, raised the compensation limit for pension contributions from $170,000 to $200,000. This allowed highly paid executives to secure their pensions while they were granting smaller company contributions to their employees.

There has been some discussion over the last few years as to whether this provision and the next one harms average workers. I and many others believe they do. Because of that, the Democratic substitute today attempts to protect workers by preventing the higher compensation limit from lowering the benefits to rank and file workers.

Third, the underlying legislation weakened the top-heavy rules. These commonsense rules ensure that a minimum benefit is contributed on behalf of the rank and file workers in order for executives to participate in their tax deferred plans.

Why would we want to weaken these fairness rules? Our substitute reinstates these rules and closes loopholes by preventing companies from double counting contributions.

Now, Mr. Speaker, when we get on a bit more in this debate this afternoon, I am going to provide an opportunity, the first of many, but I guarantee an opportunity, before this session closes, to have Members of this Congress vote on these companies that are moving to Bermuda so they can avoid paying American income taxes.

We are going to have a chance once and for all to follow the lead of the Senate, when it is the House, by the way, that is supposed to lead on those issues, to take on the issue and put our fingerprints on the Bermuda question.

We are going to sponsor a Bermuda Day here in the near future. We are going to get a vote on that issue before this session closes. In all the time, words and stories that we have generated on the issue of Bermuda, I wish to tell you I have received one letter against my position. One letter.

I would lay down the same gauntlet that I have done in the past. Put our Bermuda bill on the floor, put a Bermuda bill on the floor, and I guarantee you 300 votes to do something about these companies moving to Bermuda to escape American taxes.

At the same time that President Bush is rightly asking for a $38 billion homeland security program, at the same time we are prepared to debate $48 billion more of defense spending, who is going to pay for it? We do not want to help these people with their pensions, but we want them to pay their taxes so they can support the defense buildup.

The motion to recommit we are going to entertain later on, Mr. Speaker, is going to include the first vote on Bermuda. We are going to set aside ample opportunity during the course of the remaining days of this session for this House to be recorded on how people feel about Bermuda.

I must tell you that in this debate, in this debate today, this is not an effort at any sort of class warfare as much as it is the essential argument over what constitutes fairness in American life, how we come to the aid of those kids that are over in Afghanistan, how we come to the assistance of those who sacrifice every day. If we are in a war, it is a question of national purpose, and we all rally around the challenge that is in front of us. My fondest hope is that wisdom will prevail in this institution and we will have an opportunity to vote on Bermuda.

Mr. Speaker, I reserve the balance of my time.

Mr. PORTMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I guess I rise primarily in opposition to it because it is not a substitute. The underlying bill has to do with extending these provisions of law that were passed by over 400 votes here in the U.S. Congress to allow people to save more for their retirement.

The substitute strays far afield from pension policy. We just heard about it. It has to do with Bermuda, it has to do with executive compensation, it has to do with corporate governance. I would hope that we could stick to a debate over the pension issues, but I guess because that is not as partisan an issue as some of these other ones during an election year, we are going to get into this other stuff, and that is fine. But it is not a substitute to the underlying bill.

Also it is important to note that the House has considered many of these issues already. I have heard three or four times now again that we have never considered this. We just passed a corporate governance bill on the floor of the House. Recently we passed a post-Enron pension bill, correcting many of the problems that were uncovered in the Enron situation and other situations, again on a bipartisan basis, in this House.

Finally, these provisions that the gentleman just talked about are very far-reaching. Talk about complex, we spent 5 years, had a lot of hearings, a lot of vetting of the pension provisions that the gentleman and many Members are just now deciding they now understand and they are changing their minds on, but these have not been vetted. These have not been subject to hearings. These have not had the kind of time and effort into them that are very important to be sure we are not going to increase the number of companies that leave our shores, increase the number of companies that are leaving their workers behind, increase the number of companies removing good white collar jobs out of this country.

That could happen with some of this if we are not careful about that, because under our international tax laws as they are currently constructed, there is a disadvantage to being a U.S. company. We need to change that to be sure these companies stay in the United States. We do not want to do something, although well intended and inadvertent, that could encourage more companies to go offshore, particularly to get bought out by foreign companies, as was the case with DaimlerChrysler.

Now, there are a few provisions, three that I have been able to identify in looking at the substitute, that do relate to the underlying pension bill.

□ 1245

I will tell you this afternoon I believe that these provisions that relate to the complexity and to the burdens which have been discussed earlier will harm the very workers you say you want to help. Why do I say that? Because what we do in a very rational way, a very moderate way, is go into these rules and complexities and try to deal with some of the incredible burdens that small companies face when they are trying to put together a pension policy.

The top-heavy rules are in addition to the nondiscrimination testing rules. Again, President Clinton's advisory group said repeal them. The small business community said repeal them. We said, no, we want to make sure that this bill is fair.

Fairness is about providing retirement security to low-income workers. That is what this bill is all about. You want to go in here and add those burdens and regulations back on. You want to discourage matching contributions, which I do not get. Why would you not want workers to be able to get matching contributions from their own employer rather than just putting their own money into 401(k)s? I do not understand why you would want to go back to the bad old days.

We talked about it earlier. For 20 years this Congress did all it could to discourage pensions by increasing burdens, costs and liabilities, and decreasing the benefits and the contribution levels. All we do in our legislation is go back to where we were in the 1980s when the Democrats controlled this House, where we had higher contribution levels, and we begin to give people some relief because what has happened is pension coverage, particularly defined benefit coverage, has been reduced dramatically through this combination of adding more burdens and decreasing the benefits in pension plans. I thought last year with a vote of more than 400 from this House we had finally decided to reverse this trend. Now you want to go back to the bad old days.

So I encourage strongly my colleagues on both sides of the aisle to reject this substitute not because it is

not well-meaning, not because there are not very important issues being discussed here on corporate governance, on executive compensation, and so on, but because they are not related to this underlying bill, they have not been vetted as the underlying bill has been vetted.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I believe that the gentlewoman from California (Ms. PELOSI), the Democratic leader, is here, and I yield 2 minutes to her.

Ms. PELOSI. Mr. Speaker, I rise in support of the substitute and commend the gentleman from California (Mr. MATSUI) for his leadership on this very important issue.

Mr. Speaker, if we have learned anything from Enron, Arthur Andersen and others, it is that some corporations do not act in the best interest of investors, consumers, and even of their own employees. We certainly do not paint all businesses with the same brush, but we must act to restore confidence in our financial system and in the stock market.

The Republican leadership has ignored the issue of corporate malfeasance. What little they have done to address the Enron crisis has actually weakened current law protecting employee pensions. The Democratic substitute on the floor today offers common-sense protections and reforms. It ends the practice of giving executives golden parachutes while workers in the companies they helped bankrupt are left to crash to the ground. The Democratic legislation would keep tax dollars from disappearing into the Bermuda Triangle by barring corporations from creating shell corporations in Bermuda or other offshore locations.

Under the Democratic bill corporate executives could no longer be able to protect their retirement benefits while leaving employees with worthless stock, and the Democratic bill would help moderate and low-income individuals plan for their futures by extending a tax credit that encourages retirement savings.

Mr. Speaker, those who oppose reform claim that in reigning in corporate excess, we will stamp out the entrepreneurial spirit that makes this country great. Coming from California where the entrepreneurial spirit is in the air and in the water, I see that the spirit to innovate, originate, and invent will not be crushed by a ban on lying, cheating, and stealing.

One of our Founding Fathers, James Madison, once noted that ''if all men were angels, no government would be necessary.'' Every day we see in the headlines that we are not angels. We in Congress have a responsibility to protect hard-working Americans. The Democratic substitute does just that, and I urge my colleagues on both sides of the aisle to support this common-sense substitute and oppose the underlying bill.

Mr. PORTMAN. Mr. Speaker, I yield 3½ minutes to the gentleman from Louisiana (Mr. MCCRERY), who is chairman of the Subcommittee on Select Revenue Measures of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the bill that is on the floor today has everything to do with retirement planning, with the average employee of a company, whether it is a big company or a small company in this country, being able to plan with some certainty his retirement benefits. It has nothing, nothing to do with Enron, corporate inversions, companies moving to Bermuda; nothing.

This bill that we are debating today and that we are trying to make permanent in the Tax Code is for the average worker in this country. We have heard the statistics today: Two-thirds of IRAs are held by people with incomes averaging less than $50,000 a year. We are not talking about fat cats, we are not talking about rich executives, we are talking about common people who are struggling to put aside something so that they will have some security in retirement.

The underlying bill gives those average people some added tools to use to supply that security. That is what we should be really, frankly, not even debating; that is what we should be confirming with our votes today, just as this House did on a bipartisan basis several months ago with votes from this House of over 400 of our 435 Members. Really, this should be a rubber stamp today. We should just meet and say, gosh, that Senate rule that created this 10-year sunset is nuts, and we ought to say, Senate, use your 60 votes to overcome that silly rule, and let us make this good legislation that we passed on a bipartisan basis permanent.

That is what we should be doing today, but instead, some are taking advantage of the generosity of the Committee on Rules in giving 60 minutes of debate time to a substitute by the other side and then a motion to recommit. They are taking advantage of that generosity to highlight issues that they think are going to have some value from a political sense. That is fine. We are all in politics; we are in government, we are all politicians. But the audience, the public, whoever might be listening to this ought to know that is what is going on. It has nothing to do with the underlying bill. The underlying bill is good. Over 400 of us agree with that, and probably today, a lot of us, maybe not 400, but a lot on both sides, are going to vote to confirm that.

But I am the chairman of the Subcommittee on Select Revenue Measures of the Committee on Ways and Means. The chairman of the full committee, the gentleman from California (Mr. THOMAS), has asked me to work with the gentleman from Massachusetts (Mr. NEAL) and to work with the gentleman from New York (Mr. MCNULTY), who is the ranking member of my subcommittee, to address some of the issues that the gentleman from Massachusetts (Mr. NEAL) has brought up in the substitute of the gentleman from California (Mr. MATSUI), and I agree with the gentleman.

I agree with the gentleman that there are problems in the Tax Code and in other parts of our Nation's laws with respect to those issues that he brought up. I want to work with him and others to solve some of those problems. We are going to have our first hearing on corporate inversions next week in my subcommittee. The gentleman is on my subcommittee, and I am glad he is on there. He has introduced some legislation which I think has some merit; it has also some problems, and those are the kinds of things we are going to discuss at a hearing setting, which is where we should do it, not on the floor of the House on an unrelated bill.

Mr. Speaker, I urge adoption of the underlying bill and rejection of the substitute.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The Chair would remind Members to refrain from inappropriate references to the Senate or its procedures.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I have great regard for the gentleman from Louisiana (Mr. MCCRERY). He is a bright guy and a very capable guy here. But I must tell my colleagues this: In 14 years here I have not heard a substitute referred to as the ''generous spirit'' of the majority toward the minority. This is an elementary legislative courtesy that we are supposed to extend to each other. That is why the House is constructed the way it is, unlike the European system where they face each other. This is done so that we can look at each other and at the same time listen to each other. I hope that we are not at the point of in this session where getting a substitute is generosity.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I was an original cosponsor of the underlying bill, and I support the underlying bill. I think it makes a lot of sense. I think it is a bill about investment rather than consumption. While I have very deep concerns and opposed the 2001 tax cut, and I think it is undeniable that the reason we are back in deficits now and not paying down the national debt is because, in large part, of that tax cut. I happen to think that it is good public policy to extend it.

But I am going to support the substitute that the gentleman from Massachusetts offers for one reason in particular. I want to reference what the gentleman from Louisiana just said.

As a lot of Members know, I am not going to be on the ballot in November, so I do not have a political issue that I am particularly concerned about. I am concerned about good public policy. I am deeply concerned about what is going on in corporate America today and its impact on our general economy. Today in Bloomberg's Financial News, there is a story about global fund managers who are moving out of U.S. stocks and bonds and into European and Asian stocks and bonds. The principal reason for doing that is because they are concerned about the continuing crisis in corporate governance in America. I will read a quote from one of the bond managers who says, ''Post-Enron, investors are searching for simple businesses they can understand without aggressive accounting policies.''

Now, Mr. Speaker, I have been involved in some of the corporate governance bills, and I hope to be involved with them as we move forward, and I think there is a lot to do. I think the Congress is still playing catch-up to where the exchanges are, to where the New York Stock Exchange went the other week with the proposal that they put out, and I think we have to do a lot more to restore confidence in our markets.

America has the most efficient, transparent, dynamic markets of anywhere in the world, but they are in trouble today, and, as a result, they are creating a malaise over our general economy, which means our recovery will be weak, which means our unemployment will stay high, and it means that shareholders, the American people, will be the ones that suffer.

That is why I support the substitute of the gentleman from Massachusetts. It is the right thing for the Congress to make a statement on that today, and I hope that the House will follow suit and pass it.

Mr. Speaker, the bill before us today, H.R. 4931, deserves consideration by the House because of its potential benefit to the long term health of the economy. While I remain deeply concerned about the overall direction of the nation's fiscal policy and return of deficits, due in large part to the 2001 tax cut, the underlying bill, originally known as Portman-Cardin of which I was an original cosponsor, is aimed toward increasing savings which would have both fiscal and monetary benefits in the long run. Furthermore, while there is merit in the argument that the provisions contained in this bill will not be repealed for nine years providing ample time to consider an extension in conjunction with our complete fiscal policy, these provisions are about savings, not consumption and long term in nature. Retirement planning is planning for the long term and thus we should establish long term policy. That was our intent when the House adopted this legislation in 2000, long before the 2001 tax cut. Additionally, compared to the exorbitant costs of previous permanent extensions of the 2001 tax cut, this bill's long term cost is a mere $6 billion.

The underlying focus of the Portman-Cardin bill was to increase incentives for Americans to save. For the past several years, our nation has had a net negative savings rate which curtails our ability to have long term economic growth. In addition, a low or negative savings rate means that most Americans are not fully prepared for retirement at the same time that we know Social Security is facing financial and demographic pressures. I truly believe we should establish policies which encourage increased long term savings by individuals. In particular, we should work to encourage such savings among middle and lower middle income Americans, who are less likely to do so because of less disposable income. Providing monetary incentives can result in greater savings among these groups. The bill as enacted dramatically increases the amounts individuals and families can save tax free in individual retirement accounts and thrift savings plans like 401(k) accounts. It eases transfers among public sector thrift savings plans to private sector plans and corrects deficiencies in labor union sponsored 415 plans.

Portman-Cardin also included a provision authored by Representative BLUNT and myself to increase the availability of thrift savings plans to small businesses employing 100 or less people and self employed individuals. Historically, employees of small businesses are less likely to have the benefit of an employer sponsored thrift savings plan. In fact, only 21 percent of all individuals employed by small businesses are likely to have an employee matching plan compared to 64 percent of larger employers. Our bill, which was incorporated into Portman-Cardin, streamlined regulation and eased the creation of employer matching plans for employees. The bill allowed such employers to establish qualified small employer pension plans and requires employers to match employee contributions. While much has been said about the bill's repeal of ''top heavy'' rules limiting benefits to senior management, it remains our intent to ensure that such rules while well intentioned did not serve as an impediment for small employers to set up any plan at all. Furthermore, we should remember that under such qualified plans, the employer must match employee contributions.

I also understand the concern posed by my colleagues that the bill before us today does not extend the small saver tax credit, which I strongly support. This provision was originally designed as a five year pilot and was not subject to sunset due to Senate rules as other provision of the 2001 tax cut were. So, while that was not the intent of the original bill, I am pleased that the Democratic substitute would extend this provision because I believe it will also yield increased savings among lower income Americans.

Mr. Speaker, while I support the underlying bill, I intend to support the Democratic substitute offered by Mr. NEAL because I believe the Congress needs to make a stronger statement on the conduct of corporate executives who have abused the trust of their employees and shareholders at the expense of market confidence. I don't think anyone doubts that our equity markets and economy are suffering in part from a malaise associated to the excesses of a number of high profile corporations and their leaders, be they Enron, Xerox, Tyco or Adelphia. Not a day goes by that another accounting restatement is issued or an SEC investigation commenced. As corporate executives are shown the door by their boards of directors, all too often they are leaving with a hefty sum, while stockholders and employees are left paying the till. Market confidence has been damaged in this country, and now we are beginning to see the signs that foreign investors too are becoming skeptical of investing in our public companies. Just this morning, Bloomberg Financial News reported that foreign investors are moving out investments in U.S. companies because of concern over corporate governance and accounting accuracy. Given the size of our current account deficit, a decline in foreign investment will have detrimental effects on our long term growth. As the world's strongest, most transparent and dynamic economy, we must not allow the acts of a few to wreak damage on us all. Yet if we fail to act, we will continue to suffer a loss of confidence which will be felt not just in the corporate board rooms but in pension plans and the general economy. I think that the substitute includes important provisions which hold corporate executives accountable, if not putting them on par with other shareholders and their employees. Given that the exchanges and major investors have already begun to take such steps, so too should the Congress.

Therefore, Mr. Speaker, I support the substitute because of its statement on the need for improved corporate accountability. But, let me be clear to my colleagues, whereas I remain concerned about the budget busting effects of the 2001 tax cut and attempts to extend some of the more expensive items contained within it, without any real plan to bring the budget back into balance, I support the underlying bill because rather than increase deficits and consumption, it will have the effect of increasing savings, and ultimately growth in the economy.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER), a Member of the Committee on Ways and Means.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I rise in strong support of the base bill, the Portman legislation, to make permanent the retirement savings provisions in what we call or label the Bush tax cut.

I am proud to say, Mr. Speaker, that there are good things in the Bush tax cut to help working middle-class families save for retirement. We are going to hear some partisan rhetoric on the other side, but the bottom line is, the question before us is, do we make permanent the opportunity to set aside more in a voluntary way for retirement, particularly in your 401(k) and in your IRA, and, if you are a building trades person, to be able to get more in your pension fund.

I would note in the legislation before us today that we increased the Bush tax cut from $2,000 to $5,000, the amount that one can set aside in an IRA. When this provision expires, we go back to $2,000. Also in the 401(k)s,

we increase from $11,000 to $15,000 the amount that can be set aside in the 401(k). If we fail to make it permanent, that is gone as well. Something that benefits those who I call the working moms or the empty-nesters is that we allow those age 50 and older to make an extra contribution to their IRA or 401(k). Someone in a 401(k) can add an additional $5,000. So if one is returning to the workforce when the kids are out of college, and you have a little extra money, you can make up those missed contributions when your income was a little less and you had a lot of expenses.

I also want to note that the building trades support making permanent the Bush tax cuts retirement savings provisions. They stand in support of this legislation. They have sent a letter to the gentleman from Ohio (Mr. PORTMAN) endorsing making permanent the Bush tax cuts provisions on retirement savings. The reason is because there is a provision there which helps millions, almost 9 million working middle-class building trades people, members of building trade unions, carpenters and laborers and operating engineers, cement finishers and others, electricians, who, because of the leadership of the House Republican majority, saw an artificial cap removed that essentially, in many cases, in the case of a constituent of mine, cut in half the pension that they receive.

□ 1300

We remove that cap, and they get the full pension they qualify for. In the case of Lori and Larry Kohr, their pension goes from $20,000 to almost $40,000, doubling the amount they have; and it is what they deserve because of the hours they work.

Let us make the Bush tax cuts and the retirement savings permanent, and set aside the partisan rhetoric. Let us vote in a bipartisan way.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 1¾ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, H.R. 4931 is made to help the rich get richer. Seventy-seven percent of the tax reductions in the bill will go to the wealthiest 20 percent of Americans. H.R. 4931 allows executives to be rewarded for cutting rank-and-file pension benefits. It continues to allow executives to evade taxes on stock options when the company moves overseas in order to avoid taxes. It permanently extends benefits for the well-to-do, but selectively allows the only provision that applies to low-income workers to expire. So much for helping average workers.

Have the sponsors of H.R. 4931 learned nothing from the biggest bankruptcy in U.S. history that happened less than a year ago? Enron paid senior executives more than $744 million in cash and stock in the year up to the bankruptcy filing on September 2. Insider payments went to 140 top Enron managers. Enron set up a deferred compensation plan that allowed executives to contribute more, get guaranteed returns on their money, and get legal guarantees that these monies would be safe even if the company went bankrupt.

The CEO of Enron has a pension that will pay $475,000 each year for the rest of his life, and a prepaid $12 million life insurance policy. What about the employees? No special benefits, and 6,000 Enron employees lost their jobs and pensions. They had to go to court to claim $4,600, their minimal severance pay, which is capped by law.

The lack of a consistent set of rules between employees and executives is unfair, it is unjust, and it should be illegal. If executives faced the same risk as employees in their pension plan, they would have a vested interest in ensuring the plans are not empty during bankruptcy.

Our substitute would encourage parity between executives and employees by taxing deferred compensation benefits if deferred compensation plans have special legal protections in the case of financial distress. H.R. 4931 does nothing for the average American. H.R. 4931 represents a massive transfer of wealth from the hardworking rank and file employees to self-serving executives. Vote for the Matsui substitute.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Florida (Mr. FOLEY), a member of the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, today is an interesting day on the House floor, as the Democrats ladle hypocrisy from the caldron of cynicism and political rhetoric.

They are talking about a lot of issues other than the underlying issue. They are bringing up names like Tyco and Enron. I notice an absence of any mention of union pension funds that have been looted fraudulently by their own leaders. Do not accuse their advocates and allies of those kinds of crimes. Do not bring them up. Let us deflect the issue of the importance of this bill.

This bill is important, important to millions of Americans. It is about portability. H.R. 4931 will ensure that these reforms remain in place and that the barriers to pension portability do not return.

Under the bipartisan provisions of this bill, which were developed by my colleague, the gentleman from North Dakota (Mr. POMEROY), workers for the first time will be able to move retirement benefits between the different varieties of retirement plans offered by for-profit, not-for-profit, and State and local government employees.

In a provision especially important to public school teachers and other State and local employees who move between different States and districts, the tax law allows these workers to use the savings in their 403(b) and 457 plans to accrue greater pension benefits in the States in which they conclude their careers.

Mr. Speaker, provisions that this bill make today will make permanent to allow millions of Americans to keep more of their retirement savings in one place by allowing them to roll their tax-deductible IRA funds into the workplace retirement plan. The portability reforms also allow any after-tax contributions to the workplace plan to be rolled into an IRA.

The provisions we want to make permanent also help workers build meaningful retirement benefits more quickly in today's mobile economy by reducing the period of time it takes for workers to take possession of the matching contributions their employers make to the 401(k) accounts. Under the 2001 tax law voted on by some 400-plus Members, employer-matching contributions will be vested either 100 percent after 3 years or in increments over 6 years.

For the sake of millions of American workers whose retirements will depend on the pensions they have worked hard to create, I urge my colleagues to support H.R. 4931 and reject the substitute.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to guarantee the gentleman from Florida (Mr. FOLEY), who is my friend, that I will verbally lacerate any union official or any union that steals any money from employees. But I hope we are not suggesting that what happened at Enron is akin to what has happened with unions here or there, where somebody has siphoned off money. At Enron, everybody at the lower end lost their pension benefits.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, there have probably been enough explanations of what is in this bill. The question really remains: Why should we deal with the gentleman from Massachusetts' proposal for some corporate governance changes?

I was reading the Bible recently, and I read in the second chapter of Luke about the fact that in the days of Caesar Augustus, everybody went to their home village to be taxed. That is how come Jesus' mother was riding on a donkey up the road 100 miles. The Roman Empire got unfair. It became unfair, and they had to tax everybody out in the bushes. Nobody was paying anything in Rome.

Well, we say, what does that have to do with us? Santayana said that if we do not learn from history, we are going to repeat it. We had the 1890s in this country, where the economy got way out of sight and we had a collapse. In the 1920s, we had the Roaring Twenties, and what did we get? We came right to the edge of going with the Soviet Union in communism. There was a lot of fear in this country. That is why when Franklin Delano Roosevelt, who was no great liberal, came into the Presidency, he said, hey, look, we have to make this place fair.

What we have done in the 1990s is go back to what we did in the 1890s and in the 1920s, and we are spreading out this country so that the people on the top have got all of it, or are getting more of it, I should say, and the people on the bottom are scraping to make it.

When somebody from the other side stands out here and says the fact that we dropped a little provision for people making $30,000 out of here is no big deal, they are talking about 50 percent of the people in this country. How can Members not want to be fair?

What is going on in Enron is not fair. If I cannot sell my stock because I work there, and the boss can sell his, that is not fair. That is why we are here. Members ought to vote for this proposal.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, I thank the gentleman for yielding time to me. I would like to speak in support of H.R. 4931 and against the substitute.

One of the key features of the bill, as far as I am concerned, is portability of pension benefits. In my previous occupation, the average term that anyone had at one school was usually 3 years. Sometimes they left because they wanted to; most of the time they left because people did not want them around anymore. So, as a result, we had a lot of people at the end of their coaching careers that had absolutely no retirement benefits left. These were not necessarily wealthy people. These were usually assistant coaches, sometimes high school coaches. So since their population was more mobile, I think this really applies to a large percentage of our population.

Secondly, I would like to mention the fact that I think this bill is particularly critical for our young people. Both parties, whether they are Democrat or Republican, are certainly going to see to it that the Social Security retirement benefits are there for those who are now retirees or those who are near retirement; but the future is not nearly as bright for those young people who are in their teens, in their twenties, or their thirties.

I think everyone can recognize over the next 30 years the proportion of retirees rises and the proportion of those paying Social Security taxes declines. Eventually we have a train wreck that is on the way. It is a pay-as-you-go system, so permanently increasing 401(k) and IRA limits is critical, particularly for our young people, because the main hope these young people have for any type of retirement security has to do with their long-term strategy, and 401(k)s and IRAs. So one cannot plan if the rules change in 8 or 9 or 10 years, particularly if one is a young person.

This is not a tax break for the rich. It is critical for our young people, it is good for the country, and I urge passage of H.R. 4931.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, several of our Republican colleagues have said quite forthrightly this morning that this bill has nothing to do with Enron, that it has nothing to do with those corporations that renounce America and move off to Bermuda. They are absolutely right in those statements. That is what is wrong with this bill. That is why we have a substitute, and every reason to vote for this substitute is a reason to vote against the underlying bill.

It is strange that Congress would meet today to solve a problem that is alleged to exist for people on New Year's Eve of 2010, instead of dealing with the problems that American families face today in 2002. But I think there is a friend of mine down in Austin, Texas, who understands why this is true. His name is Willy Nelson. He sang a song that goes, ''If you've got the money, honey, I've got the time.''

Let me tell you something: the people that ''got the money,'' they are the people who are running this Congress. They keep setting an agenda to help the privileged few at the top and ignore the corporate misconduct that has occurred in this country, much of which would never have happened had they not enabled it to happen with the bills they passed and the bills they held up in committee.

This Democratic substitute addresses a real 2002 problem, not some mythical concern out in 2010. It deals with those companies like Stanley Works, that my neighbor says ought to be called ''Stanley Flees.'' It deals with Fruit of the Loom, that runs off to the south, and we lose more than our shorts out of the deal, because they are dodging their taxes.

And yes, it provides this Congress and every Member in it the first opportunity to have a referendum on the words of the Republican majority leader this very week when he compared those corporations that renounce America to the ordinary taxpayer, and said, ''it is akin to punishing a taxpayer for choosing to itemize instead of taking the standard deduction.''

It is that kind of callous attitude that we need a referendum on today—whether we are going to defend those corporations that renounce America and refuse to hold up their responsibilities at a time of national need or whether we are going to protect employees.

Mr. PORTMAN. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from California (Mr. GALLEGLY), a real champion of IRA expansion.

(Mr. GALLEGLY asked and was given permission to revise and extend his remarks.)

Mr. GALLEGLY. Mr. Speaker, I am pleased to have the opportunity to speak today in support of the underlying legislation and in opposition to the substitute.

I want to thank the gentleman from Ohio (Mr. PORTMAN), the gentleman from Maryland (Mr. CARDIN), and the gentleman from California (Mr. THOMAS) for reporting a bill that provides permanent retirement security for all Americans by allowing people to put more money into a 401(k) plan or a traditional pension plan beyond 2011.

In addition, this important legislation will make permanent the provision of the Bush tax cut that increases IRA contributions. I have worked hard to enact legislation to increase IRA contributions for many years, which is so critical to retirement savings.

Mr. Speaker, middle-class Americans depend on traditional IRAs to supplement their retirement income. Seventy-two percent of people contributing to an IRA make less than $50,000 per year, and the average contributor earns approximately $30,000 per year. Many of these Americans do not have generous 401(k) plans or stock options to help them build a nest egg.

Prior to the enactment of last year's tax cut, inflation had cut the value of IRAs sharply since 1981, the last time IRA contributions were increased. Saving for retirement requires long-term planning. Individuals and families need to save for many years in advance of leaving the workforce.

Although the tax cut enacted last year will now gradually increase the IRA contributions to $5,000 by 2007, without further action by Congress, this increase will expire in 2011, and the amount people can contribute to their IRAs will revert back to $2,000.

□ 1315

After taking into account inflation, this amount will fall well short of what is needed to save for retirement. By increasing the IRA contribution limit and making it permanent, we provide families with a certainty needed for their long-term retirement planning.

I strongly urge my colleagues to pass this measure.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. LEVIN).

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, let me try to be clear what disturbs so many of us. First of all, my colleagues are making all of this permanent. There is a kind of rush to rashness, and therefore, they are really doing something that is illusionary. They are digging this fiscal hole so deep that what they have made permanent will have to become temporary. The fiscal situation simply will not, in the end, allow this.

Secondly, it is so one-sided. They are making permanent the provisions that relate not only to the higher income, the predominantly higher-income people, but when it is comes to the saver credit, they do not want to do that. They say it needs further study. So for those provisions that benefit lower-

and middle-income families predominantly, they want something that is temporary, something that needs further study, but when it comes to a tax break that will benefit mostly the wealthy and the very wealthy, like the estate tax, or, in this case, predominantly to those who are better off, they say they want to make it permanent.

So, therefore, there is a natural question raised: Whose side are my colleagues on? That is why the issue of Enron, that is why all of these issues come up, because when it comes to breaks for the very, very wealthy, they say they are either silent or permanent. When it comes to helping the typical family, they say, well, we better study it more.

That is the essence of our objection, our vehement objection, to what they are doing and why we support the substitute and so many people are going to vote no on final passage.

Mr. PORTMAN. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. RYAN), my distinguished colleague on the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me the time, and I thank the gentleman from Ohio for all his hard work on this issue.

We have heard a lot of different issues being brought to the floor today. We have heard the issues surrounding Enron. Well, I would like to inform my colleagues that we passed two pieces of comprehensive legislation dealing with Enron already in this Congress on the floor of the House.

We have heard about a very valid issue of inversions, a new issue of inversions, which we are working on hopefully in a bipartisan way on the Committee on Ways and Means to address.

What this issue is about today is about retirement, and I think in a valid point that has not been made, it is about our current economy. Mr. Speaker, the real economy is growing quite well right now. New housing starts are doing really well. Manufacturing is getting back on its feet. The real economy is growing except for the equity markets. Our stock market is very shaky right now, and if our stock market continues to be shaky going on for another 6 months, that is going to hit consumer confidence, and that is going to take a real pound of flesh out of our economy. So we have a problem in this economy, and that is that the equity markets are not responding well, and we may have some real problems that are going to hit consumer confidence in this economy if we do not respond.

This issue that we are dealing with today speaks directly to our equity markets. Twenty-six percent of our equity markets are held by pension assets. Twelve percent of our taxable bond markets are held by pension assets. This issue speaks to the whole entire issue of retirement security, of pensions, of letting people save for their retirement, and the uncertainty in the tax law is creating uncertainty in our equity markets.

When the vast majority of bondholders and stockholders do not know what the tax laws are going to be 8 years from now, that is producing a lot of uncertainty in our equity markets. For example, IRAs in 8 years, if this legislation does not pass, are going to be cut by 50 percent; 401(k) plans which we are trying to encourage, are going to have to be cut back by a third in 8 years if this legislation does not pass. So it really is a matter of life or death for a lot of retirees. It is really a matter of whether we are going to get our economy on its feet and revive our struggling equity markets or not.

So I urge that we focus on the issue at hand, that we pass this issue before us, and, Mr. Speaker, that we deal with these other issues that we need to be dealing with when that legislation comes to the floor.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, I just have to say that it is almost like Alice in Wonderland on the floor of the House, or perhaps it is like the Ringling Brothers Circus where we are in the well here, and the audience is all watching us and the animals and the elephants and donkeys and everyone else.

What we are really talking about here, this is not going to have any impact on the stock market. This legislation does not even take effect until 2011, 2011. That is what is so ironic, and our substitute, which is the same thing, would handle everything that the gentleman from Wisconsin, the previous speaker, was talking about. We take care of IRAs, we take care of 401(k)s, we do something on the 415. All that is in our bill. So vote for our bill, and we could take care of all kinds of things, but they did not want to do that. What is really ironic, it will not have any impact until 2011.

On the other hand, when we talk about Enron Corporation and the fact that 100 Enron executives took $330 million just before they filed bankruptcy, when we talk about companies going offshore to Bermuda, setting up a post office box, still having all of their work in the United States, but saving hundreds of millions of dollars in taxes, we want to close that loophole, they say we are being political. They say, well, we are being political.

I have to say that I think we are trying to address the real problems of America. What I think is absolutely astonishing is that after the Enron crisis last December, 7 months ago, we have three problems: One is corporate governance, one is pensions, and one is accounting standards. We have not touched any of them in this body. We have not done anything to deal with the Enron Corporation. Instead, we want to pass a pension bill that will not take effect until 2011.

I wonder what the American public thinks of us. No wonder the American public believes that Congress is somewhat irrelevant today.

I have to say, Mr. Speaker, in closing, that unless we come to grips with the real problems facing America, the market is going to be sluggish. The economy is not going to revive itself because there is no transparency in corporate America today. We do not know in corporate America today whether or not companies are solvent or not solvent. That is why there is a lack of confidence, but this bill, 2011 does not even come close to addressing that issue.

We just spent 3½ hours on this bill that will not take effect until half the Members of this institution are totally gone. This is unbelievable. It is Alice in Wonderland. Vote for the Neal substitute and vote against final massage to show the American public that we are not going to stand here and take this kind of nonsense.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). Visitors in the gallery are reminded they are here as guests of the House and are not to show favor or disfavor.

Mr. PORTMAN. Mr. Speaker, I yield myself such time as I may consume.

I strongly urge my colleagues to vote no on this substitute and yes on the underlying bill. First of all, the substitute, as we said earlier, really has very little to do with what we are talking about here today, which is the retirement security. It deals with corporate governance, it deals with executive compensation, it deals with inversions. It deals with a lot of other issues, but it strays far afield from pension policy and does not relate to the underlying bill that we are trying to make permanent.

Second, the House has already considered a number of bills in this regard. I do not know where the gentleman was a month ago when we passed the post-Enron reforms with regard to pensions. It was done on a bipartisan basis. I do not know where he was a month ago when we voted in this House on legislation regarding corporate governance. The Senate has not voted yet, that is correct, but the House has acted.

Could we do more? Quite possibly. Maybe we should subject some of these issues to some hearings and some vetting from the public, try to hear from people who, as we did with the pension reforms on the underlying bill, we spent 5 years getting good testimony from all around the country.

So we have considered legislation. The one that has worked its way in the substitute are very complex, very far-reaching. Although well-intended, they may have inadvertent consequences that would be just the opposite impact of what we hoped, which is to keep

American companies here on our shores.

Finally, with regard to the pension provisions, and I think there are three of them as I look at the substitute, two of them relate to reducing the burdens and liabilities that we have in the underlying bill. It takes us back to the bad old days where we were adding more burdens and liabilities. It actually decreases one of the compensation levels to below the amount it was during the 1980s when the Democrats put the limit up. We do not even increase it up to where it was in the 1980s when the Democrats were in control of this House and the Committee on Ways and Means.

The other one discourages matching contributions. Why would my colleagues want to do that? We want people who are involved in pensions to have more contributions from the employer into their pension plan. People put money in their 401(k)s, that is great, but the real magic of them is to get that employer contribution so people can actually build up a nest egg for their retirement.

Finally, I have heard today that we cannot vote for the underlying bill when we have to vote for the substitute because, as my colleague from Michigan said, we have a fiscal hole that is so deep that we cannot extend this underlying bill and make it permanent. Well, here are the facts. The underlying bill would result in the next 10 years, which is how we judge these things, with $6 billion in additional spending, $6 billion. The substitute would result in $20 billion in additional spending. The substitute is five times as expensive as the underlying bill.

So as my colleagues on the other side who have come up time and time again and said my colleagues have got to support the substitute because we are in such a deep fiscal hole, if that is the reason they are concerned about it, vote no on the substitute; vote yes on the underlying bill.

The underlying bill again just passed this House on many occasions by strong bipartisan margins, over 400 votes three times; five years of vetting on a totally bipartisan basis. It is not a Republican proposal. It is a bipartisan proposal.

It increases the limits, lets everybody save more for their retirement. It lets people move from job to job and take their pension with them. It reduces those costs and burdens and liabilities, and lets small businesses get out there and offer these plans to workers who do not have them now, and those who are where the low-income workers are and the middle-income workers are, we are all trying to help.

It is supported across the board by groups from the United States Chamber of Commerce to the Building and Trades Council of the AFL–CIO. They are all watching this vote today. Do my colleagues know why? Because they know this is incredibly important to the retirement security of the American people, and because they know the House has already had this vote. We have already voted to make these underlying retirement security provisions permanent. We have voted a number of times to do that. Every time it has been on a large bipartisan margin, over 400 votes. So anybody who votes no on the underlying bill today will be reversing himself or herself for a vote taken just last year and the year before.

My colleagues, the substitute, while well intended, is not the issue before us today. It is retirement security. Let us vote yes on the underlying bill. Let us make it permanent for working Americans who need the help badly, and vote no on this substitute.

Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield the balance of our time to the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader here in the House.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise to urge Members to vote yes on the Matsui amendment.

In our country today, we face a crisis of confidence in corporate responsibility and accountability. Last year we witnessed the biggest bankruptcy in history that caused devastating financial losses for thousands of innocent employees. A few weeks ago I heard from some of these employees when I met them in Houston. In a meeting filled with emotion, employees of Enron explained that their pensions had disappeared, their health coverage was gone, their careers had been destroyed.

This week, I read our Nation's papers and magazine headlines with regard to the crisis of confidence in corporate accountability, headlines that all of us should find deeply disturbing. One of them said, Restoring Trust in Corporate America. That was Business Week. Another said, Corporate America, We Have a Crisis, in Fortune.

□ 1330

Another was: ''Officials Got a Windfall Before Enron's Collapse.'' That was in The New York Times, which reported that about 100 executives and energy traders received more than $300 million in cash payments from the company in the year before the company's collapse.

Make no mistake about it, this is not the behavior of all the corporations. In fact, I am happy to say that a majority, a great majority of corporations are law-abiding, responsible people serving their employees, their shareholders, and consumers effectively. But the United States Congress has a responsibility to enact safeguards that will ferret out the bad actors and actresses and hold those bad actors and actresses accountable.

It is time for our House of Representatives to begin finally taking the steps to restore people's faith in the integrity of our corporations, the bedrock of our capitalistic system. We must set sound standards for the accounting industry. We need to protect people's pensions.

Unfortunately, our friends on the other side of the aisle have failed to understand these needs. This year, despite all the scandal, despite all of the abuse, the Republican majority has blocked legislation that would have established these tough accounting industry standards, that would have imposed tough criminal penalties on corporate lawbreakers, that would have closed the unpatriotic Bermuda loophole to prevent corporations from going overseas to avoid paying taxes.

Their continued opposition to sensible reforms, their continued allegiance to corporate special interests that have gone wrong strongly suggests that this majority is guilty of enabling corporate excesses that have done so much harm.

Today, we, together, have an opportunity to follow the lead in restoring faith and trust in free markets. Today, our alternative to the Republican repeal of the sunset on pension provisions that passed last year seeks to make permanent almost all of the pension and IRA tax cuts. But unlike the Republican bill, our alternative seeks to close the loopholes that executives have used to give themselves sweetheart deals on their own pensions at employee expense.

Our alternative prevents firms from deducting more than $1 million in executive compensation if it is obtained through manipulations of company pension funds. It enforces CEOs of companies that reincorporate overseas to avoid paying taxes to pay capital gains on their stock options, as other investors from Main Street are required to do.

Earlier this year, Democrats sought to pass provisions attacking these problems. Republicans voted all of these measures down. So today we have another chance, a good chance, to do the right thing for capitalism, for well-run corporations, for Main Street Economic America. We have a responsibility to help restore confidence in our system and in our economy.

So let us give investors, employees, and consumers the protections they deserve. Let us pass together the Democratic alternative, and let us meet our responsibility today and for the future of this great country.

Mr. PORTMAN. Mr. Speaker, it is my pleasure to yield the balance of my time to the gentleman from Texas (Mr. ARMEY), the distinguished majority leader and a long-time advocate of enhancing retirement savings for workers.

Mr. ARMEY. Mr. Speaker, let me begin by thanking the gentleman from Ohio (Mr. PORTMAN) for yielding me this time; and, Mr. Speaker, as I have

done so many times, let me pay my respects to the gentleman from Ohio (Mr. PORTMAN) and to the gentleman from Maryland (Mr. CARDIN) for their creative, responsible, responsive, thoughtful, and compassionate understanding of the needs and desires and hopes and prayers and dreams of America's saving working men and women. This is, as it has been for all this time, such good legislation, so deserving of our respect, our admiration and our support.

I would also like to thank the gentleman from Ohio and the gentleman from Maryland for their persistence. There is nothing more reassuring than seeing two good people get one good idea and be willing to stick with it no matter how many times people try to change the subject.

And if I might thirdly thank the two of them for their patience. How much they must have looked forward to coming to the floor of the House of Representatives today to talk about their legislation; how much patience it must have required of them to sit here today and listen to so much impassioned discussion about something else. My compliments to the both of them.

Mr. Speaker, I often caution myself not to listen to floor debate because there is a tendency when one does to want to have to answer everything one hears. It is a far better thing to be consoled by that wonderful expression, ''The world will little note nor long remember what is said in this body.'' But this floor debate today has been particularly entertaining, in that we have tried again, bless our little old hearts, to squeeze that last little drop of political blood out of Enron. We have surely squeezed on Enron.

Now, there is a lot of harping and whining and moaning that this bill does not address that. This bill was not written for that purpose. This, by the way, is not a political instrument. It is a legislative instrument and, therefore, quite rightly, we should have ignored most of what we have heard about the evils of Enron today.

And I guess I would not be particularly annoyed by all this Enron political discourse if indeed this Congress had not responsibly addressed the issues that were raised by Enron. We have, from this very committee, legislation that has passed this House that addresses the question of retirement security as it might have been affected in the Enron case. We had from the Committee on Financial Services legislation that addressed the whole question of management that might have been raised in the Enron debacle.

So it is not as if we have not addressed it and, in fact, acted upon it. It is just that we have not squeezed that last little mean-spirited, nasty little drop of political diatribe from the subject. Well, we should have gotten it today. I would think the gentleman from Texas (Mr. DOGGETT) would have gotten a last squirmy little drop of political malarkey out of the subject of Enron. But I console myself in the belief that somebody other than myself will hear more sometime in the future as I turn my deaf ear to any further discourse on the subject.

Now, the other thing that amused me today was this desire to validate all the world's rumors about the Bermuda Triangle. Yes, it is true, weird and strange things are going on in the Bermuda Triangle. This bill was not designed to deal with that, to talk about that. We are looking for opportunities for real people who work really hard, have real hopes and dreams about their own real retirement, to have their real savings enhanced and preserved for a longer period of time.

The fact of the matter that we have some American firms that, quite rightly, legally take whatever opportunity they can to maintain their ability to stay in business and keep their people employed in the face of a double taxation of their overseas taxes might be distressing to a lot of us, and we should have legislation that would be directed to that, and we will have legislation that removes the irrational tax that prompts this rational behavior that gives rise to so much irrational discourse. But that is political diatribe. We should not have been bothered with it today. But we will continue to squeeze the last little dirty drop of political noise out of poor little old Bermuda.

That is not the fault of this bill. This bill was directed at America's savers to enhance, encourage, support, reward America's savers for doing the right thing for themselves and their family, their future, the right thing for themselves that turns out to be a good thing for economic growth in America; and it is, as it has always been, a decent, thoughtful, honorable legislative effort by two decent, thoughtful, honorable Members of this body. It is just too bad that the debate did not live up to what should have been the decent, thoughtful expectations of these two gentlemen.

Let us vote down this thoughtless substitute and vote for the bill, and let us really show ourselves in the final analysis when we match our actions to the legislation options before us on the side of the American people.

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to House Resolution 451, the previous question is ordered on the bill and on the amendment in the nature of a substitute by the gentleman from Massachusetts (Mr. NEAL).

The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. NEAL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NEAL of Massachusetts. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 182, nays 204, not voting 48, as follows:

[Roll No. 246]

YEAS—182

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett
Bentsen
Berkley
Bishop
Blumenauer
Boswell
Boucher
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watson (CA)
Watt (NC)
Waxman
Wexler
Woolsey
Wu
Wynn

NAYS—204

Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Berry
Biggert
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood

Grucci	Miller, Gary	Shuster
Gutknecht	Miller, Jeff	Simmons
Hart	Moran (KS)	Simpson
Hastings (WA)	Morella	Skeen
Hayes	Myrick	Smith (MI)
Hayworth	Nethercutt	Smith (NJ)
Hefley	Ney	Smith (TX)
Herger	Nussle	Souder
Hilleary	Osborne	Stearns
Hobson	Ose	Stenholm
Hoekstra	Otter	Stump
Horn	Oxley	Sullivan
Hostettler	Paul	Sununu
Hulshof	Peterson (PA)	Sweeney
Hunter	Petri	Tancredo
Hyde	Pickering	Tauzin
Isakson	Pitts	Taylor (MS)
Issa	Platts	Taylor (NC)
Istook	Pombo	Terry
Jenkins	Portman	Thomas
Johnson (IL)	Pryce (OH)	Thornberry
Johnson, Sam	Putnam	Thune
Jones (NC)	Radanovich	Tiahrt
Kelly	Ramstad	Tiberi
Kennedy (MN)	Regula	Toomey
Kerns	Rehberg	Turner
King (NY)	Reynolds	Upton
Kingston	Rogers (KY)	Vitter
Kirk	Rogers (MI)	Walden
Knollenberg	Rohrabacher	Walsh
Kolbe	Ros-Lehtinen	Wamp
Latham	Royce	Watkins (OK)
LaTourette	Ryan (WI)	Watts (OK)
Lewis (CA)	Saxton	Weldon (FL)
Lewis (KY)	Schaffer	Weldon (PA)
Linder	Schrock	Weller
LoBiondo	Sensenbrenner	Whitfield
Lucas (KY)	Sessions	Wicker
Lucas (OK)	Shadegg	Wilson (NM)
McCrery	Shaw	Wilson (SC)
McHugh	Shays	Wolf
McKeon	Sherwood	Young (AK)
Mica	Shimkus	Young (FL)

NOT VOTING—48

Ackerman	Dingell	McKinney
Baker	Everett	Miller, Dan
Barcia	Ganske	Murtha
Becerra	Gillmor	Northup
Berman	Gilman	Norwood
Bilirakis	Gutierrez	Ortiz
Blagojevich	Hansen	Pence
Bonior	Hilliard	Quinn
Borski	Houghton	Reyes
Brown (FL)	Keller	Riley
Burton	LaFalce	Roukema
Buyer	LaHood	Ryun (KS)
Callahan	Lewis (GA)	Smith (WA)
Carson (IN)	Lipinski	Traficant
Cox	Manzullo	Waters
Coyne	McInnis	Weiner

□ 1402

Messrs. REGULA, TAYLOR of Mississippi and BARR of Georgia changed their vote from ''yea'' to ''nay.''

Mr. JOHN changed his vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. NEAL OF MASSACHUSETTS

Mr. NEAL of Massachusetts. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. NEAL of Massachusetts. I am opposed to this bill in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NEAL of Massachusetts moves to recommit the bill H.R. 4931 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

At the end of the bill insert the following new section:

SEC. 3. PREVENTION OF AVOIDANCE OF QUALIFIED PLAN RULES THROUGH CORPORATE EXPATRIATION.

(a) FINDINGS.—The Congress hereby finds the following:

(1) Federal tax law provides that a deduction is allowed for pension and other deferred compensation benefits only in the context of contributions to a qualified plan.

(2) Federal tax law provides that assets set aside to fund pension and other deferred compensation can accumulate on a tax-free basis only in the context of a qualified plan.

(3) The qualified plan rules are structured to ensure that rank and file employees receive substantial retirement benefits as a condition for providing retirement benefits to highly compensated employees.

(4) Corporations reincorporating overseas (and their subsidiaries) can in effect receive both of the benefits described in paragraphs (1) and (2) outside the context of a qualified plan.

(b) PURPOSE.—The purpose of the amendment made by this section is to protect the retirement benefits of rank and file employees by preventing the avoidance of the qualified plan rules through corporate expatriation.

(c) PREVENTION OF CORPORATE EXPATRIATION.—

(1) IN GENERAL.—Paragraph (4) of section 7701(a) of the Internal Revenue Code of 1986 (defining domestic) is amended to read as follows:

''(4) DOMESTIC.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'domestic' when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise by regulations.

''(B) CERTAIN CORPORATIONS TREATED AS DOMESTIC.—For purposes of chapter 1—

''(i) IN GENERAL.—The acquiring corporation in a corporate expatriation transaction shall be treated as a domestic corporation.

''(ii) CORPORATE EXPATRIATION TRANSACTION.—For purposes of this subparagraph, the term 'corporate expatriation transaction' means any transaction if—

''(I) a nominally foreign corporation (referred to in this subparagraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly substantially all of the properties held directly or indirectly by a domestic corporation, and

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former shareholders of the domestic corporation by reason of holding stock in the domestic corporation.

''(iii) LOWER STOCK OWNERSHIP REQUIREMENT IN CERTAIN CASES.—Subclause (II) of clause (ii) shall be applied by substituting '50 percent' for '80 percent' with respect to any nominally foreign corporation if—

''(I) such corporation does not have substantial business activities (when compared to the total business activities of the expanded affiliated group) in the foreign country in which or under the law of which the corporation is created or organized, and

''(II) the stock of the corporation is publicly traded and the principal market for the public trading of such stock is in the United States.

''(iv) PARTNERSHIP TRANSACTIONS.—The term 'corporate expatriation transaction' includes any transaction if—

''(I) a nominally foreign corporation (referred to in this subparagraph as the 'acquiring corporation') acquires, as a result of such transaction, directly or indirectly properties constituting a trade or business of a domestic partnership,

''(II) immediately after the transaction, more than 80 percent of the stock (by vote or value) of the acquiring corporation is held by former partners of the domestic partnership or related foreign partnerships (determined without regard to stock of the acquiring corporation which is sold in a public offering related to the transaction), and

''(III) the acquiring corporation meets the requirements of subclauses (I) and (II) of clause (iii).

''(v) SPECIAL RULES.—For purposes of this subparagraph—

''(I) a series of related transactions shall be treated as 1 transaction, and

''(II) stock held by members of the expanded affiliated group which includes the acquiring corporation shall not be taken into account in determining ownership.

''(vi) OTHER DEFINITIONS.—For purposes of this subparagraph—

''(I) NOMINALLY FOREIGN CORPORATION.—The term 'nominally foreign corporation' means any corporation which would (but for this subparagraph) be treated as a foreign corporation.

''(II) EXPANDED AFFILIATED GROUP.—The term 'expanded affiliated group' means an affiliated group (as defined in section 1504(a) without regard to section 1504(b)).

''(vii) RELATED FOREIGN PARTNERSHIP.—A foreign partnership is related to a domestic partnership if—

''(I) they are under common control (within the meaning of section 482), or

''(II) they shared the same trademark or tradename.

''(C) APPLICATION WITH CHAPTER 1.—Subparagraph (B) shall apply only for so much of chapter 1 as is necessary or appropriate—

''(i) to maintain tax incentives for qualified plans that are of a type whose tax treatment was modified by the provisions of title VI of the Economic Growth and Tax Relief Reconciliation Act of 2001, as made permanent by section 2 of the Retirement Savings Security Act of 2002, and

''(ii) to prevent tax benefits for pension or other deferred compensation benefits without complying with the qualified plan rules.''

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by this subsection shall apply to corporate expatriation transactions completed after September 11, 2001.

(B) SPECIAL RULE.—The amendment made by this subsection shall also apply to corporate expatriation transactions completed on or before September 11, 2001, but only with respect to taxable years of the acquiring corporation beginning after December 31, 2003.

Mr. NEAL of Massachusetts (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts is recognized for 5 minutes in support of his motion.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, this proposal states that the retirement savings of all workers, including those who have had the misfortune of being employed by a corporate expatriate, that those savings should be protected and preserved. This motion would build in important protections for workers of companies who have decided to flee the country in order to avoid U.S. income taxes, many who snuck out in the dark of night even as the Nation pulled together after September 11.

My friends on the other side are going to say, ''We're holding hearings,'' and I appreciate that. ''We're discussing legislation.'' Then they are going to say, ''Well, maybe we should stop the expatriates temporarily.'' Then they are going to say, ''Well, maybe we should enact a flat tax or a sales tax'' or however else we reform the Code and pay for the war on terrorism.

The problem with that, Mr. Speaker, is that is what we were going to do 8 years ago. Once down in Bermuda, a country which has no developed or tested corporate common law, executives have the flexibility to no longer care about these irritating qualified plan requirements. For U.S. companies, these requirements and pension protections are the only way that the rank and file gain access to tax-deferred retirement accounts. Without these pension requirements, or sticks, it will be carrots aplenty in Bermuda for the CEOs.

I urge the Members of the House to vote against this corporate excess. I just want to say this, if I can, for one second, Mr. Speaker. I read in the paper yesterday where somebody in this body said that this was nothing more than deciding to move, I believe, to North Carolina or to Florida. Mr. Speaker, I do not think there is anybody in this Chamber who believes that Bermuda is part of the United States of America.

Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Mr. Speaker, I rise in support of the gentleman from Massachusetts' motion.

Simply, this motion is consistent with the Neal/Maloney legislation which is pending in this House to stop corporate expatriates such as the one being attempted by Stanley Works of Connecticut. The specific purpose of this motion is to protect the retirement benefits of rank-and-file employees by preventing the avoidance of the qualified plan rules through such corporate expatriations.

We have learned that employees of 401(k) plans will be treated differently from executive plans in the circumstances of these corporate expatriates. The executives will be protected. The rank-and-file employees under the 401(k) plans will not be protected. This is just a further example of the outrage that is being perpetrated on the American taxpayer and on the American Government by these corporate expatriates. We have an opportunity today to say that that should not continue. We have an opportunity to say today that that should stop. I urge the House to take that opportunity.

Let me be clear as to what is involved here. The New York Times reported on the scope of this outrage, saying that even if the shares of the company rose 11.5 percent, the shareholders, the small ones in particular, would barely break even after taxes. Of course that does not apply to the executives. The CEO at Stanley Works stands to pocket an amount equal to 58 percent of every dollar the company would save in corporate taxes in the first year. That is $17.4 million out of an estimated $30 million in savings. And that CEO, in addition, if he exercised his options, would gain an additional $385 million. So while we have the executives of these corporations literally taking money out of the United States Treasury and putting it in their pocket, the rank-and-file workers are going to be paying capital gains tax and greatly diminishing the value of their 401(k) plans and their opportunity to retire.

Mr. Speaker, this is outrageous. This needs to be stopped, and it needs to be stopped today. I urge support for the gentleman from Massachusetts' motion.

Mr. NEAL of Massachusetts. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, this is a simple addition to the underlying bill to protect workers. I would urge my colleagues to support the motion and to support final passage.

Mr. NEAL of Massachusetts. Mr. Speaker, I think a concern that we have tried repeatedly to express, and I in particular have tried to express, is that this issue demands action in this institution. I would suggest today, based upon the headlines that we have all seen for weeks and weeks and weeks now across the country, we are headed toward a gilded age. There is an opportunity for this Chamber to act responsibly, to shut down this outrageous loophole that we should be acting on immediately.

We have tried very hard, and I want to say to the Members of this body, I guarantee you this is the first of many votes until we succeed in shutting down the ability of these companies to move to Bermuda in a time, as the President has said, of war.

Mr. THOMAS. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, the gentleman from Massachusetts has been literally jumping up and down through this entire debate saying, ''Wait until the motion to recommit. Wait until the motion to recommit. We are going to make you vote on Bermuda.'' If you do not know what that means, we are talking about corporate inversions. In a couple of weeks you are going to get a real solution from the Committee on Ways and Means taking the tax structure change away from these corporations.

But what you have in front of you on the motion to recommit is a political dirty bomb. It is an attempt to raise this issue in a way that operates like this.

Mr. ABERCROMBIE. Mr. Speaker I demand that the gentleman's words be taken down.

The SPEAKER pro tempore. The Clerk will report the words.

□ 1419

PARLIAMENTARY INQUIRY

Mr. ABERCROMBIE. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman will state it.

Mr. ABERCROMBIE. Mr. Speaker, on reflection, I would like to withdraw my request. And the inquiry is, can I withdraw my request with an observation as to why I would like to withdraw it?

The SPEAKER pro tempore. The gentleman may withdraw his request.

Mr. ABERCROMBIE. Mr. Speaker, I withdraw my request in the hopes that we can take a little consideration when we are discussing with each other our judgment, not just as to political philosophy, but as to the motivations and reasons that we consider the implications of what we say when we draw rather, to my mind, offensive analogies as to the consequences of what another Member's actions might be.

The SPEAKER pro tempore. The gentleman withdraws his demand to have the words taken down.

The Chair agrees with the gentleman that civility is always desired. The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, now let me explain why, based upon their desire to offer this motion as a motion to recommit, they hope it is a political dirty bomb. The reason is they want this to be a vote on inversions. They want it to be a vote on Bermuda.

What in the world do corporate inversions have to do with the underlying pension bill? When you listen to their arguments, never once did they say union pension funds. Never once did they say union pension funds. Why? Because this has nothing to do with that.

Let me explain something: if a foreign company owns a U.S. subsidiary, the U.S. subsidiary has to follow U.S. laws. They are talking about corporate inversions. What are those? U.S. companies that want to have a package of foreign ownership. If you are a U.S. company, you have got to follow U.S. pension laws.

So do you know what this motion to recommit really says? It says you have to follow U.S. pension law. If you are a foreign corporation with a U.S. subsidiary, you have to follow it. If you are a U.S. corporation and you want to make yourself a foreign corporation with a U.S. subsidiary, you have to follow it.

This motion to recommit does nothing. Why in the world is it in front of us? Because on page 6 there is one little tax hook, and that is all this is about. As a matter of fact, I apologize; this is not a political dirty bomb, it is political hot air.

I ask for a ''no'' vote on the motion to recommit and a ''yes'' vote on the underlying bill.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. NEAL of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9, rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 186, noes 192, not voting 57, as follows:

[Roll No. 247]

AYES—186

Abercrombie
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett
Bentsen
Berkley
Berry
Bishop
Blumenauer
Boswell
Boucher
Boyd
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Wexler
Woolsey
Wu
Wynn

NOES—192

Aderholt
Akin
Armey
Bachus
Ballenger
Barr
Bartlett
Barton
Bereuter
Biggert
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Burr
Calvert
Camp
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Johnson (IL)
Johnson, Sam
Jones (NC)
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
McCrery
McHugh
McKeon
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Nussle
Osborne
Ose
Otter
Oxley
Paul
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Upton
Vitter
Walden
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—57

Ackerman
Baca
Baker
Barcia
Bass
Becerra
Berman
Bilirakis
Blagojevich
Bonior
Borski
Brown (FL)
Burton
Buyer
Callahan
Cannon
Carson (IN)
Coyne
Dingell
Everett
Ganske
Gillmor
Gutierrez
Hansen
Hilleary
Hilliard
Houghton
Jenkins
Keller
LaFalce
LaHood
Lewis (GA)
Lipinski
Manzullo
McInnis
McKinney
Menendez
Mica
Miller, Dan
Moran (VA)
Murtha
Napolitano
Northup
Norwood
Ortiz
Pence
Platts
Quinn
Reyes
Riley
Roukema
Smith (WA)
Tierney
Traficant
Walsh
Weiner
Whitfield

□ 1438

Mr. TERRY and Mr. SMITH of Michigan changed their vote from ''aye'' to ''no.''

So the motion to instruct was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. WATERS. Mr. Speaker, on rollcall No. 247, I was unavoidably detained and could not reach the chambers to cast my vote. Had I been present, I would have voted ''aye.''

Stated against:

Mr. BASS. Mr. Speaker, I was regrettably absent on Friday, June 21, 2002, and consequently missed a recorded vote on H.R. 4931. Had I been present, I would have voted ''no'' on rollcall vote No. 247.

The SPEAKER pro tempore (Mr. SIMPSON). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WAXMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 308, noes 70, not voting 57, as follows:

[Roll No. 248]

AYES—308

Abercrombie
Aderholt
Akin
Allen
Armey
Bachus
Baird
Baldacci
Ballenger
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Biggert
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell
Boucher
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Frost
Gallegly
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe

Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McHugh
McIntyre
McKeon
Meehan
Meeks (NY)
Millender-McDonald
Miller, Gary
Miller, Jeff
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Napolitano
Nethercutt
Ney
Nussle
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Paul
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Snyder
Souder
Spratt
Stearns
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Udall (CO)
Upton
Velazquez
Vitter
Walden
Wamp
Watkins (OK)
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—70

Andrews
Baldwin
Berry
Boyd
Brown (OH)
Capuano
Clay
Conyers
Davis (IL)
Delahunt
DeLauro
Deutsch
Dicks
Doggett
Fattah
Filner
Ford
Frank
Gephardt
Green (TX)
Hastings (FL)
Hinchey
Hinojosa
Inslee
Jackson (IL)
Johnson, E. B.
Kaptur
Kildee
Kucinich
Lantos
Lee
Levin
Markey
Matsui
McDermott
McGovern
McNulty
Meek (FL)
Miller, George
Mollohan
Nadler
Neal
Oberstar
Obey
Owens
Pastor
Payne
Pelosi
Rahall
Rangel
Rivers
Roybal-Allard
Sabo
Sanders
Schakowsky
Scott
Sherman
Slaughter
Solis
Stark
Stenholm
Strickland
Taylor (MS)
Turner
Udall (NM)
Visclosky
Waters
Watson (CA)
Waxman
Wexler

NOT VOTING—57

Ackerman
Baca
Baker
Barcia
Becerra
Berman
Bilirakis
Blagojevich
Bonior
Borski
Brown (FL)
Burton
Buyer
Callahan
Carson (IN)
Coyne
Cunningham
Dingell
Everett
Ganske
Gillmor
Gutierrez
Hansen
Hilleary
Hilliard
Houghton
Jenkins
Keller
LaFalce
LaHood
Lewis (GA)
Lipinski
Manzullo
McCrery
McInnis
McKinney
Menendez
Mica
Miller, Dan
Murtha
Northup
Norwood
Olver
Ortiz
Pence
Quinn
Radanovich
Reyes
Riley
Roukema
Smith (TX)
Smith (WA)
Tierney
Traficant
Walsh
Weiner
Whitfield

□ 1446

Mr. DEFAZIO and Mrs. CLAYTON changed their vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BILIRAKIS. Mr. Speaker, I missed rollcall votes numbered 246, 247, and 248 because I was traveling with the President of the United States and other members of the Florida delegation. Had I been present, I would have voted ''nay'' on rollcall No. 246, ''no'' on rollcall No. 247, and ''aye'' on rollcall No. 248.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, during rollcall votes Nos. 246–248 I was unavoidably detained. Had I been here I would have voted ''no'' on rollcall votes Nos. 246 and 247, ''aye'' on rollcall vote No. 248.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of H.R. 4931, the bill just passed.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Mr. Williams, one of his secretaries.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4645

Ms. LOFGREN. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor from H.R. 4645.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

LEGISLATIVE PROGRAM

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I rise for the purpose of inquiring about next week's schedule.

Mr. ARMEY. Mr. Speaker, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I thank the gentlewoman from California for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week. The House will next meet for legislative business on Monday, June 24, at 12:30 p.m. for morning hour, and 2 o'clock p.m. for legislative business.

I will schedule a number of measures under suspension of the rules, a list of which will be distributed to Members' offices later today. Recorded votes on Monday will be postponed until 6:30 p.m.

On Tuesday and the balance of the week, I have scheduled the following measures for consideration of the House: H.R. 4954, the Medicare Modernization and Prescription Drug Act of 2002; the Department of Defense Appropriations Act for Fiscal Year 2003; and the Military Construction Appropriations Act for Fiscal Year 2003.

Mr. Speaker, conferees are also working hard to complete work on the President's emergency defense and homeland security supplemental, and I hope to schedule that conference report next week, as well.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for the schedule. I am just seeking a little more precision. On what day will H.R. 4954, the Prescription Drug Act of 2002, be scheduled?

Mr. ARMEY. I thank the gentlewoman for her inquiry. I know the Committee on Energy and Commerce worked long and hard on that last night and early this morning; and we believe that that being the case, we should have the bill on the floor Wednesday of next week.

Ms. PELOSI. Wednesday of next week. In relationship to fast track, will the House appoint conferees next week on the trade promotion act?

Mr. ARMEY. I thank the gentlewoman again for her inquiry. If the gentlewoman will continue to yield, we are hopeful that we will be able to do that next week. Obviously, we want to make sure that we have a parity in the House and Senate position with respect to the full scope of trade issues; and if we can have a rule passed that makes that possible, then we ought to be able to get to work on that in conference next week.

Ms. PELOSI. Mr. Speaker, I ask the gentleman, will the rule be the same one as reported from the Committee on Rules this week?

Mr. ARMEY. I thank the gentlewoman for the inquiry. I must say that that is under consideration. I will be in touch with the chairman of the Committee on Rules and make sure that if he has any news to share with us, we all get it as soon as possible.

Ms. PELOSI. I thank the gentleman. Continuing, Mr. Speaker, the leader said that the conferees are working hard to complete the President's emergency defense and homeland security supplemental. I had some questions on that conference.

As the gentleman may recall, Democrats were united in opposing another increase in our Nation's borrowing