This Act also addresses standards for reuse of devices that have been approved for a single use. This practice, while widespread, was largely unregulated until recently. Unfortunately, the FDA's attempt to correct the matter was, to put it charitably, controversial and, from the perspective of protecting the consuming public, lacking. The bill before us strikes a balance among competing interests, while strengthening FDA's role with respect to assuring the safety of these products.

This bill also establishes a program that for the first time will allow third parties to inspect medical device facilities. The guiding principle for me in going down this road is that the program must supplement—and not supplant—FDA's legal authority, responsibility, and resources for conducting inspections and otherwise ensuring the safety of device facilities. I remain concerned about the proper implementation of this third-party inspection program and will closely watch its development.

Finally, the bill contains a number of regulatory reforms. These include electronic labeling, establishment of an office of combination products, provision for modular review of product applications, and important incentives for the industry to study the application of their devices to children.

The Medical Device User Fee and Modernization Act deserves our support. It is a bipartisan product in the best tradition of the Committee on Energy and Commerce. Members on both sides of the aisle have worked hard on this bill. In addition to my colleagues Representatives BROWN and WAXMAN, particular credit should go to Representatives CAPPS, ESHOO, LUTHER, and TOWNS who have long sought these reforms. And, of course, Chairman TAUZIN and Chairman BILIRAKIS are to be commended for their efforts and their commitment to a bipartisan product. This bill is good for both consumers and industry, and I urge its support.

Mr. BURR of North Carolina. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Ms. HART). The question is on the motion offered by the gentleman from North Carolina (Mr. BURR) that the House suspend the rules and pass the bill, H.R. 3580, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BURR of North Carolina. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ARMED FORCES TAX FAIRNESS ACT OF 2002

Mr. WELLER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5557) to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services and Foreign Service in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services, and for other purposes.

The Clerk read as follows:

H.R. 5557

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 ''Armed Forces Tax Fairness Act of 2002''.

SEC. 2. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 of the Internal Revenue Code of 1986 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(10) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—At the election of an individual with respect to a property, the running of the 5-year period described in subsection (a) with respect to such property shall be suspended during any period that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

''(B) MAXIMUM PERIOD OF SUSPENSION.—The 5-year period described in subsection (a) shall not be extended more than 5 years by reason of subparagraph (A).

''(C) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified official extended duty' means any extended duty while serving at a duty station which is at least 150 miles from such property or while residing under Government orders in Government quarters.

''(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

''(iii) FOREIGN SERVICE.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 180 days or for an indefinite period.

''(D) SPECIAL RULES RELATING TO ELECTION.—

''(i) ELECTION LIMITED TO 1 PROPERTY AT A TIME.—An election under subparagraph (A) with respect to any property may not be made if such an election is in effect with respect to any other property.

''(ii) REVOCATION OF ELECTION.—An election under subparagraph (A) may be revoked at any time.''.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 3. RESTORATION OF FULL EXCLUSION FROM GROSS INCOME OF DEATH GRATUITY PAYMENT.

(a) IN GENERAL.—Subsection (b)(3) of section 134 of the Internal Revenue Code of 1986 (relating to certain military benefits) is amended by adding at the end the following new subparagraph:

''(C) EXCEPTION FOR DEATH GRATUITY ADJUSTMENTS MADE BY LAW.—Subparagraph (A) shall not apply to any adjustment to the amount of death gratuity payable under chapter 75 of title 10, United States Code, which is pursuant to a provision of law enacted before December 31, 1991.''.

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 134(b)(3) of such Code is amended by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring after September 10, 2001.

SEC. 4. EXCLUSION FOR AMOUNTS RECEIVED UNDER DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 132(a) of the Internal Revenue Code of 1986 (relating to the exclusion from gross income of certain fringe benefits) is amended by striking ''or'' at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting '', or'' and by adding at the end the following new paragraph:

''(8) qualified military base realignment and closure fringe.''.

(b) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—Section 132 of such Code is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—For purposes of this section, the term 'qualified military base realignment and closure fringe' means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to offset the adverse effects on housing values as a result of a military base realignment or closure.''.

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

SEC. 5. EXPANSION OF COMBAT ZONE FILING RULES TO CONTINGENCY OPERATIONS.

(a) IN GENERAL.—Section 7508(a) of the Internal Revenue Code of 1986 (relating to time for performing certain acts postponed by reason of service in combat zone) is amended—

(1) by inserting ''or when deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the Secretary of Defense as a contingency operation (as defined in section 101(a)(13) of title 10, United States Code) or which became such a contingency operation by operation of law'' after ''section 112'',

(2) by inserting in the first sentence ''or at any time during the period of such contingency operation'' after ''for purposes of such section'',

(3) by inserting ''or operation'' after ''such an area'', and

(4) by inserting ''or operation'' after ''such area''.

(b) CONFORMING AMENDMENTS.—

(1) Section 7508(d) of such Code is amended by inserting ''or contingency operation'' after ''area''.

(2) The heading for section 7508 of such Code is amended by inserting ''**OR CONTINGENCY OPERATION**'' after ''**COMBAT ZONE**''.

(3) The item relating to section 7508 of such Code in the table of sections for chapter 77 is amended by inserting ''or contingency operation'' after ''combat zone''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any period for performing an act which has not expired before the date of the enactment of this Act.

SEC. 6. MODIFICATION OF MEMBERSHIP REQUIREMENT FOR EXEMPTION FROM TAX FOR CERTAIN VETERANS' ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 501(c)(19) of the Internal Revenue Code of 1986 (relating to list of exempt organizations) is amended by striking ''or widowers'' and inserting '', widowers, or ancestors or lineal descendants''.

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

SEC. 7. CLARIFICATION OF THE TREATMENT OF CERTAIN DEPENDENT CARE ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Section 134(b) of the Internal Revenue Code of 1986 (defining qualified military benefit) is amended by adding at the end the following new paragraph:

''(4) CLARIFICATION OF CERTAIN BENEFITS.—For purposes of paragraph (1), such term includes any dependent care assistance program (as in effect on the date of the enactment of this paragraph) for any individual described in paragraph (1)(A).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 134(b)(3)(A) of such Code (as amended by section 3) is further amended by inserting ''and paragraph (4)'' after ''subparagraphs (B) and (C)''.

(2) Section 3121(a)(18) of such Code is amended by striking ''or 129'' and inserting '', 129, or 134(b)(4)''.

(3) Section 3306(b)(13) of such Code is amended by striking ''or 129'' and inserting '', 129, or 134(b)(4)''.

(4) Section 3401(a)(18) of such Code is amended by striking ''or 129'' and inserting '', 129, or 134(b)(4)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) NO INFERENCE.—No inference may be drawn from the amendments made by this section with respect to the tax treatment of any amounts under the program described in section 134(b)(4) of the Internal Revenue Code of 1986 (as added by this section) for any taxable year beginning before January 1, 2002.

SEC. 8. PROTECTION OF SOCIAL SECURITY.

The amounts transferred to any trust fund under title II of the Social Security Act shall be determined as if this Act had not been enacted.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. WELLER) and the gentleman from California (Mr. BECERRA) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. WELLER).

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

Madam Speaker, on July 9, 2002, the House of Representatives passed H.R. 5063, the Armed Forces Tax Fairness Act of 2002, by a unanimous bipartisan vote of 413 to 0. That legislation contained two important provisions that would restore equity to the Tax Code for Members of the Armed Forces.

The Senate expanded the bill by adding other provisions and passed H.R. 5063 by unanimous consent on October 3. The bill before us today, H.R. 5557, combines the House- and Senate-passed bills to provide several important tax benefits to members of our Nation's military.

First, H.R. 5557 fixes an inequity in the law relating to the capital gains exclusion on home sales. Under the present law, the first $250,000 of gain from the sale of a home is not subject to capital gains tax if the individual lived in the home for 2 of the past 5 years. The exclusion is $500,000 for married couples.

Members of the military and Foreign Service often cannot meet this residency requirement if they are transferred on extended duty. As a result, military personnel, through no fault of their own, cannot take advantage of the tax relief when they sell their homes.

The Armed Forces Tax Fairness Act of 2002 fixes this inequity by suspending the 5-year ownership test when a member of the military or Foreign Service is transferred on extended duty more than 150 miles from home.

The second provision of the bill provides tax-free treatment for gratuity death payments paid to survivors of military personnel. Under present law, survivors of the members of the Armed Forces receive a $6,000 death gratuity payment, but only half of this payment is tax-free.

□ 2200

H.R. 5063 updates the tax codes by providing tax-free treatment for the entire and full $6,000 amount.

Third, it provides that payments made under the Homeowners' Assistance Program are tax free. These payments are made to compensate members of the Armed Forces if they suffer a decline in home value because of a military base closure or realignment.

Fourth, the bill clarifies that dependent care benefits provided under a military dependent care assistance program are excludable from income. As a result, the value of employer-provided dependent care is not taxed.

Fifth, the definition of a qualified veterans organization is expanded so that more organizations qualify under the law. And, finally, the bill extends several tax filing extensions to individuals serving in a contingency operation. These benefits are already provided to individuals serving in a combat zone.

Madam Speaker, these provisions are noncontroversial and they are fair. I hope the House will join me in supporting this legislation today; and I hope that the other body, the Senate, will quickly take up the bill and send it to the President's desk for his signature before we adjourn in this Congress.

Madam Speaker, I reserve the balance of my time.

Mr. BECERRA. Madam Speaker, I yield myself such time as I might consume.

Madam Speaker, the House passed H.R. 5063, the Armed Forces Tax Fairness Act of 2002 back on July 9, 2002, by a vote of 413 to zero. Last Thursday, October 3, the Senate approved H.R. 5063 with an amendment by unanimous consent and returned the same bill to the House. The bill before us is nearly identical to the Senate-passed version of H.R. 5063 with two key differences, as my friends and colleague from Illinois (Mr. WELLER) has mentioned.

Even with these differences, even with some differences in the bill that the Senate passed which I will explore in just a few moments in more detail in my remarks, I feel it is again important for us to support our military and pass H.R. 5557. During these times when we depend on our men and women in uniform to perform the highest levels of service, and we place them in harm's way, and I need not remind people today that we have troops remaining in Afghanistan, we have National Guard troops who are patrolling our borders, and in the days ahead we will be debating the merits of the President's call for the use of force against Iraq. But given all of that, these benefits that we are trying to provide under this legislation should go to our men and women in uniform without delay.

The talk of war quickly reminds us of the willingness of our military men and women to place their lives at risk for each of us and for our country. The families deserve all the support and help we can provide.

First, this bill provides much-needed relief for favorable tax treatment to death benefits that are paid on behalf of military personnel who die in the line of duty. While the deaths gratuity received by spouses is $6,000, only half of that amount, $3,000, is currently excluded for income for tax purposes. The other $3,000 in deaths benefits incongruously gets taxed.

Under this bill, the full $6,000 that the surviving spouse of that man or woman who served our country who receive death benefits would be excluded from income for tax purposes.

Secondly, the bill would ensure that military families do not lose the current law principle residence tax gains exclusion because of extended military assignments away from home. Under current law, any American who is a taxpayer receives exclusion from taxes of up to $250,000 as an individual or if you are married and you file jointly, up to $500,000 of any gain that is realized on the sale of your principal residence. So if Jane Smith were to purchase a home today for $100,000 and in something more than 2 years have the good fortune to sell it for $350,000, Jane Smith under our current tax law would not have to pay any taxes on the $250,000 profit on the sale of her principal residence.

Many of our military personnel cannot receive this same military tax benefit because they are stationed away from home for an extended tour of duty. By being away from their home

they fail to meet one of the criteria for qualifying for this tax exclusion. One of the requirements of our tax law is that the taxpayer must have lived, owned or used his residence as the principal residence for at least 2 of the previous 5 years prior to the sale or exchange of the property.

H.R. 5557 addresses this inequity and extends appropriate consideration in tax treatment to our men and women in uniform.

Madam Speaker, as I have said, this bill includes several positive changes from the original House-passed bill that were added by the Senate. Unfortunately, two important Senate-passed provisions are not included in this bill that I would like to mention because they also affect the livelihood of our men and women in uniform.

First, the Senate had included an above the line deduction for overnight travel expenses of National Guard and Reserve members in their version of the bill. This provision would have benefited men and women who do not itemize in their tax filing, whether it is a 1040, a 1040EZ form; but for those men and women in uniform in the National Guard who do not take the time or do not have enough deductions to fill out and itemize those deductions, those individuals would not be able to benefit as a result of this legislation because the provision which had been included by the Senate to allow for an above the line deduction for these overnight travel expenses of National Guards and Reserve members has been excluded from this final version of the bill.

Many of these men and women who would have benefited happen to be modest-income soldiers often with family and they would have benefited most from the extra money in their pocket. The Senate by the way passed this provision by unanimous consent; and unfortunately, as I said, it was not included in this version of the House bill.

The second provision I would like to mention would have been the provision that would have paid for the cost of this legislation. We know from the Congressional Budget Office that we are projected to have somewhere on the order of a $300 billion deficit, not just for this year, but for several years to come. If you look at what we are doing these days to Social Security and Medicare and how we are beginning to use these monies from the trust fund because of the fact that we now are in deficit, it makes you wonder why we would want to put forward bills that were not paid for. Because every time we do that we take the chance of having to take out money from Social Security and from the Medicare trust funds. And that is not fair for those who are retired or preparing to retire.

We should be responsible and pay for these bills that we have before us, especially this one because I believe every Member of this House would agree that we should do this for our men and women in uniform. A significant provision to pay for the cost of this legislation, which was included by the Senate but dropped by this House, would have really been something that I think most Americans would have agreed with almost immediately. And that would have been a provision that would have taken what we have in current law that says that an individual who relinquishes his or her U.S. citizenship or terminates his or her U.S. residency for the purpose of avoiding U.S. income tax estate or gift taxes right now is allowed to do that. But under the Senate provision we would have said to anyone who wished to become an expatriate for the purposes of avoiding taxes that he or she would not be able to escape his or her responsibilities.

While we have men and women today, whether in Afghanistan or on our borders trying to protect us who are willing to put their lives in harm's way, we should not have individuals who are trying to relinquish their U.S. citizenship simply to avoid paying U.S. taxes to help us pay for the costs of providing our men and women the best equipment, the best training that they need in order to protect us.

The provision that the Senate had included would have raised over $650 million over the next 10 years from these expatriates who are trying to evade U.S. taxation by giving up, relinquishing their U.S. citizenship. That would have been more than two times the amount of money necessary to pay for the cost of providing these benefits to our men and women in uniform, which we would all agree are good to provide.

At the very time that we are asking our military to be prepared to defend America, it seems wholly inconsistent to allow those people who should help us pay for the cost of supporting our men and women to escape any taxation and to go abroad by relinquishing their U.S. citizenship and avoid that tax.

Madam Speaker, it is important that we again look at this legislation and pass it as quickly as possible. The Armed Forces Tax Fairness Act is something that we must do now. We will send this bill to the Senate and we hope we get a quick signature from the President.

I join my colleague from Illinois (Mr. WELLER), and I believe every Member who would have an opportunity to speak on this legislation would say that it is time that we do this. I join some of my colleagues in also expressing some dismay that we are not paying for this legislation. As much as we need it, we should be responsible and pay for it. But what we should do is pass it now. For those reasons, Madam Speaker, I too stand in support of this legislation and urge my colleagues to also vote for it.

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

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

Madam Speaker, this is important legislation. Our Nation is making very tough decisions and this Congress is making very tough decisions, and we have military men and women who are currently in combat in Afghanistan.

This is important legislation that protects their personal interest while we ask them to go overseas and put their lives at risk for our freedom as well as in our efforts to win the war on terrorism. And as we all know, the war on terrorism will neither begin or end in Afghanistan, nor will it end in a few short months, but it is expected to last years.

This legislation deserves bipartisan support. And in quick reaction to my friend and colleague's comment, I would note that there are no funds at all, none, no funds taken from Social Security or Medicare to provide for this legislation to help our military men and women. And we are not touching Social Security or Medicare. But I do want to ask for strong bipartisan support for this legislation. It is important for our military men and women that we stand in strong bipartisan support of what they do when we ask them to take the risks that they do.

As I noted earlier, this legislation has six provisions that benefit working men and women who serve in the military and I ask for an ''aye'' vote.

Mr. BUYER. Mr. Speaker, the Medical Device User Fee and Modernization Act addresses three crucial interests of the medical device community and the patients and providers it serves.

First, it has been recognized for some time that the Food and Drug Administration is not reviewing medical device applications in a timely fashion. For this to happen, FDA needs adequate resources to have personnel who have the necessary expertise to conduct reviews. This bill would address this matter by imposing user fees on the medical device community for the first time, to provide FDA additional funding for hiring and maintaining a highly skilled workforce and to implement infrastructure improvements. The FDA will also pledge to enhance its performance in reviewing and evaluating device applications.

Second, the device community would like to see more utilization of expert third parties in quality assurance of facilities and manufacturing processes and review of applications. This measure will provide flexibility in regard to inspection while retaining FDA's authority in device manufacturing.

Finally, the bill addresses concerns over the labeling and reuse of medical devices.

On the whole I think this is a balanced bill. The agreement on these provisions was reached after much hard work and it is my view that all parties negotiated in good faith to achieve the best agreement.

I am very appreciative of the adoption of several suggestions I have made to ensure that children are well served by this bill. I am pleased that the bill excludes from user fees those devices, both PMAs and 510(k)s, that are intended solely for a pediatric population. Hopefully this will provide some incentive for manufacturers to address needs in the pediatric population that cannot be met by devices used in adults.

I must also express my concerns over the user fee provisions. While I will support the

bill, I am troubled by the level at which the bill defines a ''small'' company. The bill recognizes that there are differences in large and small companies and their ability to pay user fees. The ''two-tiered'' approach to take in the application of user fees is the correct approach to take. However, the bill defines a ''small'' manufacturer as one with revenues of $10 million annually or less. This will capture only around 8 percent of medical device companies. In my opinion, this is too low and not adequate to meet the needs of small manufacturers. A more appropriate level for a ''small'' manufacturer would be around $25 to $30 million in annual revenue, companies that have 50–70 employees. The resources that must be invested in research and the testing necessary before a company even goes to FDA with an application is significant. There are individual innovators who have started companies based upon their own hard work and research. . . . modern day Thomas Edisons. While I would not say that they work out of their garages, it is true that many ideas and advances in technology have come from hard working individuals, who take the risk of starting their own medical device company. I do not want to have the federal government enact legislation that will stifle this innovation or make it impossible for the small companies to become big companies.

This past summer, I met with the representatives of many small medical device manufacturers based in Indiana. All these companies wanted is a chance to develop their products and to compete. They are very willing to play by the rules of safety and effectiveness that we impose on all manufacturers as good public policy. But because of their more limited resources, they do not want to be disadvantaged from the big companies. I agree with their concerns and, therefore, I am troubled by the level set in this bill.

Nonetheless, I intend to support the bill and I urge its adoption.

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

The SPEAKER pro tempore (Ms. HART). The question is on the motion offered by the gentleman from Illinois (Mr. WELLER) that the House suspend the rules and pass the bill, H.R. 5557.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. WELLER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. WELLER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5557.

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

There was no objection.

□ 2215

SPECIAL ORDERS

The SPEAKER pro tempore (Ms. HART). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

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

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

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

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

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

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

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

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

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

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

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

WAR WITH IRAQ

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

Ms. KAPTUR. Madam Speaker, this evening I would like to insert several articles into the RECORD dealing with the issue of war against Iraq and the gulf, and I wanted to remind those who are listening that, indeed, if we look at the foreign policy of the United States over the last 30 years or so, we have had more Americans killed at home and abroad as a result of rising terrorism than in the first 187 years of our country.

So we have to begin to ask the question, why are we losing so many Americans in this way? Why is Washington becoming more barricaded? Why can we not go and ride in front of the White House anymore in our cars? Why are there bomb searches all over this city? Why are American embassies being built like bunkers all around the world? I would like to submit the following.

If we think back to the time when President George Bush, Senior, prior to his election as President was director of the CIA, that was about 1977, the mid-1970s, before President Jimmy Carter became President of the United States, and at the time my colleagues might recall that the Shah of Iran was deposed in the late seventies. I think it was late 1979, and many American hostages were taken, including Terry Anderson.

At the moment that Jimmy Carter's presidency reverted to Ronald Reagan after the election of 1980, the hostages were returned home. President Carter worked very, very hard, as history will record.

Then when the Reagan-Bush administration, the new administration, took over, they essentially made a deal between our country and the Gulf states to go after Ayatollah Khomeini, the new leader in those days of Iran, who had taken our hostages. And who did they hire to do the dirty work for them? They hired none other than Saddam Hussein.

They gave him weapons through the government of the United States, and, indeed, if we look back, and I am trying to find the exact set of hearings right now. In the Committee on Banking of the House of Representatives, a hearing was held regarding the extension of Treasury tax credits, agricultural tax credits to Saddam Hussein in order to buy fertilizers, in quotes, with chemicals from our country at the same time in our country's history when we would not even make those same extensions of credit to our farmers. Companies in Salem, Ohio, and Bedford, Ohio, were being asked by our Treasury to sell those same chemicals to Iraq; and, indeed, it was done.

The Gulf states and the United States were afraid perhaps that the Ayatollah Khomeini at that time might bomb Mecca or try to spread his revolution throughout the Middle East and get control of the oil fields. So Saddam Hussein was promised access, better access from Iraq, which is landlocked, to a waterborne commerce through Kuwait, a slip of land, which