

day. It is simply unconscionable and it ought to be illegal.

The death tax is really a tax on the American dream. Americans work hard their whole lives, they save, they invest. They build farms and shops and factories, hoping to pass along their dream to their families once they are gone, but after years of paying payroll taxes and income taxes and sales taxes and property taxes, many businesses do not make it, and those that do, the government can step in and take over half of what someone worked their whole life to build.

Mr. Speaker, I grew up working on a farm. I represent a large portion of rural Texas, and rural Texas is a great place to live, but it can on occasion be a challenge to be a good place to earn a living. I know firsthand that farmers and ranchers and small business owners have to work extremely hard to provide for their families.

A while back ago, I heard from a constituent, a rancher in Leon County. He told me how he had worked hard for over 30 years to build a cattle ranch. He almost lost it once or twice through draught and low beef prices, but he persevered, and with his family by his side, he made it into a great success. His greatest dream was to leave this ranch to his son and his daughter who had worked alongside of him, but with sadness in his voice, he told me by the time the government takes its share, there is just not enough to go around.

Many of my colleagues like to talk about tax fairness, but Mr. Speaker, is it fair to take this man's ranch away from him? Is it fair that Americans are being taxed twice on the same income? Is it fair that after a family member is gone that his loved ones are presented with a tax bill? Is it fair that the Federal Government can automatically inherit 55 percent of the family farm, business or nest egg? Aside from the fact that the death tax is inherently unfair, what about its impact on our economy?

Mr. Speaker, while small businesses create two out of every three new jobs in our Nation, death taxes can kill those small businesses and the jobs that they represent. In fact, death taxes are the leading cause of dissolution for small businesses in America.

According to the Center for the Study of Taxation, 70 percent of businesses never make it past the first generation because of death taxes. Eighty-seven percent do not make it beyond the third generation.

How do death taxes kill American jobs? With the death of a small business owner, many employees often lose their jobs when the relatives of the deceased are forced to liquidate the business just to pay the taxes.

□ 1800

One-third of small businesses are sold or liquidated to pay death taxes, and half of those businesses are forced to eliminate 30 or more jobs. Furthermore, small and mid-sized manufactur-

ers spend \$52,000, on average, just for death tax planning. Now, \$52,000, that is a good paycheck that could be going home to somebody back in the fifth district of Texas.

On the other hand, Mr. Speaker, repealing the death tax can create 200,000 extra jobs a year helping more Americans get back to work, giving them a paycheck instead of an unemployment check, and giving yet another boost to our recovering economy. According to the National Federation of Independent Businesses, nearly 60 percent of business owners say they would add jobs in the near future if the death taxes were eliminated.

And what does our society get for the death tax? Nothing. According to the Joint Economic Committee, the cost of compliance with the death tax to the economy is roughly equivalent to the tax shield. All of those family businesses liquidated, all of those jobs lost, all of those family farms sold and all of those nest eggs cut in half. For what?

Mr. Speaker, I have heard those on the other side of the aisle use the same old tired class warfare rhetoric again and again in dealing with the death tax issue. The politics of envy. But when something is wrong, Mr. Speaker, it is simply wrong; and it does not matter if the death tax only affected one person in America. Taxing anyone twice for the same work, for the same income, for the same savings is unconscionable; and it ought to be illegal.

Mr. Speaker, I urge all my colleagues to support the permanent repeal of the death tax. It is time to end the death tax so we can resurrect the American Dream.

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

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

#### FREE SARAH SAGA

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

Mr. PENCE. Mr. Speaker, the Bible tells us that pure religion is this: "To look after widows and orphans in their distress." And I rise tonight, preparing to catch up with my wife and our three small children for dinner, feeling compelled in my heart to stand up on behalf of a young American woman and her two small children who at this very hour are hold up in the U.S. consulate in Jeddah in Saudi Arabia.

I rise to tell the story of Sarah Saga and her two little girls, this American woman, and to demand State Department action. As a member of the Committee on International Relations, I am obviously fascinated to see the House of Saud and the Government of

Saudi Arabia engaging in a public relations campaign here in America. In markets across the country, our television screens are being flooded with a message that Saudi Arabia is a "modern nation"; that America and Saudi Arabia have "shared values."

Prince Bandar Bin Sultan, the Saudi Arabia Ambassador to the United States, is part of a public relations offensive to change the image of the Saudi Government. But I would offer today, as is documented in today's editorial page of the Wall Street Journal, we do not need words, Mr. Speaker; we need actions by the House of Saud.

Sarah Saga's story began long ago. She found herself trapped in Saudi Arabia at the age of 6 when her Saudi father defied a U.S. custody agreement by simply refusing to return her to America after she visited her father in 1985. There she has languished ever since. Yet she never gave up on America or her American mom. This 6-year-old, now grown into a 23-year-old mother of two, used a computer to track her long-lost mother via the Internet and to tell her of her hopes for escape. She has made her way to the U.S. consulate in Jeddah, and there she languishes. Absent aggressive State Department actions and negotiations, there she will languish still.

Sadly, hers is just another story of another American woman who is trapped in Saudi Arabia, told that she is able to leave so long as she leaves her children behind. That is outrageous and utterly unacceptable. Prince Bandar told the Wall Street Journal back in September that it was "absolutely not true" that any American women were held against their will in Saudi Arabia. But the story of Sarah Saga tells otherwise.

So I rise tonight not to speak to the House of Saud, but rather to speak to the State Department of the United States of America and to the Bush administration and to Secretary of State Powell. As we negotiate a road map for peace in the Middle East, let us speak plainly to our allies in Saudi Arabia about the minimal expectations we have about American citizens and their progeny in their midst.

Sarah Saga and her two small children must be permitted to leave Saudi Arabia and make that long, at last, homecoming, delayed 17 years, to be in the home of her birth, the United States of America.

#### DESTRUCTION OF MEDICARE

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, the good news is that seniors are living longer. President Lyndon Baines Johnson, a Texan, signed the 1965 legislation entitled Medicare, which opened the doors of life to seniors of America, the same senior citizens who prior to World War II were

dying at very early ages; the same young men and women of the Greatest Generation who went into World War II and came home with no real hope that they would live their lives past 50. This 1965 legislation gave hope to that generation and many generations thereafter.

So I rise today, Mr. Speaker, somewhat troubled and certainly frightened by the proposition that this House and the Republican leadership would move to privatize a system that has worked. As we debated this today on the floor of the House, it is well known that the Committee on Ways and Means received 400 pages at 1 o'clock and began to mark up a proposed Medicare prescription drug benefit legislative initiative.

For the years that I have been in Congress, year after year and term after term, I have met with my senior citizens in the 18th Congressional District, throughout that district, and promised them and agreed with them that they deserved a guaranteed Medicare prescription drug benefit from the United States Congress. I am sad to say that we have come now to a time where there may be a vigorous debate on this issue and our seniors will still be left out in the cold.

The doughnut, Mr. Speaker, is growing larger and larger. This emerging gap in the proposal that is now being marked up by the Committee on Ways and Means and the Committee on Energy and Commerce does not answer the question of saving the lives of seniors or giving to them that long-held hope to have a guaranteed Medicare prescription drug benefit. In fact, it is a hand out, not a hand up.

If we look at this proposal of the majority of this House, it is a glaring and outstanding and shameful proposal where there is an enormous gap between the monies that these seniors will receive. If they spend up to \$2,000, that is fine, Mr. Speaker. But after \$2,000, they are left holding the bag, spending upwards of \$5,000 on their prescription drug benefits, with no hope and no help. The promises we have made about a guaranteed Medicare prescription drug benefit, I think, have gone up in fumes and fire.

Let me share with you, Mr. Speaker, what our good friends are proposing. Prescription drugs are the stalking hawk for the Republicans' boldest attempt to privatize Medicare yet. The Republican plan converts the Medicare program to a premium support or voucher system where the government only pays a percentage of the cost of the premium. Can you imagine, Mr. Speaker, we have survived 38 years, 2 more years until the 40th anniversary of Medicare. It is not expected to go insolvent for another 3 or 4 decades, and yet we are beginning to privatize this system where seniors will not have the helping hand that they need.

Hard-working seniors have invested into this economy, paid taxes, Mr. Speaker, and provided the

underpinnings of our economy. Many seniors will have to pay more if they want to stay in the same Medicare they have today. Rising fee-for-service premiums will drive all but the sickest to the private plans, resulting in programs becoming unaffordable for all but the wealthy. It ends our Medicare entitlement, the plan begun under President Johnson in 1965. Under this program, beneficiaries no longer will be entitled to the benefits as they are today.

I emphasize that this privatizing of Medicare does not provide a guaranteed Medicare prescription drug benefit, which we all know is needed in this Nation; with no guarantee of what seniors will get; and the private insurance plans, not seniors' doctors, determining what drugs they can get.

I am very pleased to have heard my bipartisan colleagues on the floor of the House today mention how expensive and devastating it is to pay for prescription drugs. I want to work with my pharmaceuticals. I believe they could work with us on a guaranteed Medicare prescription drug benefit. But in the instance of this private insurance plan, it will be those pharmaceutical benefit officers that will be able to tell you what you can afford and what you cannot, no guarantee of how much seniors will have to pay.

Private insurance plans set their own premiums. The \$35 premium is not a guarantee, just a suggestion. And you know what, it will go up and up and up. In this instance, as the song says, the stairsteps to heaven, it certainly will not be. It will certainly be a downward trend to devastation and higher costs for our seniors, with a wide variance in costs to seniors across the country. Private insurance plans also determine seniors' deductibles and cost-sharing.

Mr. Speaker, just a few years ago I sat in rooms filled with seniors who were crying because they had closed the six HMOs treating seniors in Harris County. No room at the inn. No HMOs to provide for my seniors. Why did they leave? They left, Mr. Speaker, because it was not profitable.

Mr. Speaker, as I close, let me simply say the Medicare gap in the Republican Medicare prescription drug proposal is outrageous. You are going to burden our senior citizens with this gaping hole of \$3,000 and upwards with that plan.

Medicare is alive and well, 38 years, just 2 more years before its 40th birthday. Let us pass a real Medicare guarantee drug benefit for our seniors and give to them the tribute that they deserve.

Mr. Speaker, we Democrats have been fighting for years for a Medicare prescription drug program that is (1) affordable; (2) available to all seniors and Medicare beneficiaries with disabilities; (3) offers meaningful benefits; and (4) is available in the Medicare program—the tried and true program that seniors trust.

And now it seems that we have the political momentum to make a good prescription drug benefit a reality. The President says he wants

it. Both parties, both sides of Capitol—every one has declared their commitment to getting affordable prescription drugs to our nation. So why is it that the only Medicare prescription drug "plan" the Republicans have to offer is a terrible bill with full of holes, and gifts to the HMOs, and protections for pharmaceuticals companies. Every time we get a chance to take a closer look at the Republican drug scheme, it becomes more obvious that it is just another piece of the Republican machine that is trying to dismantle Medicare and turn our federal commitment to our nation's seniors, over to HMOs and the private insurance industry.

The Republican plan would be run by HMOs, not Medicare. HMOs would design the new prescription drug plans, decide what to charge, and even decide which drugs seniors would get. Plus, HMOs would only have to promise to stay in the program for one year. That means that seniors might have to change plans, change doctors, change pharmacies, and even change the drugs they take every twelve months. Medicare expert Marilyn Moon told the Senate Finance Committee on Friday that "There will be a lot of confused and angry consumers in line at their local pharmacies in the fall," if the Republican approach is not changed. She's right.

The Republican plan provides poor benefits, and has a giant GAP in coverage. Under the House Republican plan, many seniors would be required to pay high premiums even when they don't receive benefits. Reportedly, under the House GOP plan, Medicare beneficiaries have a high \$250 deductible. After they reach that deductible, they would then be required to pay a portion of their first \$2,000 in drugs costs—that is a fairly normal system. But, after a senior's costs hit \$2000 for a year—that is when it becomes obvious just how bad this plan is. Once a senior's drug costs hit \$2000, the Republican plan cuts them off. Even though they must continue to pay premiums, they get no assistance in paying their drug costs at all until their costs reach \$5,100. Let me say that again. It seems so crazy, it is almost unbelievable. The sickest of our seniors, the ones on the most medications—once their costs reach the \$2000 mark—they fall into the Republican gap. They are left to pay the next \$3000 out of their own pockets, while continuing to pay premiums. Almost half of seniors would be affected by this gap in coverage. They will be outraged, and our offices will be hearing about it.

I have attended hundreds of health care briefings, and have read everything I can get my hands on, on the subject of improving Medicare and getting good health insurance to the American people. And I have never heard anyone say that a hallmark of a smart health insurance program is to have a giant gap in coverage for those who need help the most. Why would our Republican colleagues put in this ditch in the road to health for seniors? Because they wasted all of our nation's hard earned money, on massive tax breaks for the rich, and an unnecessary war.

So now they have placed an arbitrary budget cap on vital programs, pushed by President Bush, in order to compensate for the irresponsible Republican tax cut they jammed through this Congress and last Congress. The way they are dealing with the mess that they have made is by throwing bad policy after bad policy. To remain within their own arbitrary budget cap, they are pitching a bill that will provide

a confusing, insubstantial benefit to the majority of seniors.

If the Republicans wanted to save money, they could have put in a provision that I and many Democrats have pushed for—and that is to allow the Secretary of the HHS to negotiate with the pharmaceutical to get fairer prices for the American people. I believe that the American pharmaceuticals industry is the best in the world. They make good products that benefit the world. But Americans are now paying double the cost for drugs than their counterparts in other rich nations such as Germany, Canada, Great Britain, or Japan. I am glad our companies are making money. But as we enact a prescription drug benefit under Medicare, access to drugs will rise—and drug company profits will rise as well. It is only fair that the Secretary should have the power to negotiate a good price for American consumers, to make sure we get the best returns possible on our federal investment.

Not only did the Republicans not put in a provision to allow such negotiations, they went out of their way to forbid the Secretary from trying to get better prices for Americans. Why, because they value the profits of their corporate sponsors at Pharma, more than they do the well-being of our nation's seniors.

Similarly, the Republican plan's design wastes billions in kickbacks for HMOs—instead of using that money to bring down the premiums and out-of-pocket costs that seniors and the disabled are forced to pay.

The Republican plan is not available to everyone on Medicare. First, the House Republican plan reportedly will introduce “means-testing” for Medicare benefits—by which seniors with higher incomes would have to pay considerably more out-of-pocket before they reached the catastrophic limit. Medicare is supposed to be for all seniors, it is not welfare, just for the poor. It should be protected as such. What's more, under the Senate Republican approach, low-income seniors and Americans with disabilities would receive nothing at all—the 17 percent of medicare beneficiaries who are also eligible for Medicaid are simply left out. This misguided policy endangers coverage for millions of seniors whose fluctuating incomes change their Medicaid eligibility for year to year.

The Republican plan rolls the dice, gambling seniors' health. By relying on insurance companies to offer coverage instead of guaranteeing benefits in Medicare, the Republican approach runs the risk that no company will offer benefits to seniors in rural communities, where millions of Americans have already been abandoned by HMOs in search of bigger profits elsewhere. There are 9.2 million Medicare beneficiaries in rural areas nationwide. Eighty percent of these seniors have no access to any Medicare HMO. Only 13 percent of them have access to a Medicare HMO that offers a drug benefit. The bill we are getting glimpses of takes failed policy, and expands it to critical areas.

The Republican plan is a risky scheme only an HMO could love. The Bush Administration's Medicare Administrator has called traditional Medicare “dumb” and “a disaster,” highlighting Republicans' disdain for a program that Democrats have been fighting for since 1965. While Democrats have worked to modernize Medicare with prescription drugs, preventive care and other new benefits, Republicans are insisting on a riskier course even

the Wall Street Journal calls a business and social “experiment.”

The Republican plan destroys Employer Retiree coverage. The Congressional Budget Office has concluded that about one third of private employers will drop their retiree drug coverage under a proposal like the one being contemplated. In order to lower its costs, the House Republican plan stipulates that any dollar an employer pays for an employee's drug costs would not count towards the employee's \$3,700 out-of-pocket catastrophic cap. This would therefore disadvantage seniors with employer retiree coverage because it would be almost impossible for them to ever reach the \$3,700 catastrophic cap, over which Medicare would pay 100 percent of their drug costs. The practical effect of this is that employers will stop offering retiree coverage. That is a step in the wrong direction.

We can do better. The House Democrats' legislation, that I am a proud cosponsor of, is designed to help seniors and people with disabilities, not HMOs and the pharmaceuticals industry. Under the Democratic proposal, the new Medicare prescription drug program would be affordable for seniors and Americans with disabilities and available to all no matter where they lived. It offers a meaningful benefit with a guaranteed low premium; and would be available as a new “Medicare Part D” within the traditional Medicare program that seniors know and trust.

I am committed to getting seniors the prescription medications that their doctors deem they need. I want to work with our Colleagues on the other side of the aisle, and the Administration to make that happen. But unless I see a plan without a gap—with a consistent benefit—with some smart cost-controls—and some protections for Medicare, an excellent program for Americans, I cannot support this Republican drug scheme.

Let's do better.

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REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX REPEAL PERMANENCY ACT OF 2003

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108-157) on the resolution (H. Res. 281) providing for consideration of the bill (H.R. 8) to make the repeal of the estate tax permanent, which was referred to the House Calendar and ordered to be printed.

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REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1528, TAXPAYER PROTECTION AND IRS ACCOUNTABILITY ACT OF 2003

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 108-158) on the resolution (H. Res. 282) providing for consideration of the bill (H.R. 1528) to amend the Internal Revenue Code of 1986 to protect taxpayers and ensure accountability of the Internal Revenue Service, which was referred to the House Calendar and ordered to be printed.

HONORING BOB SCHROEDER

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

Mr. BRADLEY of New Hampshire. Mr. Speaker, I rise today to pay tribute to a friend, Bob Schroeder, who has been named Town of Hooksett's Citizen of the Year. Bob was instrumental in the restoration and revitalization of a truly historic local, State, and national landmark.

Robie's Country Store, in Hooksett, has a lengthy history of acting as the town's gathering spot, a place to argue politics, play checkers, buy groceries and homemade baked goods. Robie's was also a required stop for local politicians and Presidential candidates visiting the first-in-the-Nation primary State for over 30 years.

The store closed in 1997, after the store's owners, Lloyd and Dorothy Robie, retired. After 5 years of dormancy, and a lack of funds and dedicated owners, Robie's Country Store reopened, continuing its 30-year political tradition and its 110-year presence in the town.

Bob Schroeder saw an imperative need to preserve this cultural and political landmark and formed the Robie's Country Store Historic Preservation Association to spearhead the renovation effort. The association has worked diligently to bring the store to life again; and on May 24, 2003, Robie's Country Store reopened to an eager and proud community.

□ 1815

Bob and the Preservation Association were careful to maintain Robie's historical accuracy by keeping the 97-year old building's flooring, ceiling and picture wall of political memorabilia. Always humble, Bob refuses to take credit for the grand reopening of the store, instead pointing the spotlight on the efforts of the entire community. Under Bob's leadership, people of all ages worked together to restore Robie's through fundraising and renovation efforts. The community's hard work will undoubtedly ensure that the rich heritage and traditions of the store will remain intact for future generations to enjoy.

Bob's tireless commitment to preserving this landmark and energizing the whole community to get involved is a wonderful example of his perseverance and dedication to improving the community and State in which he lives. I can think of no better person than Bob Schroeder to receive the Hooksett Citizen of the Year Award, and I am honored to represent him and all other concerned and conscientious citizens from Hooksett and the First Congressional District of New Hampshire.

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TRIBUTE TO THE TOWN OF LILLINGTON

The SPEAKER pro tempore (Mr. FRANKS of Arizona). Under a previous