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House of Representatives

The House met at 10 a.m.

The Reverend Eugene Roberson, First Corinthian Missionary Baptist Church, North Chicago, Illinois, offered the following prayer:

Our Father, which art in heaven, hallowed be thy name.

We come to thee for direction as You led Abraham, Isaac, and Jacob. We ask Your blessing on these outstanding leaders who have been given an awesome responsibility to lead this country to greater height and success.

We ask Your blessing as they make objective and powerful decisions that will affect this country and the lives of its citizens. We pray You will give them sight, insight, and foresight.

Give sight that they may look on issues, give them insight that they may look into issues, and foresight to look beyond issues.

Give them strength to rise above conflicts, principalities, against powers, and against the rulers of the darkness of this country so that progress will be achieved.

We pray that each Member of Congress will use their knowledge, skills and intestinal fortitude to do God's will for America.

We pray for peace and unity that this country will live out its true meaning of justice and freedom.

We pray for their going out and coming in and that You will make them the head and not the tail.

We thank You for all that they will achieve during this Congressional session.

In Jesus' name, Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

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

Mr. MCNULTY. 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. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Arizona (Mr. FLAKE) come forward and lead the House in the Pledge of Allegiance.

Mr. FLAKE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

THE REVEREND EUGENE ROBERSON, FIRST CORINTHIAN MISSIONARY BAPTIST CHURCH, NORTH CHICAGO, ILLINOIS

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

Mr. KIRK. Mr. Speaker, 2 years ago I worshipped at North Chicago's First Corinthian Baptist Church and met Pastor Eugene Roberson. He is a leader.

Pastor Roberson is one of our spiritual leaders in northern Illinois. Under his hand, First Corinthian welcomed 800 new members and will dedicate a new sanctuary this Sunday.

He is a mentor to young people from Zion, Waukegan, and North Chicago. He is also a seventh grade physical education teacher at Central Junior High School in Zion, Illinois. In recognition of his community service, Pastor Roberson received the distinguished Harambee Award of Excellence from the College of Lake County.

Pastor Roberson, a man of integrity and committed to family, is fond of saying, ''God is good all of the time, and all the time, God is good.'' With his wife, Geraldine Herron Roberson, they are proud parents of three, Kristian, LaTonya and Eugene II, who blessed the Robersons with four grandchildren.

We look to Pastor Roberson in this time of adversity. We are reassured under his expanding ministry, and it is my honor to thank him for leading the United States Congress in prayer today during our hours of trial. On behalf of Congress, I thank Pastor Roberson.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair announces there will be 15 1-minute speeches per side.

WE WILL NOT SUCCUMB TO THE THREAT OF ANTHRAX

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

Mr. FOLEY. Mr. Speaker, last week the Speaker of the House decided, based on credible information and a significant threat, to shut down some of our office buildings. We thought we had coordinated with the other body. Lo and behold, all of a sudden headlines say wimp. The Speaker acted appropriately, concerned for the people who work here, and I would much prefer a headline saying ''wimp'' than ''morons.''

Somehow, somewhere the majority leader decided last week to be tough

and be brave and stand up here and say we will not go home, we will work. I thank the Speaker and I thank our leadership for doing what was appropriate to protect the lives of hundreds of employees who work in this building each and every day.

Mr. Speaker, we will not succumb to the threat of anthrax. It struck my district. It struck our capital, but we will not relent.

Mr. bin Laden and other associates of your terror reign, your days are numbered. Your days are about over. We will not succumb to the fear because America remains united against the threat of terrorism, and we are united as people of this country.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to address their comments to the Chair.

REVERSE ROBIN HOOD IS CONTINUING BY CONGRESS

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

Mr. DEFAZIO. Mr. Speaker, after the attacks, we rushed through $16 billion for the airlines, and we were told there was not time to take care of the workers. Their time would come soon. We were promised maybe the next week or the week after we would help the workers. Well, soon is not here yet.

Today, a $100 billion so-called economic stimulus package, and guess what, $25 billion up front to repeal a loophole closing tax provision, $25 billion for the largest corporations in America in a retroactive tax cut to 1986, paid for by FICA taxes, paid for by the working people of this country, coming out of the Social Security Trust Fund going straight to corporate coffers.

Mr. Speaker, guess what, they do not have to give a penny to the workers or provide assistance to the millions of Americans that have lost their jobs. This is in the form of a so-called economic stimulus. Reverse Robin Hood is continuing here on the floor under the guise of helping the American people and the economy.

This has to stop. Let us give workers help with their health insurance. Let us stop dumping money into the corporate coffers.

CELEBRATING THE LIFE OF NAN HERRING BURNSIDE

(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, today I celebrate the life of Nan Herring Burnside, a constituent and fellow educator whose death on October 14 represented a great loss to all who knew her, particularly the many students whom she has helped and their grateful parents.

Upon graduation from the University of Miami, Nan became a teacher in the Miami area, and she remained there for the next 35 years. She was a co-principal at Bay Point School, an alternative educational and rehabilitation center focusing on behavior management for troubled youths.

She was a devoted Christian, and an active member of the First Baptist Church of Perrine. She shared her faith openly with those around here, and was an inspiration to family, friends and students. Like her mother, Amy Steinman, an appropriations analyst for the House majority whip's office, shares her mother's generosity and commitment.

I want to express my deepest condolences to Amy and to her brother John, and to all of the staff and students at Bay Point School.

Nan personified all that was good and noble in this world. She will be sorely missed, especially by her family, the Bay Point community, and all who will continue to work hard to ensure that her legacy lives on in changing the lives of our troubled youth.

CONGRESS BETTER KEEP AN EYE ON THE DRAGON

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

Mr. TRAFICANT. Mr. Speaker, while everyone is choosing their words very carefully, news reports continue to link the Taliban government with China.

On Tuesday, September 11, we all know that the Taliban attacked America with one hand; on the same day with the other hand, the Taliban signed a memorandum of understanding cooperative agreement with China. Something stinks here.

Bin Laden is in the headlines, but we better be very careful that China is not popping up in the details and fine print. To boot, we are financing the biggest war machine in world history with U.S. dollars in China. Beam me up.

Mr. Speaker, I yield back the fact that Congress better keep an eye on the dragon, and the dragon can reach New York and Washington a lot quicker and easier than the Taliban did.

FEAR IS USELESS, WHAT IS NEEDED IS TRUST

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

Mr. PENCE. Mr. Speaker, in these uncertain days, it is important that we cling to the permanent things and the ancient truths. Among them is the principle that fear is useless, what is needed is trust.

As we prepare in the next hour to vote on H.R. 2975, the PATRIOT Act of 2001, I rise as a proud member of the Committee on the Judiciary to say this legislation is about trust. It is not about fear. It is about trusting the law enforcement authorities of this country with the powers, some temporary, some permanent, to stop those who would wage war on our citizens before they level the attacks.

We do not bring this legislation to this floor in fear. We bring this legislation to the floor in trust. We trust in God. We trust in the governing authorities that our God has placed for such a time as this. I urge all of my colleagues to join me in strongly supporting the PATRIOT Act of 2001.

AMERICANS NEED TO KEEP TERRORIST THREATS IN PERSPECTIVE

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

Mr. EHLERS. Mr. Speaker, I want to make a few comments about the terrorist activity going on and recognize it for what it is.

Terrorists are nongovernmental groups who are trying to disrupt legitimate governments. They do that, they attempt to do that disruption by terrifying people. Therefore, they are called terrorists. They do this by trying to instill fear, to cause substantial expense to legitimate governments, to disrupt daily life and achieve their goals in that way when they cannot achieve them through legitimate power.

We have to keep that in mind in our response. It is very important that we do not become fearful, that we do not become terrified, and that we go about our normal lives.

Mr. Speaker, let me speak for a moment as the scientist that I am. Let us keep things in perspective. I am very concerned that our Nation seems to be fearful, extremely fearful of anthrax. Recognize the risk and put it in perspective. Every day of the week approximately 120 Americans get killed in car accidents, and many more injured; yet very few have been affected by terrorist activities. I urge Americans to fly. It is safe. I ask Americans not to ignore the threat of anthrax, but simply be careful.

□ 1015

ECONOMIC STIMULATION FOR SPECIAL INTERESTS

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

Mr. GREEN of Texas. Mr. Speaker after September 11, the American people came together, Democrats, Republicans, rural, urban, East, West, North,

South, white, black, Hispanic and Asian. The American people wanted this, and they demand it from us.

But today is a different story. The so-called stimulus package that we have on the floor today is being presented wrapped in red, white and blue, but it is a charade. It is a Trojan horse for every special interest package that has come around for the last 10 years. The American people are not and will not be fooled. This so-called stimulus package is a wish list of every special interest tax rebate and tax cut that will not stimulate our economy and does nothing to help us from the September 11 tragedy. The wrapping of special interest legislation in our patriotic feelings is wrong, and it is not in the spirit of our bipartisan war effort.

Do not wrap your special interest in our flag and expect the American people to accept it.

URGING SUPPORT FOR THE ECONOMIC SECURITY AND RECOVERY ACT

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

Mr. GIBBONS. Mr. Speaker, today we will debate and vote on H.R. 3090, the Economic Security and Recovery Act of 2001. I urge everyone's support for this bill. There is no doubt that our economy has been drastically impacted by the September 11, 2001 act and by the subsequent bioterrorism that has occurred throughout America. Both the job creator and the individuals are facing difficult financial situations and action needs to be taken now.

This bill, H.R. 3090, will provide incentives for businesses to create those jobs and innovations to invest in our country and in our future. The bill will also address the issues related to human impacts by these attacks. Hundreds of thousands of individuals are in dire financial straits through no fault of their own and are offered a helping hand in this bill.

This bill will allow for States to provide flexibility to supplement current unemployment and health benefits in States where events of September 11 have caused an increase in the number of unemployed. The bill also offers incentives for businesses to create jobs, spur innovations and invest in our country's future. I urge everybody to support H.R. 3090.

ECONOMIC STIMULUS PACKAGE OUGHT TO BE REJECTED

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

Mr. GEORGE MILLER of California. Mr. Speaker, later today we will be called upon to vote on the economic stimulus package presented from the other side of the aisle. Should that package pass, we will create the greatest inequality in the treatment of American taxpayers in decades in this country. We will return to the days of yesteryear where in 1986, 1987, and 1988 corporations were making millions of dollars and paid no taxes. They paid nothing for the privilege of the defense system of this country. They paid nothing for the research capabilities of this country. They paid nothing for the privileges of being an American corporation.

Today, we are going to go back and we are going to repeal the alternative minimum tax so those corporations will be back in the position of paying no taxes and at the same time, at a time when this country is at war, when we are asking for shared contribution, shared sacrifice, we are going to dump the burden of this war, the cost of this war, the cost of this deficit, the cost of bailing out Social Security on the backs of working people and the payroll tax. That is what the Republican Party believes is fair, is equitable. It is wrong, it drips with greed, it drips with special interests and it ought to be rejected.

PUTTING THE TERRORIST ATTACKS IN PERSPECTIVE

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

Mr. BARTLETT of Maryland. Mr. Speaker, I would like to take just a couple of moments to put the terrorist attacks in perspective. Every day, the 10 leading causes of death in our country result in 5,032 deaths. The fifth leading cause of deaths in our country are accidents. Nearly half of those deaths are caused by automobile accidents. And nearly half of the automobile accident deaths are the result of drunk driving. Every day, about 60 people die as a result of drunk driving. As bad as the terrorist attacks are, we have lost three people to anthrax in the last 9 days.

Your chances of being killed by a drunk driver are far, far, far more than your chances of dying from anthrax.

Mr. Speaker, we must not allow the terrorists to shut down our government. We must not allow them to shut down our country. Please put this in perspective.

VOTE AGAINST THE TAX BILL

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

Mr. MCDERMOTT. Mr. Speaker, the real casualty, it looks like, from the 11th of September was the democracy that this House represents. We were told we could have unlimited 1-minutes today, and suddenly they do not want to have us talk. They do not want to have us talk in hearings. They do not want to bring in people to tell us what these bills are going to do, so today you are going to be faced with a bill that had 1 hour of hearings. Nobody came and told us any of the facts about what was in the bill. So we are going to go out when we go home this weekend and tell our friends and neighbors in our district, buy war bonds so you can give $1.4 billion to IBM, buy war bonds so you can give $2.3 billion to the Ford Motor Company. That is going to stimulate the economy, folks. That really is. Without one hearing.

What else do we have to do but talk? We do not have an office. We do not have staff. We do not have anything else, but we cannot talk in the House of the people. That is shameful. You ought to vote against that tax bill on no other reason than that alone.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would remind all Members to deactivate electronic devices in the Chamber as a courtesy to other Members.

SUPPORT THE STIMULUS PACKAGE

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

Mr. FLAKE. Mr. Speaker, I rise today to thank the Committee on Ways and Means for putting together a great package, a stimulus package, H.R. 3090. The best thing about this package is it does provide some stimulus. That is what we need to remember. We ought to stop the class warfare that generally typifies our discussions here and for this day focus on what is going to provide some stimulus.

This speeds the rate reduction for those in the 28 percent tax bracket. We ought to speed it up for everyone, including those in the higher brackets. It increases capital gains tax deductions. It also allows some capital gains reduction for those holding these capital gains for longer.

I urge the House to hold firm on this package in its negotiations later and to resist the class warfare and resist the redistribution that we are want to do in this House and to provide something that provides long-term stimulus to the economy.

TRIBUTE TO THE POSTAL SERVICE

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, we know that what America wants is to have its Nation secured. We also realize that the heart of America is our people. That is why I want to pay tribute to the men and women of the U.S. Postal Service and offer my deepest sympathy for those we lost

over the weekend. The Postal Service, who delivers mail through rain or shine or any other difficulty, are the working people of America.

That is why I ask the U.S. Postal Service to give every single postal worker gloves and surgical masks as the science dictates, to provide free testing and free treatment and free drugs if necessary to treat them as it relates to the anthrax scare. These are difficult times and America needs to invest in its people. That is why I will vote ''no'' for this special interest economic stimulus package that stimulates no one but corporate America. And yes, I will vote to help postal workers, and I will vote to federalize the airline security system because what America wants is a secure Nation for the working people of America and all the people of America, not a special interest economic stimulus package that serves no absolute purpose.

GOOD NEWS REGARDING MARS SPACE PROGRAM

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

Mr. DREIER. Mr. Speaker, we have gone through some extraordinary challenges over the past several weeks and I think it is important for us when we have some good news to point to that. We all know that this is the greatest Nation the world has ever known, and further evidence of that came this morning when we saw that the Odyssey entered the orbit of Mars. I want to extend congratulations to the wonderful people at the Jet Propulsion Laboratory that my friend the gentleman from California (Mr. SCHIFF) and I have the privilege of representing. I see the gentlewoman from California (Mrs. NAPOLITANO) here in the Chamber. I know she has many constituents who work up there. They have gone through some very tough times over the past 2 years in dealing with the Mars program. This sign of success is a further demonstration of the greatness of the United States of America and the people who are working on the very important space program.

STIMULUS PACKAGE MARKS RETURN OF PARTISANSHIP

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute.)

Ms. SANCHEZ. Mr. Speaker, I rise today to speak about the so-called economic stimulus package, a bill that truly marks the return of partisanship to our Chamber. Congress should be helping workers in need due to the aftermath of the terrorist attacks. These workers are my constituents, the hardworking men and women who make their living off the tourism industry which provides so much to our district.

Our workers want Congress to strengthen homeland security, to put money in the pockets of unemployed workers, and to ensure our long-term economic confidence. That is exactly what the Blue Dog plan would do. Our plan deals with immediate economic concerns without damaging the Nation's fiscal health or long-term economic recovery. It would ensure resources for vital security needs, provide critical relief for laid-off workers, and maintain the fiscal discipline needed to restore long-term economic confidence and keep interest rates low.

The Republicans are putting special interest tax cuts ahead of the workers of America.

ANNOUNCING A NEW ILLINOIS POWER PLANT

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

Mr. SHIMKUS. Mr. Speaker, in the days and weeks of bad news, I would like to come to the floor with some good news. On Monday, I attended an announcement of a collocated coal mine and power plant that is being planned and developed in Washington County, Illinois. Generation is planned for 2003. Construction of this facility will create approximately 1,500 jobs and then for the operation of the coal mine and the power plant another 500 jobs. These will be high-paying union jobs. This is what we and the administration hoped for in a national energy plan.

I applaud the State of Illinois for their assistance and I look forward to low-cost, reliable, clean energy for Illinois and this Nation.

AIRLINE SAFETY

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

Mr. INSLEE. Mr. Speaker, it is a shame that we are now 42 days after the attack of September 11 and this House has done not a single thing for airline safety. Nothing. Zilch. Not one additional element of airline security. When you get on your planes next Friday to go home, it will be with the sure knowledge that 90 to 95 percent of the bags that go into the belly of your airplane are not screened for explosive devices. Those bags go in there with nothing to screen them from keeping C–4 explosives in them.

Yesterday at the airport, or 2 days ago, I got on an airplane and they took the nail clippers away from the guy next to me and that is great. But we have not done a single thing to keep C–4 explosives out of the bags. Instead, the majority party is bringing this alleged stimulus package that is going to stimulate nothing except campaign contributions. It is really too bad that we are paying more attention to the corporate financial security and no interest in airline passenger personal security.

ANTHRAX AND ECONOMIC STIMULATION

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

Mr. WHITFIELD. Mr. Speaker, first of all, I would like to congratulate the leadership on the Democratic side and the Republican side for dealing with this anthrax issue in the House of Representatives and in the Senate. It has called for cooperation on both sides to deal with this very complicated issue. And, yes, it is affecting our legislative process. It is slowing it down. We are not able to move as fast as we want to.

On the economic stimulus package, it is not everything that any of us want. I will say this, though, that this stimulus package provides $9 billion to States to help them respond to economic hardship in the wake of the September 11 attack. It also provides $3 billion in fiscal 2002 to help States provide health care coverage for unemployed workers who today do not have any health care coverage.

□ 1030

Obviously there are some aspects of it we do not like, but hopefully we can work those out with the Senate in the conference. So I think that this economic stimulus package is reasonable and we can work out differences with the Senate.

CORPORATE ORGY

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

Mr. MENENDEZ. Mr. Speaker, the Republican Economic Security Act being voted on today is not economic stimulus; it is a corporate orgy. It is not temporary, as most economists would recommend, but a permanent corporate party at the expense of the average taxpayer.

The Republican plan does not help small and mid-sized businesses that cannot weather the storm on their own, but it does help special interests. The Republican economic plan not only provides a tax break for corporations, but a corporate tax bonus going back to 1986. Displaced, laid-off workers get no guaranteed assistance; and if they get anything, they get chicken feed.

The Republican plan is nothing but a shameless raiding of billions of dollars from the public treasury for private profit, with $20 billion in tax benefits alone for overseas corporations of financial services companies. At a time of national urgency, when we should be here providing for the security of the American people, we should not in fact be fleecing them, and that is what this Republican plan does.

PROVIDE ECONOMIC STIMULUS TO PEOPLE WHO NEED IT

(Mr. ALLEN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, let us just talk the facts about this particular bill, the economic stimulus bill that the Republican leadership is bringing to the floor. Most Americans got a $300 tax rebate not so long ago. Now we understand where the Republican leadership is really coming from. This bill on the floor today will give a $1.4 billion rebate to IBM, $1.4 billion; it will give a $833 million rebate to General Motors; it will give a $671 million rebate to General Electric, and on down the line. It gives $2.3 billion to the Ford Motor Company.

My friends on the Republican side of the aisle call this ''economic stimulus.'' These are good corporations. They are strong corporations. They do not need a rebate of taxes they have paid since 1986.

What we need in this country is an economic stimulus package that goes to people who will spend it, not $25 billion to the largest American corporations.

FEDERALIZE AIRLINE SECURITY

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

Mr. UDALL of New Mexico. Mr. Speaker, I visited the airport in my State over the last weekend, and there were many new security measures in that airport put in place, and the National Guard was greatly appreciated in terms of their presence. But we can do a lot better when it comes to security. We should match all bags with passengers, we should federalize airline security, we can require overseas airlines to disclose passenger lists before they arrive in the United States, and we can require all luggage be X-rayed for bombs.

The Senate has acted 100 to nothing. We do not have a bill on the floor. We need a bill. We need a bill now. It is absolutely unacceptable that we are not working on airline safety.

HOUSE GIVEN CHOICE ON ECONOMIC STIMULUS PACKAGES

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

Mr. TIAHRT. Mr. Speaker, we have heard a lot this morning about the opposition on the other side of the aisle opposing the stimulus package that is being presented on the floor today for a vote. But the way this works, there will be an opportunity for the opposition to present their version of a stimulus package, so we will have a choice here today.

The Republican version does help companies, small businesses, because those are the institutions that hire people. In Kansas, four out of five jobs are in small businesses. There is business expense and depreciation that will help small businesses in this stimulus package. One of the largest corporations in the Nation is the Boeing Company; but in Wichita, Kansas, they are laying off workers. They need help. They need a stimulus package. There is something in here to help them hire back those people.

We act like the great villains are the businesses in America. The people in business provide the jobs so that taxes will be paid by individual workers. That is in the Republican version, and that is a very good part of it.

Now, the opposition is going to present their version, and what it does is it raises taxes. It starts new programs.

I urge my colleagues to accept the Republican version.

FEDERALIZE AIRPORT SECURITY NOW

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

Mr. MEEHAN. Mr. Speaker, my district in Massachusetts has been very hard hit by the events of September 11. Twenty-eight families in my district have been devastated, with 28 victims who were on flights, a vast majority of them, on American and United Airlines.

As I met with families who have been devastated, overwhelmingly they say to me, if you do nothing else, please make airports and airplanes in this country safe. If you do nothing else. Overwhelmingly they say to me, federalize security at the airports. They say to me, we noticed the other body voted 100 to nothing to federalize airport security. Why can the House of Representatives not do the same?

I do not have an answer for those families. Apparently, there is somebody on the other side of the aisle that does not want to federalize security at airports.

On behalf of the families who have been devastated in my district, I urge the leadership of this House to bring that airport security bill down to the floor of the House of Representatives that passed 100 to nothing in the other body. Let us get it done this week.

CONGRESS MUST DO BETTER ON ECONOMIC STIMULUS PLAN

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

Mr. BLUMENAUER. Mr. Speaker, the President and our congressional leadership have suggested that we are in this effort for the long haul. They have pointed out that we are in the equivalent of war, that we were attacked on September 11, not unlike Pearl Harbor. We have been urged, I think, in our efforts to reach out to the American people.

I am saddened that we are today turning our back on the bipartisanship, on working together, in terms of doing our best that these times demand.

My colleague just pointed out the lunacy of the proposal that is brought before us, that is too big for the White House in economic stimulus. It has very little direct aid to those most in need. It has huge benefits for a few corporate giants, with no requirement that this be tied back to economic stimulus.

But my concern is why are we settling in this time of urgency for a return to partisanship and divisiveness? This bill is not our best. I urge Congress to not give up so soon.

POLITICAL PROFITEERING ON STIMULUS BILL

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

Mr. BROWN of Ohio. Mr. Speaker, the Republican-leaning USA Today writes about the so-called stimulus bill. They write, ''The House takes up today a special wartime stimulus bill that is little more than good old-fashioned special interest giveaway. The Republican House has decided to repay corporate patrons for their years of campaign support. The House lavishes tax benefits,'' USA Today says, ''on just about everyone with a lobbyist. Companies get 70 percent of the tax cuts in 2002, and some of these breaks are permanent. These are times,'' USA Today says, ''that require everyone to put aside petty self-interest and everyday horse trading for the country's good. Yet House Republican leaders showed an unwillingness to do that with the refusal to consider federalizing the Nation's airport security system. Now they are at it again with their brazen attempt to use the current crisis to please well-heeled special interests.''

Mr. Speaker, excessive partisanship at this difficult time in our Nation's history is bad enough, but this kind of political profiteering by House Republicans is down right shameful.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, the Chair will now resume proceedings on postponed questions, as follows:

First, on suspending the rules and passing H.R. 3162;

Second, on approving the Journal.

The Chair will reduce to 5 minutes the time for the second electronic vote in this series.

UNITING AND STRENGTHENING AMERICA BY PROVIDING APPROPRIATE TOOLS REQUIRED TO INTERCEPT AND OBSTRUCT TERRORISM (USA PATRIOT) ACT OF 2001

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3162.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the house suspend the rules and pass the bill, H.R. 3162, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 357, nays 66, not voting 9, as follows:

[Roll No. 398]

YEAS—357

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Oxley
Pallone
Pascrell
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Sawyer
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (FL)

NAYS—66

Baldwin
Barrett
Blumenauer
Bonior
Boucher
Brown (OH)
Capuano
Clayton
Conyers
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Dingell
Farr
Filner
Frank
Hastings (FL)
Hilliard
Honda
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kucinich
Lee
Lewis (GA)
McDermott
McGovern
McKinney
Meek (FL)
Miller, George
Mink
Mollohan
Nadler
Ney
Oberstar
Olver
Otter
Owens
Pastor
Paul
Payne
Peterson (MN)
Rahall
Rivers
Rush
Sabo
Sanchez
Sanders
Schakowsky
Scott
Serrano
Stark
Thompson (MS)
Tierney
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Woolsey
Wu

NOT VOTING—9

Abercrombie
Bilirakis
Burton
Clay
Cubin
Hansen
Hill
Kilpatrick
Young (AK)

□ 1105

Mrs. MEEK of Florida and Messrs. OWENS, MOLLOHAN and SABO changed their vote from ''yea'' to ''nay.''

Ms. CARSON of Indiana, Mr. STUPAK, and Mr. COSTELLO changed their vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BEREUTER. Mr. Speaker, on rollcall No. 398 I was inadvertently detained. Had I been present, I would have voted ''yea.''

Mr. HANSEN. Mr. Speaker, on rollcall No. 398 I was inadvertently detained. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. CLAY. Mr. Speaker, due to unforeseen circumstances, I missed this morning's vote on the Journal and the vote on H.R. 3162, the PATRIOT Act of 2001. Had I voted, I would have voted ''yes'' on the Journal and ''yes'' on H.R. 3162.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the provisions of clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the additional question on which the Chair has postponed further proceedings.

THE JOURNAL

The SPEAKER pro tempore. The pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 367, nays 48, not voting 17, as follows:

[Roll No. 399]

YEAS—367

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell

Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Herger
Hilleary
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Largent
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moore
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Sununu
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Traficant
Turner
Udall (NM)
Upton
Velazquez
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Wilson
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—48

Baird
Borski
Brady (PA)
Capuano
Crane
DeFazio
English
Fattah
Filner
Gutknecht
Hastings (FL)
Hefley
Hilliard
Hinchey
Hulshof
Jackson-Lee (TX)
Kucinich
LaFalce
Larsen (WA)
Lewis (GA)
LoBiondo
McDermott
McGovern
McNulty
Miller, George
Moran (KS)
Oberstar
Olver
Peterson (MN)
Rahall
Ramstad
Sabo
Scott
Slaughter
Stark
Strickland
Stupak
Sweeney
Taylor (MS)
Thompson (CA)
Thompson (MS)
Towns
Visclosky
Waters
Weller
Whitfield
Wicker
Wu

NOT VOTING—17

Bilirakis
Blunt
Burton
Clay
Cubin
Goss
Harman
Hill
Kilpatrick
McCollum
Moran (VA)
Pickering
Schaffer
Skelton
Stump
Tancredo
Udall (CO)

□ 1117

So the Journal was approved.

The result of the vote was announced as above recorded.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3162, UNITING AND STRENGTHENING AMERICA BY PROVIDING APPROPRIATE TOOLS REQUIRED TO INTERCEPT AND OBSTRUCT TERRORISM (USA PATRIOT) ACT OF 2001

Mr. LINDER. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3162, the Clerk be authorized to make technical corrections and conforming changes to the bill.

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

There was no objection.

ECONOMIC SECURITY AND RECOVERY ACT OF 2001

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 270 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 270

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3090) to provide tax incentives for economic recovery. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) One hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York 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. The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

H. Res. 270 is a modified closed rule, waiving all points of order against consideration of H.R. 3090, the Economic Security and Recovery Act of 2001.

The rule provides for 1 hour of general debate in the House, equally divided and controlled by the ranking minority member and the chairman of the Committee on Ways and Means. It also provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

H. Res. 270 provides for the consideration of only the amendment in the nature of a substitute printed in the Committee on Rules' report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) 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.

The rule waives all points of order against the amendment in the nature of a substitute. Finally, it provides one motion to recommit with or without instructions.

Mr. Speaker, I urge my colleagues in the House to join me in approving this resolution so the House can move on to consideration of this stimulus package, arguably one of the most important legislative measures we will debate this year.

In light of the tragic events of September 11, 2001, along with more recent developments here in Washington, D.C., New York, New Jersey and Florida, observers are increasingly concerned about our Nation's economy going into a recession. Indeed, President Bush has called upon the Congress to quickly send him legislation that he can sign into law to avoid such a scenario. With all of these events in mind, it is imperative for the House of Representatives to take prompt action on legislation that will provide our economy with a jump-start, and H.R. 3090 does just that.

I wanted to commend the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), for bringing this package to the floor and doing so in a fiscally responsible fashion. As approved by the committee, H.R. 3090 provides hard-working American workers and businesses with roughly $99 billion in tax relief to help stimulate the economy in the first year, and only $159 billion over the next 10 years. Constructing the bill in this fashion will hopefully

maximize its stimulative impact, while minimizing its long-term budgetary impact.

I urge my colleagues on both sides of the aisle to support the rule on this important stimulus package to ensure the economic security of our country.

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

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

Mr. Speaker, it is with a sense of deep disappointment that I rise today, not because it is difficult to oppose this rule and this bill. Republican leaders have presented the House with a bill that is so partisan, so unfair to laid-off workers and so fiscally irresponsible that there is little doubt about the harm it would do to the economy, to Social Security and Medicare and to public health and other homeland security problems. A person could not write a more dangerous piece of partisan posturing if they tried.

No, Mr. Speaker, my deep disappointment today is with the fact that we are considering this bill at all. At a time like this, as Americans pull together to fight anthrax in the mail and to support our troops in Afghanistan, does anyone really believe we need more billion dollar corporate tax breaks? At a time like this as American cities cry out for bipartisan leadership, does anyone really believe we need more partisan posturing and politics as usual?

It does not have to be this way, Mr. Speaker. Over the past 6 weeks, Americans have pulled together to rebuild from the horror of September 11. Here in Washington, Democrats and Republicans strongly support the President and the men and women of the U.S. military as we wage this war against evil.

On the economy, we started off in the right direction. Democratic and Republican leaders joined the President in committing ourselves to build bipartisan consensus around an economic security package.

Unfortunately, Republican House leaders have today forgotten bipartisanship on the economy. Today they hope to ram through a bill that simply repackages a whole host of expensive tax breaks that Republicans have been pushing for years.

Mr. Speaker, one hardly knows where to start with this bill. It violates all the economic stimulus principles identified by the bipartisan leadership of the House and Senate budget committees. President Bush's Secretary of the Treasury called it ''show business'' for Republican special interest friends. One Washington lobbyist called it ''a bag of goodies.''

Mr. Speaker, America's economy is slumping now, but this bill provides precious little immediate stimulus. Instead, it hurts long-term economic growth by squandering the Social Security and Medicare Trust Funds and driving up long-term interest rates and families' credit card and home mortgage payments.

Hundreds of thousands of hard-working Americans have lost their jobs since September 11. Many laid-off workers do not get the unemployment assistance they need to take care of their families while they look for work, and many cannot afford health insurance after they lose their jobs.

This bill pretty much leaves laid-off workers and their families to fend for themselves. Instead, it provides a $20 billion tax refund to the biggest corporations in America, and it does it retroactively to 1986. Let me repeat, it provides $20 billion of tax breaks to the biggest corporations in America and does it retroactively to 1986. Shame on the other side of the aisle. Shame. It gives these corporations and corporations like them another $20 billion in tax benefits when they decide not to invest in the U.S. economy but keep their money abroad.

Finally, this Republican bill shortchanges America's homeland security needs to pay for special interest tax breaks. The first duty of the Government is the safety of the American people, and winning the war on terrorism will be expensive; but this bill would not make a single American more secure.

Instead, it spends $160 billion of Social Security money on tax breaks for corporations and special interests. Unfortunately, tax breaks will not pay for airport security or public health.

The truth is, this stimulus bill only stimulates special interests; and it does it by sacrificing Social Security, the economy and homeland security priorities. The truth is some Republicans believe the public is distracted by the war on terrorism and sees an opportunity to slip in a grab bag of special interest goodies that will neither stimulate the economy nor make a single American safer.

Mr. Speaker, the American people deserve better than that, and the Members of this House in both parties can do better than that.

We still have the opportunity to agree on a bipartisan economic security plan; and the Democratic substitute, which is based on the principles outlined by the Democratic Caucus Task Force on the Economy, was designed to serve as a basis for bipartisan consensus.

It is balanced, ensuring resources for homeland security priorities, critical assistance for laid-off workers, and direct economic stimulus like tax relief for those most likely to spend it, and it is fiscally responsible. Every dollar is paid for by freezing the top tax rate at 38.6 percent.

Our plan puts security first by setting aside $20 billion for immediate homeland security needs. Our plan ensures all laid-off workers have the unemployment insurance and affordable health insurance they need to strengthen families and stimulate the economy by putting money in the pockets of the people who need it most. It provides for 26 additional weeks of unemployment benefits. It provides for 75 percent of the COBRA costs of health insurance for 1 year for laid-off employees, something that Republicans do not even begin to do.

Our plan includes a holiday tax relief for the millions of Americans who pay taxes but did not receive a full rebate check and, in some cases, did not receive any rebate check earlier this year. These new rebate checks, $600 for couples, timed to coincide with the holiday shopping season, could give the economy a crucial shot in the arm.

It also includes meaningful tax relief for small- and medium-sized businesses. Short-term help, focused on encouraging immediate investment, will help jump start the economy without threatening long-term fiscal discipline.

Finally, our plan is fiscally responsible and paid for. So we protect America's long-term economic health and strengthen Social Security and Medicare. To win the war on terrorism and restore our economic strength, we have to pull together and share fiscal responsibility.

These should not be Democratic or Republican priorities. These are American priorities, and Americans deserve political leaders who work together to achieve them. Democrats are committed to doing that. It is my sincere hope, Mr. Speaker, that Republicans will join us in defeating this rule and this partisan bill Republican leaders have put together today.

□ 1130

We can get back to the bipartisanship that America deserves from us.

And let me say in conclusion, Mr. Speaker, the people on the other side of the aisle should be ashamed to show their heads in this Chamber today when they provide $20 billion of retroactive tax breaks going back to 1986 for the largest corporations in America. We should be providing unemployment benefits and health care benefits and jobs for the people who are suffering, not retroactive corporate tax breaks.

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

Mr. LINDER. Mr. Speaker, I yield myself 15 seconds to thank the gentleman from Texas for the generous and bipartisan spirit of his remarks and for his honesty in pointing out that the Democratic substitute is a spending program financed by tax increases.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. FOSSELLA).

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

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from Georgia for yielding me this time, and I rise in support of the rule and the underlying legislation.

I think there are basically two competing views, and that is okay, that is the beauty of our country, that we can have different views and come to the

floor of this House and debate them. One suggests that we raise taxes and thus raise spending to stimulate the economy. Personally, I do not support that.

I think the vast majority of the American people understand that the best way to stimulate our economy is to provide incentives to individuals and businesses to create more jobs, really harnessing the energy of the American people, the spirit of the American people. So on two levels this bill is the right thing to do because it reduces the top tax rate on individuals, thus providing incentives for people to go out there, work a little harder and keep a little more money from their paycheck, or a small business to keep a little more money in their small business, to create more jobs, to provide health insurance for their employees, to invest in the long-term prosperity of their operations.

On another level it is important for New Yorkers. This is a good bill for New York. We have seen what happened on September 11, and I want to commend my colleagues and the administration on the other side of the House for all they have done for New York; but we also saw in New York an unbelievable spirit that came forward. That is nothing new. There are those of us who believe that the American people have unbridled spirit and, when given the tools, they can achieve everything and anything. And that is what this bill allows to happen. It allows the American spirit to take hold.

In New York, we have to rebuild downtown Manhattan. Fifteen to twenty million square feet of office space needs to be rebuilt. This bill will allow that to happen by decreasing the leasehold improvement for tenants to 15 years. Normally a lease on commercial office space is 7 to 10 years; retail space 3 to 5 years. Current law is out of whack with that. This bill rights that and will provide incentives for the private sector to go into downtown New York and rebuild it as it will. This is the tool that will allow that to happen.

We also recognize that in New York we want to provide incentives to businesses to depreciate and expense their equipment, capital equipment, capital investments that are going to create more jobs. Now, it is one thing to have a view that more taxes is better and more spending is better, but if at any time this country needed a shot in the arm and a resurrection of the knowledge that the American people are the fruit and the root of prosperity, it is right now.

This bill, championed by the gentleman from California (Mr. THOMAS) and the Speaker, and supported by the administration, is right for New York, right for America, and right for this Congress.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I support the rule because the Committee on Rules was kind enough to give us a substitute so that it would give Republicans and Democrats an opportunity to really get off the political hook.

There is nothing more disgraceful during a time of war for people to take advantage of it and pull out old Republican tax cuts that are totally unrelated to the stimulus that the President asked for and that our leadership asked for. This bill that is coming up is the first time on this floor that we have deviated completely from the whole concept of bipartisanship. It is something that is just arrogantly brought to us, as other bills have been brought to the floor by the Committee on Ways and Means, without any consultation at all with the Democrats on the committee. It shows utter contempt for Democrats, utter contempt for the House, and in this particular case, utter contempt for the other body, since we started off on a bipartisan way with guidelines.

Those guidelines are that this is supposed to be temporary tax relief. This is not temporary. It was supposed to be no bigger than $75 billion over 10 years. This more than doubles that. It was supposed to be offset, which is the budget's way of saying it should be paid for, and even the budget chairman says it is not paid for.

This is a disgrace in terms of what it will do for long-term interest rates. It really throws a tax bonus to some of the largest multinationals in this country of some $25 billion, some receiving over $2 billion, one receives $1 billion, others receive $400 million, $500 million, and $600 million. My colleagues cannot justify this as building New York.

We want to have a stimulus for people to go out and spend, so we take the people from the lower income and we give them a decent unemployment compensation, and we help to pay for their health insurance. What do my colleagues do for those same people? My colleagues do not take care of airline security; they do not take care of the security of people in the United States. These are bills we are waiting for.

My colleagues can ram this through, but I think this time the train is going to hit a stone wall.

Mr. LINDER. Mr. Speaker, I want to thank the gentleman for his support of the rule, and I yield 3 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time; and, Mr. Speaker, I thank the ranking member on Ways and Means for rising in support of the rule, although we have some profound disagreements here.

Despite the tone of the rhetoric this morning, it is worth reminding ourselves that good people can from time to time disagree. And I suppose when we take a look at our Nation's economy, there is a question, a fundamental question about who we should trust to reinvigorate the economy. Should we trust small business and job generators that have proven time and again that our way to long-term prosperity is through job creation; or should we view the economy in a static stagnant mode where government is the answer of first and last resort? To hear my good friend from Texas on the Committee on Rules, it seems he envelops that vision. Somehow, to reinvigorate the private sector with economic stimulus, to make sure that funds are there to provide for new plant and new equipment and thereby reinvigorate the job market, that just does not compute in the vision we hear from the left.

Folks are entitled to their opinions. We believe, however, that the best way to reinvigorate our economy is to reduce taxes for everyone and at this time of national need to make sure that business has the funds to regenerate jobs. Rather than an inherent distrust or an effort to engage in class warfare, it seems to me that as our Nation is at war, we could do without a conflict on the home front. Good people can disagree.

This rule is sound. It provides the minority with their opportunity to offer a static stagnant finger-pointing approach that would somehow stand to accuse all American business of being less than civic minded. And that is certainly their philosophy, and they are entitled to it. But we, instead, opt for the notion that the American people, through saving, spending, and investing their own funds, whether on Wall Street or on Main Street or on your street, Mr. Speaker, can make the difference.

That is the underlying theme of our legislation. That is why I rise in support of this rule and the underlying legislation, because the American people, when left to their own devices rather than with the heavy hand of government, the helping hands of neighbor helping neighbor, business reaching out with job creation, that will make the difference both here at home and in our battles abroad.

For that reason, I ask the House to join us in supporting the rule and the underlying legislation.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds. The gentleman talks about small business. We all agree that small business should be helped. The retroactive tax cuts going back to 1986 include the following: General Motors, $832 million; General Electric, $671 million; IBM $1.424 billion; Ford Motor over $2 billion.

Certainly we want to help small business. The gentleman on the other side of the aisle wants to give retroactive tax cuts to the biggest corporations in America.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Texas for yielding me this time, and I rise in opposition to the rule.

I would also comment that the speaker from Arizona just talked about class warfare, something that Republicans love to talk about; but in fact, it is Republicans who commit class warfare on this floor every day by giving tax cuts to the rich over and over and over again and give so little to workers. All we do as Democrats is point out the fact that Republicans are committing class warfare.

If you are a major corporation, this legislation is for you. But if you are a laid-off worker, if you do not have health insurance, this bill is woefully inadequate. The GOP bill gives damn near everything to many of America's largest corporations, to the tune, as the gentleman from Texas (Mr. FROST) pointed out, of hundreds of millions of dollars to each of these many corporations and so little to those who actually need help.

We all know and we all celebrated and honored the heroes of September 11, and celebrated and honored those victims of September 11, those people who gave their lives in the rescue efforts. However, this bill has forgotten the victims all over the country, the victims of this recession, the victims of all that has happened prior to September 11 and since September 11.

The Republican bill has nothing for health insurance, for instance, for family members who are left behind after the September 11 tragedy. The Republican bill sends none of the money for health insurance directly to laid-off workers, to people who have lost their insurance. The money goes through the States. And who knows how much of it actually ends up for health insurance for those workers that were laid off.

The Republicans know that only a little bit, only a few hundreds of millions of dollars labeled for health care, will really provide meaningful health insurance. It simply is woefully inadequate. It is one-eighth the amount of money we put into health insurance in the Democratic bill.

The Democratic bill understands that sometimes COBRA is a cruel hoax. People lose their jobs and then simply cannot afford to pay the extra two and three times the amount for health insurance that they were paying before. The Democratic plan takes care of COBRA by giving a 75 percent subsidy, takes care of Medicaid to those workers that have lost their insurance.

The Republican bill does not seem to care because they are preoccupied with paying off their corporate contributors.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. RYAN).

(Mr. RYAN of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. RYAN of Wisconsin. Mr. Speaker, the oldest trick in Washington is that if you disagree with somebody, impugn their motives, do not attack their policies. That is what we hear on the floor today. Motives are being impugned. All of this talk about giving corporate contributors back their money, those kinds of things, it is just ridiculous and it is a shot to the motives of this Congress.

Mr. Speaker, let us bring this issue back to where it belongs, and that is the fact that we have 7.8 million in America today without a job. We are going into a recession. Now, the problem we have is we need to get people back to work. That is what we are trying to do. The whole entire purpose of a stimulus package is just that, stimulate the economy, get people back to work.

So while some in this Chamber are talking about how to make unemployment a more tolerable position, how to make it something that is easier, what we seek to do in this package is to stop unemployment, to get people back to work. What we are trying to do is to recognize what brought us to this recession in the first place. It was a decline in investment.

When investment dried up in this country, for instance, a 72 percent decline in venture capital, a 50 percent decline in small business financing, a credit crunch that is covering America, when that happened, layoffs began to occur. Then, when people were losing their jobs, when their neighbors around them were losing their jobs, people stopped spending money in the economy.

□ 1145

Mr. Speaker, what we are trying to do is give people job security back. The goal of this bill is job retention, job creation through economic growth. We will not see a rebound in consumer confidence with more rebates. We will see a rebound in consumer confidence if people get their jobs back. People are not going to spend their money if they have lost their job or are afraid of losing their job. People will spend money if they have a job and know that they will keep their job.

The goal of this bill is to grow the economy and let people get their jobs back. Do not believe the hype. I urge passage of this rule.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK).

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

Mr. STARK. Mr. Speaker, there has been a lot of rhetoric about motives. There are 7.8 million unemployed people, and this bill will give them less than $6 billion while it gives $25 billion to the largest corporations in this country. Ford and General Motors alone will get more money than all of the money spent on health care to those 7.8 million people. Chrysler and IBM alone will get more money than the unemployment increase, the increase in unemployment benefits, to those 7.8 million people.

The entire bill gives more money to 100 corporations, over $25 billion, than it gives in rebates to 30 million people in unemployment benefits and health care to 7.8 million people. It gives less than $20 billion, less than 20 percent to all middle and lower class Americans, and it gives 25 percent to just these 100 corporations.

Mr. Speaker, Members must make their choice. Do Members think that Chrysler and General Motors and IBM will do more for the unemployment, or will increasing the health care benefits for the unemployed do more?

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

Mr. STARK. I yield to the gentleman from California.

Mr. MATSUI. Mr. Speaker, I am astonished in hearing all this because here we are going to give $8 billion to about 13 corporations, if Members include Ford, which will get $2.3 billion. This is Social Security money. This is payroll tax money that the average American has contributed thinking it is going to go for retirement benefits. We are going to take that payroll tax money and give it to corporations? Is that my understanding of what the gentleman's analysis is?

Mr. STARK. Mr. Speaker, I ask the gentleman, is that not correct? This money will all come out of the Social Security Trust Fund. Not only will people get very little, but they will pay payroll taxes to bail out Chrysler and General Motors.

Mr. MATSUI. Mr. Speaker, I find it astonishing. Perhaps Members think we will not be hearing about this because of the anthrax scare. The reality is Americans are going to find out about this. This is so outrageous the American public will find out about this.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. MCCRERY).

Mr. MCCRERY. Mr. Speaker, the previous speaker implied that all of the AMT relief is going to go to 100 corporations. That is a little bit short. It is actually 17,000 corporations that will benefit from the repeal of the AMT in this taxable year, and a refund of the credits. I want to make sure that Members do not think that all of the $25 billion for AMT relief is going to a few corporations. 17,000 corporations in this country will benefit from that. The average benefit will be about a million dollars. That should clear that up.

Mr. Speaker, I would like to yield to the gentleman from Florida to correct a misstatement that has been made.

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

Mr. MCCRERY. I yield to the gentleman from Florida.

Mr. SHAW. It seems like when somebody is starting to lose the argument around here, they start yelling about the Social Security Trust Fund. I would challenge any Member to come to the floor and explain how we are dipping into the trust fund. The trust fund is there. It is solid. It has the treasury bills in it.

The Social Security surplus which goes into the general fund, part of that is being used, just as the Democrats did for over 30 years, because we are in a time of economic stress and we are in a time of a war footing. I think both parties will agree that in these particular times of stress, as long as we do not touch the trust fund, the surplus is out there and we can no longer use all of it to reduce the debt as we had been doing prior to September 11.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, we are using Social Security money, payroll tax money that people think is going to be going into a trust fund for their retirement to pay essentially 13 corporations about $10 billion. There is no way to deny that.

The gentleman who just spoke 2 years ago voted for the lockbox that was supposed to preserve that money and put that money aside to protect Social Security. How can the gentleman now deny his own vote?

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I thank the ranking member of the Committee on Rules for an opportunity to be heard.

Mr. Speaker, I am so happy that the American public is smarter than many people think that they are. I am so happy that the American public understands that when the airlines got paid, the workers did not get paid, and we are still waiting for the workers to get paid. I am so happy that the American public understands that we still have not put any more security into the airline situation, and we are flying without greater security.

Mr. Speaker, I am so happy that the American public understands that if we are talking about saving industries, why is the steel industry not in the bill for economic stimulus? I am happy that the American public understands that 26 steel companies are in bankruptcy currently, and there is no provision. Talk about saving jobs, what about the steelworkers who built this country. Think about it like this. In fact, there are steel companies that are in bankruptcy, and maybe in the United States we will not even be able to use the steel that is processed in the United States to rebuild our country. I am happy the American public understands.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I am searching on the Democrat side of the aisle for some Members from Michigan. I hope they are going to come to the aid of Ford Motor Company and General Motors.

When we had the discussion on CAFE standards, I know they were most vociferous in protecting Detroit. Today, while this attack is being leveled at Ford and GM, nary a word comes from Michigan. I await their arrival to hopefully shed some light for Members on this floor regarding the horrific layoffs that are occurring in the companies that they mention.

I love Members using big names and big corporate people as ways to have an argument here on the floor on tax policy.

Mr. Speaker, I remember a gentleman from Tennessee that ran for office, the highest office in the land, and the reason he lost, class warfare, pitting one against the other. Picking winners and losers, deciding who is entitled. I love that about this party. I love the Democrats because they get up here on the floor and try to obfuscate the facts that are in this very good bill by the Committee on Ways and Means.

They do not talk about welfare-to-work tax credit extension. They do not talk about qualified zone academy boards, which was pushed by the ranking member of the Committee on Ways and Means. They do not talk about work opportunity tax credit. They do not talk about $11 billion in interest-free financing for school construction. They do not talk about these things because these affect average Americans. These help our communities and neighborhoods. These help the most unfortunate who are losing their jobs.

No, let us roll out the charts. Let us pick on big corporate America because that way Members can rally the forces of those in their communities who side with labor and other interest groups in this Capitol.

Mr. Speaker, I do not want to start that class war rhetoric. The gentleman from Tennessee I mentioned has a nice time walking around the country, not as President but as a former candidate, because he decided rather than unite he would divide. He would determine who is lucky and who is not.

As a Republican, I am proud of the bill we are offering. It covers all Americans, and it will help lift the economy.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I want to turn the debate in a different direction. I met with a number of people in the State of Maine, which I represent, the other day. They were concerned about all of the added costs that the State and the municipality were incurring as a result of their efforts to respond to terrorism. State revenues are declining because of the reduced economy and State expenses are going up.

But this bill from the Committee on Ways and Means will further reduce State revenues by $5 billion in each of the next 3 years because the tax systems of so many States are tied to changes in the Federal Tax Code, a reduction in State revenues of $5 billion. How will Members from New York and California, which are both facing $9 million deficits, say to their folks back home about what they are doing to reduce State revenues even further? In Ohio, Florida, New Jersey, and Michigan, in those States a billion-dollar deficit is going to be made worse by this bill.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

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

Mr. TRAFICANT. Mr. Speaker, September 11 changed America. It displaced many workers, and a lot of those workers are hurting, and they will be helped by this Congress in incremental fashion.

I do not think that the terrorists realized the economic impact they would have; but they did not win because Congress stood together and stood tall to defeat terrorism. But what we see today is an unraveling of that, and we see now the partisanship crawl back in with the class warfare which I believe divides America. The Democrats, who want to talk about Social Security, let us look at 50 years of Democrat leadership where those problems were manifested. That is a fact. Let us all take care of it.

Mr. Speaker, there is one bottom line here. Without an employer, there is not an employee. Without a corporation, they are not dirty words. This is in fact free enterprise.

Yes, these companies need a stimulus. This is not a perfect bill. Tell me one that is. But I am going to vote for the rule. I am going to vote for the bill. I am hoping in conference there will be some other adjustments. But this bill overall is a stimulus, and that is what it is about.

Today's debate is not about this bill. Today's debate is about who is going to be in control of the House of Representatives. This is not the time, when America is under attack, to decide through politics which party is going to control. Now is the time to control our country. Now is the time to provide that stimulus and incentivize our corporations, our companies, our employers. I will tell Members what, without an employer there is not an employee. Without a job there is no family.

Yes, there may be some better ideas; but quite frankly, this is a good bill. It should be supported by all. I want to say one last word: Let it go, Louie. Let it go with this class warfare business. It hurts America. This is an important bill, as important as any we have dealt with that deals with terrorism. We are defeating terrorism. Let us keep up our record.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, 7 weeks after the unspeakable terrorist attacks against our Nation, the country and Congress do face serious challenges. A first priority must be to ensure the

safety and security of our airlines. The Senate passed a comprehensive airline security bill by unanimous vote. It is unconscionable that this House has failed to act. Ensuring airline safety is not only important to the security of our citizens, but it is a critical component to our economic recovery.

Mr. Speaker, how can we even consider an economic stimulus package that does not include direct assistance for the nearly half a million American workers who have lost their jobs as a direct result of September 11. The unalternative bill, which I support, would extend unemployment and health care benefits for these employees.

□ 1200

Instead of these priorities, securing our airways and helping laid off workers, the bill before us is a collection of inappropriate tax measures. It will not help our economy in the short term and it will hurt us in the long term.

Mr. Speaker, I have voted for tax relief time and time again. This package favors special interests, not the public interest. I urge my colleagues to defeat this rule and this bill.

Mr. LINDER. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, we have just heard from the previous speaker about the airline safety bill. We are working very hard on that. Unfortunately, that is not the bill before us on the floor today. The Economic Security and Recovery Act is the bill that we are discussing today and it contains some very important features. I just want to say that I am delighted by the acceleration of income tax cuts that appears in this bill. This means that people who are working all over the country will see an immediate drop in their withholding tax. That will provide them more dollars they can use for whatever they wish to spend that money on.

I am also very pleased with the reduction in capital gains. Effectively capital gains rates fall from 20 to 18 percent immediately. This means more unlocking of assets, it allows for the sale of assets at a lower tax price, and eventually more assets being turned over means more taxes paid to the government, so it actually brings in revenue rather than cost revenue.

But what I am particularly interested in, Mr. Speaker, is the amount of money that this bill includes for people who are dislocated. These are workers who have lost their jobs all over the country, not workers in one particular line of work but people from the Boeing Company in my neck of the woods, for example, where we are due to lose about 30,000 jobs over the next year and people from the Nordstrom Company where we are due in our area to lose 900 workers and people from all kinds of industries that were touched by what happened on the 11th of September.

This bill that we have worked on with great sensitivity, Mr. Speaker, contains $12 billion in dislocation dollars to help people who are unemployed as a result of 9/11. $9 billion of that money goes directly to States in the form of block grants to be administered locally through the offices of the governors, Republicans and Democrats alike, to go for training, for unemployment extension, for whatever it is that their State needs this dislocation money for. An additional $3 billion goes to the States in the same form, through block grants, to cover health care premiums.

This is a very good way to do business, Mr. Speaker, because it does not, as in the Democrat substitute, merely meet the needs of the COBRA plans, which can be terribly expensive plans but it allows for more options. And so you are going to see people enrolling in the CHIPs program or Medicaid or whatever the programs are that are offered in their States, and the governor will have the influence and the ability to help to subsidize these programs.

The third thing that is done to help dislocated workers, on a short string no doubt, because it phases out the end of next year, is to be able to use their pension funds, their private pension funds, their retirement accounts, for a short period of time but without the 10 percent penalty that is paid now if you take out those funds before the time.

We have done great thought on this bill. It contains a number of tax relief provisions, but these provisions are worth a huge amount of money. In my State alone, $256 million goes into Washington State to help workers who are dislocated. I urge my colleagues to support this bill.

Mr. FROST. Mr. Speaker, I yield 1 minute 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, the American public understands what it means to steal from a dying man. The economy in this Nation is dying and this stimulus package steals from a dying economy. This is not divisiveness and partisan politics. This is democracy in reality. This is bringing to the attention of the American people the tragedy of this bill.

Let me tell you why. Stimulus means an infusion of dollars into the economy that will drive the economy—help for the short term! The Republican bill gives permanent relief, permanent removal, permanent elimination of the corporate alternative minimum tax which continuously uses and puts into corporate pockets billions and billions of dollars, $20 billion now and it is even retroactive back to 1986.

I believe in giving relief, but this is stealing from a dying man. Permanent reduction in corporate capital gains tax, stealing from a dying man. No new benefits to laid-off employees for 6 months, flies in the face of our responsibility to secure the American people and get people back to work and provide support while they are looking for work.

What does the Democratic package do? It gives relief to employees, from 13 to 26 weeks additional. It helps part-time workers. It increases the weekly benefit. This is not divisiveness, my friends. This is responsible legislative action. Eight billions being taken from the economy and none of those billions given for securing the American homeland.

Throw out the Republican stimulus package and support the Democratic stimulus package to give the working people of America a real stimulus package that helps put real dollars into the American economy rather than steal from a dying economy.

Mr. LINDER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Ohio (Mr. PORTMAN).

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

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

Mr. MCCRERY. I thank the gentleman for yielding.

Mr. Speaker, a few minutes ago I rose to correct a previous speaker who said that only 100 corporations would benefit from the AMT repeal. I said 17,000 would. Actually it is 23,000 corporations that will benefit from the repeal of the AMT. 17,000 refers to the number of corporations who will benefit from the redemption of the credits.

Mr. PORTMAN. I thank my colleague for correcting the record on that.

We are going to hear a lot of angry rhetoric on the floor today. We are even going to hear a healthy dose of class warfare. In fact, we already have. I think it is very important to keep in mind something very simple, which is that this package is designed to keep jobs. It is designed to enable people to keep good jobs and to keep companies from laying people off. It is to get this economy back on track. That is the simple truth about this legislation. It reflects the good thinking of a lot of people, a lot of economists who have come before our committee and have talked to us as individual Members. It reflects the thinking of the people in the trenches who actually make the decisions as to whether to hire and fire people. These are small businesspeople and large businesspeople alike. It is legislation that is designed to ensure that the economy is not a casualty of the terrorism that hit this country on September 11. It is also legislation which enjoys the support of the Bush administration.

The Treasury Department strongly supports it. Read the statement of administration policy. Their economists, their folks who are following the economy, believe this is the right thing to do to get this economy back on track.

The legislation sparks the economy by putting more money in the hands of people. We have already talked about that some today. It also focuses on incentives to work and invest. It provides

tax relief for individuals by allowing families who are middle-income taxpayers to get the tax relief which we passed last spring but a little bit faster, 4 years quicker. It also allows people who did not get any tax relief with the checks that went out in August and September and this month, by enabling people who do not have any income tax liability to get checks for $300, $500 and $600. It also helps to create jobs and that is a very important part of this legislation.

The package focuses on the alternative minimum tax. This has been discussed today. I want to make a couple of things clear about the AMT. First, over the years this has been something that Democrats and Republicans have agreed upon. In fact, back in 1997, a Democrat President signed legislation which eliminated the AMT for some companies altogether and reformed the AMT in other very important respects. Why? Because the alternative minimum tax has a negative impact on our economy. Think about it. It is a minimum tax that is in place that corporations are asked to pay when they take legitimate tax preferences in the code that all of us put into the code. When does it happen? It happens during economic down times, exactly the time when corporations cannot afford those taxes and, therefore, lay people off.

The data is out there. During the last big recession, 1989–1990, half of America's companies fell into AMT and laid off workers as a result. It is directly related to stimulus. It is directly related to increasing jobs. The gentleman from Louisiana just said 23,000 companies would benefit from this because they are in the AMT situation. Let me tell you one. I saw a chart up here earlier about the Ford Motor Company. Ford Motor Company laid off 4,500 people last month, including in my district. These are companies that need the help now in order not to lay people off.

It is also not a retroactive tax. The gentleman earlier said we should be feeling ashamed. He should feel ashamed for not understanding how this works and how he is misinterpreting it for the American people today. It is not a retroactive tax break. It is allowing them to use tax credits they have built up legitimately through the code. What are you going to do, take those take credits away? I wish we had more time to engage in that discussion, but for purposes of today's debate it is important to set the record straight. This is not retroactive tax breaks. This is about allowing the companies to use the credits they have rightfully built up, and it is about jobs. The Democrat alternative has increased spending and increased taxes. Our approach says we believe that new spending is not the answer to our Nation's problems right now.

The way to get this economy back on track, we believe, is by tax incentives. That is a difference in philosophy, a difference in opinion. I strongly support the rule and strongly support the underlying legislation to keep and retain good jobs in this country.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. I thank the gentleman for yielding time.

Mr. Speaker, I would point out that the United States of America is the only industrialized nation on the planet Earth who cannot produce enough steel to meet its own needs. The word ''war'' has been mentioned frequently this morning on this floor and I would point out it is those specialty steels made by the domestic steel industry that are necessary for those nuclear attack submarines and those armored vehicles. Unfortunately, we have an industry in stress. Edgewater Steel in Pennsylvania has ceased operations. Great Lakes Metals in Indiana has ceased operations. Trico Steel in Alabama has ceased operations. CSC Ltd. Steel Company in Ohio has ceased operations. Northwestern Steel & Wire in Illinois has ceased operations. Laclede Steel in Missouri has ceased operations. Al Tech Specialty Steel in New York has ceased operations.

The gentleman from New York (Mr. QUINN) and I went to the Committee on Rules yesterday to ask for $2.4 billion over 3 years to allow this vital industry to consolidate and save itself. We were turned down, but IBM gets $2.3 billion. Vote ''no'' on the rule.

Mr. LINDER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I rise in strong support of the rule, but I would like to acknowledge the fine work the gentleman from Indiana (Mr. VISCLOSKY), who just spoke on the floor, has done on behalf of steel.

I think there is a need, though, to correct the record. There has been an impression provided here that somehow this stimulus package overlooks the problems in steel, but let us look at the specifics. Bethlehem Steel, which has just declared bankruptcy, under this bill would receive $35 million in AMT relief, it would receive relief on its NOLs, and it would receive benefits from cost recovery reform. They are still trying to pour money, pour capital into improving their facilities. They have to to survive. This would assist them and steel companies all over the country.

The gentlewoman from Cleveland had brought up her concern about steel. LTV would receive $46 million in AMT refunds under this bill. They have $1 billion in NOLs hanging out there and they would also benefit from cost recovery reform.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

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

Mr. GEPHARDT. Mr. Speaker, I rise to ask Members to vote ''no'' on the previous question, bring up the aviation security bill, reject the Republican tax cut bill and support the Democratic alternative to strengthen our economy.

The Republican tax cut bill is disappointing for two important reasons. First, while it is important to pass legislation to strengthen our economy, it is more pressing today to pass a strong airline security bill to put this responsibility in the hands of Federal law enforcement officers. This is the people's highest priority. Congress and the country should take action on this priority today.

Millions of Americans witnessed what happened on September 11. They watched as hijackers with hate in their hearts smashed two planes, full of innocent civilians, into the Twin Towers. They heard about what happened in Pennsylvania and in the Pentagon, and they are resolved that we do as much as we can to make sure that what happened on September 11 never happens again.

□ 1215

It has been 6 weeks, 6 weeks, since this happened. We were able to get on the floor in a matter of days with a bill to cap the liability of the airlines. I supported that bill. I thought it needed to be passed quickly. But I also thought that simultaneously we should be passing a bill on airline security and a bill to help the unemployed workers of the airlines that have been partially out of business in the last 6 weeks.

It is unexplainable to me that we could be here 6 weeks after this event and not have an airline security bill on this floor long ago. I plead with my friends in the other party to put that bill on the floor today or tomorrow. Let us not leave this week with passengers and flight attendants and pilots worried about security.

We have got to do it. I have been on flights to St. Louis. You have discussions going on with people on the plane trying to figure out who is going to be the vigilante committee to take care of security on the plane if something happens. It is unacceptable to leave here this week without doing this bill.

I do not know who is going to win. I have my views, the gentleman from Minnesota (Mr. OBERSTAR) has his views, the gentleman from Alaska (Mr. YOUNG) has his views. On the other side, others have different views. I do not know who is going to win. Let us just put it up. Let us see who prevails. Let us let the House work its will.

Well, the other issue is what to do about the employees, and I just urge Members to understand that this stimulus bill is the wrong bill with the wrong provisions at the wrong time. People who lost their jobs as a result of September 11 are today worried about two things: one, where are they going to get the money to support their families, to pay their lease or their rent or their mortgage payment? How are they going to afford food and clothing, and

how are they going to afford health insurance, which is their great need?

This Republican bill does not help them. It does not help them as much as they deserve to be helped. In fact, it does almost nothing for them. It sends money to the States without clear direction of how the money should be spent. It could be used for other things in the unemployment system. And there is not enough to really help people with the greatest need they have, which is COBRA, to be able to continue their health insurance.

This bill is a giant tax giveaway to the largest corporations and the wealthiest; it violates the principles to which the bicameral bipartisan budget leaders agreed; and most egregious in my view, is that almost all the assistance goes to the big givers and special interests. It gives 86 percent of the total benefits to special interests that do not need the help. It permanently repeals the alternative minimum tax for corporations. It gives immediate refunds to companies that paid this tax as far back as 1986. That is $21 billion in total refunds and $5.5 billion to eight of the largest corporations in America.

Now, we did the airline bill that gave billions of dollars that were needed for the airlines that were on the ground. I guess now we are going to come back and make sure every large corporation in the country gets billions of dollars.

It contains a permanent reduction in the capital gains tax to benefit again the top 2 percent of income earners. It accelerates tax rate cuts, but the break does not help 75 percent of the people who pay income taxes. The workers who have lost their jobs get bread crumbs from this bill. This bill gives $9 billion to Governors to spend on unemployment, but CBO estimates that only $1 billion or $2 billion will go to the people who really need the help.

The Republican bill is an effort, in my view, to fulfill a wish list of special interests who line up in these halls to lobby for more tax breaks and more tax giveaways.

I urge my colleagues to consider our alternative. Our bill reflects the values that we agreed to with our budget leaders a few weeks ago. It puts money in people's pockets quickly, it focuses the help on those who need it most, and it will make a positive difference in the lives of millions of people.

What happened 6 weeks ago was the worst thing that has happened in our country in my lifetime, and what has followed every day has been another kick in the teeth to our country and our people. I want us to fight back. I want us to win this fight against terrorism. But we will not win this fight against terrorism if we do not stick together, believe in one another and help all of the people in as equal and fair and equitable fashion as we can.

We need our workers who are out of work to be with us every step of the way, with their corporation employers and with their community leaders. We need to be bound together as brothers and sisters in the greatest challenge that this country has ever faced. I just urge Members to understand that this bill is not consistent with that value and that sentiment.

I plead with Members to vote for our alternative. Let us help everybody. Let us bring America forward together.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. WU).

Mr. WU. Mr. Speaker, about 3 weeks ago I convened a group of economists, venture capitalists and investment bankers at home; and we had a private discussion about economic stimulus. After about an hour and a half of discussion, the conclusion was that there will be an incredible temptation on the part of Congress and of this government to take some relatively unhelpful steps which may do us damage in the long term.

There is a lot of economic stimulus in the pipe already. But if you are going to take some steps, if you are going to take some steps, encourage short-term consumption, encourage long-term investment.

Yesterday, I brought up a series of amendments in the Committee on Rules, one to return $500 to every household in America, $800 to heads of household, a second one to encourage investment in education and human capital, and a third one to bring the capital gains rate to zero for true risk taking and true long-term investment.

The bill we have before us is the bill that the economists were afraid of, the temptation to do something, and do something wrong. Please vote against the rule and against this bill.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), a member of the Committee on the Budget.

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

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

Mr. Speaker, on October 4 the Committee on the Budget principals, with OMB concurring, laid down principles for economic stimulus. We now have before us the Economic Security and Recovery Act, and it breaches all of those principles.

It does little to help the economy recover. It does even less to help those this recession will hurt. This bill consists mostly of corporate tax cuts that were originally intended as Round Two of the President's tax agenda, now relabeled as tax relief for an ailing economy.

This bill bends over backwards to help corporate taxpayers; yet it barely stoops to help unemployed Americans. The total impact of this bill on the budget is $275 billion over 10 years when interest is added; and of this $275 billion total, all of $6 billion at most is made available to assist the victims of this recession, the unemployed. By contrast, there is $21 billion in tax relief for multinational holding companies.

This bill not only ignores the bipartisan principles, it repeats all the mistakes of the first Republican budget. It leaves no margin of error in case this recession is deeper and longer than projected. It makes no room for anything else, other than tax reduction, as if there were no more defense increases coming, no homeland defense, no farm bill, no natural disasters to pay for. It repeals the corporate minimum tax, but assumes that the individual AMT will go on and on.

When we laid down those principles 2 weeks ago, what we tried to do was provide for short-term stimulus and long-term discipline, and this bill is miles off that mark. We started this year with a surplus projected over 10 years of $5.6 trillion. By mid-August that surplus had been cut to $3.4 trillion. By bipartisan revision it now stands at $2.6 trillion. This bill will take it down to $2.3 trillion. That means in less than a year we have cut the surplus by more than 60 percent.

This is another step down a slippery slope that will do little for the economy but wipe out what is left of the surplus.

Mr. LINDER. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. SHAW).

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

Mr. Speaker, one thing that is pretty constant around here is that when we have debate on the rule, no one really talks about the rule. My friend, the gentleman from New York (Mr. RANGEL), I think he said it best. He said he is going to support the rule, because it gives the Democrats an even shot. It gives them an equal amount of debate, and it gives them a straight shot at their bill. I think that is a good thing, and I think that shows the bipartisanship that is existing under this particular rule.

But when you start hearing about all of this money going to these corporations and big businesses, that is where the jobs are. There is a basic difference between the Democrat bill and the Republican bill. The Republican bill believes in the preservation and creation of jobs.

We hear about the amounts going to these big corporations. Let us look at the layoffs. IBM has had 1,500; Ford has had 4,500; General Electric has laid off 35,000 people. I am just talking about the last couple of months. Chrysler has laid off 19,000. It goes on and on. United Airlines, 20,000; American Airlines, 20,000.

These are real people who want their jobs. They do not want a handout; they want their jobs.

Support the Republican bill and turn down the Democrat alternative.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. BORSKI).

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

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

Mr. Speaker, any economic stimulus package we should consider should have a major transportation infrastructure component. Unfortunately, the underlying bill, the Republican alternative, does nothing for environmental and transportation infrastructure. We should be providing for infrastructure investment to enhance the security of our rail, environmental infrastructure, highways, transit, aviation, marine transportation, economic development, water resources and public buildings.

Mr. Speaker, let me remind all of my colleagues that every $1 billion invested in transportation infrastructure creates over 40,000 jobs. If we want to put people back to work, if that is the biggest problem in our country, we should be looking to rebuild America first. We should do that by opposing the Republican bill and voting for the Democratic substitute.

REBUILD AMERICA: FINANCING INFRASTRUCTURE RENEWAL AND SECURITY FOR TRANSPORTATION (REBUILD AMERICA FIRST) ACT (FOR INFRASTRUCTURE INVESTMENT AS PART OF THE ECONOMIC STIMULUS PACKAGE INTRODUCED BY REPRESENTATIVES BORSKI, COSTELLO, OBERSTAR, AND OTHER TRANSPORTATION AND INFRASTRUCTURE COMMITTEE MEMBERS)

Provides $50 billion for infrastructure investment to enhance the security of our rail, environmental, highway, transit, aviation, maritime, water resources, and public buildings infrastructure. By leveraging Federal infrastructure investments, the ten-year cost to the Treasury is less than $32 billion.

$50 billion of infrastructure investment would create more than 1.5 million jobs and $90 billion of economic activity. Each $1 billion invested in infrastructure creates approximately 42,000 jobs and $2.1 billion in economic activity.

Priority shall be given to infrastructure investments that focus on enhanced security for our Nation's transportation and environmental infrastructure systems. The bill specifically requires that recipients of these Federal funds (e.g., states, cities, transit authorities, airport authorities, etc.) certify that they will first dedicate these funds to meeting the security needs of their systems.

The bill also requires these funds to be invested in ready-to-go projects. The bill requires funds to be obligated within two years.

Finally, the bill includes a maintenance of effort provision to ensure that recipients continue their current investment levels, particularly with regard to infrastructure security. It also allows recipients an extended period of time to meet their state and local match requirements.

RAIL—$23 BILLION

(Estimated 10-Year Cost to the Treasury—$8.5 Billion)

Provides for the issuance of $15 billion in tax-credit bonds for construction of high-speed rail systems in corridors selected by the Secretary of Transportation (version of H.R. 2329, as introduced).

Provides $3 billion for capital investment for Amtrak.

Provides $500 million in direct grants and grants to provide the credit risk premium for $5 billion in loans and loan guarantees for freight railroad infrastructure projects under Railroad Rehabilitation and Improvement Financing program (RRIF) (version of H.R. 1020, as reported). Include technical corrections to improve RRIF program.

ENVIRONMENTAL INFRASTRUCTURE—$8 BILLION

(Estimated 10-Year Cost to the Treasury—$8 Billion)

Provides $6.5 billion to construct, rehabilitate, and restore the Nation's wastewater and drinking water infrastructure through the existing State Revolving Fund (SRF) programs, including $5 billion for the Clean Water Act SRF and $1.5 billion for the Safe Drinking Water SRF.

Provides $1.5 billion for wet weather overflow grants for planning, design, and construction of treatment works to address combined sewer and sanitary sewer overflows (authorized by P.L. 106–554).

HIGHWAYS—$7.4 BILLION

(Estimated 10-Year Cost to the Treasury—$5 Billion)

Provides $5 billion in additional authority for highway capital investments, distributed to states pursuant to the TEA 21 formula. Funds provided from the Highway Trust Fund.

Provides $2.4 billion of carryover authority for loans, loan guarantees, and lines of credit for highway, transit, intermodal, and high-speed rail projects under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, as authorized by TEA 21.

TRANSIT—$3 BILLION

(Estimated 10-Year Cost to the Treasury—$3 Billion)

Provides $3 billion in transit formula grants, distributed to states and cities pursuant to TEA 21 formula. Funds provided from the Highway Trust Fund Transit Account and General Fund.

Increases the maximum tax-free transit/vanpool fringe benefit from $65 to $175 per month, equal to the current tax-free benefit for parking (H.R. 318, as introduced).

AVIATION—$3 BILLION

(Estimated 10-Year Cost to the Treasury—$3 Billion)

Provides $2.055 billion for discretionary airport improvement program (AIP) grants to enhance airport security and capacity; and provides $945 million for FAA Facility and Equipment security enhancements including the purchase and installation of explosive detection equipment and the hardening of security at FAA towers, tracons, and en route centers. Funds provided from the Aviation Trust Fund.

MARINE TRANSPORTATION—$2.5 BILLION

(Estimated 10-Year Cost to the Treasury—$600 million)

Provides $500 million to port and terminal operators to enhance port security and efficiency by financing infrastructure investment, updated security enhancements, and port-wide tracking systems.

Provides $100 million to Title XI loan guarantees to finance $2 billion of construction of U.S.-flagged ships used in the domestic commerce of the United States.

ECONOMIC DEVELOPEMENT—$1.3 BILLION

(Estimated 10-Year Cost to the Treasury—$1.3 Billion)

Provides $1.3 billion in grants to economically distressed communities for economic development infrastructure projects, through the Economic Development Administration ($900 million), Delta Regional Authority ($200 million), and Appalachian Regional Commission ($200 million).

WATER RESOURCES—$1.2 BILLION

(Estimated 10-Year Cost to the Treasury—$1.2 Billion)

Provides $1.2 billion for the Army Corps of Engineers to carry out construction, operation, and maintenance activities for authorized civil functions of which not less than $263 million will be available for security purposes at critical infrastructure facilities as identified by the Secretary of the Army.

PUBLIC BUILDINGS—$600 MILLION

(Estimated 10-Year Cost to the Treasury—$600 Million)

Provides $500 million to enhance the security of federal buildings and provide additional funds for the repair and alteration of federal buildings. Funds are deposited in the Federal Buildings Fund. Provides $50 million to the Kennedy Center and $50 million to the Smithsonian Institution to enhance the security of and make other capital improvements to these federal facilities.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

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

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

Mr. Speaker, I rise in support of the rule, and I also rise in support of President Bush's request to pass the Economic Security and Recovery Act legislation before us today.

In the Committee on Ways and Means, we called in some respected economists, both from the left and right spectrums, and asked their advice. Pretty much the common message we received from the economists was to get the economy moving again was, of course, to reward investment and get some extra spending money out there for consumers.

The legislation before us today accomplishes that goal. Let us look at what is in the bill. This legislation helps low- and moderate-income workers, 34 million low- and moderate-income workers; $300 stimulus payment for singles, $600 for a married couple filing jointly, $500 for head of household. We help the middle class by lowering the 28 percent rate bracket to 25 percent, effective immediately.

The bottom line is we put extra spending money into the economy. If we act quickly, those stimulus payments could be in pocketbooks before Christmas.

This legislation also rewards investment. Let me give an example, one sector of our economy, the technology sector. We have seen because of a reduction of almost 50 percent in investment in the technology sector, a loss of almost 400,000 jobs in computers and telecommunications and other key parts of this technology sector of our economy.

□ 1230

The technology sector tells us, as we talk with them and listen, that along with trade promotion authority this economic stimulus package are the two most important votes that we will be casting to benefit them.

The question is, who benefits when we reward investment in computers and telecommunications? Of course, the workers do, the workers who make computers and telecommunications

equipment. The same as who benefits when we encourage purchases of pickup trucks or bulldozers? The workers.

We reward investment in this legislation by providing for depreciation reform; 30 percent expensing, helping businesses, both big and small, recover the cost of purchasing computers and pickup trucks and manufacturing equipment, causing the hiring of more workers. We help small business recover the cost of purchasing additional capital assets and equipment by raising it from $24,000 to $35,000. We also free up capital with a 5-year carryback in net operating losses.

This legislation deserves bipartisan support. Let us join President Bush. Let us pass this legislation and move quickly.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. INSLEE).

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

Mr. INSLEE. Mr. Speaker, how stimulated do we think the U.S. economy will be if the terrorists blow up a couple more airplanes in the sky and nobody gets on airplanes because the U.S. Congress has sat around on its duff for 6 weeks and has not done a single thing about airline safety? When my colleagues get on their airplane this weekend to get home, I can tell them one thing for sure: 90 percent of the bags on the airplane that they get on that go into the belly of that airplane will not be checked for an explosive device. For 42 days, what have we been able to accomplish to do something about that? Nothing.

Now, we tried to put a provision in this bill in the Committee on Rules to make an investment in the machines that are capable of finding these explosive devices. I will ask my colleagues, although we may lose this vote today, I hope my colleagues will go to their leadership and tell them that we should get an airline safety bill up for a vote this week, because I do not think they will be proud going up to your constituents this weekend and say I cared more about the financial security of these corporations than I did about the airline safety of these passengers.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SOLIS).

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

Ms. SOLIS. Mr. Speaker, I would just like to say that a few weeks ago, many of us here were supporting legislation to bail out the airline industry, with the hope that we would be able to help those workers that were laid off or displaced. None of that happened.

Now we have an opportunity to do something and our colleagues on the other side of the aisle are not looking at truly what was intended here by an agreement that was made by our leaders, to provide support to dislocated workers, people who lost their jobs. I went home to my district this week and met with workers who were just laid off in the hotel and restaurant industry. Many of them are not eligible to receive unemployment insurance, will not even be able to pay for COBRA or anything, because they are out, out of sight, out of mind, in terms of Members here wanting to see how they can help families, working families, not only in California and Los Angeles, but across the country.

Mr. Speaker, I urge my colleagues to look, look deep into our hearts to see who exactly is going to benefit from the Republican stimulus package. The Republican stimulus package goes to 70 percent of the upper income individuals and corporations in this country. What about the vast number of people who voted for you and myself into office?

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, ask not what you can do for your country, but what your country can do for you. That is the theme of this outrageous bill.

While American pilots and soldiers today are fighting for our safety in Afghanistan, supporters of this bill are fighting for special tax breaks for themselves here safely at home.

How do I explain to a young military family that they do not have adequate housing where their loved one is halfway across the world fighting to defend our safety and our freedom?

This bill is not only unfair to the people of this country, the average working families who get really no benefits from it, it is fiscally irresponsible. Maybe we should oppose this bill and remember the words of John Kennedy who said, you should not ask what your country can do for you, you should ask what you can do for your country. In that spirit, we should soundly reject this outrageous legislation.

Mr. Speaker, ask not what you can do for your country but what your country can do for you. That is the theme of this outrageous bill.

While firefighters and police officers have given their lives in New York, profitable corporations would pay no taxes under this bill.

While American pilots and soldiers are fighting for our safety in Afghanistan today, supporters of this bill are fighting for special tax breaks for themselves here at home.

How do I explain to a young military family living in substandard housing while their loved one is fighting in Afghanistan that we cannot afford to give them better housing, but we can afford to give IBM a $1.4 billion tax break in this bill?

To working families who have lost their jobs because of the attacks of September 11 and have no health care, how do we explain how we can afford to give the wealthiest families in America a multibillion dollar tax break under this bill?

Mr. Speaker, in addition to being blatantly unfair, this bill is fiscally irresponsible. It will lead to huge Federal deficits that will ultimately increase long-term interest rates on homes, cars, and businesses. The billions it puts into the pockets of a few will be paid in higher mortgage and loan rates by millions of hard-working families that can ill afford it.

No one knows what the final costs will be for America's military and security response to terrorists. For sure it will be tens of billions of dollars. To pass massive tax cuts before we know those military and security costs not only is fiscally irresponsible, it will undermine our ability to fund crucial homeland security programs.

In this time of national crisis, American citizens have shown their willingness to serve and sacrifice for their country. Perhaps some of the supporters of this bill misunderstood President Kennedy's inaugural address. In a time of national crisis, in a time of national war, in a time when our service men and women are in harm's way, his words should shame those who would seek selfish gain from this bill. "Ask not what your country can do for you, but what you can do for your country."

Mr. Speaker, it is in that spirit that this bill should be soundly defeated.

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

Mr. Speaker, if the previous question is defeated, I will offer an amendment to the rule. My amendment will provide that immediately after the House passes the economic stimulus bill, it will take up two bills: the airline safety bill introduced by the gentleman from Minnesota (Mr. OBERSTAR) and the unemployed airline industry worker benefits bill introduced by the gentleman from Missouri (Mr. GEPHARDT). My amendment provides that the bills will be considered under an open amendment process so that all Members will be able to express their views and offer amendments that they feel are important to these two bills.

Mr. Speaker, 2 weeks have passed since the other body took up and passed the airline safety bill by a unanimous 100 to 0 vote. It is time for the House to do its work and pass both of these important bills.

Let me make clear that a "no" vote on the previous question will not stop consideration of the stimulus package. A "no" vote would allow the House to get on with the much delayed airline safety and airline industry worker aid bills. On the other hand, a "yes" vote on the previous question will prevent the House from taking up the airline safety bill and the airline worker relief bill.

I urge a "no" vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed immediately before the vote on the previous question.

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

There was no objection.

The text of the amendment is as follows:

ECONOMIC STIMULUS RULE—PREVIOUS QUESTION—H. RES. 270

Strike all after the resolved clause and insert:

That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3090) to provide tax incentives for economic recovery. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York 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.

SEC. 2. Immediately after disposition of H.R. 3090, the Speaker shall declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3110) to improve aviation security, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 3. Immediately after disposition of H.R. 3110, the Speaker shall declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2955) to provide assistance for employees who are separated from employment as a result of reductions in service by air carriers, and closures of airports, caused by terrorist actions or security measures. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 4. If the Committee of the Whole rises and reports that it has come to no resolution on H.R. 3090, H.R. 3110, or H.R. 2955, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of that bill.

Mr. LINDER. Mr. Speaker, I yield the balance of our time 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 the previous question and the rule. The idea of claiming that somehow passing the previous question prevents consideration of legislation is preposterous.

As I have been listening to the arguments coming from my colleagues on the other side of the aisle, I am reminded of the very famous statement of the late democratic Senator Paul Tsongas who said, ''The problem with my Democratic Party is that they love employees, but they hate employers.''

The fact of the matter is, we understand, and the American people understand full well, that half of us are members of the investment class. September 11 hit both Wall Street and Main Street, but we have learned in the past several years that Wall Street and Main Street are one and the same. We are in this together. This bill, in fact, addresses the concerns of both investors and consumers.

By speeding up that 25 percent rate and providing rebates to people who did not qualify earlier, we are helping on the consumption side. By dealing with the alternative minimum tax and accelerated cost recovery systems, we are dealing with the issue of job creation. By dealing with capital gains, we are encouraging investment and, Mr. Speaker, we will generate an increase in the flow of revenues to the Federal Treasury, so that we will be able to have the wherewithal to meet the increased demands for security here and the increased demands that we have in the area of national defense.

So we have a very balanced package which I believe deserves our support. Provide a ''yes'' vote for this rule, a ''yes'' vote for the previous question, and then an overwhelming, bipartisan ''yes'' vote for economic security and recovery.

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

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. FROST. 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.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 219, nays 207, not voting 6, as follows:

[Roll No. 400]

YEAS—219

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
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
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NAYS—207

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne

Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
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
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—6

Bilirakis
Cubin
Gonzalez
Hill
Reyes
Young (FL)

□ 1300

Mr. LANGEVIN and Mr. POMEROY changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. FOSSELLA). The question is on the resolution.

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

RECORDED VOTE

Mr. FROST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 225, noes 199, not voting 8, as follows:

[Roll No. 401]

AYES—225

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
McCrery
McHugh
McInnis
McKeon
Meeks (NY)
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
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
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—199

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

NOT VOTING—8

Bilirakis
Burton
Cubin
Gekas
Gonzalez
Hill
Kaptur
Leach

□ 1309

Mr. SCHIFF changed his vote from ''aye'' to ''no.''

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 270, I call up the bill (H.R. 3090) to provide tax incentives for economic recovery, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 270, the bill is considered read for amendment.

The text of H.R. 3090 is as follows:

H.R. 3090

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Security and Recovery Act of 2001''.

(b) REFERENCES TO INTERNAL REVENUE CODE OF 1986.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—BUSINESS PROVISIONS

Sec. 101. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2003.

Sec. 102. Temporary increase in expensing under section 179.
Sec. 103. Repeal of alternative minimum tax on corporations.
Sec. 104. Carryback of certain net operating losses allowed for 5 years.
Sec. 105. Recovery period for depreciation of certain leasehold improvements.

TITLE II—INDIVIDUAL PROVISIONS

Sec. 201. Acceleration of 25 percent individual income tax rate.
Sec. 202. Repeal of 5-year holding period requirement for reduced individual capital gains rates.
Sec. 203. Temporary increase in deduction for capital losses of taxpayers other than corporations.
Sec. 204. Temporary expansion of penalty-free retirement plan distributions for health insurance premiums of unemployed individuals.

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Two-Year Extensions

Sec. 301. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 302. Credit for qualified electric vehicles.
Sec. 303. Credit for electricity produced from renewable resources.
Sec. 304. Work opportunity credit.
Sec. 305. Welfare-to-work credit.
Sec. 306. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 307. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 308. Qualified zone academy bonds.
Sec. 309. Cover over of tax on distilled spirits.
Sec. 310. Parity in the application of certain limits to mental health benefits.
Sec. 311. Delay in effective date of requirement for approved diesel or kerosene terminals.

Subtitle B—One-Year Extensions

Sec. 321. One-year extension of availability of medical savings accounts.

Subtitle C—Permanent Extensions

Sec. 331. Subpart F exemption for active financing.

Subtitle D—Other Provisions

Sec. 341. Excluded cancellation of indebtedness income of S corporation not to result in adjustment to basis of stock of shareholders.
Sec. 342. Limitation on use of nonaccrual experience method of accounting.

TITLE IV—SUPPLEMENTAL REBATE; OTHER PROVISIONS

Sec. 401. Supplemental rebate.
Sec. 402. Special Reed Act transfer in fiscal year 2002.

TITLE V—HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED

Sec. 501. Health care assistance for the unemployed.

TITLE I—BUSINESS PROVISIONS

SEC. 101. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2003.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2003.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

''(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has a recovery period of 20 years or less or which is water utility property, or

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(ii) the original use of which commences with the taxpayer after September 10, 2001,

''(iii) which is—

''(I) acquired by the taxpayer after September 10, 2001, and before September 11, 2003, but only if no written binding contract for the acquisition was in effect before September 11, 2001, or

''(II) acquired by the taxpayer pursuant to a written binding contract which was entered into after September 10, 2001, and before September 11, 2003, and

''(iv) which is placed in service by the taxpayer before December 31, 2003.

''(B) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(iii) REPAIRED OR RECONSTRUCTED PROPERTY.—Except as otherwise provided in regulations, the term 'qualified property' shall not include any repaired or reconstructed property.

''(iv) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—The term 'qualified property' shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(C) SPECIAL RULES RELATING TO ORIGINAL USE.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2003.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) is sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(D) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $4,600.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).''

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2003.—The deduction under section 168(k) shall be allowed.''

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) is amended by inserting ''or (iii)'' after ''(ii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

SEC. 102. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
2001	$24,000
2002 or 2003	35,000
2004 or thereafter	25,000.''

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) is amended by inserting before the period ''($325,000 in the case of taxable years beginning during 2002 or 2003)''.

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

SEC. 103. REPEAL OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) IN GENERAL.—So much of section 55 as precedes subsection (b)(2) is amended to read as follows:

"SEC. 55. ALTERNATIVE MINIMUM TAX FOR TAXPAYERS OTHER THAN CORPORATIONS.

''(a) IN GENERAL.—In the case of a taxpayer other than a corporation, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to the excess (if any) of—

''(1) the tentative minimum tax for the taxable year, over

''(2) the regular tax for the taxable year.

''(b) TENTATIVE MINIMUM TAX.—For purposes of this part—

''(1) AMOUNT OF TENTATIVE TAX.—

''(A) IN GENERAL.—The tentative minimum tax for the taxable year is the sum of—

''(i) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

''(ii) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

''(B) TAXABLE EXCESS.—For purposes of this subsection, the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

''(C) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, clause (i) shall be applied by substituting '$87,500' for '$175,000'

each place it appears. For purposes of the preceding sentence, marital status shall be determined under section 7703.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 55(a) is amended by striking ''paragraph (1)(A)(i)'' and inserting ''paragraph (1)(A)''.

(2) Paragraph (1) of section 55(c) is amended by striking '', the section 936 credit allowable under section 27(b), and the Puerto Rico economic activity credit under section 30A''.

(3)(A) Paragraph (1) of section 55(d) is amended by—

(i) by striking ''FOR TAXPAYERS OTHER THAN CORPORATIONS'' in the heading, and

(ii) by striking ''In the case of a taxpayer other than a corporation, the'' and inserting ''The''.

(B) Section 55(d) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(C) Subparagraph (A) of section 55(d)(2), as so redesignated in amended by striking ''or (2)''.

(4) Section 55 is amended by striking subsection (e).

(5)(A) The heading for subsection (a) of section 56 is amended to read as follows:

''(a) GENERAL RULES.—''.

(B) Paragraph (1) of section 56(a) is amended by striking subparagraph (D).

(C) Paragraph (6) of section 56(a) is amended—

(i) by striking ''paragraph (2) or subsection (b)(2)'' and inserting ''paragraph (2) or (9)'', and

(ii) by striking ''or (5), or subsection (b)(2)'' and inserting ''(5), or (9)''.

(6)(A) Subsection (b) of section 56 is amended by striking so much of such subsection as precedes paragraph (1) and by redesignating paragraphs (1), (2), and (3) as paragraphs (8), (9), and (10), respectively, of subsection (a).

(B) Paragraph (9) of section 56(a), as so redesignated, is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

(7) Section 56 is amended by striking subsections (c) and (g) and by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(8) Subparagraph (E) of section 57(a)(2) is amended—

(A) by striking ''FOR INDEPENDENT PRODUCERS'' in the heading, and

(B) by striking clause (i) and inserting the following new clause:

''(i) IN GENERAL.—This paragraph shall not apply to any taxable year beginning after December 31, 1992.''

(9) Subsection (a) of section 58 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(10)(A) Section 59 is amended by striking subsections (b) and (f) and by redesignating subsections (c), (d), (e), (g), (h), (i), and (j) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively.

(B) Paragraph (2) of section 59(d), as so redesignated, is amended by striking ''(determined without regard to section 291)''.

(C) Sections 173(b), 174(f)(2), 263(c), 263A(c)(6), 616(e), 617(i), and 1016(a)(20) are each amended by striking ''59(e)'' each place it appears and inserting ''59(d)''.

(11) Subsection (d) of section 11 is amended by striking ''the taxes imposed by subsection (a) and section 55'' and inserting ''the tax imposed by subsection (a)''.

(12) Section 12 is amended by striking paragraph (7).

(13) Paragraph (6) of section 29(b) is amended to read as follows:

''(6) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess (if any) of the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and section 27. In the case of a taxpayer other than a corporation, such excess shall be further reduced (but not below zero) by the tentative minimum tax for the taxable year.''

(14) Paragraph (3) of section 30(b) is amended to read as follows:

''(3) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess (if any) of the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27 and 29. In the case of a taxpayer other than a corporation, such excess shall be further reduced (but not below zero) by the tentative minimum tax for the taxable year.''

(15)(A) Paragraph (1) of section 38(c) is amended to read as follows:

''(1) IN GENERAL.—

''(A) CORPORATIONS.—In the case of a corporation, the credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of the taxpayer's net income tax over 25 percent of so much of the taxpayer's net regular tax liability as exceeds $25,000.

''(B) TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, the credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of the taxpayer's net income tax over the greater of—

''(i) the tentative minimum tax for the taxable year, or

''(ii) 25 percent of so much of the taxpayer's net regular tax liability as exceeds $25,000.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'net income tax' means the sum of the regular tax liability and the tax imposed by section 55, reduced by the credits allowable under subparts A and B of this part, and

''(ii) the term 'net regular tax liability' means the regular tax liability reduced by the sum of the credits allowable under subparts A and B of this part.''

(B) Clause (ii) of section 38(c)(2)(A) is amended to read as follows:

''(ii) for purposes of applying paragraph (1) to such credit—

''(I) the applicable limitation under paragraph (1) (as modified by subclause (II) in the case of a taxpayer other than a corporation) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the empowerment zone employment credit), and

''(II) in the case of a taxpayer other than a corporation, 75 percent of the tentative minimum tax shall be substituted for the tentative minimum tax under subparagraph (B)(i) thereof.''

(C) Paragraph (3) of section 38(c) is amended by striking ''subparagraph (B) of'' each place it appears.

(16)(A) Subclause (I) of section 53(d)(1)(B)(ii) is amended by striking ''subsection (b)(1)'' and inserting ''subsection (a)(8)''.

(B) Clause (iv) of section 53(d)(1)(B) is hereby repealed.

(17)(A) Part VII of subchapter A of chapter 1 is hereby repealed.

(B) The table of parts for subchapter A of chapter 1 is amended by striking the item relating to part VII.

(C) Paragraph (2) of section 26(a) is amended by striking subparagraph (B) and by redesignating the succeeding subparagraphs accordingly.

(D) Subsection (c) of section 30A is amended by striking paragraph (1) and redesignating the succeeding paragraphs accordingly.

(E) Subsection (a) of section 164 is amended by striking paragraph (5).

(F) Subsection (a) of section 275 is amended by striking ''Paragraph (1) shall not apply to the tax imposed by section 59A.''

(G) Paragraph (1) of section 882(a) is amended by striking ''59A,''.

(H) Paragraph (3) of section 936(a) is amended by striking subparagraph (A) and redesignating the succeeding subparagraphs accordingly.

(I) Subsection (a) of section 1561 is amended by adding ''and'' at the end of paragraph (2), by striking '', and'' at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(J) Subparagraph (A) of section 6425(c)(1) is amended by adding ''plus'' at the end of clause (i), by striking ''plus'' at the end of clause (ii) and inserting ''over'', and by striking clause (iii).

(18) Section 382(l) (relating to limitation on net operating loss carryforwards and certain built-in losses following ownership change) is amended by striking paragraph (7) and by redesignating paragraph (8) as paragraph (7).

(19) Paragraph (2) of section 815(c) (relating to distributions to shareholders from pre-1984 policyholders surplus account) is amended by striking the last sentence.

(20) Section 847 (relating to special estimated tax payments) is amended—

(A) in paragraph (9), by striking the last sentence;

(B) in paragraph (10), by inserting ''and'' at the end of subparagraph (A) and by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(21) Section 848 (relating to capitalization of certain policy acquisition expenses) is amended by striking subsection (i) and by redesignating subsection (j) as subsection (i).

(22) Paragraph (1) of section 882(a) (relating to tax on income of foreign corporations connected with United States business) is amended by striking ''55,''.

(23) Paragraph (1) of section 962(a) (relating to election by individuals to be subject to tax at corporate rates) is amended by striking ''sections 11 and 55'' and inserting ''section 11''.

(24) Subsection (a) of section 1561 (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking the last sentence.

(25) Subparagraph (A) of section 6425(c)(1) (defining income tax liability), as amended by paragraph (17) is amended to read as follows:

''(A) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over''.

(26)(A) Paragraph (2) of section 6655(e) is amended—

(i) by striking '', alternative minimum taxable income, and modified alternative minimum taxable income'' each place it appears in subparagraphs (A) and (B)(i), and

(ii) by striking clause (iii) of subparagraph (B).

(B) Subparagraph (A) of section 6655(g)(1) (relating to failure by corporation to pay estimated income tax), as amended by paragraph (17), is amended to read as follows:

''(A) the sum of—

''(i) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever applies, plus

''(iv) the tax imposed by section 887, over''.

(27) The table of sections for part VI of subchapter A of chapter 1 is amended by striking the item relating to section 55 and inserting the following new item:

''Sec. 55. Alternative minimum tax for taxpayers other than corporations.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(d) REFUND OF UNUSED MINIMUM TAX CREDIT.—

(1) IN GENERAL.—In the case of a corporation—

(A) section 53(c) of the Internal Revenue Code of 1986 shall not apply to such corporation's first taxable year beginning after December 31, 2000, and

(B) for purposes of such Code (other than section 53 of such Code), the credit allowed by section 53 of such Code for such first taxable year shall be treated as if it were allowed by subpart C of part IV of subchapter A of chapter 1 of such Code (relating to refundable credits).

(2) SPECIAL RULES RELATING TO CARRYBACKS.—In the case of a carryback of a corporation from a taxable year beginning after December 31, 2000, to a taxable year beginning before January 1, 2001—

(A) the tax imposed by section 55 of such Code shall not be increased or decreased by reason of such a carryback,

(B) tentative minimum tax shall not be increased or decreased by reason of such a carryback for purposes of determining the amount of any credit other than the credit allowed by section 38, and

(C) the amount of such a carryback which is taken into account in determining tentative minimum tax for purposes of section 38(c) shall be the amount of such carryback which is taken into account in determining regular tax liability.

SEC. 104. CARRYBACK OF CERTAIN NET OPERATING LOSSES ALLOWED FOR 5 YEARS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year ending after September 10, 2001, and before September 11, 2004, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''.

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK.—Section 172 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subjection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING LOSSES.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS.—Subparagraph (A) of section 56(c)(1) (relating to general rule defining alternative tax net operating loss deduction), as amended by section 103, is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks described in clause (ii)(I)), or

''(II) 90 percent of alternate minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years ending after September 10, 2001, and before September 11, 2004, or

''(II) alternate minimum taxable income determined without regard to such deduction reduced by the amount determined under clause (i), and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years ending after September 10, 2001.

SEC. 105. RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.

(a) 15-YEAR RECOVERY PERIOD.—Subparagraph (E) of section 168(e)(3) (relating to 15-year property) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) any qualified leasehold improvement property.''.

(b) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Subsection (e) of section 168 is amended by adding at the end the following new paragraph:

''(6) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified leasehold improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such improvement is made under or pursuant to a lease (as defined in subsection (h)(7))—

''(I) by the lessee (or any sublessee) of such portion, or

''(II) by the lessor of such portion,

''(ii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion, and

''(iii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefiting a common area, and

''(iv) the internal structural framework of the building.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) COMMITMENT TO LEASE TREATED AS LEASE.—A commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

''(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term 'related persons' means—

''(I) members of an affiliated group (as defined in section 1504), and

''(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase '80 percent or more' shall be substituted for the phrase 'more than 50 percent' each place it appears in such subsection.

''(D) IMPROVEMENTS MADE BY LESSOR.—

''(i) IN GENERAL.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.

''(ii) EXCEPTION FOR CHANGES IN FORM OF BUSINESS.—Property shall not cease to be qualified leasehold improvement property under clause (i) by reason of—

''(I) death,

''(II) a transaction to which section 381(a) applies, or

''(III) a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified leasehold improvement property and the taxpayer retains a substantial interest in such trade or business.''

(c) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Paragraph (3) of section 168(b) is amended by adding at the end the following new subparagraph:

''(G) Qualified leasehold improvement property described in subsection (e)(6).''.

(d) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by adding at the end the following new item:

''(E)(iv) ..... 15''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified leasehold improvement property placed in service after September 10, 2001.

TITLE II—INDIVIDUAL PROVISIONS

SEC. 201. ACCELERATION OF 25 PERCENT INDIVIDUAL INCOME TAX RATE.

(a) IN GENERAL.—The table contained in paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''27.0%'' and inserting ''25.0%'', and

(2) by striking ''26.0%'' and inserting ''25.0%''.

(b) REDUCTION NOT TO INCREASE MINIMUM TAX.—

(1) Subparagraph (A) of section 55(d)(1) is amended by striking ''($49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($49,000 in the case of taxable years beginning in 2001, $52,200 in the case of taxable years beginning in 2002 or 2003, and $50,700 in the case of taxable years beginning in 2004)''.

(2) Subparagraph (B) of section 55(d)(1) is amended by striking ''($35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($35,750 in the case of taxable years beginning in 2001, $37,350 in the case of taxable years beginning in 2002 or 2003, and $36,600 in the case of taxable years beginning in 2004)''.

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

(d) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986 .

SEC. 202. REPEAL OF 5-YEAR HOLDING PERIOD REQUIREMENT FOR REDUCED INDIVIDUAL CAPITAL GAINS RATES.

(a) IN GENERAL.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking ''10 percent'' and inserting ''8 percent''.

(2) The following sections are each amended by striking ''20 percent'' and inserting ''18 percent'':

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(b) CONFORMING AMENDMENTS.—

(1) Section 311 of the Taxpayer Relief Act of 1997 is amended by striking subsection (e).

(2) Section 1(h) is amended—

(A) by striking paragraphs (2) and (9),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(3) Paragraph (3) of section 55(b) is amended by striking ''In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).''.

(4) Paragraph (7) of section 57(a) is amended by striking the last sentence and by striking ''42 percent'' and inserting ''28 percent''.

(c) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE OCTOBER 12, 2001.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes October 12, 2001—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 8 percent of the lesser of—

(i) the sum of—

(I) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after October 12, (determined without regard to collectibles gain or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 1202 gain), and

(II) the qualified 5-year gain properly taken into account for the portion of the taxable year before October 12, 2001, or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1) of such Code shall be the sum of—

(A) 18 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years ending on or after October 12, 2001.

(2) WITHHOLDING.—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

(3) SMALL BUSINESS STOCK.—The amendments made by subsection (b)(4) shall apply to dispositions on or after October 12, 2001.

SEC. 203. TEMPORARY INCREASE IN DEDUCTION FOR CAPITAL LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Subsection (b) of section 1211 (relating to limitation on capital losses for taxpayers other than corporations) is amended by adding at the end the following flush sentence:

''Paragraph (1) shall be applied by substituting '$4,000' for '$3,000' and '$2,000' for '$1,500' in the case of taxable years beginning in 2001, and by substituting '$5,000' for '$3,000' and '$2,500' for '$1,500' in the case of taxable years beginning in 2002.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 204. TEMPORARY EXPANSION OF PENALTY-FREE RETIREMENT PLAN DISTRIBUTIONS FOR HEALTH INSURANCE PREMIUMS OF UNEMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Subparagraph (D) of section 72(t)(2) is amended by adding at the end the following new clause:

''(iv) SPECIAL RULES FOR INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION AFTER SEPTEMBER 10, 2001, AND BEFORE JANUARY 1, 2003.—In the case of an individual who receives unemployment compensation for 4 consecutive weeks after September 10, 2001, and before January 1, 2003—

''(I) clause (i) shall apply to distributions from all qualified retirement plans (as defined in section 4974(c)), and

''(II) such 4 consecutive weeks shall be substituted for the 12 consecutive weeks referred to in subclause (I) of clause (i).''

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

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Two-Year Extensions

SEC. 301. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, 2002, AND 2003.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, 2002, or 2003,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, 2002, or 2003''.

(2) The amendments made by sections 201(b), 202(f), and 618(f) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002 and 2003.

(c) TECHNICAL CORRECTION.—Section 24(d)(1)(B) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart.''.

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2001.

(2) The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 302. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 303. CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 304. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 305. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 306. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 307. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 308. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, 2002, and 2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 309. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 310. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Subsection (f) of section 9812 is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 311. DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.

Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 (Public Law 105–34) is

amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

Subtitle B—One-Year Extensions

SEC. 321. ONE-YEAR EXTENSION OF AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) (defining cut-off year) are each amended by striking ''2002'' each place it appears and inserting ''2003''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended by striking ''1998, 1999, or 2001'' each place it appears and inserting ''1998, 1999, 2001, or 2002''.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle C—Permanent Extensions

SEC. 331. SUBPART F EXEMPTION FOR ACTIVE FINANCING.

(a) IN GENERAL.—

(1) Section 953(e)(10) is amended—

(A) by striking '', and before January 1, 2002,'', and

(B) by striking the second sentence.

(2) Section 954(h)(9) is amended by striking '', and before January 1, 2002,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

Subtitle D—Other Provisions

SEC. 341. EXCLUDED CANCELLATION OF INDEBTEDNESS INCOME OF S CORPORATION NOT TO RESULT IN ADJUSTMENT TO BASIS OF STOCK OF SHAREHOLDERS.

(a) IN GENERAL.—Subparagraph (A) of section 108(d)(7) (relating to certain provisions to be applied at corporate level) is amended by inserting before the period '', including by not taking into account under section 1366(a) any amount excluded under subsection (a) of this section''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to taxable years beginning before, on, or after October 12, 2001.

(2) EXCEPTION.—The amendment made by this section shall not apply to any shareholder with respect to any discharge of indebtedness if the position upheld in Gitlitz v. Commissioner (121 S. Ct. 701 (2001)) was taken by such shareholder with respect to such discharge on a return or claim for refund filed before October 12, 2001.

SEC. 342. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Paragraph (5) of section 448(d) is amended to read as follows:

''(5) SPECIAL RULE FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—In the case of any person using an accrual method of accounting with respect to amounts to be received for the performance of services by such person, such person shall not be required to accrue any portion of such amounts which (on the basis of such person's experience) will not be collected if—

''(i) such services are in fields referred to in paragraph (2)(A), or

''(ii) such person meets the gross receipts test of subsection (c) for all prior taxable years.

''(B) EXCEPTION.—This paragraph shall not apply to any amount if interest is required to be paid on such amount or there is any penalty for failure to timely pay such amount.

''(C) REGULATIONS.—The Secretary shall prescribe regulations to permit taxpayers to determine amounts referred to in subparagraph (A) using computations or formulas which, based on experience, accurately reflect the amount of income that will not be collected by such person. A taxpayer may adopt, or request consent of the Secretary to change to, a computation or formula that clearly reflects the taxpayer's experience. A request under the preceding sentence shall be approved only if such computation or formula clearly reflects the taxpayer's experience.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period of 4 years (or if less, the number of taxable years that the taxpayer used the method permitted under section 448(d)(5) of such Code as in effect before the date of the enactment of this Act) beginning with such first taxable year.

TITLE IV—SUPPLEMENTAL REBATE; OTHER PROVISIONS

SEC. 401. SUPPLEMENTAL REBATE.

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL REBATE.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before August 16, 2001, filed a return of tax imposed by subtitle A for such taxable year shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the taxpayer's advance refund amount under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible. No refund or credit shall be made or allowed under this subsection after December 31, 2001.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsections (e) and (f)''.

(2) Subparagraph (B) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsection (e) or (f)''.

(3) Paragraph (3) of section 6428(e) is amended by striking ''December 31, 2001'' and inserting ''the date of the enactment of the Economic Security and Recovery Act of 2001''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 402. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.—

(1) IN GENERAL.—The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.—Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.—Section 903 of the Social Security Act is amended by adding at the end the following:

''Special Transfer in Fiscal Year 2002

''(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)(A)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

''(2) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to—

''(A) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if section 402(a)(1) of the Economic Security and Recovery Act of 2001 had been enacted before the close of fiscal year 2001, minus

''(B) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

''(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits—

''(i) to individuals with respect to their unemployment, and

''(ii) which are allowable under subparagraph (B) or (C).

''(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as regular or additional compensation for individuals eligible for regular compensation under the unemployment compensation law of such State.

''(ii) Any additional compensation under clause (i) may not be taken into account for purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

''(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State.

''(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional benefits (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

''(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment—

''(i) beginning after the date of enactment of this subsection, and

''(ii) ending on or before March 11, 2003.

''(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

''(5) Transfers under this subsection—

''(A) shall be made on such date as the Secretary of Labor (in consultation with the Secretary of the Treasury) shall determine, but in no event later than 10 days after the date of enactment of this subsection, and

''(B) may, notwithstanding any other provision of this subsection, be made only to the extent that they do not to exceed—

''(i) the balance in the Federal unemployment account as of the date determined under subparagraph (A), or

''(ii) the total amount that was transferred under this section to the Federal unemployment account at the beginning of fiscal year 2002,

whichever is less.''

(c) LIMITATIONS ON TRANSFERS.—Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting ''the transfer date described in subsection (d)(5)(A)'' for ''October 1 of any fiscal year''.

(2) By substituting ''remain in the Federal unemployment account'' for ''be transferred to the Federal unemployment account as of the beginning of such October 1''.

(3) By substituting ''fiscal year 2002 (after the transfer date described in subsection (d)(5)(A))'' for ''the fiscal year beginning on such October 1''.

(4) By substituting ''under subsection (d)'' for ''as of October 1 of such fiscal year''.

(5) By substituting ''(as of the close of fiscal year 2002)'' for ''(as of the close of such fiscal year)''.

(d) TECHNICAL AMENDMENTS.—(1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting ''or 903(d)(4)'' before ''of the Social Security Act''.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting ''or 903(d)(4)'' after ''903(c)(2)''.

(e) REGULATIONS.—The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

TITLE V—HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED

SEC. 501. HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED.

Title XX of the Social Security Act (42 U.S.C. 1397–1397f) is amended by adding at the end the following:

''SEC. 2008. GRANTS FOR HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED.

''(a) FUNDING.—For purposes of section 2003, the amount specified in section 2003(c) for fiscal year 2002 is increased by $3,000,000,000.

''(b) USE OF FUNDS.—Notwithstanding any other provision of this title, to the extent that an amount paid to a State under section 2002 is attributable to funds made available by reason of subsection (a) of this section—

''(1) the State shall use the amount to assist an unemployed individual who is not eligible for Federal health coverage to purchase health care coverage for the individual or any member of the family of the individual who is not so eligible; and

''(2) the amount—

''(A) shall be used to supplement, not supplant, any other Federal, State, or local funds that are used for the provision of health care coverage; and

''(B) may not be included in determining the amount of non-Federal contributions required under any program.

''(c) DEFINITIONS.—In this section:

''(1) UNEMPLOYED INDIVIDUAL.—The term 'unemployed individual' means an individual who—

''(A) is without a job (determined in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed);

''(B) is seeking and available for work; and

''(C) has or had a benefit year (within the meaning of section 205 of the Federal-State Extended Unemployment Compensation Act of 1970) beginning on or after January 1, 2001.

''(2) FEDERAL HEALTH COVERAGE.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'Federal health coverage' means coverage under any medical care program described in—

''(i) title XVIII, XIX, or XXI of this Act (other than under section 1928);

''(ii) chapter 55 of title 10, United States Code;

''(iii) chapter 17 of title 38, United States Code;

''(iv) chapter 89 of title 5, United States Code (other than coverage which is comparable to continuation coverage under section 4980B of the Internal Revenue Code of 1986); or

''(v) the Indian Health Care Improvement Act.

''(B) SPECIAL RULE.—Such term does not include coverage under a qualified long-term care insurance contract.''.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 3090, as amended, is as follows:

H.R. 3090

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Security and Recovery Act of 2001''.

(b) REFERENCES TO INTERNAL REVENUE CODE OF 1986.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—BUSINESS PROVISIONS

Sec. 101. Special depreciation allowance for certain property acquired after September 10, 2001, and before September 11, 2004.
Sec. 102. Temporary increase in expensing under section 179.
Sec. 103. Repeal of alternative minimum tax on corporations.
Sec. 104. Carryback of certain net operating losses allowed for 5 years.
Sec. 105. Recovery period for depreciation of certain leasehold improvements.

TITLE II—INDIVIDUAL PROVISIONS

Sec. 201. Acceleration of 25 percent individual income tax rate.
Sec. 202. Repeal of 5-year holding period requirement for reduced individual capital gains rates.
Sec. 203. Temporary increase in deduction for capital losses of taxpayers other than corporations.
Sec. 204. Temporary expansion of penalty-free retirement plan distributions for health insurance premiums of unemployed individuals.

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Two-Year Extensions

Sec. 301. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 302. Credit for qualified electric vehicles.
Sec. 303. Credit for electricity produced from renewable resources.
Sec. 304. Work opportunity credit.
Sec. 305. Welfare-to-work credit.
Sec. 306. Deduction for clean-fuel vehicles and certain refueling property.
Sec. 307. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 308. Qualified zone academy bonds.
Sec. 309. Cover over of tax on distilled spirits.
Sec. 310. Parity in the application of certain limits to mental health benefits.
Sec. 311. Delay in effective date of requirement for approved diesel or kerosene terminals.

Subtitle B—One-Year Extensions

Sec. 321. One-year extension of availability of medical savings accounts.

Subtitle C—Permanent Extensions

Sec. 331. Subpart F exemption for active financing.

Subtitle D—Other Provisions

Sec. 341. Excluded cancellation of indebtedness income of S corporation not to result in adjustment to basis of stock of shareholders.
Sec. 342. Limitation on use of nonaccrual experience method of accounting.

TITLE IV—SUPPLEMENTAL REBATE; OTHER PROVISIONS

Sec. 401. Supplemental rebate.
Sec. 402. Special Reed Act transfer in fiscal year 2002.

TITLE V—HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED

Sec. 501. Health care assistance for the unemployed.

TITLE I—BUSINESS PROVISIONS

SEC. 101. SPECIAL DEPRECIATION ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end the following new subsection:

''(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 30 percent of the adjusted basis of the qualified property, and

''(B) the adjusted basis of the qualified property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified property' means property—

''(i)(I) to which this section applies which has a recovery period of 20 years or less or which is water utility property, or

''(II) which is computer software (as defined in section 167(f)(1)(B)) for which a deduction is allowable under section 167(a) without regard to this subsection,

''(ii) the original use of which commences with the taxpayer after September 10, 2001,

''(iii) which is—

''(I) acquired by the taxpayer after September 10, 2001, and before September 11, 2004, but only if no written binding contract for the acquisition was in effect before September 11, 2001, or

''(II) acquired by the taxpayer pursuant to a written binding contract which was entered into after September 10, 2001, and before September 11, 2004, and

''(iv) which is placed in service by the taxpayer before January 1, 2005.

''(B) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified property' shall not include any property to which the alternative depreciation system under subsection (g) applies, determined—

''(I) without regard to paragraph (7) of subsection (g) (relating to election to have system apply), and

''(II) after application of section 280F(b) (relating to listed property with limited business use).

''(ii) ELECTION OUT.—If a taxpayer makes an election under this clause with respect to any class of property for any taxable year, this subsection shall not apply to all property in such class placed in service during such taxable year.

''(iii) REPAIRED OR RECONSTRUCTED PROPERTY.—Except as otherwise provided in regulations, the term 'qualified property' shall not include any repaired or reconstructed property.

''(iv) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—The term 'qualified property' shall not include any qualified leasehold improvement property (as defined in section 168(e)(6)).

''(C) SPECIAL RULES RELATING TO ORIGINAL USE.—

''(i) SELF-CONSTRUCTED PROPERTY.—In the case of a taxpayer manufacturing, constructing, or producing property for the taxpayer's own use, the requirements of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2004.

''(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

''(I) is originally placed in service after September 10, 2001, by a person, and

''(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

''(D) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

''(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property, the Secretary shall increase the limitation under section 280F(a)(1)(A)(i) by $4,600.

''(ii) LISTED PROPERTY.—The deduction allowable under paragraph (1) shall be taken into account in computing any recapture amount under section 280F(b)(2).''

(b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 56(a)(1)(A) (relating to depreciation adjustment for alternative minimum tax) is amended by adding at the end the following new clause:

''(iii) ADDITIONAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE SEPTEMBER 11, 2004.—The deduction under section 168(k) shall be allowed.''

(2) CONFORMING AMENDMENT.—Clause (i) of section 56(a)(1)(A) is amended by striking ''clause (ii)'' both places it appears and inserting ''clauses (ii) and (iii)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 10, 2001, in taxable years ending after such date.

SEC. 102. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
2001	$24,000
2002 or 2003	$35,000
2004 or thereafter	$25,000.''

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) is amended by inserting before the period ''($325,000 in the case of taxable years beginning during 2002 or 2003)''.

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

SEC. 103. REPEAL OF ALTERNATIVE MINIMUM TAX ON CORPORATIONS.

(a) IN GENERAL.—So much of section 55 as precedes subsection (b)(2) is amended to read as follows:

"SEC. 55. ALTERNATIVE MINIMUM TAX FOR TAXPAYERS OTHER THAN CORPORATIONS.

''(a) IN GENERAL.—In the case of a taxpayer other than a corporation, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to the excess (if any) of—

''(1) the tentative minimum tax for the taxable year, over

''(2) the regular tax for the taxable year.

''(b) TENTATIVE MINIMUM TAX.—For purposes of this part—

''(1) AMOUNT OF TENTATIVE TAX.—

''(A) IN GENERAL.—The tentative minimum tax for the taxable year is the sum of—

''(i) 26 percent of so much of the taxable excess as does not exceed $175,000, plus

''(ii) 28 percent of so much of the taxable excess as exceeds $175,000.

The amount determined under the preceding sentence shall be reduced by the alternative minimum tax foreign tax credit for the taxable year.

''(B) TAXABLE EXCESS.—For purposes of this subsection, the term 'taxable excess' means so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount.

''(C) MARRIED INDIVIDUAL FILING SEPARATE RETURN.—In the case of a married individual filing a separate return, clause (i) shall be applied by substituting '$87,500' for '$175,000' each place it appears. For purposes of the preceding sentence, marital status shall be determined under section 7703.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 55(b) is amended by striking ''paragraph (1)(A)(i)'' and inserting ''paragraph (1)(A)''.

(2) Paragraph (1) of section 55(c) is amended by striking '', the section 936 credit allowable under section 27(b), and the Puerto Rico economic activity credit under section 30A''.

(3)(A) Paragraph (1) of section 55(d) is amended by—

(i) by striking ''FOR TAXPAYERS OTHER THAN CORPORATIONS'' in the heading, and

(ii) by striking ''In the case of a taxpayer other than a corporation, the'' and inserting ''The''.

(B) Section 55(d) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(C) Subparagraph (A) of section 55(d)(2), as so redesignated is amended by striking ''or (2)''.

(4) Section 55 is amended by striking subsection (e).

(5)(A) The designation and heading for subsection (a) of section 56 is amended to read as follows:

''(a) GENERAL RULES.—''.

(B) Paragraph (1) of section 56(a) is amended by striking subparagraph (D).

(C) Paragraph (6) of section 56(a) is amended—

(i) by striking ''paragraph (2) or subsection (b)(2)'' and inserting ''paragraph (2) or (9)'', and

(ii) by striking ''or (5), or subsection (b)(2)'' and inserting ''(5), or (9)''.

(6)(A) Subsection (b) of section 56 is amended by striking so much of such subsection as precedes paragraph (1) and by redesignating paragraphs (1), (2), and (3) as paragraphs (8), (9), and (10), respectively, of subsection (a).

(B) Paragraph (9) of section 56(a), as so redesignated, is amended by striking subparagraph (C) and by redesignating subparagraph (D) as subparagraph (C).

(7) Section 56 is amended by striking subsections (c) and (g) and by redesignating subsections (d) and (e) as subsections (b) and (c), respectively.

(8) Subparagraph (E) of section 57(a)(2) is amended—

(A) by striking ''FOR INDEPENDENT PRODUCERS'' in the heading, and

(B) by striking clause (i) and inserting the following new clause:

''(i) IN GENERAL.—This paragraph shall not apply to any taxable year beginning after December 31, 1992.''

(9) Subsection (a) of section 58 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(10)(A) Section 59 is amended by striking subsections (b) and (f) and by redesignating subsections (c), (d), (e), (g), (h), (i), and (j) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively.

(B) Paragraph (2) of section 59(d), as so redesignated, is amended by striking ''(determined without regard to section 291)''.

(C) Sections 173(b), 174(f)(2), 263(c), 263A(c)(6), 616(e), 617(i), and 1016(a)(20) are each amended by striking ''59(e)'' each place it appears and inserting ''59(d)''.

(11) Subsection (d) of section 11 is amended by striking ''the taxes imposed by subsection (a) and section 55'' and inserting ''the tax imposed by subsection (a)''.

(12) Section 12 is amended by striking paragraph (7).

(13) Paragraph (6) of section 29(b) is amended to read as follows:

''(6) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess (if any) of the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and section 27. In the case of a taxpayer other than a corporation, such excess shall be further reduced (but not below zero) by the tentative minimum tax for the taxable year.''

(14) Paragraph (3) of section 30(b) is amended to read as follows:

''(3) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess (if any) of the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27 and 29. In the case of a taxpayer other than a corporation, such excess shall be further reduced (but not below zero) by the tentative minimum tax for the taxable year.''

(15)(A) Paragraph (1) of section 38(c) is amended to read as follows:

''(1) IN GENERAL.—

''(A) CORPORATIONS.—In the case of a corporation, the credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of the taxpayer's net income tax over 25 percent of so much of the taxpayer's net regular tax liability as exceeds $25,000.

''(B) TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, the credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of the taxpayer's net income tax over the greater of—

''(i) the tentative minimum tax for the taxable year, or

''(ii) 25 percent of so much of the taxpayer's net regular tax liability as exceeds $25,000.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'net income tax' means the sum of the regular tax liability and the tax imposed by section 55, reduced by the credits allowable under subparts A and B of this part, and

''(ii) the term 'net regular tax liability' means the regular tax liability reduced by the sum of the credits allowable under subparts A and B of this part.''

(B) Clause (ii) of section 38(c)(2)(A) is amended to read as follows:

''(ii) for purposes of applying paragraph (1) to such credit—

''(I) the applicable limitation under paragraph (1) (as modified by subclause (II) in the case of a taxpayer other than a corporation) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the empowerment zone employment credit), and

''(II) in the case of a taxpayer other than a corporation, 75 percent of the tentative minimum tax shall be substituted for the tentative minimum tax under subparagraph (B)(i) thereof.''

(C) Paragraph (3) of section 38(c) is amended by striking ''subparagraph (B) of'' each place it appears.

(16)(A) Subclause (I) of section 53(d)(1)(B)(ii) is amended by striking ''subsection (b)(1)'' and inserting ''subsection (a)(8)''.

(B) Clause (iv) of section 53(d)(1)(B) is hereby repealed.

(17)(A) Part VII of subchapter A of chapter 1 is hereby repealed.

(B) The table of parts for subchapter A of chapter 1 is amended by striking the item relating to part VII.

(C) Paragraph (2) of section 26(b) is amended by striking subparagraph (B) and by redesignating the succeeding subparagraphs accordingly.

(D) Subsection (c) of section 30A is amended by striking paragraph (1) and redesignating the succeeding paragraphs accordingly.

(E) Subsection (a) of section 164 is amended by striking paragraph (5).

(F) Subsection (a) of section 275 is amended by striking ''Paragraph (1) shall not apply to the tax imposed by section 59A.''

(G) Paragraph (1) of section 882(a) is amended by striking ''59A,''.

(H) Paragraph (3) of section 936(a) is amended by striking subparagraph (A) and redesignating the succeeding subparagraphs accordingly.

(I) Subsection (a) of section 1561 is amended by adding ''and'' at the end of paragraph (2), by striking '', and'' at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(J) Subparagraph (A) of section 6425(c)(1) is amended by adding ''plus'' at the end of clause (i), by striking ''plus'' at the end of clause (ii) and inserting ''over'', and by striking clause (iii).

(18) Section 382(l) (relating to limitation on net operating loss carryforwards and certain built-in losses following ownership change) is amended by striking paragraph (7) and by redesignating paragraph (8) as paragraph (7).

(19) Paragraph (2) of section 815(c) (relating to distributions to shareholders from pre-1984 policyholders surplus account) is amended by striking the last sentence.

(20) Section 847 (relating to special estimated tax payments) is amended—

(A) in paragraph (9), by striking the last sentence; and

(B) in paragraph (10), by inserting ''and'' at the end of subparagraph (A) and by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(21) Section 848 (relating to capitalization of certain policy acquisition expenses) is amended by striking subsection (i) and by redesignating subsection (j) as subsection (i).

(22) Paragraph (1) of section 882(a) (relating to tax on income of foreign corporations connected with United States business) is amended by striking ''55,''.

(23) Paragraph (1) of section 962(a) (relating to election by individuals to be subject to tax at corporate rates) is amended by striking ''sections 11 and 55'' and inserting ''section 11''.

(24) Subsection (a) of section 1561 (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking the last sentence.

(25) Subparagraph (A) of section 6425(c)(1) (defining income tax liability), as amended by paragraph (17) is amended to read as follows:

''(A) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever is applicable, over''.

(26)(A) Paragraph (2) of section 6655(e) is amended—

(i) by striking '', alternative minimum taxable income, and modified alternative minimum taxable income'' each place it appears in subparagraphs (A) and (B)(i), and

(ii) by striking clause (iii) of subparagraph (B).

(B) Subparagraph (A) of section 6655(g)(1) (relating to failure by corporation to pay estimated income tax), is amended to read as follows:

''(A) the sum of—

''(i) the tax imposed by section 11 or 1201(a), or subchapter L of chapter 1, whichever applies, plus

''(ii) the tax imposed by section 887, over''.

(27) The table of sections for part VI of subchapter A of chapter 1 is amended by striking the item relating to section 55 and inserting the following new item:

''Sec. 55. Alternative minimum tax for taxpayers other than corporations.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(d) REFUND OF UNUSED MINIMUM TAX CREDIT.—

(1) IN GENERAL.—In the case of a corporation—

(A) section 53(c) of the Internal Revenue Code of 1986 shall not apply to such corporation's first taxable year beginning after December 31, 2000, and

(B) for purposes of such Code (other than section 53 of such Code), the credit allowed by section 53 of such Code for such first taxable year shall be treated as if it were allowed by subpart C of part IV of subchapter A of chapter 1 of such Code (relating to refundable credits).

(2) SPECIAL RULES RELATING TO CARRYBACKS.—In the case of a carryback of a corporation from a taxable year beginning after December 31, 2000, to a taxable year beginning before January 1, 2001—

(A) the tax imposed by section 55 of such Code shall not be increased or decreased by reason of such a carryback,

(B) tentative minimum tax shall not be increased or decreased by reason of such a carryback for purposes of determining the amount of any credit other than the credit allowed by section 38, and

(C) the amount of such a carryback which is taken into account in determining tentative minimum tax for purposes of section 38(c) shall be the amount of such carryback which is taken into account in determining regular tax liability.

SEC. 104. CARRYBACK OF CERTAIN NET OPERATING LOSSES ALLOWED FOR 5 YEARS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year ending after September 10, 2001, and before September 11, 2004, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''.

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK.—Section 172 (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subjection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR CERTAIN NET OPERATING LOSSES.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYBACKS.—Subparagraph (A) of section 56(b)(1) (relating to general rule defining alternative tax net operating loss deduction), as amended by section 103, is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks described in clause (ii)(I)), or

''(II) 90 percent of alternate minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years ending after September 10, 2001, and before September 11, 2004, or

''(II) alternate minimum taxable income determined without regard to such deduction reduced by the amount determined under clause (i), and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years ending after September 10, 2001.

SEC. 105. RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN LEASEHOLD IMPROVEMENTS.

(a) 15-YEAR RECOVERY PERIOD.—Subparagraph (E) of section 168(e)(3) (relating to 15-year property) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) any qualified leasehold improvement property.''.

(b) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—Subsection (e) of section 168 is amended by adding at the end the following new paragraph:

''(6) QUALIFIED LEASEHOLD IMPROVEMENT PROPERTY.—

''(A) IN GENERAL.—The term 'qualified leasehold improvement property' means any improvement to an interior portion of a building which is nonresidential real property if—

''(i) such improvement is made under or pursuant to a lease (as defined in subsection (h)(7))—

''(I) by the lessee (or any sublessee) of such portion, or

''(II) by the lessor of such portion,

''(ii) such portion is to be occupied exclusively by the lessee (or any sublessee) of such portion, and

''(iii) such improvement is placed in service more than 3 years after the date the building was first placed in service.

''(B) CERTAIN IMPROVEMENTS NOT INCLUDED.—Such term shall not include any improvement for which the expenditure is attributable to—

''(i) the enlargement of the building,

''(ii) any elevator or escalator,

''(iii) any structural component benefiting a common area, and

''(iv) the internal structural framework of the building.

''(C) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) COMMITMENT TO LEASE TREATED AS LEASE.—A commitment to enter into a lease shall be treated as a lease, and the parties to such commitment shall be treated as lessor and lessee, respectively.

''(ii) RELATED PERSONS.—A lease between related persons shall not be considered a lease. For purposes of the preceding sentence, the term 'related persons' means—

''(I) members of an affiliated group (as defined in section 1504), and

''(II) persons having a relationship described in subsection (b) of section 267; except that, for purposes of this clause, the phrase '80 percent or more' shall be substituted for the phrase 'more than 50 percent' each place it appears in such subsection.

''(D) IMPROVEMENTS MADE BY LESSOR.—

''(i) IN GENERAL.—In the case of an improvement made by the person who was the lessor of such improvement when such improvement was placed in service, such improvement shall be qualified leasehold improvement property (if at all) only so long as such improvement is held by such person.

''(ii) EXCEPTION FOR CHANGES IN FORM OF BUSINESS.—Property shall not cease to be qualified leasehold improvement property under clause (i) by reason of—

''(I) death,

''(II) a transaction to which section 381(a) applies, or

''(III) a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified leasehold improvement property and the taxpayer retains a substantial interest in such trade or business.''

(c) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Paragraph (3) of section 168(b) is amended by adding at the end the following new subparagraph:

''(G) Qualified leasehold improvement property described in subsection (e)(6).''.

(d) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by adding at the end the following new item:

''(E)(iv) ..... 15''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified leasehold improvement property placed in service after September 10, 2001.

TITLE II—INDIVIDUAL PROVISIONS

SEC. 201. ACCELERATION OF 25 PERCENT INDIVIDUAL INCOME TAX RATE.

(a) IN GENERAL.—The table contained in paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking ''27.0%'' and inserting ''25.0%'', and

(2) by striking ''26.0%'' and inserting ''25.0%''.

(b) REDUCTION NOT TO INCREASE MINIMUM TAX.—

(1) Subparagraph (A) of section 55(d)(1) is amended by striking ''($49,000 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($49,000 in the case of taxable years beginning in 2001, $52,200 in the case of taxable years beginning in 2002 or 2003, and $50,700 in the case of taxable years beginning in 2004)''.

(2) Subparagraph (B) of section 55(d)(1) is amended by striking ''($35,750 in the case of taxable years beginning in 2001, 2002, 2003, and 2004)'' and inserting ''($35,750 in the case of taxable years beginning in 2001, $37,350 in the case of taxable years beginning in 2002 or 2003, and $36,600 in the case of taxable years beginning in 2004)''.

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

(d) SECTION 15 NOT TO APPLY.—No amendment made by this section shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986 .

SEC. 202. REPEAL OF 5-YEAR HOLDING PERIOD REQUIREMENT FOR REDUCED INDIVIDUAL CAPITAL GAINS RATES.

(a) IN GENERAL.—

(1) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking ''10 percent'' and inserting ''8 percent''.

(2) The following sections are each amended by striking ''20 percent'' and inserting ''18 percent'':

(A) Section 1(h)(1)(C).

(B) Section 55(b)(3)(C).

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 311 of the Taxpayer Relief Act of 1997 is repealed.

(2) Section 1(h) is amended—

(A) by striking paragraphs (2) and (9),

(B) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively, and

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (8), (9), and (10), respectively.

(3) Paragraph (3) of section 55(b) is amended by striking ''In the case of taxable years beginning after December 31, 2000, rules similar to the rules of section 1(h)(2) shall apply for purposes of subparagraphs (B) and (C).''.

(4) Paragraph (7) of section 57(a) is amended by striking the last sentence and by striking ''42 percent'' and inserting ''28 percent''.

(c) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE OCTOBER 12, 2001.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 in the case of a taxable year which includes October 12, 2001—

(1) The amount of tax determined under subparagraph (B) of section 1(h)(1) of such Code shall be the sum of—

(A) 8 percent of the lesser of—

(i) the sum of—

(I) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year on or after October 12, (determined without regard to collectibles gain or loss, gain described in section (1)(h)(6)(A)(i) of such Code, and section 1202 gain), and

(II) the qualified 5-year gain (as defined in section 1(h)(9) of the Internal Revenue Code of 1986, as in effect on the day before the date of the enactment of this Act) properly taken into account for the portion of the taxable year before October 12, 2001, or

(ii) the amount on which a tax is determined under such subparagraph (without regard to this subsection), plus

(B) 10 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A).

(2) The amount of tax determined under subparagraph (C) of section (1)(h)(1) of such Code shall be the sum of—

(A) 18 percent of the lesser of—

(i) the excess (if any) of the amount of net capital gain determined under subparagraph (A)(i)(I) of paragraph (1) of this subsection over the amount on which a tax is determined under subparagraph (A) of paragraph (1) of this subsection, or

(ii) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), plus

(B) 20 percent of the excess (if any) of—

(i) the amount on which a tax is determined under such subparagraph (C) (without regard to this subsection), over

(ii) the amount on which a tax is determined under subparagraph (A) of this paragraph.

(3) For purposes of applying section 55(b)(3) of such Code, rules similar to the rules of paragraphs (1) and (2) of this subsection shall apply.

(4) In applying this subsection with respect to any pass-thru entity, the determination of when gains and loss are properly taken into account shall be made at the entity level.

(5) Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to taxable years ending on or after October 12, 2001.

(2) WITHHOLDING.—The amendment made by subsection (a)(2)(C) shall apply to amounts paid after the date of the enactment of this Act.

(3) ELECTION TO RECOGNIZE GAIN ON ASSESTS HELD ON JANUARY 1, 2001.—The repeal made by subsection (b)(1) shall take effect as if included in section 311 of the Taxpayer Relief Act of 1997, and the Internal Revenue Code of 1986 shall be applied and administered as if subsection (e) of such section 311 had never been enacted.

(4) SMALL BUSINESS STOCK.—The amendments made by subsection (b)(4) shall apply to dispositions on or after October 12, 2001.

SEC. 203. TEMPORARY INCREASE IN DEDUCTION FOR CAPITAL LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.

(a) IN GENERAL.—Subsection (b) of section 1211 (relating to limitation on capital losses for taxpayers other than corporations) is amended by adding at the end the following flush sentence:

''Paragraph (1) shall be applied by substituting '$4,000' for '$3,000' and '$2,000' for '$1,500' in the case of taxable years beginning in 2001, and by substituting '$5,000' for '$3,000' and '$2,500' for '$1,500' in the case of taxable years beginning in 2002.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 204. TEMPORARY EXPANSION OF PENALTY-FREE RETIREMENT PLAN DISTRIBUTIONS FOR HEALTH INSURANCE PREMIUMS OF UNEMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Subparagraph (D) of section 72(t)(2) is amended by adding at the end the following new clause:

''(iv) SPECIAL RULES FOR INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION AFTER SEPTEMBER 10, 2001, AND BEFORE JANUARY 1, 2003.—In the case of an individual who receives unemployment compensation for 4 consecutive weeks after September 10, 2001, and before January 1, 2003—

''(I) clause (i) shall apply to distributions from all qualified retirement plans (as defined in section 4974(c)), and

''(II) such 4 consecutive weeks shall be substituted for the 12 consecutive weeks referred to in subclause (I) of clause (i).''

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

TITLE III—EXTENSIONS OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Two-Year Extensions

SEC. 301. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, 2002, AND 2003.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, 2002, or 2003,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, 2002, or 2003''.

(2) The amendments made by sections 201(b), 202(f), and 618(f) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002 and 2003.

(c) TECHNICAL CORRECTION.—Section 24(d)(1)(B) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart''.

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2001.

(2) The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 302. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (C) of section 280F(a)(1) is amended by adding at the end the following new clause

''(iii) APPLICATION OF SUBPARAGRAPH.—This subparagraph shall apply to property placed in service after August 5, 1997, and before January 1, 2007.''.

(2) Subsection (b) of section 971 of the Taxpayer Relief Act of 1997 is amended by striking ''and before January 1, 2005''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 303. CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 304. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 305. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 306. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2003,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2004'', ''2005'', and ''2006'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 307. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 308. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, 2002, and 2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 309. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 310. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Subsection (f) of section 9812 is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 311. DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.

Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2004''.

Subtitle B—One-Year Extensions

SEC. 321. ONE-YEAR EXTENSION OF AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) IN GENERAL.—Paragraphs (2) and (3)(B) of section 220(i) (defining cut-off year) are each amended by striking ''2002'' each place it appears and inserting ''2003''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 220(j) is amended by striking ''1998, 1999, or 2001'' each place it appears and inserting ''1998, 1999, 2001, or 2002''.

(2) Subparagraph (A) of section 220(j)(4) is amended by striking ''and 2001'' and inserting ''2001, and 2002''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle C—Permanent Extensions

SEC. 331. SUBPART F EXEMPTION FOR ACTIVE FINANCING.

(a) IN GENERAL.—

(1) Section 953(e)(10) is amended—

(A) by striking '', and before January 1, 2002,'', and

(B) by striking the second sentence.

(2) Section 954(h)(9) is amended by striking '', and before January 1, 2002,''.

(b) LIFE INSURANCE AND ANNUITY CONTRACTS.—

(1) IN GENERAL.—Subparagraph (B) of section 954(i)(4) is amended to read as follows:

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(I) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(II) the reserve determined under paragraph (5).

''(ii) RULING REQUEST.—The amount of the reserve under clause (i) shall be the foreign statement reserve for the contract (less any catastrophe, deficiency, equalization, or similar reserves), if, pursuant to a ruling request submitted by the taxpayer, the Secretary determines that the factors taken into account in determining the foreign statement reserve provide an appropriate means of measuring income.''.

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

Subtitle D—Other Provisions

SEC. 341. EXCLUDED CANCELLATION OF INDEBTEDNESS INCOME OF S CORPORATION NOT TO RESULT IN ADJUSTMENT TO BASIS OF STOCK OF SHAREHOLDERS.

(a) IN GENERAL.—Subparagraph (A) of section 108(d)(7) (relating to certain provisions to be applied at corporate level) is amended by inserting before the period '', including by not taking into account under section 1366(a) any amount excluded under subsection (a) of this section''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges of indebtedness after October 11, 2001, in taxable years ending after such date.

SEC. 342. LIMITATION ON USE OF NONACCRUAL EXPERIENCE METHOD OF ACCOUNTING.

(a) IN GENERAL.—Paragraph (5) of section 448(d) is amended to read as follows:

''(5) SPECIAL RULE FOR CERTAIN SERVICES.—

''(A) IN GENERAL.—In the case of any person using an accrual method of accounting with respect to amounts to be received for the performance of services by such person, such person shall not be required to accrue any portion of such amounts which (on the basis of such person's experience) will not be collected if—

''(i) such services are in fields referred to in paragraph (2)(A), or

''(ii) such person meets the gross receipts test of subsection (c) for all prior taxable years.

''(B) EXCEPTION.—This paragraph shall not apply to any amount if interest is required to be paid on such amount or there is any penalty for failure to timely pay such amount.

''(C) REGULATIONS.—The Secretary shall prescribe regulations to permit taxpayers to determine amounts referred to in subparagraph (A) using computations or formulas which, based on experience, accurately reflect the amount of income that will not be collected by such person. A taxpayer may adopt, or request consent of the Secretary to change to, a computation or formula that clearly reflects the taxpayer's experience. A request under the preceding sentence shall be approved only if such computation or formula clearly reflects the taxpayer's experience.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year ending after the date of the enactment of this Act—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary of the Treasury, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account over a period of 4 years (or if less, the number of taxable years that the taxpayer used the method permitted under section 448(d)(5) of such Code as in effect before the date of the enactment of this Act) beginning with such first taxable year.

TITLE IV—SUPPLEMENTAL REBATE; OTHER PROVISIONS

SEC. 401. SUPPLEMENTAL REBATE.

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL REBATE.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before October 16, 2001, filed a return of tax imposed by subtitle A for such taxable year shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the taxpayer's advance refund amount under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, subject to the provisions of this title, refund or credit such overpayment as rapidly as possible.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.''

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsections (e) and (f)''.

(2) Subparagraph (B) of section 6428(d)(1) is amended by striking ''subsection (e)'' and inserting ''subsection (e) or (f)''.

(3) Paragraph (3) of section 6428(e) is amended by striking ''December 31, 2001'' and inserting ''the date of the enactment of the Economic Security and Recovery Act of 2001''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 402. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.—

(1) IN GENERAL.—The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.—Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.—Section 903 of the Social Security Act is amended by adding at the end the following:

''Special Transfer in Fiscal Year 2002

''(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)(A)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

''(2) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to—

''(A) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if section 402(a)(1) of the Economic Security and Recovery Act of 2001 had been enacted before the close of fiscal year 2001, minus

''(B) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

''(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits—

''(i) to individuals with respect to their unemployment, and

''(ii) which are allowable under subparagraph (B) or (C).

''(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as regular or additional compensation for individuals eligible for regular compensation under the unemployment compensation law of such State.

''(ii) Any additional compensation under clause (i) may not be taken into account for purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

''(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State.

''(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional benefits (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

''(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment—

''(i) beginning after the date of enactment of this subsection, and

''(ii) ending on or before March 11, 2003.

''(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to 'subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

''(5) Transfers under this subsection—

''(A) shall be made on such date as the Secretary of Labor (in consultation with the Secretary of the Treasury) shall determine, but in no event later than 10 days after the date of enactment of this subsection, and

''(B) may, notwithstanding any other provision of this subsection, be made only to the extent that they do not to exceed—

''(i) the balance in the Federal unemployment account as of the date determined under subparagraph (A), or

''(ii) the total amount that was transferred under this section to the Federal unemployment account at the beginning of fiscal year 2002,

whichever is less.''

(c) LIMITATIONS ON TRANSFERS.—Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting ''the transfer date described in subsection (d)(5)(A)'' for ''October 1 of any fiscal year''.

(2) By substituting ''remain in the Federal unemployment account'' for ''be transferred to the Federal unemployment account as of the beginning of such October 1''.

(3) By substituting ''fiscal year 2002 (after the transfer date described in subsection (d)(5)(A))'' for ''the fiscal year beginning on such October 1''.

(4) By substituting ''under subsection (d)'' for ''as of October 1 of such fiscal year''.

(5) By substituting ''(as of the close of fiscal year 2002)'' for ''(as of the close of such fiscal year)''.

(d) TECHNICAL AMENDMENTS.—(1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting ''or 903(d)(4)'' before ''of the Social Security Act''.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting ''or 903(d)(4)'' after ''903(c)(2)''.

(e) REGULATIONS.—The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

TITLE V—HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED

SEC. 501. HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED.

Title XX of the Social Security Act (42 U.S.C. 1397–1397f) is amended by adding at the end the following:

''SEC. 2008. GRANTS FOR HEALTH CARE ASSISTANCE FOR THE UNEMPLOYED.

''(a) FUNDING.—For purposes of section 2003, the amount specified in section 2003(c) for fiscal year 2002 is increased by $3,000,000,000.

''(b) USE OF FUNDS.—Notwithstanding any other provision of this title, to the extent that an amount paid to a State under section 2002 is attributable to funds made available by reason of subsection (a) of this section—

''(1) the State shall use the amount to assist an unemployed individual who is not eligible for Federal health coverage to purchase health care coverage for the individual or any member of the family of the individual who is not so eligible; and

''(2) the amount—

''(A) shall be used to supplement, not supplant, any other Federal, State, or local funds that are used for the provision of health care coverage; and

''(B) may not be included in determining the amount of non-Federal contributions required under any program.

''(c) DEFINITIONS.—In this section:

''(1) UNEMPLOYED INDIVIDUAL.—The term 'unemployed individual' means an individual who—

''(A) is without a job (determined in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed);

''(B) is seeking and available for work; and

''(C) has or had a benefit year (within the meaning of section 205 of the Federal-State Extended Unemployment Compensation Act of 1970) beginning on or after January 1, 2001.

''(2) FEDERAL HEALTH COVERAGE.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'Federal health coverage' means coverage under any medical care program described in—

''(i) title XVIII, XIX, or XXI of this Act (other than under section 1928);

''(ii) chapter 55 of title 10, United States Code;

''(iii) chapter 17 of title 38, United States Code;

''(iv) chapter 89 of title 5, United States Code (other than coverage which is comparable to continuation coverage under section 4980B of the Internal Revenue Code of 1986); or

''(v) the Indian Health Care Improvement Act.

''(B) SPECIAL RULE.—Such term does not include coverage under a qualified long-term care insurance contract.''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in House Report 107–252 if offered by the gentleman from New York (Mr. RANGEL), or his designee, which shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

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

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

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

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

Mr. Speaker, much has been said about the desire for bipartisanship, especially about the fact that the administration has been working to try to bring groups together so that we can move forward on a package to stimulate the economy, indeed secure economic security, and recover from what I think everyone will soon agree, if they do not now, is a short-term recession.

I think it is important, then, that if we are going to say that we should listen to the President, that we should listen to the President. My colleagues cannot have it both ways. They cannot say that they want to be with the President, but then do not focus on the statement of administration policy in regard to H.R. 3090.

The first thing I think we should do, Mr. Speaker, is clearly establish where the President is, where this administration is on this bill, the Economic Security and Recovery Act.

I will include the Statement of Administration Policy in the RECORD. It says, Mr. Speaker, in the very first line: ''The Administration strongly supports House passage of H.R. 3090.''

It then goes on to say: ''The Administration is very pleased that the bill includes the main elements that the President has proposed for an economic stimulus package.'' It then goes on to list some of them: ''Tax relief for low to moderate income individuals and families and an acceleration of scheduled tax rate cuts that are in the bill.''

The policy statement goes on to say, ''increased business expensing and repeal of the corporate Alternative Minimum Tax to create jobs and encourage capital investment.'' Let me underscore that. The President is pleased that he asked Congress for and contained in this bill is the repeal of the corporate Alternative Minimum Tax to create jobs and encourage capital investment.

The statement goes on to say: ''The Administration commends the fact that this bill is focused primarily on tax relief.'' The assumption is any bill not focused primarily on tax relief is not one that the administration would support.

It concludes by saying: ''The Administration urges quick action in the Congress to enable an economic stimulus package to take effect as quickly as possible.''

The right remedy, done quickly. The administration supports this package; and I am pleased to say, the House will pass today H.R. 3090, the Economic Security and Recovery Act of 2001.

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)

H.R. 3090—ECONOMIC SECURITY AND RECOVERY ACT OF 2001

(Rep. Thomas (R) California)

The Administration strongly supports House passage of H.R. 3090. The Administration is pleased that the House has started the process of acting on a stimulus package to help get the economy going again following the terrorist attacks of September 11th.

The Administration is very pleased that the bill includes the main elements that the President has proposed for an economic stimulus package: (a) tax relief for low-to-moderate income individuals and families and an acceleration of scheduled tax rate cuts to spur consumer spending, improve economic growth incentives, and restore confidence; and (b) increased business expensing and repeal of the corporate Alternative Minimum Tax to create jobs and encourage capital investment.

The Administration commends the fact that this bill is focused primarily on tax relief, since Congress has already adopted adequate spending measures to address the economic disruption caused by September 11th. Over sixty billion dollars has been committed or proposed since September 11th, including monies for disaster relief, security enhancements, and defense. As part of this amount, the President has announced a Back-to-Work Relief proposal and looks forward to working in a bipartisan fashion with Congress to enact it. This is ample spending to address the direct impact of the terrorist attacks. Stimulus is best accomplished through prompt tax relief to restore consumer confidence, spur capital investment, and thus create new jobs. The Administration opposes alternative proposals that contain large spending and tax increases. Raising taxes on small businesses—which create most new jobs—as well as on families and individuals is ill-advised in any environment, but is particularly troubling in an already slow economy. Additional spending and tax increases will retard economic recovery rather than stimulate it.

The Administration urges quick action in the Congress to enable an economic stimulus package to take effect as quickly as possible. The Administration remains committed to working with the Congress in a bipartisan manner to produce a fiscally responsible end product consistent with the President's principles to help consumers, spur investment, and contribute to the recovery from the terrorist attacks of September 11th.

PAY-AS-YOU-GO SCORING

Any law that would reduce receipts or increase direct spending is subject to the pay-as-you-go requirements of the Balanced Budget and Emergency Deficit Control Act. Accordingly, H.R. 3090, or any substitute amendment in lieu thereof that would reduce revenues or increase direct spending, will be subject to the pay-as-you-go requirement. OMB's scoring estimates are under development. The Administration will work with Congress to ensure that any unintended sequester of spending does not occur under current law or the enactment of any other proposals that meet the President's objectives.

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

□ 1315

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

The gentleman from California, the chairman of the Committee on Ways and Means, referred to bipartisanship in his opening statement. His mentioning the bipartisanship is about as close as he will ever get to it. We had had some preliminary meetings to see whether or not we could support the President as he gave guidelines as to what he wanted in this stimulus package. The fact that a handful of Republicans visited the White House and the President changed his mind is not very, very impressive.

I think, though, that one of the gentlemen who spoke for the rule spelled it out as to the difference between Democrats and Republicans, and that is that Republicans just have a difficult time helping poor folks or helping people not wealthy. They just have a propensity to help faceless multinational corporations. Now, you can call it a bonus, you can call it a credit, you can call it a loan, you can call it what you want; but at the end of the day these firms will be receiving billions of dollars out of monies that basically have been paid into the Social Security and the Medicare Trust Fund. That is not deniable.

The guideline was supposed to be that it was not supposed to be a permanent fix, but they do have permanent tax remedies that they are selecting. It is outrageous to do something like this when the country is going through a crisis. And instead of raising the funds to pay for the war, they are actually giving bonuses to those people who are the beneficiaries of this dilemma we find ourselves in today.

Patriotic people ought to know that it takes more than going to Disneyland to pay for a war. And what we ought to do is take a look at the tax cuts that the President proposed and got passed before he was commander in chief, because certainly we would like to believe that he wanted to support the very same things he campaigned on, and that is a viable Social Security System, Medicare, education, to make certain that we have prescription drugs, and to make certain that we had a Patients' Bill of Rights. All of this does not stop America from moving forward just because we have a lot of bum insane terrorists after us.

This is the time for America to be at its strongest. And we ought to expect those that got strong economically in this country to help to be responsible and pay their fair share, instead of taking care of the people that are displaced, the people that are unemployed, instead of making certain to take care of those that are supposed to be the ones to spur the economy. You can give billions of dollars to the corporate structure; but if no one is buying cars, if no one is buying washing machines, what are they going to invest in? You have to be able to create consumer demand.

What is happening here is that they found out the country was in trouble, and they were able to outrageously just hold the Democrats on the committee in utter contempt, hold the

other body in utter contempt, and just decide that every time they go in a back room they can bring out a bill. Forget the bipartisanship, forget the President's problems, just ram it through. Well, it is not going to be rammed through the Senate.

The President has already had his people call it show business. So what I am saying is if this is a show business bill, let us get the producers, let us get the actors, close down the show and run them out of town.

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

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

I tell the gentleman that he is desperately hanging on to an offhand comment by one member of the administration who has since said a number of different things, and apparently he chooses to ignore the statement by the President that they strongly support House passage of H.R. 3090.

One of the problems, I guess, is that we wind up talking about individuals and benefits to individuals, and then the other side we wind up talking about business or corporations. I do believe there is a kind of an internal rejection on the part of my colleagues on the other side of the aisle, by and large, when we use the term business or corporation. Somehow that has a negative connotation.

I think maybe it might help in this debate if instead of calling them businesses or corporations we would call them job-creating machines. Because if you understand that what these entities do is create jobs, then we might be able to deal with this debate slightly differently, and that would be this: this bill puts about $100 billion into the economy right away over the next 12 months, and it is divided this way:

About 40 cents of every dollar goes to individuals. About $14 billion of it goes to individuals who filed an income tax form, but who possibly did not pay any income taxes at all or even any payroll taxes. They had no tax obligation, but they are going to receive as part of a stimulus, i.e. give them money because they will spend it, about $14 billion. We also accelerate a reduction already on the books for the middle-income folk, and that is about $12 billion. And then there is about an additional $12 billion to assist unemployed and assist in the purchasing of health care of those who are temporarily unemployed. Now, that is about 40 cents out of every dollar.

Sixty cents out of every dollar goes to help the job-creating machines. See, there is an idea that if you can create a job, a real job, people get recurring income from the job. They also get health care very often in the workplace. But then they also wind up paying taxes, and, lo and behold, the job-creating machine pays taxes. So we thought it was appropriate to do 40 cents on the dollar to stimulate the individual spending, but 60 cents to help the job-creating machines.

Now, the spending is a gift. It is a one-time gift. It is a gift that gets spent. The $14 billion to those low-income individuals gets spent in the next 12 months and it costs $14 billion over 10 years. There is no other tax consequence. It gets spent. That is a one-time gift. But if you want a gift that keeps on giving, then you assist the job-creating machines. Because what they do is not provide unemployment, they provide a job, and they provide tax revenue, and the machine itself provides tax revenue. That is a gift that keeps on giving.

So, really, what we ought to be talking about is the fact that this package assists with a government gift, spending, 40 cents out of the dollar; but it also deals with 60 cents out of every dollar helping those machines that create jobs so that we can have a gift that keeps on giving.

And that I think is the fundamental difference between the approach that we take to a stimulus package. Do you want a one-time gift? We do that, 40 cents on the dollar. Do you want a gift that keeps on giving? We do that, 60 cents on the dollar. It seems to me the administration wisely said that this is something that they commend us for doing, but that first and foremost it needs to be passed to be effective. Let us get on with our business.

I would prefer both sides yield back the balance of their time and we can vote, but I know full well that will not occur.

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

Mr. RANGEL. Mr. Speaker, we have to continue to debate this because, for all we know, the administration may change its mind before the debate is over.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a senior member of the committee.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the ranking member. The gentleman from California, the chairman of the Committee on Ways and Means, protests too much. Obviously, what he does not seem to understand, and this is what the real problem is, is the economy and why we are now suffering a recession. The reason we are having this problem now is because consumer demand is not there.

Obviously, what was going on and what happened after September 11 and since, is there has been a drop in confidence in terms of purchasing in this country. So what we want to do is we want to put money in individuals' pockets so that they will then begin to have more confidence in the economy, spend money, and that will then result in more capital investment by companies, because all of a sudden they will want to make products in order to have it available to the people that are going to be spending money.

So the Democratic alternative, which we will be explaining shortly, will provide for that. It will put money in individuals' pockets so they can spend it, particularly during the holiday season, when about 25 percent of all retail sales occur.

But what the gentleman from California, the chairman of the committee, wants to do is basically give it to corporations, mainly because they want to pay off those people that have been wonderful contributors to them. I just point to this chart here. Fifteen companies in the first year will get $25 billion of this tax cut. The gentleman talked about individuals getting $14 billion over 10 years. That is just a one-shot deal. A one-shot deal.

The reality is this is a permanent tax cut. And what it does, which is so surprising, it eliminates the alternative minimum tax. And then what it does, it retroactively repeals it to 1986, 15 years ago. And that is why these companies will get $25 billion.

I have to tell my colleagues that what is so outrageous about this is this is Social Security money. This is what the corner grocery store owner, this is what perhaps many of the Members' mothers and fathers and grandparents pay in the form of payroll taxes. They think this money is going into the Social Security Trust Fund to protect their retirement benefits. Unfortunately, it is being used for another purpose. It is being used basically for these tax cuts to these major companies and major corporations.

I know that my colleagues think that, well, we are in the middle of an anthrax scare, we have obviously a war going on in Afghanistan, nobody is going to pay any attention. That is why the gentleman perhaps thinks they will get away with this. They may get away with it for a while; but the reality is the American public will find out about this, because this will have nothing to do with stimulating the economy. In fact, it will set us back, because this is not even paid for; and it will result in an increase in long-term interest rates.

Sometime around June of next year we are going to be talking about this vote and this issue. So the reality is that this is taking Social Security payroll tax money to pay for those major big corporate tax cuts. I have never seen, in my 23 years in this institution, such an outrageous piece of legislation as I see in this. Vote ''no'' on this bill and vote for the substitute.

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

Notwithstanding the fact the gentleman impugned the motives of the Members on this side of the aisle, I am sure he was carried away by emotion and did not really intend to do that, and I understand that.

He also said those corporations on the list get $25 billion. The fact of the matter is, he knows that if he had a list of the corporations it would be 23,000 names long and not just the list there.

I told you if we quit talking about corporations and talked about them as job-creating machines, we could look

at this entire argument slightly differently. That list the gentleman held in front of us represents 1,500,000 jobs. Now, that is more jobs than there are people in 15 of these United States. They are job-creating machines; and 1,500,000 people are employed by just that short list that the gentleman provided, let alone the fact there are more than 23,000 corporations that will benefit from the repeal of the alternative minimum tax, which by the way the President requested that we do.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SAXTON), the chairman of the Joint Economic Committee.

Mr. SAXTON. Mr. Speaker, I thank the chairman for yielding me this time, and I rise today in strong support of the economic stimulus package needed to address the weakness that is evident in the economy.

Mr. Speaker, it is important for us to point out that we are addressing an economic trend. This situation was not created on September 11, nor was it created on January 1, 2001.

□ 1330

Nor was it created on January 1, 2001. This trend began in the second quarter of the year 2000, barely remaining positive during that quarter of the year. The manufacturing sector has been hit especially hard, and it is to encourage investment in that sector wherein lies the key to turning this economy around.

One bright spot has been in housing and consumer spending, we do not have to worry quite as much about that, but it is a concern as well. Therefore, a logical response is to offset the costs that have been foisted upon our economy by encouraging investment.

As a matter of fact, just last week the Chairman of the Federal Reserve, Alan Greenspan, said, ''My own impression is it is in the investment area where the greatest sensitivity for fiscal stimulus lies.'' Those were Alan Greenspan's words, and in effect that is precisely what this tax package does.

The economic stimulus bill will reduce the costs and benefit the economy in several ways. The bill would reduce the 28 percent personal income tax rate to 25 percent. The bill would reduce capital gains tax rates on many investments, thereby encouraging investment. The bill provides a 30 percent expensing of investment in most forms of depreciable property over a 3-year period. This would increase incentives to invest, precisely what the Chairman of the Fed says we need.

Mr. Speaker, I strongly urge a ''yea'' vote on the bill.

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

Mr. Speaker, I thank God we have an honest person in the House to call it a Republican bill, so that officially shatters the myth of bipartisanship.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

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

Mr. LEVIN. Mr. Speaker, I want to pick up the statement of the gentleman from New York (Mr. RANGEL), and the chairman of the committee is not listening at the moment, but the gentleman read the statement of the administration and apparently says that makes it bipartisan. Bipartisanship is not rubber-stamping the position of the other party.

There have been close to zero efforts, certainly within the committee, to reach any bipartisan position on this bill. I think the guidelines should be a short-term stimulus and long-term discipline, and in that respect this bill is woefully unbalanced.

The $20 billion for financial services, we need to continue to reform the international tax system, but tell me what jobs that is going to create. In terms of the corporate AMT credits, I want to say one word. The administration says repeal them. They do not say give in one check all of the credits. If that is the position of the administration, they ought to say so; but tie it to how it is going to create jobs in our States.

The acceleration of the tax cut, a family with $150,000 and four kids will get 15 times what the family of $70,000 in income will receive. Now, how is that going to help stimulate the economy? It is woefully imbalanced in terms of unemployment comp and health care.

Corporations are important in this country. My colleagues give individuals the back of the hand. $5 billion, a few percentage points of what Members allocate here? Maybe $2 billion for those who are unemployed, and maybe some crumbs for those who do not have health insurance.

I want to finish up on fiscal discipline. One Member said this was a package of fiscal discipline when my colleagues do not spend one red dime to pay for it. My colleagues have become the economic radicals. They pay for nothing. Nothing. The other side of the aisle is trying to sell a bill of goods to this country that we can go into debt again, cut into Social Security and Medicare monies, and someday they will be replaced. We have heard that song before.

Mr. Speaker, this is a woefully unbalanced, fiscally reckless package that does not have even the patina, even a fig leaf of bipartisanship. Members are getting us off on the wrong foot. Let us vote this down and start over again.

Mr. THOMAS. Mr. Speaker, I yield 30 seconds to the gentleman from Louisiana (Mr. MCCRERY), just to indicate to all that no good deed goes unpunished.

Mr. MCCRERY. Mr. Speaker, in response to the claims that there is no bipartisanship present in this bill, that is not so. The chairman, I, and other Members on the Republican side took into account in drafting this bill that is on the floor today the Democrat ideas for net operating losses to be carried back. That was a Democrat proposal. We included it in the bill.

We included in the bill the provision to provide a rebate of taxes to taxpayers who did not get a check under the previous tax cut. That was a Democrat proposal. Both of those are in the bill. I reject categorically the claims that no Democrat ideas are included in this bill. This is a bipartisan compilation of ideas.

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

Mr. Speaker, that shows the depth of arrogance on the Republican side of this aisle. To really think that bipartisanship is their interpretation of democratic ideas is the epitome of arrogance. So that means that any time we want to have a bipartisan bill, all we have to do is go to the Democratic Campaign Committee and wonder what these rascals are thinking about and include it in a bill and come to the floor and claim that it is bipartisan. Shame on my colleagues.

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

Mr. CARDIN. Mr. Speaker, everyone in this country has been impacted by what happened on September 11; but I think we all agree that our first priority needs to be for the victims, their families, the businesses that were put out of business and lost opportunity, and the workers that no longer have jobs as a result of what happened on September 11.

It also happens to help our country by giving these unemployed workers benefits because we know they will spend the money. They will help economic growth. So from the humanitarian point of view, the fairness point of view, and the economic point of view, our priority must be to get the unemployed worker additional resources.

The bill before Members would cost over $200 billion over a 5-year period, and virtually none of that money goes to the people who have lost their jobs as a result of September 11.

The unemployment insurance provisions in the bill are inadequate. It allows the States to draw down on their own money a little bit faster, but there is no guarantee that even one dime of that money will be spent on increased unemployment insurance benefits for the unemployed worker, for the States can use the money as they see fit in their unemployment insurance system.

In order for the States to provide more benefits, the legislatures would have to meet. Many State legislatures are not scheduled to meet. New laws would have to be passed. It is for that reason that our Congressional Budget Office estimates that as little as $700 million will get out under the underlying bill to unemployed workers.

Mr. Speaker, individual corporations will receive more money in tax breaks than all the workers in this country will receive in increased unemployment insurance benefits. That is not fair. We can do better. The substitute that will be offered by the gentleman

from New York (Mr. RANGEL), the amendment that I offered in committee, allows us to provide real help to the uninsured by expending those who are eligible to include part-time workers and using the most recent wage quarter, to provide additional benefits for those people who are unemployed today, so we can increase the benefits and increase the number of weeks that they are eligible to receive benefits.

The substitute does this all at Federal cost so we do not impose any new burdens on the States, and we make these provisions temporary, as we should, in any bill that is aimed at the direct impact of September 11. It is a 1-year bill only. It is the right thing to do.

So if Members share my concern for the people who are unemployed as a result of what happened on September 11, Members will have a chance to voice that concern by voting for the substitute of the gentleman from New York (Mr. RANGEL) that provides relief for the unemployed. I urge Members to support the substitute and reject the underlying bill.

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

Mr. Speaker, existing law put out almost $28 billion in unemployment payment. Frankly, it is beginning to take my breath away the degree to which the bill is being, I hope, knowingly misrepresented. Otherwise, it indicates that the gentleman has no understanding of the bill.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON) who is the chairman of the Subcommittee on Health of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of this legislation. I think it both secures current jobs, will lay the groundwork for bringing people back into jobs they had recently, and will open up new job opportunities through all of the provisions that stimulate growth in the economy. But it is also a bill that is about people, the help that they need right now through the unemployment compensation system and help with their health benefits.

This is an immediate stimulus bill, and under our provisions within 10 days States will get $9 billion back. They will not be able to spend it on just anything. They will be able to spend it to pay or increase unemployment benefits. They will know whether their people need double benefits in the short term. They can use it to extend benefits instead for those who have exhausted their benefits, or they can use it for better employment services.

Some States will know exactly where their unemployment problems are and where they have openings, and they can use this money to provide customized training to move people from unemployment into employment. This is $9 billion within 10 days to help people who are unemployed get jobs, get better benefits, get the help that they need.

Secondly, it is $3 billion more that again can go out very rapidly right to the community themselves through our community services block grant dollars where it is most sensitive to local need, and anyone who is unemployed will thereby be eligible for health insurance.

But it will not just be subsidies for COBRA, which are the most expensive health insurance plans, often with premiums of $350 a month, unaffordable to people unemployed, but unaffordable even with subsidies. This will give States the money to help uninsured people enter CHIP, enter the State Employee Benefit Program or however States want to do it. It needs no new legislation. It helps people now, and that is what a stimulus bill should do.

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

Mr. Speaker, the chairman of the committee would like us to believe that those who disagree with the gentleman and his bill are either stupid or do not understand the bill. The gentleman from California (Mr. THOMAS) said that the gentleman from Maryland (Mr. CARDIN) misrepresented the bill, but he never had enough time to share with us what part of the bill he misrepresented.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I remember last January how excited I was when President Bush stood right here and told us he did not believe that a tax code should pick winners and losers.

The gentlewoman from Connecticut (Mrs. JOHNSON) said there are real benefits for real people. She said they will be eligible for them. The money will be put out there, and they might get them.

Mr. Speaker, if I came out here with a bill that guaranteed that everybody get unemployment insurance and health care coverage when they were laid off, and I also wanted to give $25 billion to the governors of this country to distribute to whatever corporations they wanted to, Members would laugh me off this floor.

My colleagues give the guarantees to the corporations, and then Members put the workers out there sort of to hope that the governors have the money or the legislature gets in session.

□ 1345

Everybody here who has been a member of a State legislature knows that you cannot get these unemployment benefits out without changes in State law. For anybody to say that this is an immediate benefit is simply missing the entire point.

We spent already out here, we gave $15 billion to the airline industry. What did we get? We got 75,000 people laid off. We were told, with very solemn faces, we will get to the problems of the workers. What do we get here as the solemn promise to the workers? $9 billion. If you look at the State of Texas, they have not got enough money in their unemployment insurance to cover workers for 3 months. I know why the President ran for President. He wanted to get out of Texas before a problem ever got there.

But what we have is this bill now, and this is our promise. Now we are giving $151 billion. If you take the same figures from the last bill, I guess we will get another 750,000 people unemployed. You are giving this money back, this $25 billion goes back to the corporations that have done well. They had to pay the AMT because they were doing so well they were not paying any taxes whatsoever. If I said I was going to give 15 years of taxes back to people making $25,000 a year, you would say he has lost his mind. They live in this country, they deserve to pay for it, but no, not if you are a big corporation.

And big corporations are not job-creating machines. They are money-making machines for stockholders. Incidentally they may produce some service but there they are, and we give them all this money back, and if there is not a stock dividend that goes to all the companies that get this, I will be very, very surprised.

Vote against this. It is not fair. There is no tax equity in it. There is no guarantee for workers. It is all for people at the top on the list of 15 corporations.

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

I appreciate the admonition by my ranking member from New York, because I do want to give specific citation to the two particular areas that I was concerned about, both in the Democratic substitute and in the underlying bill. The gentleman from Maryland and the gentleman from Washington repeated the argument that legislatures must pass laws in dealing with the unemployment money available to them. That is simply not so. The bill provides three different ways that States can assist: One, they can go ahead and provide regular pay or increased unemployment benefits; they can provide extended benefits; or they can furnish unemployment services and support to health.

The second concern I had was the misrepresentation that the gentleman made of the Democratic substitute. The gentleman said that it was all Federal money, that it was money that went from the Federal Government on unemployment insurance to States. If anyone wants to take the time to read the bill and look at the Congressional Budget Office scoring sheet, what it says is it has zero cost over 10 years because it comes from the unemployment insurance fund. Why is it a zero cost over 10 years? Because they assume the States will pay back that amount over 10 years. They give it with one hand

and say it is Federal money and require the States to pay it back over the next 10.

Those are two misrepresentations of the underlying bill and of the substitute. Those are the points that I made and I gave the particulars.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), a valued member of the committee.

Mr. CAMP. I thank the gentleman for yielding time.

Mr. Speaker, even before September 11, our economy was hurting. The stock market was weak, investments were declining and exports had begun to fall. And, very importantly, there had been a decrease in consumer spending. Since then, we have seen a significant impact on our economy. Both job creators and individuals are facing difficult times. In addition, in the third quarter of this year, U.S. employers announced almost 600,000 job cuts, about 50 percent more than the previous two quarters. This includes almost 200,000 job reductions since September 11. Already this year, companies have announced more job cuts than they did during the entire 1990–1991 recession. We must take action to create jobs and improve the economy. This package not only helps to stimulate individual spending but also assists job creators.

H.R. 3090 addresses the human impact of the economy and the September 11 attacks. It accelerates the reduction of income taxes passed last spring; it sends supplemental rebate checks to those who did not receive a full rebate under our last tax cuts; it gives relief to individuals from the onerous AMT; and in a provision requested by Democrat and Republican governors, allows the States, like Michigan, to have the flexibility to supplement unemployment and health benefits, thereby tailoring relief in the way it is most needed.

This bill helps job creators because it extends important tax credits for employers making it easier to hire people transitioning to work from dependence, so important for those just beginning to climb the economic ladder. It extends the ability of individuals to contribute to medical savings accounts to continue to provide for their health care.

Let me just say something about the repeal of the alternative minimum tax. This outdated law requires corporations to compute their taxes twice. It hurts employers mostly who invest and depreciate heavily, precisely the kind of company we need to help get back on their feet. In some cases it requires employers to give an interest-free loan to the government. And because it requires employers to estimate and prepay their tax liability, it is the opposite of what we need in a declining economy. Vote for this bill.

Mr. RANGEL. Mr. Speaker, we are beginning to understand it now, that is, that if you want to create jobs and avoid layoffs, give billions of dollars of tax bonuses to the corporations but exclude airline industries, because if you give them $15 billion, they will fire some 75,000. It is getting a little clearer.

Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, first let me thank my chairman for at least giving me the specifics. The Congressional Budget Office agrees with me and disagrees with him. The Congressional Budget Office points out very clearly that very little of this money is going to get out because it requires a change of policy at the State level that requires the legislatures to meet.

Number two, FUTA taxes, which is the money that we are advancing to the States, are Federal tax receipts and are Federal funds. We are even thinking about reducing or eliminating that tax. It is a Federal tax and it is Federal money.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, this is probably the most shameless tax bill that I have seen come before the House since I have been a Member of Congress. Today we are asked to vote for this $99 billion tax giveaway in an effort to stimulate the economy under the flag of patriotism and, in the words of the chairman of the committee, so our country remains free. That is a quote from his presentation before the Committee on Ways and Means.

I will indicate that there are some portions of the bill that will stimulate the economy, the additional rebate checks, the depreciation schedule changes that will encourage businesses to invest, but these are short term. These are sunsetted. My major concern is with three major portions of the bill. I think the Washington Post was correct when in a recent editorial they termed this a stimulus charade. Mr. Speaker, this is a charade. They go on to say that the only thing that is going to be stimulated is campaign contributions to those who support this product.

Mr. Speaker, after the World Trade Center towers were struck by the terrorists and the buildings collapsed, we were informed by the news media that certain individuals got into the shops of the basement and they were looting the shops amid this horrific tragedy. The Nation, including all of us here, were shocked, that at a time of national disaster, looters would take over and steal Rolex watches and whatever else was available.

What we are doing today, Mr. Speaker, by passing this bill is in essence the same thing. The treasury is being looted today. This cost, $99 billion, will drain the treasury and throw this country into a $48 billion deficit. My major opposition to the bill is threefold: The capital gains reductions, costing $10 billion, we are told by all economists will not help in the short run, will not stimulate anything. That is wrong. Moving up the 28 percent tax cut bracket will affect 25 percent of the highest income earners in the country. Are these the folks that are going to run out to Kmart to buy their pumpkin costumes for Halloween? Clearly not. That costs $50 billion. And, lastly, making retroactive the repeal of the AMT.

The gentleman from California (Mr. THOMAS), the chairman of the committee, is correct. This is the gift that keeps giving. We give Ford and we give General Motors and we give the other corporations hundreds and hundreds of millions of dollars, and next year the gift will come back in the form of not jobs, campaign contributions.

I just want to talk about one of the job-creating machines on the chart. Let us use Texaco. For the last 2, 3 years, this oil company has been gouging the American public through the gas prices and over this period they have made record profits. So we are going to give them $572 million in one check, and what kind of jobs are they going to create? None. That is for the bottom line. That is for the stockholders.

Mr. Speaker, the question is very clear today. Those who vote for the bill can be looters or those of us who oppose it can be fiscally responsible and take care of the security of our great Nation.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume. I tell the gentleman I appreciate the partially accurate quote. Everyone knows the phrase ''freedom isn't free,'' and what I did say was that we are free in part because we are strong and that for us to remain free, we need to remain strong. I do not think anyone does not believe that one of the reasons we have been able to remain free is because we have been strong. Perhaps the gentleman does not remember the comment made during World War II that America was the arsenal of democracy. To be and remain free, you must be strong. And to be strong, you need a healthy economy. That is exactly what I said.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from California (Mr. HERGER), chairman of the Subcommittee on Human Resources.

Mr. HERGER. Mr. Speaker, H.R. 3090, the economic stimulus package, includes significant new funds to support unemployed workers and their families between jobs. This legislation provides $9 billion in surplus Federal unemployment funds to every State. States can use this new money for regular or extended unemployment benefits and services to get workers back on the job. These funds alone would allow States to pay unemployment benefits to an estimated 2 to 3 million workers.

Mr. Speaker, this legislation also creates a new $3 billion block grant to States to provide health care coverage for unemployed workers and their families. Together, this legislation provides $12 billion in immediate help for

unemployed workers as well as the flexibility for States to target that assistance to those who need it most.

Mr. Speaker, this funding and flexibility is a much better approach than the Democrat substitute. The Democrat substitute mandates new benefits and benefit programs even in States where unemployment rates have not risen. Mr. Speaker, that is not targeted, it is too expensive, and it will result in permanent increases in unemployment spending and taxes. Higher taxes is the last thing we need under the current circumstances, but that is exactly what the Democrat substitute offers for the long run.

Mr. Speaker, I urge Members to support H.R. 3090 and oppose the Democrat substitute.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LEWIS), a member of the committee.

Mr. LEWIS of Georgia. Mr. Speaker, this so-called economic stimulus package is a sham. It is a shame. It is a disgrace. It is a stimulus charade.

A couple of weeks ago, the Washington Post published a great editorial about this bill. It said, ''It's the wrong thing to do, a hijacking of the current crisis, economic and otherwise, on behalf of an agenda that long preceded the crisis and has little to do with easing it. These are tax cuts far more likely to stimulate increased campaign contributions than increased economic activity.''

□ 1400

The Washington Post got it right. This so-called economic stimulus package does very little, if anything, to stimulate the economy; and it will hurt us in the long run.

This bill, this proposal, does not help a woman, a mother, who lost her husband one week at the World Trade Center, and the next week she lost her job. This proposal is not fair, it is not right, it is not just. It fails to meet the basic human needs of our citizens who are hurting. This bill is business as usual, politics as usual. We have seen these tax cuts before.

Since September 11, the American people have been concerned about their safety and the security of their families. That is what we should be focused on, not passing tax cuts for big corporations. It is the same tired old list of tax cuts. They have nothing to do with stimulating the economy or helping us to recover from September 11.

This is not the time for irresponsible tax cuts that we cannot afford. We should be considering a comprehensive economic stimulus package that addresses the problem. It must help people who have lost their jobs and health care. It must help low-income Americans who are struggling very hard to make ends meet. We should be considering reasonable temporary breaks for businesses that will encourage them to spend money right here and now. We should be investing in infrastructure projects that create jobs and help us prepare for the future. But any package, any proposal, must be paid for over time so we can get our economy back on track.

Mr. Speaker, this bill is not the answer. It is a Republican bill. It is partisan. It is a charade. We need to be working together to pass legislation that truly helps the American people and gets this country back on its feet.

Mr. Speaker, I urge all of my colleagues to have the courage, raw courage, to stand up, be counted and vote against this bill.

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

Mr. Speaker, I would remind my friend from Georgia that one of the very first things we did the day after the World Trade Center tragedy was to move special legislation for every one of those individuals who lost a loved one or other economic circumstances, and that currently is over on the Senate side and will be brought back. We did respond immediately to those individuals involved in the World Trade Center.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), the chairman of the Subcommittee on Oversight, who probably knows more about the job-creating machines called corporations or businesses than most of us because he dedicated a significant portion of his life to making sure that people have really good jobs.

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

Mr. Speaker, there are many features of this bill. You can argue about any one of them. There is too much money, it is the wrong target, it favors one group over another, it is not sufficient short-term impact. But when I try to sort this all out, the basic conclusion is this bill is going to stimulate, and that is what we want. In other words, we want to put money into the hands of individuals and of job creators, to invest and to save and to spend.

Right now, as we try to catch our balance as a country, one of the features of the bill is a thing called a temporary extension of net operating loss carry-back. That is quite a mouthful, but let me try to tell you what it means and how it works.

It means that a company, when it makes money in the past and loses money now, can claim a cash credit for the money lost, really deducting it from the previous profits. In other words, it can still get a refund soon for the money it lost, and the present law says you can go back 2 years; but many times that pool is not large enough, so this law suggests that it goes back 5 years.

This means a lot. There was a story of a company this morning that lost $8.8 billion in the first quarter. It has made money in the past. It has fallen off the cliff. This will be a tremendous help in order to keep some of the people employed.

So if you file in March, on the 15th of March, for the previous recorded profits or losses for the year 2001, and then you file a carry-back form by May 1, or 45 days later, you will get a cash check from the IRS. That means a great deal. The cost to the Government the first year is $4.7 billion. The cost over a 5-year period is $3.7 billion.

Now, I am not wise enough to know what is exactly right and what is the right proportion, but I do know that this moves us in the right direction; and, therefore, I support it.

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

Mr. Speaker, if my friend from New York has found the net operating loss provisions to be the redeeming factor in the so-called Republican bill, he should feel comfortable in voting for the substitute, because it is there as well.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, we cannot lose sight of our long-term fiscal health, so that when the war is over, we will be a strong country that can meet the needs that existed before September 11.

Some of the best economic minds in the country, such as Alan Greenspan and Robert Rubin, said that any economic response to the attacks needs to be cautious, targeted and temporary.

I want to quote from 1917 when Congress was considering how to pay for World War I, when the chairman of the Committee on Ways and Means, Claude Kitchin, said, ''Your children and mine had nothing to do with bringing on this war. It would be unjust and cruel and cowardly to shift upon them the burden.''

Our leaders in World War I and World War II knew that we had to pay for those wars and that we could not risk our economic security. Further raising the national debt in the long term makes us vulnerable.

Guess what? That is just exactly what the terrorists want, and we cannot let this happen. The fact of the matter is that this bill is not paid for. It is not temporary and targeted to people who need it the most, those who would spend the money today and tomorrow. At a cost of $159 billion over 10 years, it threatens the economic future of the country.

Prior to September 11, the debate in Washington was about Medicare and Social Security, education, the environment and energy issues. When we have met this crisis, we will still have to address these issues.

Others will talk about the tax provisions of this bill. I want to discuss the unmet needs. During the debate on the airline bill, we were told that Congress would help airline employees, especially those who lost health care coverage. We were assured that we would bring an appropriate legislative response to the floor as soon as possible.

This is not that bill. Since September 11, 500,000 Americans have lost jobs,

150,000 in aviation, 120,000 in tourism and hospitality.

We need a real unemployment compensation program. We have a huge problem in Florida with the Unemployment Compensation Trust Fund. The solvency has declined to where it may fall below the statutory trigger of 4 percent of the State's payroll. Guess what? That means they would have to raise the tax.

I do not believe that the States can afford a tax increase and the added burden of providing additional benefits for the unemployed. That is why giving the money to the States for unemployment compensation is not viable.

We also need to address the health care for the jobless, whether it is true Medicaid or COBRA, which allows people to continue their employer-provided health benefits. I believe we need a temporary Federal program, rather than trying to run it through the States. We cannot add to the 40 million people in this country who are already uninsured.

Since September 11, do you know what? We have worked in a bipartisan spirit on many issues, such as the war powers authority, airline relief and the $40 billion package and recovery bill that we did. I support bipartisanship, but I do not want to make a mockery of bipartisanship when told to me I have to support something.

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

Mr. Speaker, in her exuberance, the gentlewoman from Florida indicated that World War II was fought without deficit spending. I believe if she will check the record, there was significant deficit spending, because our job was to win the war and not necessarily balance the budget. In fact, up until the 1980s, that was the single largest addition to the national debt, that is, the deficit funding of World War II.

I know in her exuberance the gentlewoman carried over from World War I to World War II, and she does not intend the record to reflect we actually fought World War II with a balanced budget, because the facts simply do not prove that to be the case.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Missouri (Mr. HULSHOF), a member of the committee.

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

Mr. HULSHOF. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, we face many challenges in the wake of the terrorist attacks since September 11. We have responded as far as allocating additional resources to address some of our military needs, our intelligence needs, in fact some monies for airline security; and we have more to do. But one of the most difficult challenges we are trying to face today is the state of the national economy.

As was stated before, our economy was in distress before September 11, but it has worsened since. A recent Wall Street Journal analysis says in the last 6 weeks, we have taken a $100 billion hit to the economy, not counting the tens of billions of dollars for the disaster assistance and rebuilding Lower Manhattan or rebuilding the Pentagon. One part of the solution I think is what we are considering today.

Some say we should not even respond in a fiscal year. I reject that. Should we let the business cycle run its course? Should we allow a faltering economy to topple into recession, like those magnificent towers in Lower Manhattan?

I believe fiscal stimulus is as essential as the expedited disaster relief for the clean-up efforts in Lower Manhattan and Northern Virginia. I think this is a balanced approach. We addressed the human impact of the attacks. Hundreds of thousands of individuals who are in dire financial straits through no fault of their own are offered a helping hand by rate acceleration, by payments to individuals.

We accepted, I would say to the gentleman from New York (Mr. RANGEL), your idea of a tax rebate or income supplement to those who pay income tax, payroll taxes, but did not share in the tax rebates of this last tax bill. We add supplemental health insurance as well as unemployment benefits.

But let me say something to my colleague from Missouri, from south St. Louis, who spoke earlier. The United Auto Workers at the GM plant in Wentzville, Missouri, in my district, do not want a check from the Government. Those workers on the assembly line want to do what they do best, and that is to build these prototypes, these state-of-the-art minivans.

They want to do what they know how to do best. They want to continue to turn out these state-of-the-art minivans on the assembly plants that I had the good fortune to visit 2 months ago.

So it is a good balance, Mr. Speaker, that we are putting money in the pockets of those consumers to go out and buy the minivans. But we are also focusing on some business incentives, the 30 percent expensing, the 5-year carryback losses that the gentleman from New York (Mr. HOUGHTON) talked about.

I want to talk about something that my friend from Wisconsin on the committee talked about as far as capital gains. In 1997 this body passed in a very bipartisan effort a reduction in the capital gains tax rate of an 18 percent and an 8 percent capital gains tax rate. What we did at that time, of course, was we created this very complicated 5-year holdover or carryover of these types of assets. All we do is simply eliminate that 5-year carry-back.

For those people saying it is not an economic stimulus, look at the chart. In fiscal year 2003, we are going to raise tax revenues by $1.45 billion in that year alone, just because of this simplification. I urge all my colleagues to vote for this plan.

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

Mr. Speaker, I am fascinated by this new description of bipartisanship. The gentleman just said he picked out the Democratic tax provisions, and so therefore by including that in the Republican package, it is bipartisanship. So anytime we agree with anything that you do, that automatically is charged to us, and it is bipartisan. Absolutely unbelievable.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a member of the committee.

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

Mr. Speaker, today in Los Angeles, the Los Angeles International Airport will lose more than $1 million, as it has since September 11. Half of that loss is due to the fact that it had to increase security and half of that loss is due to lost revenues. Today in Los Angeles, our hazardous material crew within the Los Angeles Police Department is operating in cruisers, regular cruiser vehicles, where it has to put all of its equipment in the front and back seats of its vehicle and the trunk because it does not have the appropriate vehicles to carry all of its equipment to safeguard, to be the frontline defense against anthrax and all hazardous materials, biological or chemical.

And today, Mr. Speaker, the Mayor of my city, along with just about every other Mayor in this country, is meeting with the Bush administration to figure out what we do about security.

□ 1415

Today, I say to my colleagues, what are we doing? We are talking about giving away $159 billion over the next 10 years, and what will that do to address the concerns that those mayors are talking to the Bush administration about today? Not a thing. Not a thing. I say to my colleagues, we owe it to the American people to provide them security. I say to my colleagues, we owe it to the American people to provide the confidence to buy again, to fly again. I say to my colleagues, we owe it to the American workers to tell them we will do everything possible to get them back to work, because that is all they want. They do not want a handout, they just want their jobs back. They just want to work.

We owe it to the American people to tell them, if you are a senior, we are not going to use your Social Security, and if you are not yet retired, we are not going to raid your Social Security Trust Fund. How are we paying for this $159 billion? Through the Social Security and Medicare Trust Funds.

I say to my colleagues, we owe it to the American people to tell them we are going to get them to work today. One of the first things that are most important on the minds of the American people are security, safety, and economic security as well. We can do that. We can do it in a bipartisan fashion. This bill does not do it.

First things first. Security for America, economic security as well, and truth to the American people. We will not use your Social Security and Medicare Trust Funds to pay for something which will bankrupt us in the future. Our kids do not deserve to have to pay for this today. Let us take care of this war, let us take care of this effort to combat terrorism, and let us do it without going on our children's dime.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from California (Mr. THOMAS) has 5 minutes remaining; the gentleman from New York (Mr. RANGEL) has ½ minute remaining.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Texas (Mr. SAM JOHNSON).

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, the tragedy of September 11 is going to live forever in the hearts and minds of those who value peace and prosperity. Now more than ever people want economic security as well as personal security, and one way to give Americans peace of mind during these trying times is to give people more confidence about their bank accounts, about retirement plans and, ultimately, about our national economy. Cutting taxes and helping businesses is a surefire way to do that.

Under this plan, the average family of four would see their disposable annual income increased by $940 a year. But economic stimulus bill is not just for people. If we are going to help our economy, we must help our businesses, from Wall Street to Main Street. Corporate AMT relief, also known as the Alternative Minimum Tax, will give businesses a fresh infusion of cash into the market. In short, it is going to help people and companies expand and encourage them to hire more people.

We know the AMT is a parallel tax system meant to prevent companies from zeroing out their tax liability and forces them to calculate their taxes a second time without the benefit of deductions such as depreciation. The problem is that corporations and individuals fall into AMT and never get back out. AMT is a cyclical tax. When the cycle is down, the AMT kicks in and requires payment of taxes at 20 percent, even though they have lost money. It makes recessionary times worse, because it takes money away from businesses that should be retaining workers or investing.

The payment of taxes under AMT amounts to an interest-free loan to the United States Government. There are companies that fell into AMT during the recession of 1991 and 1992 that have not used up yet all of their credits. During that recession, roughly 50 percent of American businesses in America were caught by AMT. When companies are in AMT, they cannot use their additional targeted tax benefits either. The corporate tax breaks that Congress might consider must take this into account. Depreciation and other incentives to invest are of no use to companies in AMT.

It is time to renew our Constitution. This is a war effort and free enterprise must prevail.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

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

Mr. Speaker, I noted that two speakers on the Committee on Ways and Means have again gotten up and said something about invading the Social Security Trust Fund. Even when the Democrats had control of the House of Representatives and were awash in deficit spending, and that was even over and above spending all of the Social Security surplus, not once was the trust fund invaded. It cannot be invaded by law because, by law, there are Treasury bills that are put into the trust fund and they remain there until they are needed to be cashed in in order to pay benefits. Nobody has invaded the trust fund, period, not from the beginning of the system when it was first put in place. So let us put that aside. We can argue as to the value of Treasury bills when it is a debt by the government to the government, but that stays intact.

We can talk also for a moment about the Democrat alternative. We have heard a lot about bipartisanship. No one called me from the other side to ask me what I would like to see in this bill; even though the gentleman from New York (Mr. RANGEL) and I are very close friends, he never asked for my advice. So I think that there is a little bit of politics as usual, I know, and we can certainly operate this House in that fashion. We have from the beginning of time.

But I think we need to be sure that we actually talk straight politics, particularly when members of the Committee on Ways and Means get up and talk about doing something to the Social Security Trust Fund, which simply is not accurate and it has not been done.

The distinction between the two bills, ours, which we call the bipartisan bill, which the gentleman from New York disputes the use of those words, but I call it that because we will have Democrat votes on this bill, it simply emphasizes the creation of jobs, not the creation of benefits. We teach people to fish; we want people to go back to work. The good American workers do not want a handout, they want their jobs preserved. They want job creation. That is what the bipartisan tax bill does.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) has 30 seconds remaining; the gentleman from California (Mr. THOMAS) has 30 seconds remaining.

Mr. RANGEL. Mr. Speaker, I yield the remainder of the time to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, America needs a stimulus package. That is why the House and Senate Budget Committees worked in a bipartisan manner to put forth principles to stimulate the economy. The package, it said, should be short-term, give a quick boost to the economy, and not sacrifice our long-term fiscal stability.

The Republican package here today fails on all three scores. It is not a stimulus package; it is a shameless package which gives $10.4 billion in ill-timed capital gains cuts. It gives $53.6 billion tax cuts to the wealthiest Americans and, are we ready for this? It gives a $24 billion retroactive to 1986 tax cut on the Alternative Minimum Tax, and 86 percent of this benefit goes to the wealthiest Americans.

Vote ''no'' on the shameless Republican bill.

Mr. THOMAS. Mr. Speaker, I yield myself the remaining time.

Well, I guess the gentlewoman was not present for most of the debate, because she just repeated all of the syllabuses that had been laid in front of us on which we have been spending the entire hour indicating that it is simply not so.

The Alternative Minimum Tax elimination requested by the President is not retroactive. It is a 1 percent stimulus for the economy: $100 billion over the first 12 months, 1 percent, and it costs $160 billion over 10. Even former Secretary of the Treasury Bob Rubin could not say this was inflationary.

It is the right medicine at the right time and we need to put the right vote up, that is an ''aye'', on H.R. 3090.

Mrs. CHRISTENSEN. Mr. Speaker, I want to state my strong opposition to H.R. 3090, the so-called economic stimulus bill that was passed out of the Ways and Means committee, and my support for the Democratic substitute.

There is no one who questions the dire need this country has for a meaningful economic stimulus package. Anyone, those who are our economic experts and ordinary people just using their God-given common sense, can see that H.R. 3090, the Republican Bill, is only a package of hand outs to the few top income earners who not only do not need the help being offered, but will do nothing to provide the immediate and temporary measures that this country and our constituents need.

The leadership of this House, who are bringing this travesty of a bill before us, is not even in sync with the President who is of their own party. This goes to show how off the mark and far afield they are; and they are clearly out of touch with the rest of the country.

One member put it just right—the supporters of this bill are looters. I have experienced looting in my district. It was after an especially devastating hurricane. Then the people in our community had fears that there would not be enough food, or other necessities to take care of us in the midst of the wasteland they saw around them. It was not condoned but it was understood.

This—the repeal of the corporate alternative minimum tax, the permanent reduction in capital gains and other measures costing $274 billion which is not paid for—is looting of a different and the worst kind. The leadership here, is taking advantage of a disaster caused by terrorists and the people's fears to raid the treasury—the people's money to give it away to the wealthiest among us. This big spender give-away, will undermine our opportunity to help those Americans who are most in need and for whom this disaster does not affect only their pocketbooks, but their very existence, and mortgage the lives of future generations in the process.

This country has experienced a tragic event of immeasurable and far-reaching impact. If we pass this bill—H.R. 3090, instead of the Democratic substitute, not only will we be undermining the safety-nets needed by many in our country, and social security and Medicare, but we will be saying to all of the countless compassionate and selfless Americans that their stellar example of the past few weeks, is not appreciated.

Instead of continuing the oneness, generosity and sense of community that their response has revived, the Republican Bill will reach out and help not all of us, but only a very small few. And instead of bringing us together it will re-separate us—the haves and the have-nots, the rich from those of us with low or moderate incomes, and begin to again broaden the divide, which we have just begun to close, and in the process diminish us all.

Colleagues, reject H.R. 3090, and support the real stimulus bill, which helps everyone, and will begin to bring our country back.

Mr. MOORE. Mr. Speaker, I rise in opposition to H.R. 3090, the Economic Security and Recovery Act and the Democratic substitute and in support of the motion to recommit.

In the past six weeks, we have enjoyed unprecedented bipartisan cooperation as we have worked together to respond to the events of September 11. I am concerned, however, that by considering this legislation and its substitute today, Congress is quickly returning to business-as-usual partisan politics.

At this time, it is important that we step back and take a fresh look at the processes currently underway in Congress to address all of our nation's needs. I am concerned that the piecemeal approach Congress is taking puts the cart before the horse. In particular, the stimulus bill and the substitute being voted on today both fail to effectively balance our nation's priorities.

Mr. Speaker, out nation is at war. Never, in the history of this country, during a time of war, have we cut taxes or spent our precious resources on items unrelated to achieving our wartime objectives. Simply, our objective today must be winning the war against terrorism without jeopardizing the economy. This objective cannot be achieved by either the Republican or Democrat plans, rather it is best achieved through a comprehensive and bipartisan approach.

We have critical needs both domestically and globally to defeat terrorism and to protect the safety and security of the American people. Congress will be required in the coming days and weeks to prioritize its efforts to strengthen domestic security, fight the war on terrorism, provide assistance to dislocated workers and stimulate our economy. These needs will then have to be balanced with our obligation to protect against long-term fiscal harm.

Winning the war against terrorism and providing for the safety and security of the American people will require significant resources. We should not enact further tax cuts or spending proposals unrelated to meeting these challenges until we have a better understanding of how much funding the various agencies will need which are involved in domestic security, law enforcement, intelligence, military and other activities in the fight against terrorism will need.

Making this determination will require close operation between the administration and the appropriate committees in the House and Senate.

The motion to recommit will allow each of these committees, and their executive branch counterparts, to take recommendations, pass legislation and adequately fund our defense and domestic security needs. Moreover, by providing resources to meet these two priorities, we will provide a direct, short-term economic boost both by creating jobs to implement security measures and through restoring consumer confidence by providing reassurance to the American people.

The motion to recommit also responds to the immediate economic downturn without damaging the economy over the long-term. It stimulates the economy in a focused, limited and temporary manner. Most importantly, however, the motion to recommit requires us to enact out-year offsets to ensure that we pay for the cost of short-term stimulus.

Finally, the motion to recommit addresses the personal hardships experienced by thousands of Americans who lost their jobs as a result of the events of September 11. It will extend the coverage period and expand unemployment compensation to individuals previously ineligible to receive compensation.

Mr. Speaker, the motion to recommit represents the priorities of the American people—winning the war against terrorism and protecting the safety and security of every American. I urge all of my colleagues to vote against H.R. 3090 and its substitute and to vote for the motion to recommit so this Congress' committees may quickly begin their work to identify and provide for all of our national needs.

Mr. BENTSEN. Mr. Speaker, the September 11, 2001 attacks came at the worst possible time for this economy. The stock market was sagging, corporate investment was declining and all our economic benchmarks indicated that we were teetering on a recession. The September 11th attacks seemed to seal this economy's fate. Mr. Speaker, we can pull ourselves from the grips of recession and grow this economy, however, the legislation before us today, H.R. 3090, contains non of the elements necessary to get this economy moving.

A successful stimulus package could include elements such as speeding up and expanding the newly-established 10 percent income tax rate, which is slated to be fully effective in 2008 or immediately increasing the child tax credit to $1000 per child, which is already scheduled to occur by 2010 or extending tax provisions that expire this year, such as the Work Opportunity Tax Credit and Qualified Zone Academy Bonds. Mr. Speaker, we must craft a fiscally-balanced plan that puts money back in the economy today by not only dealing with the immediate economic impact of the current crisis, but also does no harm to the nation's fiscal health or long-term economic recovery.

Mr. Speaker, any true stimulus package must concentrate its benefit on consumers. Consumer spending accounts for two-thirds of our Gross Domestic Product (GDP). We must focus our efforts on getting Americans back to work by helping those who are the economic victims of the September 11th attacks and putting money back into today's economy by enhancing the economic security of America's families and promoting consumer spending.

Mr. Speaker, H.R. 3090 is not directed to promoting consumer spending and endangers our long-term fiscal health. The bulk of the benefit of this package will go to businesses not consumers. Specifically, in 2002 alone, the business tax provisions of H.R. 3090 are projected to consume 70 percent, or $70.1 billion, of the $99.5 billion in stimulus. More broadly, in the year 2002 and 2003, the critical period for recovery, individual taxpayers will realize less than $49 billion of tax benefit or less than one-quarter of one percentage point of the GDP, while $112 billion of the benefit will be conferred to businesses.

Mr. Speaker, this misdirected effort has little chance of providing direct economic stimulus and relief and has little hope of stimulating consumer demand because it does not focus on the low and middle-income families most likely to spend the money. Businesses make investments based upon demand, and in a period of slack demand, we cannot expect business to make capital investments. As such, any stimulus effect would be limited. The size of H.R. 3090 is well over the $75 billion the President requested to stimulate the economy. Further, this bloated measure which carries a projected price-tag of $260 billion over ten years, undermines our efforts to protect the Social Security and Medicare trust funds and threatens to return us to the ''bad old days'' of deficit spending.

Mr. Speaker, time is of the essence, we must take meaningful steps to protect those who lost their jobs and may lose their health insurance as a result of the Sept. 11 attacks as well as the states, on which much of this economic burden is borne. Mr. Speaker, today American workers are at the frontline of our war on terrorism and, in far too many cases, were the unwitting victims of the economic dislocation following the attacks. In fact, it was recently reported by the Department of Labor that the joblessness rate reached a nine-year high. H.R. 3090 provides a mere $9 billion to the states from the Federal Unemployment Accounts. This patently inadequate figure does little to help displaced workers, and puts that responsibility squarely on the already over-extended states. Further, as the cosponsor of airline worker relief legislation that would assist displaced workers with COBRA continuation costs, I believe that H.R. 3090 represents a missed opportunity.

The challenge before us is how to inspire Americans to go out and spend in an environment where far too many Americans live with the impending doom that their jobs will disappear. Additionally, we must act to boost consumer confidence in the safety of our air travel infrastructure. Our efforts to stabilize the airline industry, in the wake of September 11th, are undermined by this body's failure to bring legislation to the floor that addresses airline security. Congress cannot expect consumers to feel confident at the mall or on a

plane at a time when consumers are overwhelmed by lingering uncertainty as to their economic and physical security.

Moreover, Mr. Speaker, the provisions of H.R. 3090 relating to individual taxpayers are insufficient. Under this measure, those who received a partial rebate under the tax package passed last spring would be eligible to receive a ''top up'' to full $300 per individual, or $600 per couple. Additionally, H.R. 3090 would accelerate the phase-in of the reduction to the highest tax bracket, the new 25 percent tax bracket, which was scheduled to take full effect in 2006 under existing law, not the new 10 percent bracket which would effect lower-income families, who spend the greatest percentage of their income on consumer goods and services.

As a senior member of the House Budget Committee, I was heartened by the unanimity of opinion among House and Senate Budget leaders, on a bipartisan basis, as well as the President, that any economic stimulus package must be temporary, and designed to create an immediate, short-term impact, without jeopardizing our long-term economic security. Mr. Speaker, H.R. 3090 misses the mark on every count.

Ms. JACKSON LEE of Texas. Mr. Speaker, the bill before us today, H.R. 3090 fails to provide the necessary immediate stimulus that this Nation needs in this time of national crisis. What we need is responsive and immediate stimulus that helps all Americans.

In the aftermath of the terrorist attacks on America on September 11, 2001 more than 500,000 people are losing their jobs. Nearly 150,000 jobs in the aviation industry and 120,000 hospitality and tourism jobs are now lost. What is worse, the plan before us today puts working American families on notice that they will be served last and least in our new economy.

Responsive and meaningful stimulus would target businesses hurt by the current recession. This plan does not. Responsive and meaningful stimulus would help all Americans with tax breaks, and not just distribute billions to large corporations by permanently eliminating the AMT—how is this a short-term stimulus—especially since the refund will date back to 1986. Let's face the facts the economic slowdown that began prior to the September 11, 2001 attacks was worsened by those attacks. The plan before us departs from proven recession—fighting tactics that recognize that extending unemployment benefits and healthcare are crucial to economic stimulus. The unemployment and health insurance benefits provided for under this plan are inadequate and misguided, transferring funds from Federal to State unemployment funds which could allow States to reduce benefits overall. This is wrong.

Finally, this bill costs $274 billion over ten years—driving the government, once again, into deficit spending. This will require the government to borrow from payroll taxes dedicated to Social Security and Medicare all for the sake of tax breaks for the wealthiest Americans.

Mr. Speaker, America needs help now. We must provide it, but this plan is simply not the answer.

Finally, the American public needs responsible legislators who will effectively deal with the threat of terrorism. In this special interest Republican tax give away there is not one dollar provided for American security—to fight anthrax, smallpox, help health facilities, postal workers, for airline security and to combat the horror of terrorism.

Mr. Speaker, this bill should be resoundly defeated and the Democratic substitute that helps secure America passed.

Mr. COYNE. Mr. Speaker, I rise today in opposition to this deeply flawed bill.

The country needs an economic stimulus package that will effectively spur economic activity in the short term while doing no damage to our nation's economic prospects in the long run. Experts have indicated that such a package should be $50 billion to $100 billion in size. The country also needs Congress to provide additional assistance to the many households that are suffering as a result of the layoffs that have taken place in recent weeks. Fortunately, assistance to laid-off workers and their families constitutes one of the best economic stimuli possible—so we could ideally address both problems with one initiative.

Unfortunately, the majority on the House Ways and Means Committee has not put together such legislation. Rather than provide extended unemployment insurance benefits and COBRA premium support to laid-off workers, the legislation before us provides an inadequate level of funding to states to help them deal with the crisis. In fact, the funding included in this bill for helping unemployed workers is too small by an order of magnitude. Instead, this bill, allocates the vast majority of its $160 billion in ''economic stimulus'' to tax cuts for corporations and upper-income households. I believe that such a plan is both unfair and ineffective and is, consequently, unwise.

The package is unfair because it doesn't do enough to help the tens of thousands of people who have lost their jobs in recent weeks—or those who may lose their jobs in the coming weeks. In past recessions, Congress has extended unemployment benefits to help the people who are out of work. The block grants contained in this bill will not do much to help the unemployed. Neither will the provisions dealing with health insurance benefits. The stimulus package that we eventually enact should extend unemployment benefits for at least an additional 13 weeks and provide enough federal support for health insurance premiums under COBRA that the families of those workers can afford to continue their health insurance coverage.

The bill is also unfair because it doesn't provide most of its tax relief to families that need help the most. Much of the relief it provides would go to corporations. The single largest component of this stimulus package that affects individual taxpayers is the acceleration of the already enacted reduction of the existing 28 percent tax rate to 25 percent, which would cut taxes owned by $12 billion in 2002 and by $53 billion over the next ten years. This provision, however, would do nothing to help the 75 percent of taxpayers who don't have enough income to pay taxes in the 28 percent bracket.

The package is ineffective for a number of reasons. First, it doesn't get assistance to the people who need it—the people who, incidentally, are also most likely to turn around and pump that money back into the economy. A number of economic studies have shown that low- and middle-income families are more likely to spend most or all of any additional income. As income increases, households are more likely to save increasingly large percentages of any additional income. Consequently, if our goal is to get as much stimulative effect as possible out of the stimulus package—and it is—the most effective package would target its tax breaks to low- and middle-income families.

Second, the corporate tax breaks in the bill will not be particularly effective at stimulating the economy. In fact, they may actually hurt the economy. The bill, for example, would make permanent an existing tax provision allows multinational corporations to defer taxation of income earned overseas until the money is repatriated. Not only would this provision not stimulate the economy, but it could actually have an adverse effect by encouraging companies to keep money abroad for longer periods of time. Similarly, the capital gains tax cut would encourage investors to sell stocks in the short term, driving the already depressed stock market prices even lower. Such a change at this time would probably hurt, rather than help, the economy.

Third, this legislation would be ineffective because it would require state action to authorize and carry out the states' responsibilities under this bill—and it is my understanding many state legislatures are not in session, and won't be in session in the critical coming months. Given the lag time that exists before economic stimulus measures take effect, such provisions could condemn the country to unnecessary additional months of recession. I believe that such an approach is not optimal.

Fourth, and finally, this legislation could be downright harmful to the economy. In order to promote the fiscal responsibility that is essential for the long-term health of our economy, the stimulus package should be temporary, and it should be paid for in subsequent years—ideally, as soon as the recession has ended. It is essential for the federal government to pay down the national debt over the next ten years in order for it to be in a position to maintain the Social Security and Medicare programs as their caseloads double in the coming decades. In order to achieve that end, the federal government must for most of that time continue to run surpluses. The stimulus package before us today makes it much more difficult for us to continue running surpluses. Consistently smaller surpluses, or even worse the return of deficits, would leave the federal government in a weaker financial posture in the future when it has to deal with dramatically increased costs in the Social Security and Medicare programs. If the cost of the stimulus package is not offset in the out-years, the public debt will be higher, government borrowing will be greater, and interest rates faced by families and businesses will be higher—choking off future economic growth. We should not take such an approach.

That is why I support the Democratic alternative, which provides adequate assistance to families in need, channels its economic stimulus to the households most likely to pump that money back into the economy, provides important investments to protect our infrastructure and produce future economic growth, and holds Social Security and Medicare harmless over the next ten years. I urge my colleagues to reject this legislation and support the substitute. Let's enact legislation that will fairly and effectively stimulate our economy.

Mrs. MEEK of Florida. Mr. Speaker, I seek unanimous consent to revise and extend my remarks.

Mr. Speaker, I rise in strong opposition to H.R. 3090 and in support of the Rangel Substitute. Our people deserve far better than the Committee's sorry product. Both the bill and the process that produced it are fundamentally flawed. While Chairman THOMAS may have labored mightily, he has brought forth a mouse. He's produced a bill for K Street lobbyists, not Main Street!

Low and moderate income people in my community of Miami—the skycaps, the food service workers, the airplane mechanics, the flight attendants, the bellhops, the bus and taxi drivers—all of the average working men and women who make Miami hum and who I am so privileged to represent: These people have borne the brunt of the layoffs in the travel and tourism industry resulting from the September 11th attacks.

Their needs and concerns should be the primary focus of any economic stimulus program. Yet while this bill has plenty in it for the executives who wear pinstripe suits, it has little for working men and women. Why, in this bill, will we not speak and act on behalf of working people?

Many elements of the bill are simply recycled proposals from a failed Republican economic plan that had been offered and rejected, even by a number of Republican members of the House, long before the events of September 11th. Since September 11th, more than 100,000 airline employees have lost their jobs. Many thousands more workers in industries directly and indirectly affected by the disruption of the airline industry and in other fields also have been laid off. Where is their relief?

Small businesses also have been hit very hard by the September 11th attacks. Many of them lost key customers who constituted the lion's share of their business, as well as key suppliers who enabled them to do business.

The September 11th attacks have radically altered business prospects throughout our country. No community has been spared. While even places thousands of miles from the destruction of September 11th have been severely affected, tourist dependent communities that rely upon the airlines and the hotel industry, like my home town of Miami, have been particularly hard hit. H.R. 3090 does not even attempt to address their needs.

It is highly discouraging that Chairman THOMAS and the Republican Leadership have seen fit to schedule this bill for floor action today without making the necessary efforts to consider and include Democratic proposals for restoring vitality to our economy.

What America needs and wants is an effective, bipartisan economic recovery package to stimulate our economy and address the needs of working Americans after the horrific events of September 11, 2001. H.R. 3090 is not that bipartisan bill. We need payroll tax relief and other remedies that will help restore our economy for the long haul while providing adequate relief to those who lost their jobs and/or their benefits as a result of the economic slowdown.

The Thomas bill does not provide economic stimulus' along the lines recommended by Federal Reserve Chairman Greenspan. Instead of temporary tax cuts, many of the Committee tax provisions are permanent and provide little or nothing in terms of stimulus within the next 15 months.

The Committee bill is not directly related to economic stimulus and relief. The proposal's tax cuts do not maximize consumer demand by focusing on those low- and middle-income households most likely to spend the money. The lion's share of individual tax cuts in the Committee bill goes to the wealthy, and many of the business tax cuts go to businesses that are least in need of relief. The Committee bill includes permanent tax cuts that have nothing to do with the terrorist attack or its economic aftermath. Rather, the bill provides special interests with tax cuts they have wanted for years.

The Committee bill will cost nearly $160 billion over the next ten years and is not paid for through offsets. The bill ignores the need for out-year offsets to make up over time for the cost of near-term economic stimulus. This is not fiscally responsible. Our economic stimulus package should be focused and be paid for through short- and long-term revenue offsets.

The Committee bill fails to guarantee any unemployed worker increased or extended unemployment compensation. There is not even anything in the legislation that would prevent states from using the Reed Act money to replace state funding for unemployment benefits—meaning the net result could be no new assistance for displaced workers.

The Committee bill does not protect newly unemployed individuals and their families and other affected by the terrorist attacks from the very real danger that they will lose their health insurance and join the ranks of the nearly 40 million uninsured Americans.

The most effective and efficient manner by which to provide quick, short-term assistance with health insurance coverage is to build on existing programs, namely a subsidy for COBRA coverage for those who are eligible and a temporary expansion of Medicaid and CHIP for those who are not.

Mr. Speaker, unfortunately, it seems clear that our economy has not yet hit bottom. Many more hard working Americans, through no fault of their own, soon will lose their jobs. All of these workers desperately need our help and they need it now.

Mr. Speaker, the human costs of this economic downturn for many of our fellow Americans are truly staggering. Airline and airport workers, transit workers, employees who work for airline suppliers such as service employees and plane manufactures, all face common problems and challenges. Their mortgages, rents, and utilities still must be paid. Food must be placed on the table. Children must be clothed. Health care costs must be covered.

While some will get by through depleting their savings, the vast majority of those who have lost their jobs have little or no savings to deplete. All of these workers need a strong, flexible and lasting safety net, the kind that only the Federal government can provide.

Just like those workers who qualify for help under the Trade Adjustment Assistance Program, workers who lost their jobs because of the September 11th attacks need extended unemployment and job training benefits.

Displaced workers especially need COBRA continuation coverage, that is, they need to have their COBRA health insurance premiums paid for in full for up to 78 weeks, or until they are re-employed with health insurance coverage, whichever is earlier. Those without COBRA coverage need coverage under Medicaid.

Mr. Speaker, this Congress acted quickly and responsibly to meet some of the challenges posed by the September 11th attacks. We authorized the use of United States Armed Forces against those responsible for the attacks against the United States.

We unanimously passed the $40 billion Emergency Supplemental Appropriations bill to finance some of the tremendous costs of fighting terrorism and of helping and rebuilding the communities devastated by these horrendous attacks. We provided cash assistance and loan guarantees to the airline industry.

Now it is our workers' turn. They have already waited far too long. All of these hard working, innocent displaced workers and their families desperately need our help. We must hear and answer their pleas. We cannot rest until we have met their needs.

Mr. Speaker, the American people are depending on Members of Congress to cooperate and work with each other on a bipartisan economic stimulus plan. They expect and should get no less. We can and must do better than H.R. 3090. I urge my colleagues: reject the Thomas bill and support the Democratic Substitute.

Mr. NUSSLE. Mr. Speaker, I rise today to express my support of H.R. 3090, the Economic Security and Recovery Act of 2001. I would also use this opportunity to address some important budgetary issues raised by this bill and other legislation enacted in the wake of the recent terrorist attacks.

As reported from the Committee on Ways and Means—on which I am proud to serve—the Economic Security Act would, among other things, provide an additional tax rebate, accelerate the shift to a 25-percent tax rate, repeal the corporate minimum tax, and extend various expiring tax provisions.

As you know, the Congressional Budget Resolution—H. Con. Res. 83—established a revenue floor and directed the Ways and Means and Finance Committees to report a 10-year tax cut of $1.4 trillion. Earlier this year, the Ways and Means Committee reported, and the President signed, a reconciliation bill that reduced taxes by the amount envisioned by the budget resolution.

As reported by the Committee on Ways and Means, this bill would reduce projected revenue by an additional $99 billion in fiscal year 2002 and by about $195 billion over 5 years. Additionally, a provision to increase health care coverage for unemployed workers would increase outlays by $3 billion in the current fiscal year.

Clearly this bill was not envisioned under the budgetary framework of the budget resolution. The bill would reduce Federal revenue below the revenue floor specified in the resolution. This would violate section 311(a) of the Budget Act, which prohibits the consideration of measures that would cause revenue to be less than the levels permitted in the budget resolution. Similarly, the refundable tax provisions and the new spending element of the bill would breach the 302(a) allocation of new budget authority that was provided to the Committee on Ways and Means pursuant to H. Con. Res. 83.

Yet there are obviously times when it is appropriate to set aside budget constraints for the greater good. Perhaps the most important is during war or military conflict, when the nation's resources must be available to protect the nation itself. Another is during times of recession when it may be necessary to consider various initiatives to help sustain the economy.

This year, we face both. On September 11, we entered into a new era when terrorists attacked the World Trade Center in New York City and the Pentagon in Arlington, Virginia. After these attacks, we committed to providing whatever resources are necessary to wage a war on terrorism. On September 18, the President signed a supplemental appropriations bill that provide $40 billion to respond to these attacks. On September 22, the President signed a bill providing economic assistance to an already beleaguered aviation industry.

The terrorist attacks, in turn, exacerbated an economic slowdown that was already under way. In August, the Congressional Budget Office revised its economic forecast to reflect virtually no growth in the first half of this year. This was reflected in both lower GDP growth and higher unemployment rates. The terrorist attacks of September 11 dealt a further blow to the economy by depressing markets and rattling consumer confidence.

While the Congressional Budget Act and the Balanced Budget Act both envisioned a process in which Congress could suspend various budget rules, there is simply not enough time to go through this process if the President is to have the resources to wage this war and if the economic incentives are to be helpful.

The Budget Committee has moved swiftly to increase the discretionary spending limits to accommodate any additional spending. It will also take any necessary steps to ensure that the tax bill does not inadvertently trigger a sequester, which would clearly be counterproductive if the goal is to stimulate the economy.

This bill clearly provides some important benefits at a time of economic weakness. I believe that this a good though not perfect package. It does manage to get money out the door to taxpayers. It also has a number of provisions that will provide incentives for Iowa businesses to create jobs, spur innovation, and invest in our government's future.

I urge Members to support this bill both in the interest of reducing taxes and supporting the economy. Still we should be under no illusion where this bill, the supplemental and airline security bills will leave us. Next year we may well find that the double digit surpluses that were projected as recently as May have all but evaporated.

Although a departure from the budget resolution we adopted in May can be justified as a necessary response to the extraordinary circumstances facing our country, our long-term framework should continue to be a balanced budget. We should then work to pay off as much Federal debt as possible and accumulate sufficient resources to strengthen and reform Social Security and Medicare.

This will require the Congress, working together with the President, to begin to make some very tough decisions. I hope in the next few months to begin a dialogue with Members on both sides of the aisle on developing a framework for making some of these decisions.

Mr. RUSH. Mr. Speaker, I rise against this so called stimulus bill that is before us today. H.R. 3090 purports to help our economy, but fails to provide assistance to the thousands of hardworking American workers who lost their jobs as a result of the September 11 tragedy.

Now, I may not be an economist but there is something fundamentally wrong with a bill that provides 86% of tax benefits to corporate special interests, while providing nothing to middle income workers who are the backbone of this country's industrial might.

This bill is lacking in many ways. First it fails to provide a minimum wage increase for the American workers. Second, it does not provide adequate health coverage to displaced workers. Third, it places an additional burden on many states, including my own home state of Illinois, which is still reeling from the devastating losses suffered by United Airlines post September 11.

Mr. Speaker, the bill before us today is a Sham, it is nothing more than corporate welfare. If we are going to use precious resources, let us give to those most in need—American workers. Corporate and individual tax cuts will do little to stimulate the economy.

We must not return to the partisan politics that existed before September 11. I urge my colleagues on both sides of the aisle to support the Democratic substitute, which provides assistance to those most in need and provides temporary fiscal stimulus to restart the economy.

Mr. UNDERWOOD. Mr. Speaker, I rise in strong opposition to the rule and to the majority's so-called stimulus package, H.R. 3090. The primary reason I speak against both the rule and the bill is the failure once more on the part of the majority to include the concerns of the insular areas especially my home island of Guam.

When we talk about a stimulus package for the nation, we are informed that a possible rise in the nation's unemployment rate to 6% is a sure sign of impending economic crisis. The very rise to the number is designed to bring chills of concern to all of membership of this body. Mr. Speaker and Members of the House, the people of Guam are suffering an unemployment rate triple that amount, totaling 18% of the workforce of my people. Moreover, as a result of the terrorist attacks and the resulting decline in tourism (especially international tourism), hundreds of workers are being laid off and hundreds more are having their hours cut off. We must take clear, positive and strong steps to include the territories in any stimulus package. We must be directly responsive to the concerns of our fellow Americans who live in the insular areas.

I introduced and amendment to H.R. 3090 to the Rules Committee yesterday. The amendment was not made in order. This amendment would have provided assistance to the territories, brought relief to the people of Guam and ease their heavy burden. My amendment would have ensured the participation of the territories in the nation's unemployment programs, made territories eligible for any future national emergency grants, lifted the caps for Medicaid, increased the matching waiver for federal programs and would treat Guam the same as any other U.S. jurisdiction in taxing foreign investors.

This amendment would have provided Guam's unemployed (which is almost one out of every five workers) something to hang onto while the economy recovers. The measure would have eased the stress our local government is facing in budgeting health care for the indigent, accessing needed federal program and in making sure that Guam is eligible for federal emergency grants.

The Government of Guam is anticipating a 15–20% revenue shortfall caused by the ongoing Asian economic malaise and compounded by the hesitancy to travel as a result of the terrorist attacks. Guam is dependent upon international tourists for her livelihood. We are dependent upon the Asian economies for our survival and we are dependent upon your goodwill and understanding to give us the tools to develop economic self-sufficiency.

Guam is a crucial part of the current struggle against the terrorists. Guam is a part of the air bridge to bring justice to Osama bin Laden. Guam is the major Pacific point in the bridge from the West Coast to our bombers based in the Indian Ocean. The President said we should bring justice to the terrorists. As we bring justice to the terrorists, lets bring justice and fairness to the people of Guam, to our fellow Americans who live closest to the action.

The package as presented does not include us; it turns a blind eye to the needs of the territories; to the needs of Guam.

Mr. NADLER. Mr. Speaker, Christmas has come early for the special interests this year. This so-called stimulus package is nothing more than the eternal wish list of big business wrapped up in a nice, neat, little bow.

When the President put together his mammoth tax cut for the rich earlier this year, businesses were told to wait their turn. They would get their huge tax cut, but it couldn't be in the same package or it would shatter the illusion that the first one was for working families.

So, we all knew this big tax cut was coming. But frankly, I'm shocked that the Republican Leadership would trot it out so soon, under the guise of ''economic stimulus.'' Quite simply, there is virtually no economic value to this package.

The key to economic stimulus is to put money in the pockets of people who will spend it immediately. At Democrats' insistence, there is at least a small amount of money going to those who are hardest hit by these economic times. But the overwhelming majority of cuts in this bill are skewed to the very rich, who are more likely to put savings in the bank than to spend it. By some estimates a whopping 75% of the benefits of this package would go to the top 10% of wage earners. This is not just dramatically unfair, it economically foolish.

Not surprisingly, the portions of this bill that are aimed at lower income workers are temporary. But, the special breaks to big business, like capital gains reductions and repeal of the corporate Alternative Minimum Tax are permanent. This bill even has the gall to provide for refunds to any business that has paid the corporate AMT since 1986. That's not economic stimulus, that is corporate give-away

In addition, these provisions will simply worsen our long-term economic outlook, upon which current investment decisions are made. Rather than provide an immediate boost, these tax cuts are more likely to hinder spending in the short-term and plunge us deeper into recession. That's a pretty big price to pay for pacifying the special interests.

And, the flaws in this bill are not just limited to what's in it. It is equally poor policy because of what's missing. Any responsible stimulus package would include new direct spending on the pressing needs of the nation. This would create jobs while shoring up the infrastructure critical to our future economic growth. For example, in this new world of heightened security at the airports, we must invest in high-speed rail to accommodate travel between short distances. But, as usual, this bill simply

relies on the old gospel of the Republican Party—that tax cuts are the solution to any problem.

This corporate wish list may settle some old debts in the potential arena, but it will do nothing to nurse our ailing economy back to health. It is special interest pandering at its worst and should be defeated.

Mr. KIND. Mr. Speaker, I rise today in opposition to H.R. 3090, the Economic Security and Recovery Act. While our nation is still tending to the wounds inflicted upon us on September 11th, it may be necessary to provide an economic stimulus package that jump starts our currently sagging fiscal system and helps our country recover. I do not believe, however, this is the time for Congress to use this economic slump and the war against terrorism as an excuse to revisit previous agendas in a budget-busting frenzy.

It is fiscally irresponsible to put our country back into deficit spending to ensure that the House Leadership secures its priority tax cuts for their large campaign contributors. These tax cuts will not have the desired affect of boosting our economy; rather they will threaten the fiscal discipline that prompted much of the 1990's economic boom, because H.R. 3090 is paid for by taking funds directly out of the Social Security surplus rather than finding responsible offsets in the budget. The cost over ten years, including added interest to national debt, is a hefty $274 billion. Again, it would be taken out of the Social Security trust fund after virtually everyone in this Congress promised not to do so.

The goal of a stimulus package should be to give the economy a quick jolt while minimizing the damage to the long-term budget. In order to achieve this fine balance, the legislative package we pass today should provide an immediate but temporary, short-term injection of resources that will put money into the pockets of families and business that need it and will spend it.

Unfortunately, H.R. 3090 includes an acceleration of income tax cuts that would put $39 billion in the pockets of the richest quarter of taxpayers in the years 2003 to 2005, when the downtown presumably will be over. This is not an economic stimulus. This is a policy that reflects the supply-side faith that cutting taxes is always a good thing, never mind the cost. It will also take $5 billion out of state budgets every year since states base their corporate tax rates on the federal tax code.

Furthermore, a return to deficit spending will increase long-term interest rates, and will put a drag on any kind of economic recovery. The higher cost of borrowing increases the costs to families and firms, making economic revival less likely. Even the president acknowledged this when he said he wanted a stimulus package between $60 billion and $75 billion because he was ''mindful of the effect on long-term interest rates.'' Unless the administration weighs in against these tax cuts, the baby-boom budget crunch may get even nastier and make it impossible for our country to deal with the impending baby-boom retirement by keeping Social Security and Medicare solvent for that huge influx of recipients.

H.R. 3090 will not provide the average American the extra cash to put into our financial system. This is not the time to pursue our individual agendas but it is the time for a fiscally responsible short-term package that pushes our economy forward and provides relief for families in need.

I urge my colleagues to oppose H.R. 3090 and support the motion to recommit. The rush to cut corporate taxes to stimulate economic recovery is at best a questionable economic prescription and at worst one that could do more harm than good. The motion to recommit is simple and straightforward in its instructions to reduce the tax cut provisions of the bill in an amount necessary to fund the additional appropriations that are needed to fix the war on terrorism and protect the safety of the American public; to provide that the legislation is temporary and fully paid for in the budget over the next ten years to avoid deficit spending; and to provide immediate relief to workers who lost their jobs and health coverage and to businesses affected by the economic circumstances.

That is what a sensible and fiscally responsible stimulus bill should look like.

Mr. DINGELL. Mr. Speaker, health insurance coverage is a critical component of any economic stimulus package. Uninsured Americans have greater problems obtaining needed medical care. They are also less likely to get needed care. It is simply good medicine to ensure that families can keep their health insurance coverage.

It is also, however, good economics. The uninsured pay more out-of-pocket for health care, reducing their consumer spending. If families have health insurance, more of their resources are freed up to meet other critical needs such as paying their mortgage or utility bills.

Half of Americans who file for bankruptcy protection do so because of high medical expenses. An increase in the number of uninsured workers will lead more Americans into bankruptcy.

We know that the number of uninsured will very likely increase during this economic downturn. That is why any responsible economic stimulus package must include meaningful provisions to prevent the number of families without health insurance coverage from increasing.

The Democratic substitute does just that. This package provides a federal subsidy to allow workers and their families to remain covered under their former employer's policy for twelve months. Without this subsidy, bearing the full freight of their health insurance costs—on average $7,053 for family coverage—will prove too much for many families already struggling to make ends meet.

The Democratic substitute also allows states the option of extending Medicaid coverage to those uninsured workers and their families who are ineligible for COBRA coverage. For workers in firms with fewer than twenty employees or for workers in firms that go out of business, this provision is particularly important as COBRA coverage is not available to them. By building on Medicaid, we are building on an insurance program that we know works and that states can use quickly and easily to ensure workers and their families have health coverage.

A responsible stimulus package should recognize the importance of health insurance to good health and a good economy. The Democratic substitute will see that American families remain insured during this economic downturn. This package is the right approach for our economy, our workers, and their families.

Mr. BLUMENAUER. Mr. Speaker, the economic stimulus package brought to the House floor today is an embarrassment. It is 50 percent larger than the stimulus that the President and the Treasury Secretary asked for. It is a series of tax cuts and big refund checks to corporations that will be paid for with dollars from the Social Security Trust Fund. It is not paid for over time, but adds to the federal deficit for years to come.

The Republican leadership has used the occasion of America's present economic emergency to lead a stampede toward the public trough. Every pet tax cut on lobbyists' wish lists found its way into this bill, which has nothing to do with economic stimulus but a great deal to do with unjust enrichment. A handful of America's largest corporations will receive refund checks totaling nearly $6 billion of business taxes paid since 1986. There is absolutely no assurance that those tax dollars will be invested in job creation or other economic growth.

By contrast, the Democratic alternative provides the bulk of its tax relief to individuals and families that are likely to spend their tax savings on household needs, adding to economic activity and providing a true stimulus. It extends health care and other benefits to laid-off workers. It includes real investments in America's communities and security. Most importantly, it maintains fiscal responsibility by paying for itself over time—simply by delaying the Bush Administration tax cut for households earning over $350,000 per year.

The SPEAKER pro tempore. All time for general debate has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

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

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:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Fiscal Stimulus and Worker Relief Act of 2001''.

(b) REFERENCES TO INTERNAL REVENUE CODE OF 1986.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—TAX PROVISIONS

Subtitle A—Supplemental Rebate

Sec. 101. Supplemental rebate.

Subtitle B—Extensions of Certain Expiring Provisions

Sec. 111. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 112. Credit for qualified electric vehicles.
Sec. 113. Credit for electricity produced from renewable resources.
Sec. 114. Work Opportunity Credit.
Sec. 115. Welfare-to-Work credit.
Sec. 116. Deduction for clean-fuel vehicles and certain refueling property.

Sec. 117. Taxable income limit on percentage depletion for oil and natural gas produced from marginal properties.
Sec. 118. Qualified zone academy bonds.
Sec. 119. Cover over of tax on distilled spirits.
Sec. 120. Parity in the application of certain limits to mental health benefits.
Sec. 121. Delay in effective date of requirement for approved diesel or kerosene terminals.

Subtitle C—Other Provisions

Sec. 131. Alternative minimum tax relief with respect to incentive stock options exercised during 2000.
Sec. 132. Carryback for 2001 and 2002 net operating losses allowed for 5 years.
Sec. 133. Temporary increase in expensing under section 179.
Sec. 134. Temporary waiver of 90 percent AMT limitations.
Sec. 135. Expansion of incentives for public schools.

TITLE II—WORKER RELIEF

Subtitle A—Temporary Unemployment Compensation

Sec. 201. Short title.
Sec. 202. Federal-State agreements.
Sec. 203. Temporary Supplemental Unemployment Compensation Account.
Sec. 204. Payments to States having agreements under this subtitle.
Sec. 205. Financing provisions.
Sec. 206. Fraud and overpayments.
Sec. 207. Definitions.
Sec. 208. Applicability.

Subtitle B—Premium Assistance For COBRA Continuation Coverage

Sec. 211. Premium assistance for COBRA continuation coverage.

Subtitle C—Additional Assistance for Temporary Health Insurance Coverage

Sec. 221. Optional temporary medicaid coverage for certain uninsured employees.
Sec. 222. Optional temporary coverage for unsubsidized portion of COBRA continuation premiums.

TITLE III—FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND

Sec. 301. Freeze of top individual income tax rate and domestic security trust fund.

TITLE I—TAX PROVISIONS

Subtitle A—Supplemental Rebate

SEC. 101. SUPPLEMENTAL REBATE.

(a) IN GENERAL.—Section 6428 (relating to acceleration of 10 percent income tax rate bracket benefit for 2001) is amended by adding at the end the following new subsection:

''(f) SUPPLEMENTAL REBATE.—

''(1) IN GENERAL.—Each individual who was an eligible individual for such individual's first taxable year beginning in 2000 and who, before October 12, 2001, filed a return of tax imposed by subtitle A for such taxable year shall be treated as having made a payment against the tax imposed by chapter 1 for such first taxable year in an amount equal to the supplemental refund amount for such taxable year.

''(2) SUPPLEMENTAL REFUND AMOUNT.—For purposes of this subsection, the supplemental refund amount is an amount equal to the excess (if any) of—

''(A)(i) $600 in the case of taxpayers to whom section 1(a) applies,

''(ii) $500 in the case of taxpayers to whom section 1(b) applies, and

''(iii) $300 in the case of taxpayers to whom subsections (c) or (d) of section 1 applies, over

''(B) the taxpayer's advance refund amount under subsection (e).

''(3) TIMING OF PAYMENTS.—In the case of any overpayment attributable to this subsection, the Secretary shall, to the maximum extent practicable, refund or credit such overpayment before December 31, 2001.

''(4) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this subsection.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 6428(d) is amended by adding at the end the following new subparagraph:

''(C) COORDINATION WITH SUPPLEMENTAL REBATE.—No credit shall be allowed under subsection (a) to any individual who is entitled to a supplemental rebate amount under subsection (f).''

(2) Paragraph (3) of section 6428(e) is amended by striking ''December 31, 2001'' and inserting ''the date of the enactment of the Fiscal Stimulus and Worker Relief Act of 2001''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

Subtitle B—Extensions of Certain Expiring Provisions

SEC. 111. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''RULE FOR 2000 AND 2001.—'' and inserting ''RULE FOR 2000, 2001, AND 2002.—'', and

(2) by striking ''during 2000 or 2001,'' and inserting ''during 2000, 2001, or 2002,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 904(h) is amended by striking ''during 2000 or 2001'' and inserting ''during 2000, 2001, or 2002''.

(2) The amendments made by sections 201(b), 202(f), and 618(f) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2002.

(c) TECHNICAL CORRECTION.—Section 24(d)(1)(B) is amended by striking ''amount of credit allowed by this section'' and inserting ''aggregate amount of credits allowed by this subpart.''.

(d) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2001.

(2) The amendment made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 112. CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30 is amended—

(1) in subsection (b)(2)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2002,'', and

(B) in subparagraphs (A), (B), and (C), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2003'', ''2004'', and ''2005'', respectively, and

(2) in subsection (e), by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 113. CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) IN GENERAL.—Subparagraphs (A), (B), and (C) of section 45(c)(3) are each amended by striking ''2002'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 114. WORK OPPORTUNITY CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 115. WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Subsection (f) of section 51A is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who begin work for the employer after December 31, 2001.

SEC. 116. DEDUCTION FOR CLEAN-FUEL VEHICLES AND CERTAIN REFUELING PROPERTY.

(a) IN GENERAL.—Section 179A is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''December 31, 2001,'' and inserting ''December 31, 2002,'', and

(B) in clauses (i), (ii), and (iii), by striking ''2002'', ''2003'', and ''2004'', respectively, and inserting ''2003'', ''2004'', and ''2005'', respectively, and

(2) in subsection (f), by striking ''December 31, 2004'' and inserting ''December 31, 2005''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 117. TAXABLE INCOME LIMIT ON PERCENTAGE DEPLETION FOR OIL AND NATURAL GAS PRODUCED FROM MARGINAL PROPERTIES.

(a) IN GENERAL.—Subparagraph (H) of section 613A(c)(6) is amended by striking ''2002'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 118. QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 1397E(e) is amended by striking ''2000, and 2001'' and inserting ''2000, 2001, and 2002''.

(b) EXTENSION OF CARRYOVER OF UNUSED LIMITATION FROM 1998.—Paragraph (4) of section 1397E(e) is amended by striking ''3 years for carryforwards from 1998 or 1999'' and inserting ''4 years for carryforwards from 1998 and 3 years for carryforwards from 1999''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 119. COVER OVER OF TAX ON DISTILLED SPIRITS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 120. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Subsection (f) of section 9812 is amended by striking ''2001'' and inserting ''2002''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to plan years beginning after December 31, 2001.

SEC. 121. DELAY IN EFFECTIVE DATE OF REQUIREMENT FOR APPROVED DIESEL OR KEROSENE TERMINALS.

Paragraph (2) of section 1032(f) of the Taxpayer Relief Act of 1997 (Public Law 105–34) is amended by striking ''January 1, 2002'' and inserting ''January 1, 2003''.

Subtitle C—Other Provisions

SEC. 131. ALTERNATIVE MINIMUM TAX RELIEF WITH RESPECT TO INCENTIVE STOCK OPTIONS EXERCISED DURING 2000.

In the case of an incentive stock option (as defined in section 422 of the Internal Revenue Code of 1986) exercised during calendar

year 2000 or 2001, the amount taken into account under section 56(b)(3) of such Code by reason of such exercise shall not exceed the amount that would have been taken into account if, on the date of such exercise, the fair market value of the stock acquired pursuant to such option had been—

(1) its fair market value as of—

(A) April 15, 2001, in the case of options exercised during 2000, and

(B) December 31, 2001, in the case of options exercised during 2001, or

(2) if such stock is sold or exchanged on or before the applicable date under paragraph (1), the amount realized on such sale or exchange.

SEC. 132. CARRYBACK FOR 2001 AND 2002 NET OPERATING LOSSES ALLOWED FOR 5 YEARS.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to years to which loss may be carried) is amended by adding at the end the following new subparagraph:

''(H) In the case of a taxpayer which has a net operating loss for any taxable year beginning in 2001 or 2002, subparagraph (A)(i) shall be applied by substituting '5' for '2' and subparagraph (F) shall not apply.''.

(b) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR NET OPERATING LOSS ARISING IN 2001 OR 2002.— Section 172 of such Code (relating to net operating loss deduction) is amended by redesignating subsection (j) as subsection (k) and by inserting after subjection (i) the following new subsection:

''(j) ELECTION TO DISREGARD 5-YEAR CARRYBACK FOR NET OPERATING LOSS ARISING IN 2001 OR 2002.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(H) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(H). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''.

(c) SUSPENSION OF 90 PERCENT AMT LIMIT ON 2001 AND 2002 NOL CARRYBACKS.—Subparagraph (A) of section 56(d)(1) (relating to general rule defining alternative tax net operating loss deduction) is amended to read as follows:

''(A) the amount of such deduction shall not exceed the sum of—

''(i) the lesser of—

''(I) the amount of such deduction attributable to net operating losses (other than the deduction attributable to carrybacks of net operating losses for taxable years beginning in 2001 or 2002), or

''(II) 90 percent of alternate minimum taxable income determined without regard to such deduction, plus

''(ii) the lesser of—

''(I) the amount of such deduction attributable to carrybacks of net operating losses for taxable years beginning in 2001 or 2002, or

''(II) alternate minimum taxable income determined without regard to such deduction reduced by the amount determined under clause (i), and''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after 2000.

SEC. 133. TEMPORARY INCREASE IN EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—The table contained in section 179(b)(1) (relating to dollar limitation) is amended to read as follows:

"If the taxable year begins in:	The applicable amount is:
2001 or 2002	$50,000
2003 or thereafter	25,000.''

(b) TEMPORARY INCREASE IN AMOUNT OF PROPERTY TRIGGERING PHASEOUT OF MAXIMUM BENEFIT.—Paragraph (2) of section 179(b) of such Code is amended by inserting before the period ''($400,000 in the case of taxable years beginning during 2001 or 2002)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 134. TEMPORARY WAIVER OF 90 PERCENT AMT LIMITATIONS.

Subparagraph (A) of section 56(b)(1) of the Internal Revenue Code of 1986 and paragraph (2) of section 59(a) of such Code shall not apply in determining alternative minimum tax liability for taxable years beginning in 2001 or 2002.

SEC. 135. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Y—Public School Modernization Provisions

''Sec. 1400K. Credit to holders of qualified public school modernization bonds.

''Sec. 1400L. Qualified school construction bonds.

''Sec. 1400M. Qualified zone academy bonds.

"SEC. 1400K. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified public school modernization bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified public school modernization bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.—For purposes of this section—

''(1) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.—The term 'qualified public school modernization bond' means—

''(A) a qualified zone academy bond, and

''(B) a qualified school construction bond.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include—

''(A) any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or

''(B) any facility which is not owned by a State or local government or any agency or instrumentality of a State or local government.

''(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(g) RECAPTURE OF PORTION OF CREDIT WHERE CESSATION OF COMPLIANCE.—

''(1) IN GENERAL.—If any bond which when issued purported to be a qualified public school modernization bond ceases to be a qualified public school modernization bond, the issuer shall pay to the United States (at the time required by the Secretary) an amount equal to the sum of—

''(A) the aggregate of the credits allowable under this section with respect to such bond (determined without regard to subsection (c)) for taxable years ending during the calendar year in which such cessation occurs and the 2 preceding calendar years, and

''(B) interest at the underpayment rate under section 6621 on the amount determined under subparagraph (A) for each calendar year for the period beginning on the first day of such calendar year.

''(2) FAILURE TO PAY.—If the issuer fails to timely pay the amount required by paragraph (1) with respect to such bond, the tax imposed by this chapter on each holder of any such bond which is part of such issue shall be increased (for the taxable year of the holder in which such cessation occurs) by the aggregate decrease in the credits allowed under this section to such holder for taxable years beginning in such 3 calendar years

which would have resulted solely from denying any credit under this section with respect to such issue for such taxable years.

''(3) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (2) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under paragraph (2) shall not be treated as a tax imposed by this chapter for purposes of determining —

''(i) the amount of any credit allowable under this part, or

''(ii) the amount of the tax imposed by section 55.

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(i) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified public school modernization bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified public school modernization bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(j) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified public school modernization bonds on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(k) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(k) REPORTING.—Issuers of qualified public school modernization bonds shall submit reports similar to the reports required under section 149(e).

''(l) PENALTY ON CONTRACTORS FAILING TO PAY PREVAILING WAGE.—

''(1) IN GENERAL.—If the Secretary of Labor certifies to the Secretary that any contractor on any project funded by any qualified public school modernization bond has failed, during any portion of such contractor's taxable year, to pay prevailing wages as would be required under section 439 of the General Education Provisions Act if such funding were an applicable program under such section, the tax imposed by chapter 1 on such contractor for such taxable year shall be increased by 100 percent of the amount involved in such failure. The preceding sentence shall not apply to the extent the Secretary of Labor determines that such failure is due to reasonable cause and not willful neglect.

''(2) AMOUNT INVOLVED.—For purposes of paragraph (1), the amount involved with respect to any failure is the excess of the amount of wages such contractor would be so required to pay under such section over the amount of wages paid.

''(3) NO CREDITS AGAINST TAX.—The tax imposed by this section shall not be treated as a tax imposed by this chapter for purposes of determining—

''(A) the amount of any credit allowable under this chapter, or

''(B) the amount of the minimum tax imposed by section 55.

''(m) TERMINATION.—This section shall not apply to any bond issued after September 30, 2006.

"SEC. 1400L. QUALIFIED SCHOOL CONSTRUCTION BONDS.

''(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—For purposes of this subchapter, the term 'qualified school construction bond' means any bond issued as part of an issue if—

''(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

''(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

''(3) the issuer designates such bond for purposes of this section, and

''(4) the term of each bond which is part of such issue does not exceed 15 years.

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

''(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

''(2) if such issuer is a large local educational agency (as defined in subsection (e)(4)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

''(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

''(1) $11,000,000,000 for 2002, and

''(2) except as provided in subsection (f), zero after 2002.

''(d) 60 PERCENT OF LIMITATION ALLOCATED AMONG STATES.—

''(1) IN GENERAL.—60 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated by the Secretary among the States in proportion to the respective numbers of children in each State who have attained age 5 but not age 18 for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State to issuers within such State.

''(2) MINIMUM ALLOCATIONS TO STATES.—

''(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

''(i) the amount allocated to such State under this subsection for such year, and

''(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of the amount to be allocated under paragraph (1) for the calendar year.

''(B) MINIMUM PERCENTAGE.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

''(3) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

''(4) ALLOCATIONS FOR INDIAN SCHOOLS.—In addition to the amounts otherwise allocated under this subsection, $200,000,000 for calendar year 2002, and $200,000,000 for calendar year 2003, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7871) shall be treated as qualified issuers for purposes of this subchapter.

''(e) 40 PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

''(1) IN GENERAL.—40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year.

''(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(3) ALLOCATION OF UNUSED LIMITATION TO STATE.—The amount allocated under this subsection to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in subsection (d)(1).

''(4) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term 'large local educational agency' means, with respect to a calendar year, any local educational agency if such agency is—

''(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

''(B) 1 of not more than 25 local educational agencies (other than those described in subparagraph (A)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

''(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(1) the amount allocated under subsection (d) to any State, exceeds

''(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar

year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (d)(4) or (e).

''(g) SPECIAL RULES RELATING TO ARBITRAGE.—

''(1) IN GENERAL.—A bond shall not be treated as failing to meet the requirement of subsection (a)(1) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

''(2) BINDING COMMITMENT REQUIREMENT.—Paragraph (1) shall apply to an issue only if, as of the date of issuance, there is a reasonable expectation that—

''(A) at least 10 percent of the proceeds of the issue will be spent within the 6-month period beginning on such date for the purpose for which such issue was issued, and

''(B) the remaining proceeds of the issue will be spent with due diligence for such purpose.

''(3) EARNINGS ON PROCEEDS.—Any earnings on proceeds during the temporary period shall be treated as proceeds of the issue for purposes of applying subsection (a)(1) and paragraph (1) of this subsection.

''SEC. 1400M. QUALIFIED ZONE ACADEMY BONDS.

''(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this subchapter—

''(1) IN GENERAL.—The term 'qualified zone academy bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

''(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

''(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

''(D) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1400L(g) shall apply for purposes of paragraph (1).

''(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

''(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the local educational agency) of—

''(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

''(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

''(iii) services of employees as volunteer mentors,

''(iv) internships, field trips, or other educational opportunities outside the academy for students, or

''(v) any other property or service specified by the local educational agency.

''(3) QUALIFIED ZONE ACADEMY.—The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

''(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

''(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

''(C) the comprehensive education plan of such public school or program is approved by the local educational agency, and

''(D)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

''(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

''(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

''(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

''(B) acquiring the land on which such facility is to be constructed with part of the proceeds of such issue,

''(C) providing equipment for use at such academy,

''(D) developing course materials for education to be provided at such academy, and

''(E) training teachers and other school personnel in such academy.

''(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

''(A) $400,000,000 for 1998,

''(B) $400,000,000 for 1999,

''(C) $400,000,000 for 2000,

''(D) $400,000,000 for 2001,

''(E) $1,400,000,000 for 2002, and

''(F) except as provided in paragraph (3), zero after 2002.

''(2) ALLOCATION OF LIMITATION.—

''(A) ALLOCATION AMONG STATES.—

''(i) 1998, 1999, 2000, AND 2001 LIMITATIONS.—The national zone academy bond limitations for calendar years 1998, 1999, 2000, and 2001 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

''(ii) LIMITATION AFTER 2001.—The national zone academy bond limitation for any calendar year after 2001 shall be allocated by the Secretary among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

''(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State to qualified zone academies within such State.

''(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

''(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

''(A) the limitation amount under this subsection for any State, exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (a) (or the corresponding provisions of prior law) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess.''

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1400K(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1400K(d)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CONFORMING AMENDMENTS.—

(1) Subchapter U of chapter 1 is amended by striking part IV, by redesignating part V as part IV, and by redesignating section 1397F as section 1397E.

(2) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter Y. Public school modernization provisions.''

(3) The table of parts of subchapter U of chapter 1 is amended by striking the last 2 items and inserting the following item:

''Part IV. Regulations.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to obligations issued after December 31, 2001.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—In the case of bonds to which section 1397E of the Internal Revenue Code of 1986 (as in effect before the date of the enactment of this Act) applies, the limitation of such section to eligible taxpayers (as defined in subsection (d)(6) of such section) shall not apply after the date of the enactment of this Act.

TITLE II—WORKER RELIEF

Subtitle A—Temporary Unemployment Compensation

SEC. 201. SHORT TITLE.

This subtitle may be cited as the ''Temporary Unemployment Compensation Act of 2001''.

SEC. 202. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an

agreement under this subtitle with the Secretary of Labor (hereinafter in this subtitle referred to as the ''Secretary''). Any State which is a party to an agreement under this subtitle may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—

(1) IN GENERAL.—Any agreement under subsection (a) shall provide that the State agency of the State will make—

(A) payments of regular compensation to individuals in amounts and to the extent that they would be determined if the State law were applied with the modifications described in paragraph (2), and

(B) payments of temporary supplemental unemployment compensation to individuals who—

(i) have exhausted all rights to regular compensation under the State law,

(ii) do not, with respect to a week, have any rights to compensation (excluding extended compensation) under the State law of any other State (whether one that has entered into an agreement under this subtitle or otherwise) nor compensation under any other Federal law (other than under the Federal-State Extended Unemployment Compensation Act of 1970), and are not paid or entitled to be paid any additional compensation under any State or Federal law, and

(iii) are not receiving compensation with respect to such week under the unemployment compensation law of Canada.

(2) MODIFICATIONS DESCRIBED.—The modifications described in this paragraph are as follows:

(A) An individual shall be eligible for regular compensation if the individual would be so eligible, determined by applying—

(i) the base period that would otherwise apply under the State law if this subtitle had not been enacted, or

(ii) a base period ending at the close of the calendar quarter most recently completed before the date of the individual's application for benefits,

whichever results in the greater amount.

(B) An individual shall not be denied regular compensation under the State law's provisions relating to availability for work, active search for work, or refusal to accept work, solely by virtue of the fact that such individual is seeking, or available for, only part-time (and not full-time) work.

(C)(i) Subject to clause (ii), the amount of regular compensation (including dependents' allowances) payable for any week shall be equal to the amount determined under the State law (before the application of this subparagraph), plus an additional—

(I) 25 percent, or

(II) $65,

whichever is greater.

(ii) In no event may the total amount determined under clause (i) with respect to any individual exceed the average weekly insured wages of that individual in that calendar quarter of the base period in which such individual's insured wages were the highest (or one such quarter if his wages were the same for more than one such quarter).

(c) NONREDUCTION RULE.—Under the agreement, subsection (b)(2)(C) shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a way such that—

(1) the average weekly amount of regular compensation which will be payable during the period of the agreement (determined disregarding the modifications described in subsection (b)(2)) will be less than

(2) the average weekly amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on September 11, 2001.

(d) COORDINATION RULES.—

(1) REGULAR COMPENSATION PAYABLE UNDER A FEDERAL LAW.—The modifications described in subsection (b)(2) shall also apply in determining the amount of benefits payable under any Federal law to the extent that those benefits are determined by reference to regular compensation payable under the State law of the State involved.

(2) TSUC TO SERVE AS SECOND-TIER BENEFITS.—Notwithstanding any other provision of law, extended benefits shall not be payable to any individual for any week for which temporary supplemental unemployment compensation is payable to such individual.

(e) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(1)(B)(i), an individual shall be considered to have exhausted such individual's rights to regular compensation under a State law when—

(1) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on employment or wages during such individual's base period, or

(2) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDITIONS, ETC. RELATING TO TSUC.—For purposes of any agreement under this subtitle—

(1) the amount of temporary supplemental unemployment compensation which shall be payable to an individual for any week of total unemployment shall be equal to the amount of regular compensation (including dependents' allowances) payable to such individual under the State law for a week for total unemployment during such individual's benefit year,

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary supplemental unemployment compensation and the payment thereof, except where inconsistent with the provisions of this subtitle or with the regulations or operating instructions of the Secretary promulgated to carry out this subtitle, and

(3) the maximum amount of temporary supplemental unemployment compensation payable to any individual for whom a temporary supplemental unemployment compensation account is established under section 203 shall not exceed the amount established in such account for such individual.

SEC. 203. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Any agreement under this subtitle shall provide that the State will establish, for each eligible individual who files an application for temporary supplemental unemployment compensation, a temporary supplemental unemployment compensation account.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in an account under subsection (a) shall be equal to the product obtained by multiplying an individual's weekly benefit amount by the applicable factor under paragraph (3).

(2) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for a week of total unemployment in such individual's benefit year.

(3) APPLICABLE FACTOR.—

(A) GENERAL RULE.—The applicable factor under this paragraph is 13, unless the individual's benefit year begins or ends during a period of high unemployment within such individual's State, in which case the applicable factor is 26.

(B) PERIOD OF HIGH UNEMPLOYMENT.—For purposes of this paragraph, a period of high unemployment within a State shall begin and end, if at all, in a way (to be set forth in the State's agreement under this subtitle) similar to the way in which an extended benefit period would under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970, subject to the following:

(i) To determine if there is a State ''on'' or ''off'' indicator, apply section 203(f) of such Act, but—

(I) substitute ''5 percent'' for ''6.5 percent'' in paragraph (1)(A)(i) thereof, and

(II) disregard paragraph (1)(A)(ii) thereof and the last sentence of paragraph (1) thereof.

(ii) To determine the beginning and ending dates of a period of high unemployment within a State, apply section 203(a) and (b) of such Act, except that—

(I) in applying such section 203(a), deem paragraphs (1) and (2) thereof to be amended by striking ''the third week after'', and

(II) in applying such section 203(b), deem paragraph (1)(A) thereof amended by striking ''thirteen'' and inserting ''twenty-six'' and paragraph (1)(B) thereof amended by striking ''fourteenth'' and inserting ''twenty-seventh''.

(4) RULE OF CONSTRUCTION.—For purposes of any computation under paragraph (1) (and any determination of amount under section 202(f)(1)), the modification described in section 202(b)(2)(C) (relating to increased benefits) shall be deemed to have been in effect with respect to the entirety of the benefit year involved.

(c) ELIGIBILITY PERIOD.—An individual whose applicable factor under subsection (b)(3) is 26 shall be eligible for temporary supplemental unemployment compensation for each week of total unemployment in his benefit year which begins in the State's period of high unemployment and, if his benefit year ends within such period, any such weeks thereafter which begin in such period of high unemployment, not to exceed a total of 26 weeks.

SEC. 204. PAYMENTS TO STATES HAVING AGREEMENTS UNDER THIS SUBTITLE.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this subtitle an amount equal to—

(1) 100 percent of any regular compensation made payable to individuals by such State by virtue of the modifications which are described in section 202(b)(2) and deemed to be in effect with respect to such State pursuant to section 202(b)(1)(A),

(2) 100 percent of any regular compensation—

(A) which is paid to individuals by such State by reason of the fact that its State law contains provisions comparable to the modifications described in section 202(b)(2)(A)–(B), but only

(B) to the extent that those amounts would, if such amounts were instead payable by virtue of the State law's being deemed to be so modified pursuant to section 202(b)(1)(A), have been reimbursable under paragraph (1), and

(3) 100 percent of the temporary supplemental unemployment compensation paid to individuals by the State pursuant to such agreement.

(b) DETERMINATION OF AMOUNT.—Sums under subsection (a) payable to any State by reason of such State having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may

be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this subtitle for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(c) ADMINISTRATIVE EXPENSES, ETC.—There is hereby appropriated out of the employment security administration account of the Unemployment Trust Fund (as established by section 901(a) of the Social Security Act) $500,000,000 to reimburse States for the costs of the administration of agreements under this subtitle (including any improvements in technology in connection therewith) and to provide reemployment services to unemployment compensation claimants in States having agreements under this subtitle. Each State's share of the amount appropriated by the preceding sentence shall be determined by the Secretary according to the factors described in section 302(a) of the Social Security Act and certified by the Secretary to the Secretary of the Treasury.

SEC. 205. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act), and the Federal unemployment account (as established by section 904(g) of the Social Security Act), of the Unemployment Trust Fund shall be used, in accordance with subsection (b), for the making of payments (described in section 204(a)) to States having agreements entered into under this subtitle.

(b) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums described in section 204(a) which are payable to such State under this subtitle. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification by transfers from the extended unemployment compensation account (or, to the extent that there are insufficient funds in that account, from the Federal unemployment account) to the account of such State in the Unemployment Trust Fund.

SEC. 206. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received any regular compensation or temporary supplemental unemployment compensation under this subtitle to which he was not entitled, such individual—

(1) shall be ineligible for any further benefits under this subtitle in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received any regular compensation or temporary supplemental unemployment compensation under this subtitle to which they were not entitled, the State shall require such individuals to repay those benefits to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such benefits was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any regular compensation or temporary supplemental unemployment compensation payable to such individual under this subtitle or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the regular compensation or temporary supplemental unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(d) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 207. DEFINITIONS.

For purposes of this subtitle:

(1) IN GENERAL.—The terms ''compensation'', ''regular compensation'', ''extended compensation'', ''additional compensation'', ''benefit year'', ''base period'', ''State'', ''State agency'', ''State law'', and ''week'' have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970, subject to paragraph (2).

(2) STATE LAW AND REGULAR COMPENSATION.—In the case of a State entering into an agreement under this subtitle—

(A) ''State law'' shall be considered to refer to the State law of such State, applied in conformance with the modifications described in section 202(b)(2), subject to section 202(c), and

(B) ''regular compensation'' shall be considered to refer to such compensation, determined under its State law (applied in the manner described in subparagraph (A)),

except as otherwise provided or where the context clearly indicates otherwise.

SEC. 208. APPLICABILITY.

(a) IN GENERAL.—An agreement entered into under this subtitle shall apply to weeks of unemployment—

(1) beginning after the date on which such agreement is entered into, and

(2) ending before January 1, 2003.

(b) SPECIFIC RULES.—Under such an agreement—

(1) the modification described in section 202(b)(2)(A) (relating to alternative base periods) shall not apply except in the case of initial claims filed after September 11, 2001,

(2) the modifications described in section 202(b)(2)(B)–(C) (relating to part-time employment and increased benefits, respectively) shall apply to weeks of unemployment (described in subsection (a)), irrespective of the date on which an individual's claim for benefits is filed, and

(3) the payments described in section 202(b)(1)(B) (relating to temporary supplemental unemployment compensation) shall not apply except in the case of individuals exhausting their rights to regular compensation (as described in clause (i) thereof) after September 11, 2001.

Subtitle B—PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE

SEC. 211. PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance for COBRA continuation coverage shall be provided for qualified individuals under this section.

(2) QUALIFIED INDIVIDUALS.—For purposes of this section, a qualified individual is an individual who—

(A) establishes that the individual—

(i) on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, became entitled to elect COBRA continuation coverage; and

(ii) has elected such coverage; and

(B) enrolls in the premium assistance program under this section by not later than the end of such 1-year period.

(b) LIMITATION OF PERIOD OF PREMIUM ASSISTANCE.—Premium assistance provided under this subsection shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the individual is first enrolled in the premium assistance program established under this section.

(c) PAYMENT, AND CREDITING OF ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be equal to 75 percent of the amount of the premium required for the COBRA continuation coverage.

(2) PROVISION OF ASSISTANCE.—Premium assistance provided under this section shall be provided through the establishment of direct payment arrangements with the administrator of the group health plan (or other entity) that provides or administers the COBRA continuation coverage. It shall be a fiduciary duty of such administrator (or other entity) to enter into such arrangements under this section.

(3) PREMIUMS PAYABLE BY QUALIFIED INDIVIDUAL REDUCED BY AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be credited by such administrator (or other entity) against the premium otherwise owed by the individual involved for such coverage.

(d) CHANGE IN COBRA NOTICE.—

(1) GENERAL NOTICE.—

(A) IN GENERAL.—In the case of notices provided under section 4980B(f)(6) of the Internal Revenue Code of 1986 with respect to individuals who, on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, become entitled to elect COBRA continuation coverage, such notices shall include an additional notification to the recipient of the availability of premium assistance for such coverage under this section.

(B) ALTERNATIVE NOTICE.—In the case of COBRA continuation coverage to which the notice provision under section 4980B(f)(6) of the Internal Revenue Code of 1986 does not apply, the Secretary of the Treasury shall, in coordination with administrators of the group health plans (or other entities) that

provide or administer the COBRA continuation coverage involved, assure provision of such notice.

(C) FORM.—The requirement of the additional notification under this paragraph may be met by amendment of existing notice forms or by inclusion of a separate document with the notice otherwise required.

(2) SPECIFIC REQUIREMENTS.—Each additional notification under paragraph (1) shall include—

(A) the forms necessary for establishing eligibility under subsection (a)(2)(A) and enrollment under subsection (a)(2)(B) in connection with the coverage with respect to each covered employee or other qualified beneficiary;

(B) the name, address, and telephone number necessary to contact the plan administrator and any other person maintaining relevant information in connection with the premium assistance; and

(C) the following statement displayed in a prominent manner:

''You may be eligible to receive assistance with payment of 75 percent of your COBRA continuation coverage premiums for a duration of not to exceed 12 months.''.

(3) NOTICE RELATING TO RETROACTIVE COVERAGE.—In the case of such notices previously transmitted before the date of the enactment of this Act in the case of an individual described in paragraph (1) who has elected (or is still eligible to elect) COBRA continuation coverage as of the date of the enactment of this Act, the administrator of the group health plan (or other entity) involved or the Secretary of the Treasury (in the case described in the paragraph (1)(B)) shall provide (within 60 days after the date of the enactment of this Act) for the additional notification required to be provided under paragraph (1).

(4) MODEL NOTICES.—The Secretary shall prescribe models for the additional notification required under this subsection.

(f) OBLIGATION OF FUNDS.—This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Federal Government to provide for the payment of premium assistance under this section.

(g) PROMPT ISSUANCE OF GUIDANCE.—The Secretary of the Treasury, in consultation with the Secretary of Labor, shall issue guidance under this section not later than 30 days after the date of the enactment of this Act.

(h) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''administrator'' has the meaning given such term in section 3(16) of the Employee Retirement Income Security Act of 1974.

(2) COBRA CONTINUATION COVERAGE.—The term ''COBRA continuation coverage'' means continuation coverage provided pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986 (other than subsection (f)(1) of such section insofar as it relates to pediatric vaccines), part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (other than under section 609), section 8905a of title 5, United States Code, or under a State program that provides continuation coverage comparable to such continuation coverage.

(3) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning given such term in section 9832(a) of the Internal Revenue Code of 1986.

(4) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subtitle C—Additional Assistance for Temporary Health Insurance Coverage

SEC. 221. OPTIONAL TEMPORARY MEDICAID COVERAGE FOR CERTAIN UNINSURED EMPLOYEES.

(a) IN GENERAL.—Notwithstanding any other provision of law, with respect to any month before the ending month, a State may elect to provide, under its medicaid program under title XIX of the Social Security Act, medical assistance in the case of an individual—

(1)(A) who has become totally or partially separated from employment on or after July 1, 2001, and before the end of such ending month; or

(B) whose hours of employment have been reduced on or after July 1, 2001, and before the end of such ending month;

(2) who is not eligible for COBRA continuation coverage; and

(3) who is uninsured.

(b) LIMITATION OF PERIOD OF COVERAGE.—Assistance under this section shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer uninsured; or

(2) 12 months after the date the individual is first determined to be eligible for medical assistance under this section.

(c) SPECIAL RULES.—In the case of medical assistance provided under this section—

(1) the Federal medical assistance percentage under section 1905(b) of the Social Security Act shall be the enhanced FMAP (as defined in section 2105(b) of such Act);

(2) a State may elect to apply alternative income, asset, and resource limitations and the provisions of section 1916(g) of such Act, except that in no case shall a State cover individuals with higher family income without covering individuals with a lower family income;

(3) such medical assistance shall not be provided for periods before the date the individual becomes uninsured;

(4) a State may elect to make eligible for such assistance a spouse or children of an individual eligible for medical assistance under paragraph (1), if such spouse or children are uninsured;

(5) individuals eligible for medical assistance under this section shall be deemed to be described in the list of individuals described in the matter preceding paragraph (1) of section 1905(a) of such Act; and

(6) the Secretary of Health and Human Services shall not count, for purposes of section 1108(f) of the Social Security Act, such amount of payments under this section as bears a reasonable relationship to the average national proportion of payments made under this section for the 50 States and the District of Columbia to the payments otherwise made under title XIX for such States and District.

(d) DEFINITIONS.—For purposes of this subtitle:

(1) UNINSURED.—The term ''uninsured'' means, with respect to an individual, that the individual is not covered under—

(A) a group health plan (as defined in section 2791(a) of the Public Health Service Act),

(B) health insurance coverage (as defined in section 2791(b)(1) of the Public Health Service Act), or

(C) a program under title XVIII, XIX, or XXI of the Social Security Act, other than under such title XIX pursuant to this section.

For purposes of this paragraph, such coverage under subparagraph (A) or (B) shall not include coverage consisting solely of coverage of excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

(2) COBRA CONTINUATION COVERAGE.—The term ''COBRA continuation coverage'' means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

(3) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act.

(4) ENDING MONTH.—The term ''ending month'' means the last month that begins before the date that is 1 year after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—This section shall take effect upon its enactment, whether or not regulations implementing this section are issued.

(f) LIMITATION ON ELECTION.—A State may not elect to provide coverage under this section unless the State elects to provide coverage under section 222.

SEC. 222. OPTIONAL TEMPORARY COVERAGE FOR UNSUBSIDIZED PORTION OF COBRA CONTINUATION PREMIUMS.

(a) IN GENERAL.—Notwithstanding any other provision of law, with respect to COBRA continuation coverage provided for any month through the ending month, a State may elect to provide payment of the unsubsidized portion of the premium for COBRA continuation coverage in the case of any individual—

(1)(A) who has become totally or partially separated from employment on or after July 1, 2001, and before the end of the ending month; or

(B) whose hours of employment have been reduced on or after July 1, 2001, and before the end of such ending month; and

(2) who is eligible for, and has elected coverage under, COBRA continuation coverage.

(b) LIMITATION OF PERIOD OF COVERAGE.—Premium assistance under this section shall end with respect to an individual on the earlier of—

(1) the date the individual is no longer covered under COBRA continuation coverage; or

(2) 12 months after the date the individual is first determined to be eligible for premium assistance under this section.

(c) FINANCIAL PAYMENT TO STATES.—A State providing premium assistance under this section shall be entitled to payment under section 1903(a) of the Social Security Act with respect to such assistance (and administrative expenses relating to such assistance) in the same manner as such State is entitled to payment with respect to medical assistance (and such administrative expenses) under such section, except that, for purposes of this subsection, any reference to the Federal medical assistance percentage shall be deemed a reference to the enhanced FMAP (as defined in section 2105(b) of such Act). The provisions of subsection (c)(6) of section 221 shall apply with respect to this section in the same manner as it applies under such section.

(d) UNSUBSIDIZED PORTION OF PREMIUM FOR COBRA CONTINUATION COVERAGE.—For purposes of this section, the term 'unsubsidized portion of premium for COBRA continuation coverage' means that portion of the premium for COBRA continuation coverage for which there is no financial assistance available under 211.

(e) EFFECTIVE DATE.—This section shall take effect upon its enactment, whether or not regulations implementing this section are issued.

(f) LIMITATION ON ELECTION.—A State may not elect to provide coverage under this section unless the State elects to provide coverage under section 221.

TITLE III—FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND

SEC. 301. FREEZE OF TOP INDIVIDUAL INCOME TAX RATE AND DOMESTIC SECURITY TRUST FUND.

(a) FREEZE OF TOP INDIVIDUAL INCOME TAX RATE.—Paragraph (2) of section 1(i) (relating to reductions in rates after June 30, 2001) is amended—

(A) by striking ''37.6'' and inserting ''38.6'', and

(B) by striking ''35.0'' and inserting ''38.6''.

(b) DOMESTIC SECURITY TRUST FUND.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9511. DOMESTIC SECURITY TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Domestic Security Trust Fund', consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section and section 9602(b).

''(b) TRANSFERS TO FUND.—There are hereby transferred from the General Fund of the Treasury to the Domestic Security Trust Fund so much of the additional amounts received in the Treasury by reason of the amendment made by section 301(a) of the Fiscal Stimulus and Worker Relief Act of 2001 (relating to freeze in top individual income tax rate) as does not exceed the sum of—

''(1) $32,000,000,000, plus

''(2) the amount determined by the Secretary to be necessary to pay the interest on any repayable advance made to the Trust Fund.

''(c) EXPENDITURES.—Amounts in the Domestic Security Trust Fund shall be available, as provided by appropriation Acts, for purposes of making the following expenditures to the extent such expenditures are hereafter authorized by law:

''(1) $7,000,000,000 for domestic economic development programs.

''(2) $25,000,000,000 for programs to significantly enhance safety and security of transportation systems, facilities, and environmental protection, including the emergency management systems and emergency response training.

''(d) REPAYABLE ADVANCES.—

''(1) IN GENERAL.—If amounts in the Trust Fund are not sufficient for the purposes of subsection (c), the Secretary shall transfer from the General Fund of the Treasury to the Trust Fund such additional amounts as may be necessary for such purposes. Such amounts shall be transferred as repayable advances.

''(2) REPAYMENT OF ADVANCES.—

''(A) IN GENERAL.—Advances made to the Trust Fund shall be repaid, and interest on such advances shall be paid, to the General Fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Trust Fund.

''(B) RATE OF INTEREST.—Interest on advances made to the Trust Fund shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 is amended by adding at the end the following new item:

''Sec. 9511. Domestic security trust fund.''.

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

The SPEAKER pro tempore. Pursuant to House Resolution 270, the gentleman from New York (Mr. RANGEL) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, as I was saying at the close of the other debate, instead of supporting the shameless Republican package, we should support the Democratic stimulus package put forth here today. It honors the principles of bipartisanship in that it is short term, provides a quick boost to the economy, and does not, does not sacrifice our long-term fiscal stability.

It is paid for, Mr. Speaker. It is paid for.

What it does is there are many good ideas that are being brought to the table, including a one-time rebate for people who were left out of the last rebate because they only pay payroll taxes. It gives new resources to help unemployed workers get access to health insurance and unemployment benefits, and funds to help small business and increase infrastructure investments to create jobs.

We must pass a bill that includes a proper balance between spending and tax cuts and must target tax cuts that are included to low-income families with the greatest need.

I urge my colleagues to support the Democratic stimulus package which is, as I say, a stimulus in every respect, and to reject the Republican shameless package on the floor today.

The SPEAKER pro tempore. Does the gentleman from California (Mr. THOMAS) seek to control the time in opposition to the amendment?

Mr. THOMAS. I do, Mr. Speaker.

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

I guess if I were adopting the tactics of our colleagues, I could begin by saying we just saw this bill last night. It was not offered in committee. I cannot believe that they would create a bill without allowing us to work with them in a bipartisan way. I cannot believe they would generate a purely partisan document. But indeed, all of those are the facts.

I guess I could spend a lot of time talking about the Democratic stimulus, but sometimes it is better to let others speak for us.

The newly-elected spokesperson for the Democratic minority called this the Democratic stimulus package. Perhaps we should find out what neutral third parties believe it is. In today's Washington Post in an editorial it says, ''The Democrats have an implausible alternative. It was written mainly for show.'' And then, the well-respected economic columnist Robert J. Samuelson I believe hit the nail on the head when he said, instead of stimulus, we have a vehicle for pet agendas. ''Democrats propose a hodgepodge of tax rebates for low-income families, expanded government health insurance, and spending, from schools to construction. This is income redistribution posing as stimulus.'' More accurate words were never spoken.

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

Mr. RANGEL. Mr. Speaker, it just shows, I would say to the gentleman, that we have more confidence in people spending than we do in corporations that are not doing well in creating new jobs.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK), a senior member of the committee.

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

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

I would point out to the gentleman on the other side, those with the least experience with corporations, those who have had their elbows furthest in the trough all of their lives, seem to know most about what corporations can do. I am always curious to see how this wisdom from these people who have never held a job outside the public sector is going to create jobs.

But in this stimulus bill, one of the shameless things that the Republicans do, in contravention to the statement of the gentleman from California (Mr. THOMAS) on September 21st, is fail to provide meaningful help with health insurance. He said, and I am quoting, ''That every American who was laid off should have the ability to get assistance on their health insurance if they are laid off. The way we do that is to go back to the bipartisan legislation which provided a window of opportunity, and it is true that under current law they have to pay the full cost, and that is what we are going to do, is mitigate that cost.''

□ 1430

The fact is that the gentleman from California (Mr. THOMAS) did not perform as he said. They do not mitigate the cost for COBRA in this bill. If a lick and a promise is mitigation, that is fine. But under the substitute of the gentleman from New York (Mr. RANGEL), we would provide 75 percent of the COBRA premium, equal to roughly $450 a month in 2002, as opposed to approximately a $90 contribution under the Republican bill.

The Republican bill does nothing to help those people who would qualify for Medicaid in the States because it specifically prohibits their money from being used for anybody who qualifies for a Federal benefit. Our bill would provide that people who are not fortunate enough to be eligible for COBRA and the new subsidy under our substitute, could get Medicaid assistance from the States.

Yes, our package of health care subsidies to these 7.8 million unemployed is $25 billion. That is a lot of money. But I just ask the Members, and this is the choice when we vote, would Members rather give the $25 billion to the unemployed to help them for a year to get decent health care in this country? I particularly ask those who all get free health care from the Federal Government every time they stub their toe, would they rather help the unemployed while they sit with their fat, free health benefits, or would Members rather give the $25 billion to their friends in the big corporations who we may hear from in pillow talk or from campaign contributions?

Do Members want to go home and say, That is what I have done. I am a Republican, and I am proud I gave $25 billion back to some of the richest corporations with no strings attached, and a piddling little $3 billion to the people who have been laid off to protect their health care benefits? That is shameless.

Mr. Speaker, I urge my colleagues to oppose the Republican so-called ''economic stimulus package'' presented to us today. Their plan will do little to stimulate the economy and even less to aid displaced workers who have lost both their incomes and their health insurance. Their bill lavishes billions of dollars on special interests, while short-changing recently laid-off American workers and others hurt by the terrorist attacks on September 11.

Their bill offers 14 large U.S. corporations more than $6.3 billion in tax breaks in one provision alone. That is more than double the $3 billion they provide in block grants to the States as their so-called solution to helping displaced workers obtain health insurance. In contrast, the Democratic Alternative would provide approximately $25 billion in health insurance assistance.

If that comparison isn't stunning enough, look at this way. The part of our proposal that helps with COBRA coverage would finance 75 percent of a family premium per month, about $450 out of $600 premium, while the Republican proposal—if States even choose to use it—could only pay $90 of that same premium. It's the equivalent of throwing a 10-foot rope down a 30-foot hole.

Adding insult to injury, if this bill becomes law, it could bankrupt many people before they retire by encouraging people to use their IRA savings to pay for the health care they've lost due to the economic downturn. Yes, you heard me correctly. At the very time that Republicans are trying to privatize Social Security and undermine the stability of that program, they are urging people to spend their private savings on health care before reaching retirement age. It makes no sense.

The Republican plan is nothing more than another tax bill for their wealthy contributors—be it corporations or individuals. It may be cloaked in the sheepskin of ''economic recovery,'' but this package is the same old Republican special interest tax breaks they've been pushing forever.

In contrast, the Rangel substitute is a sensible, targeted package that includes urgently needed, temporary health insurance assistance for millions of dislocated workers and their families during this difficult time.

We are all painfully aware of the families who have lost loved ones in the horrific terrorist attacks on September 11, and of the workers who have lost their jobs during the economic downturn that began even before September 11.

Among the many difficulties these families and individuals face is the very real danger that they will also lose their health insurance and join the ranks of the nearly 40 million uninsured Americans.

More than 15 years ago, we created ''COBRA'' continuation coverage, which enables displaced workers and their family members, as well as family members of workers who have died, to retain their employer-sponsored health insurance for a limited time after separating from the workplace. But people have to pay 102 percent of the premium for this continuation coverage. In 2002, that's projected to average $600 per month, or $7,200 per year, for family coverage.

Workers and family members who are already suffering from a loss of income thus face a Hobson's choice between making ends meet and protecting the health of their families.

As a result, just 7 percent of unemployed adults participate in COBRA under current law. Not surprisingly, participation among high-income households is more than double that of low-income—11 percent versus 5 percent, respectively.

In addition, COBRA isn't even an option for many displaced workers. A recent study estimates that only 57 percent of all workers are even eligible for COBRA. That is because COBRA doesn't generally apply to firms with 20 or fewer employees and many employers don't provide health insurance, or workers are not eligible for or can't afford to participate in the plan, or they get their insurance elsewhere.

The Democratic substitute answers the health insurance needs of dislocated workers and their families by first building on the existing COBRA continuation law. Our bill would pay for 75 percent of the cost of COBRA coverage for those eligible for COBRA, and it would create an optional Medicaid expansion to offer temporary coverage for those who are not eligible for COBRA. These new temporary programs would be in place for only 1 year—long enough to provide a cushion of support to working families as we lift ourselves out of this economic downturn.

This is an ''economic stimulus'' of the most basic, compassionate kind. It provides the kind of health and financial security that people need right now. It ensures that some families can continue with their same health care providers, which is vitally important for someone undergoing a course of treatment. And it builds on existing programs that work.

The Rangel substitute recognizes that people will more quickly get back on their feet and back into the workforce when their health needs are met. Importantly, this legislation would provide peace of mind to millions of Americans by saying that you don't need to worry about losing your house or your car due to high health care costs—when you have already lost your job.

Mr. Speaker, what Ways and Means Chairman BILL THOMAS said on September 21 holds true today. Unfortunately, he seems to have forgotten his recent advocacy for our approach.

Now is the time to take Mr. THOMAS at his earlier word and to vote for the Rangel substitute to assist unemployed Americans with their health insurance needs. I hope you will join me in supporting this amendment, and supporting families across the Nation in their time of need.

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

Mr. Speaker, it is interesting that the gentleman let slip the fact that he was talking about working a program which would provide for the unemployed for a year. Our hope is that they are back and working way before then. That is why we are putting the stimulus where we are.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a very valuable member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I have listened with growing disappointment to the bipartisan inflection coming from the other side, because I represent Erie County, Pennsylvania. That is my home community, and we have experienced a 6 percent drop in manufacturing employment in the last few months. Just last week, roughly 800 jobs were permanently eliminated.

Mr. Speaker, we need to move today not only to retain jobs, but to also encourage new job growth. The alternative being offered by the other side does not really do a lot to help grow the economy. The underlying bill does. That is why I rise in strong support of it.

By increasing the opportunities for businesses, particularly manufacturers, to expense their capital purchases for most appreciable property, our bill does just that.

Huge additional amounts of business capital investment are going to be necessary to restart the economy. We know that productivity is spurred by investment in innovative capital equipment. The sooner manufacturers can recapture the cost of their equipment, the sooner they will be passing higher wages on to employees, lower costs on to consumers, and create good-paying jobs.

I strongly support H.R. 3090 because it encourages an investment in jobs through cost-recovery reform. Businesses want to invest in the most productive capital equipment, but the current Tax Code impairs their ability to do it. The current tax depreciation rules needlessly and haphazardly increase the cost of all productive machinery and equipment, including new advanced technologies. The result is to impair productivity and wage growth.

Mr. Speaker, this bill also repeals the corporate AMT, the kick-them-when-they-are-down tax, the tax that is a dead drag on the productivity of the American economy that has been killing America's manufacturing sector.

Critics have somehow suggested that this is a giveaway to large companies.

Mr. Speaker, that is absolutely ridiculous. While it makes good political rhetoric, it could not be further from the truth. The reality, once we get beyond bumper sticker tax policy, is that the corporate AMT is a job killer that has never worked.

An economic slowdown, such as the one we are experiencing, increases the number of companies who are adversely affected by the corporate AMT. With a downturn in the economy, the AMT puts employers at a major disadvantage and threatens thousands of jobs. Since I came to Congress, I have been advocating repealing the corporate AMT because it is a dead drag on the growth of the economy, and its elimination is going to lift the entire economy.

Mr. Speaker, I urge that we move forward on a bipartisan basis and adopt this stimulus bill so we can give a stimulus to the manufacturing economy and get us back on a growth path.

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

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I guess we are not going to wait for this pleasant moment here when the President and the Senate hang this party in the House, the majority party, out to dry on these issues, because very few of the suggestions they have had today are ever going to be enacted into law.

Somebody was talking about show business. The Secretary of the Treasury talked about show business. He said the Republican proposal was show business. Unless he has turned in his party registration, I think he is one of them.

Now, the Republican alternative today is composed of some well-worn tax items that have been around for a long time. Some of them perhaps have some merit; but by and large, if we really want to talk about items that might have merit today, in reference to the gentleman from Pennsylvania, we should be here doing something about the individual alternative minimum tax for real people caught in the middle of perhaps a decision that has outlived its usefulness.

But these are two very different proposals today. Ours deals with the immediacy of the problem in front of us in the aftermath of September 11. One side clings to that old, tired economic philosophy of trickle-down economics. Economic solutions are to be found in taking care of large, wealthy powerful institutions in society. If they are well, then benefits can trickle down to the rest of us.

The other side, the Democratic side, we want to provide significantly more aid directly to those out of work, those who lack health insurance as a result of the downturn, along with some help for corporations to get through these difficult times.

It is a question of philosophy. It is a question of values. Do Members value giving a $20 billion tax break to major financial institutions, or do we give them a 1-year extension in the supposedly temporary stimulus bill, and invest the balance in expanding unemployment compensation for families that are really hurting?

Mr. Speaker, it is about philosophy, and it is about values. Do we cash out $20 billion in corporate AMT tax credits for GE, GM, and IBM to distribute to their shareholders, or do we invest this money in providing temporary health insurance for unemployed airline workers, travel agents, bus drivers, and others who no longer have employer-provided health insurance for themselves or their families? It is a question of philosophy and values.

I find it very disheartening that the bill before us states that powerful corporations do not have to live with the decisions that they made under the current tax system. It turns a cold shoulder to America's AMT families who are losing their homes and their pension savings. They are suffering because they listened when Congress told them that if they did not diversify their stock holdings this year, Congress would reward them with a lower capital gains rate.

This may be the only entrepreneurial group in history that some on the other side do not seek to lavish assistance on. I began with the notion, Mr. Speaker, that there were some good items in the legislation proposed today. I would reiterate this assertion as I close.

But this is not the time and not the place for approval. There are many others that have a claim on these needs at this time, and I hope we will stand in support of the Democratic alternative.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, I am concerned about an impression that is being created by our opponents in this debate over our Economic Security and Recovery Act. They talk as if the money they are going to use to offset the COBRA payments is the best way to help people who are out of work and need to be covered by health insurance.

In fact, we have had many deep and thoughtful discussions about how we wanted to approach this issue, because certainly we appreciate that people have lost their jobs as a result of the September 11 tragedies, and we want to make sure that they understand that they can count on some Federal help to get them through what we hope will be a very short period of unemployment.

In actuality, the block grants that we grant to the States are the grants that are best able to cover everybody's, every displaced worker's, health insurance. For example, the COBRA system is not available to displaced workers who have worked for a company with fewer than 20 employees, so the money one puts aside will not even touch those folks. It eliminates a large number of people who work for small businesses.

Also, it is the truth that unemployed workers may wish to have coverage by other types of health care that is available in their States, like the SCHIP program or Medicaid, or they can get subsidized coverage in private health plans, including medical savings accounts or individually purchased policies, plus COBRA.

So our proposal to award $3 billion immediately to the Governors of each of the 50 States to use in the way that they believe is the best for their particular needs in their State actually is a far better way to use these Federal dollars than limiting the subsidies to people who wish to continue or only continue in COBRA plans.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), a member of the Committee.

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

Mr. Speaker, I would like to put into context the evaluations of the House majority Committee on Ways and Means proposal. We are not just dealing within the evaluation of this Chamber, but the broader evaluation.

So when some of my friends on the other side of the aisle decry the criticisms we are raising today as mere partisan attacks, let us consider others that have voiced opinion about this work product:

The Secretary of the Treasury of the Bush administration has called this bill ''show business.''

The Senate Republican Caucus believes it is a budget-buster, hits the budget to well beyond what we can afford.

And none other than Robert Novak, hardly one we could call a Democrat partisan, has attacked this, and attacked it with language that describes it so well, and I quote: ''The tax stimulus bill awaiting House action is a hodgepodge that only a lobbyist could love. But among numerous questionable provisions, one stands out: a $17 billion grant to corporate America in the form of retroactive reductions in taxes already paid.''

Novak goes on to quote a Bush administration official in saying, ''I frankly cannot understand the rationale for this.'' He is darned right he cannot understand it, because there is no rationale from a stimulus standpoint or a budget standpoint. Why in the world would they offer a package that not only repeals the corporate AMT, but then goes and gives back every nickel collected under it since 1986?

Stimulation? Do Members think the $1.5 billion rebate one single corporation is going to get under this windfall provision alone is going to all be invested in new jobs, new economic creation? Absolutely not. Debt retirement

and other things, but certainly not a stimulative effect on the economy.

Imagine. Why in the world would the majority, under the earlier-passed tax bill, give individuals or individual households $600 but give a single corporation $1.5 billion? That is a twisted sense of priorities, and it is that same twisted sense of priorities that is going to undermine significantly any stimulative effect of this package.

This package does not give resources in a broad way to people who will spend them to help stimulate the economy; rather, it taps the Treasury for a few and busts the budget while it does it. The cost of this measure is absolutely devastating. While the budgeteers, House and Senate, Republican and Democrat, agreed this should be offset, this bill has a net cost of more than $260 billion over 10 years, including the cost of debt service.

As a result, it puts us back into deficits, deficits, using all of the general fund surplus, all of the Medicare surplus, all of the Social Security surplus, and then borrowing some more for the next 2 years and spends all or part of the Social Security Trust Fund for the next 5 years.

We cannot afford this bill. This bill does not stimulate the economy. This bill is not directed the right way. This bill is a travesty and must be rejected by this House.

□ 1445

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). The Chair would remind Members they are not to characterize the position of individual Senators or Senate caucuses.

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

You are not allowed to speak ill of the Senate. You can trash us and impugn our motives all you want to. Apparently those are the rules of the House.

Let us take a look at what the gentleman from North Dakota (Mr. POMEROY) just said. We are talking about repealing the alternative minimum tax in which some people, because the depreciation rate on the alternative minimum is not the same as the regular tax rate, therefore, wound up loaning tax free to the government which we call credits which they are now going to be able to reclaim. And he said it is entirely possible that these businesses may not use all that money, for example, under the 30 percent expensing for depreciation. And, you know, the gentleman may be absolutely right.

What else would these job-creating machines do with the money besides reinvest it so they can continue to be in business? They actually might take some of that money to keep some of their employees on the payroll. So that money would wind up as payroll to employees. What are the employees going to do with it? I think they are going to spend it. That is called stimulus. Or, heaven forbid, please some of you Democrats plug your ears, they might actually give some back to the shareholders. They might indicate that since they are now once again profitable that people might invest money in the corporation so they could continue to do what? Create jobs.

What would the shareholders do if they got some of that money back? They will either invest it or spend it.

See, it is called the circular flow of economic activity. Since you are most used to government programs that give money to people and it is one way and it is a one-time gift, you do not understand the concept of gifts that keep on giving by virtue of reinvestment in the circular flow of economic activity.

I hope you people have been looking at that list of corporations that has been shown periodically. Number one up top is IBM, International Business Machines. I would urge all of you who are listening to me who belong to a union to call up your union shop and ask your steward in your union has your pension funds invested in IBM. I think you will find virtually every one of those unions have their funds invested in IBM and your union members' pensions are dependent upon IBM remaining healthy.

It seems to me that would be the most ironic circular flow of economic activity that anyone could imagine.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DELAY), the majority whip of the House of Representatives.

Mr. DELAY. Mr. Speaker, I greatly appreciate the chairman, the gentleman from California (Mr. THOMAS), and that explanation of real economics. I hope the other side of the aisle was listening. Maybe they can really understand it.

The gentleman from North Dakota and many on this side of the aisle keep quoting underlings in the administration, that keep quoting the Secretary of the Treasury. But let us look at the man who actually speaks for the administration, the President of the United States, George W. Bush, who just an hour ago in a major speech outlined for America what a true growth package is. And it is the package that we are debating, the package that came out of the Committee on Ways and Means; and he urged the House of Representatives to pass this package, not the substitute.

The President of the United States, it does not matter what everybody that works for him says, what matters is what the President of the United States said.

Secondly, the gentleman from North Dakota was talking about deficits, and this bill is going to cause deficits. Well, he ought to know. He is an expert on deficits. For the last 40 years when the Democrats were in control of this House, they created all kind of deficits. And under their watch, deficits flowed and debts went up. But under our watch, not only is the public debt going down, but we actually balanced the budget for the first time in over 40 years.

So I think we know what we are talking about, Mr. Speaker. There is no doubt that someone has probably already stood up and recklessly labeled the Democrat substitute a panacea. Well, I disagree. It is worse than that. Panaceas are ineffective but harmless. The Democrat substitute actually raises taxes and grows the size of government. Their plan is a prescription for retarding economic growth, not sparking it. It is a lingering relic sired by discredited economic fallacy, that is, higher taxes, government spending and new regulations on the pathway to prosperity.

Now if that is true, what about Russia? Where is the Soviet Union? If that is true, why is Japan's economy still in the tank? They have been trying to spend their way out of recession for the last 10 years.

We need a package that is a stimulus in more than just name. The package that the gentleman from California (Chairman THOMAS) put together is well-balanced. It has incentives for both sides of the aisle.

I would prefer to see more tax relief for workers and families. However, I understand that we need to compromise on a plan that everyone including those on the left could support. But we ought to begin with the first principle, that most important principle, that is a stimulus plan has to actually stimulate economic growth. Unfortunately, some Democrats just cannot resist playing that old tired, tired, tired class warfare card.

H.R. 3090 is the right medicine for our economy. It is the best way to put people back to work and create jobs. This bill does that with incentives for business to create jobs and put America back to work.

Members should vote against the substitute and for the underlying bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in support of the Democratic alternative to the stimulus package. I ask my colleagues to reject the shameless boondoggle offered by my Republican colleagues.

Capital gains tax break? Alternative minimum tax? Elimination retroactive? Give me a break. The Democratic plan is a well-planned alternative that will extend and expand unemployment benefits, supports health care for laid-off workers, a tax rebate to the working poor that receive no benefits from the Bush tax reform, and it creates jobs.

I have worked very hard on an economic development plan; and I chased my colleague, the gentleman from California down. I put it before him. I worked on it. I worked with his staff on it. It is a plan that will help small businesses. We have the CDBG, the Community Development Block Grant, and all the cities and counties, they need

money. That money can get into the economy very quickly.

We have the Community Development Financial Institution that supplies monies for small businesses to create jobs. We have the enterprize zones, and it is all paid for. So do not tell me you want to be about job creation. You have ignored it. You have rejected it. You are doing nothing but creating a higher and bigger budget deficit.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), a valued member of the Committee on Ways and Means.

(Mr. WATKINS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. WATKINS of Oklahoma. Mr. Speaker, I have been seated over here listening with great interest. I came to this Congress as an entrepreneur. I came here as a Democrat. I was a conservative Democrat. I sat on the Democrat side for 14 years, concerned about balancing the budget and building jobs. I represent an area that has the highest unemployment and underemployment of private sector jobs in Oklahoma. But in order to build private sector jobs you have to have employers. You have to have businesses and industries.

Let me say any of you who do not want any of those ten major corporations and all the corporations you call faceless, along with other names, I would welcome those industries in my district. You can come any time because we need jobs, private sector jobs. (I consider this a defining moment in this House. It is a defining moment considering the economy.)

Yes, we have got to stimulate the economy. We have got to have this $100 billion investment to turn this economy around, and also turn around the pension plans. We must turn around the 401(k)s of our workers who have lost 25, 30, and 40 percent of their retirement.

We must stimulate the economy. You can do that with capital gains reduction. You can do that repeal with AMT. You can do that with the stimulation, accelerated depreciation. Let me say, you can do it in the worst economic conditions. I know in my area working with Native Americans and others, we have industries that are ready to make the investment but due to the tax situations we have pending, hundreds of millions of dollars worth of investment which can be turned around immediately. We need that in investment in this country.

Yes, it is a defining moment, between the parties. I have a lot of great friends that I have known for years, and one of them is the ranking member right here. But your people and my people need jobs, and we need to build those jobs here in this country with this legislation. That is why I am a supporter of H.R. 3090.

Mr. RANGEL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. LOFGREN).

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

Ms. LOFGREN. Mr. Speaker, I urge a no vote and a yes on the Democratic plan that helps AMT, middle class victims.

Mr. Speaker, I rise to urge my colleagues, Democrats and Republicans to vote against H.R. 3090 and to vote for the Democratic substitute. The bill before us is no Economic Stimulus Package because it fails to deliver immediate relief to our struggling economy. It neglects the needs of the people in our economy who are at the forefront of our fight against terrorism—middle class Americans.

Both the absence of and the inclusion of many provisions in this bill are troubling to me, Mr. Speaker. But the absence of one provision will result in may Americans losing everthing—their homes, their retirement savings, their children's college funds. The Republican bill does not provide tax relief to Americans across this country who because of an antiquated tax code have incurred enormous AMT liabilities. They are responsible for paying taxes on income they never made!

In true entrepreneurial spirit, these Americans accepted positions at companies that offered incentive stock options (ISOs). While ISOs are not a form of compensation, they are used as a form of "sweat equity". If the employee invests his time and energy in a company and the company succeeds and grows, then the employee will have valuable shares in the company. Their hard work pays off in the growth of the price of their company stock.

Unfortunately because of the downturn in the economy and the impact of the alternative minimum tax, these individuals are now responsible for taxes on stock at the time of purchase.

I have heard from countless Americans in my district but also from so many across America from Des Moines to North Carolina to Boston to Seattle. These Americans have banded together to form a grassroots coalition and a mutual support group called ReformAMT. No doubt over the past several months, you have heard from them.

And over the past several months, I have shared their stories with you in Dear Colleagues. For Don and Ginny and Michele and Manine and Steve and so many others, I urge my colleagues to vote for the Democratic alternative. Help these middle class Americans stimulate the economy by allowing them to hang on to their homes, their college savings, their retirement funds, their children's education funds.

Mr. Speaker, why isn't AMT relief for these Americans in your package? Doesn't the Republican leadership care about these middle class American taxpayers? Doesn't the Republican leadership care that these people will be losing everything they've worked so hard for?

I would like to thank my Democratic colleagues, in particular Minority Leader GEPHARDT, Congressman RANGEL, and Congressman NEAL for their acknowledgement of the seriousness of this tax problem and for their commitment and cooperation in ensuring that this provision was in the Democratic alternative, and Senator LIEBERMAN for taking up the mantle on the Senate side. I would also like to thank Congressman TOM DAVIS for reaching out across the aisle and working with me. I sincerely believed when I began working on this issue that it was one on which to build consensus, one that Republicans could have joined Democrats in supporting on the floor of the House. Unfortunately for our constituents, that is not to be.

Mr. Speaker, I vote "no" on the Republican Tax Package and I urge my colleagues to do the same.

MEET JANINE—A REAL-LIFE AMT STORY

Janine Valdivieso, 44, grew up in Southern California, and now works as an office administrator in San Jose. She is married, has three daughters, and lives in a middle-class neighborhood in San Jose. After they were married, Janine and her husband, Joe, began saving for college tuition for their two youngest daughters, and setting aside money to buy stock for their retirement fund.

Most of her life, Janine was a Correctional Officer for various government agencies. It wasn't until August 1999, when she was offered a job at Symyx, that she made the decision to enter the private domain. As a part of her overall offer, Janine was granted incentive stock options (ISOs), and like many others, hoped it would offer her family a little better financial future. She accepted a lower salary then she had wanted, because her company offered her ISOs. Janine and her husband Joe (who works for Sandisk) were told by their employers that they would not be impacted by alternative minimum tax (AMT), as long as they held on to the stock, and did not sell during the same year, information that would prove to be both incorrect and financially devastating.

Janine and Joe followed the advice, and purchased their shares as they vested throughout the year. One transaction in particular was especially damaging. The option, or strike price, was around $3, but the company stock trading on the market closed that day at $94. The alternative minimum tax is assessed based on the difference between the price they paid for the options and the fair market value, or closing price, on that same day. By the end of the year, even though it was a paper profit only because they did not actually sell any of those shares, the Valdivieso's owed tax in the amount of $100,000 in addition to the almost $25,000 they paid throughout the year, an amount greater then their combined annual income.

To pay it, they had to sell most of their stock, at a much lower price than what they were taxed on. They also had to sell all of the stock in their retirement funds, and cash in the girls' college tuition savings.

MEET NORMA—A REAL-LIFE AMT STORY

Norma Mogilefsky, 59, grew up in New York, has a master's degree in special education, and currently works as a curriculum developer at a software company. She is a single mom with two grown children. Throughout her life, she worked hard to raise her family, pay the bills, and build perfect credit. She hoped to retire in June.

Last spring, on the advice of the recommended enrolled agent, Norma took out a second loan against her home for $80,000 so she could purchase her incentive stock options (ISOs), and then hold them for a year. This, the agent advised, would put her into a long-term capital gains tax bracket, which was the prudent thing to do. The agent never mentioned the potential for an Alternative Minimum Tax (AMT) disaster. He also did not speak with Norma again until the day that he did her taxes.

Her company, meanwhile, sent an e-mail to its employees on April 2, recommending that those who exercised ISOs in 2000 might be subject to AMT, and should seek professional

advice immediately. It was too late. On April 15, 2001, Norma owed a tax bill of $303,000, three times her annual salary, on paper profits she never saw.

By that time, the stock price was so low she could not recover enough from sale of the ISOs to pay the tax bill. She cleared out her stock purchase plan, and sold other assets that she had set aside for retirement, but has not yet managed to cover the debt.

Although she will have a whopping AMT credit, she will probably not live long enough to use the credit. Due to limitations on the way that credit can be recovered, it is estimated that she will not be paid back in full until the year 2041!

After a lifetime of financial responsibility and planning, Norma is coping with the fact that she will never retire. ''I thought I would be talking to a travel agent next month.'' she said. ''Instead, as I turn 60, I will be refinancing my house and planning my long-term career strategy.''

MEET JUDY—A REAL-LIFE AMT STORY

Judy Pace, 48, grew up in the Bay Area, has two daughters in college, and currently works as a benefits administrator at Equinix. Five years ago, she took a job in human resources at a small startup company called BroadVision, and worked long hours to ensure its success. They company did well, and grew to nearly 2000 employees. Having had no college education, Judy was proud of her accomplishments and that, thanks to the BroadVision incentive stock options (ISOs), she had managed to secure a financial future for herself and her two daughters.

Although Judy still enjoyed her job at BroadVision, she missed the small company atmosphere that it once offered. After accepting her current position, she was given a standard term of 60 days in which to either purchase her shares and hold, or perform a same day sale. She had always heard that purchasing and holding shares was the right thing to do, and her CPA agreed. Although he warned her of a possible alternative minimum tax (AMT) situation, he was unaware of the full scope of the issue.

In August of 2000, Judy purchased all of her options and held them. While she did not sell any of those options, or realize any resulting gain, she found herself subject to an incredible AMT bill of $430,441. her current annual salary is $85,000. She liquidated all of her cash, took out an equity home loan, and still cannot pay the entire bill. She is currently waiting to hear from the IRS regarding penalties and interest that are accruing, and she wonders how she will be able to afford the payments.

Judy not only works hard in her career and as a mom but also volunteers to raise guide dogs for the blind. In July she'll take on the Avon 3-day, 60-mile Breast Cancer Walk. She is strong, takes good care of herself and, until now, felt satisfied that she had managed to secure a solid retirement fund and money for her daughter's college tuition and future. ''Now I feel vulnerable and unsafe,'' says Pace, ''and I wonder if I'll ever be able to enjoy the comfortable retirement that I worked so hard for.''

''Our main concern right now is coming up with the funds to pay for our daughter's tuition at State college next year,'' says Janine. ''And we have to start all over on the retirement fund. It's not going to happen anytime soon.''

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

Mr. DOGGETT. Mr. Speaker, times of crisis like this can bring out the best in us. We have witnessed that in the thousands of Americans who have lined up to give blood, in those who have contributed as they toiled in New York and in Washington with their muscles and their sweat, and even our children setting up lemonade stands to do their part in the relief effort. Now Americans will be asked to sacrifice by purchasing war bonds.

At the same time that all of us are being asked to sacrifice some and some have already given their all, why is nothing being asked of the largest corporations in the United States. Can this really be the reason why the Congress is convened today at a time we cannot even assure the safety of our own office buildings here in Washington, so that we can meet here and grant another set of corporate tax breaks?

Our country cannot afford further diversion from either its Treasury or from our time in dealing with the very real threats that we face today. If we are to assure our country that it is worthy of our children, our first focus our only focus ought to be the security of American families both here and with our armed forces abroad.

Why now do we jeopardize our economic security by opening up the public treasury so that our largest corporations can get their fill? Our Social Security trust fund is not a limitless cornucopia. Every dollar that they take away today is a dollar taken away from security, whether it is retirement security or postal security or security provided by those in uniform defending our countries and our borders and overseas.

To the clarion call of President John F. Kennedy, ''Ask not what your country can do for you, ask what you can do for your country,'' these special interests have responded, How big is my tax rebate? Because under this bill, they do not just get a tax cut in the future, these Republicans are going to mail them a check for every bit of taxes they paid since 1986.

That check is drawn directly on the Social Security trust fund. This outrage arises from the near fanatical faith of our Republican friends on tax cuts as the end all, be all, cure all for every ill that faces the world.

Yes, sir, I ask about Osama bin Laden and whether he would get a tax break. Yes, sir, I ask if airline security would provide a tax break because those are the kind of security problems you cannot solve with a tax break. And that is the whole purpose of that inquiry.

You cannot block an Osama bin Laden with a tax break. You cannot protect the Pentagon and our shores with a tax break. These are security breaches that ought to be the focus of this Congress today instead of the same tired old worn out agenda they were pursuing on the morning of September 11.

It is time to have new thinking to work together to try to solve the real problems that American families face and not to just engage in more loopholes and dodges and economic stimulus cloaked as an excuse for enacting an agenda that is only designed to stimulate the pocketbooks of the biggest campaign contributors to the Congress of the United States.

□ 1500

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to thank the gentleman from Texas for pouring oil on the troubled waters so we can work in a more bipartisan way. He always makes a significant contribution to a reasonable and sane debate. However, to clarify a couple of the points which he got a little carried away on, I will yield to our next speaker.

Mr. Speaker, I yield 30 seconds to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I would say to my friend from Texas, who I know knows better because he is on the Committee on Ways and Means, ''There you go again.''

The gentleman knows the Democrats have never invaded the trust fund; the Republicans have never invaded the trust fund. The trust fund is made up of Treasury bills. We do not go get any of the Treasury bills. There is a use of the surplus, the Social Security surplus, which is the amount that is not used to pay benefits in both the bipartisan bill and in the Democrat substitute.

So let us not go there if we are not going to correctly state the facts.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to just comment that apparently the buzz words today on the Democratic side are shameful and Social Security Trust Fund. We will hear those repeated over and over again, and here we go again.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to comment that another thing my colleagues will hear repeated over and over again is the fact that you are looting the Social Security Trust Fund in order to pay these faceless corporations. And the American people understand this.

You can talk about loans and credits all you want. You are using Social Security money to give bonuses to your corporate friends.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, David Stockman wrote in his book about the economics that supply side economics brought us. The gentleman from Texas (Mr. DELAY) has now left the floor, but he always gets up and says on your watch, meaning the Republican watch, presumably, we balanced the budget. That is, of course, not the case. The budget was balanced because of the 1990 bill, the 1993 bill, and the first bipartisan part of that trifecta, the 1997 bill.

Republicans railed against the 1990 bill, not one of them voted for the 1993

bill, and the deficits that we incurred and all the money we spent that the gentleman from Florida talks about in terms of Social Security were signed on to by Ronald Reagan and George Bush. All of it. We never overrode a veto of a spending bill of Ronald Reagan. Not once.

This bill on the floor is neither bipartisan nor responsible. It is ''Here we go again,'' Mr. Chairman, you are right. Here we go again putting on the floor of this House a bill that the gentleman knows we have not paid for and that future generations will be called on to pay for, our children and grandchildren.

That was what was wrong with the economics of the 1980s when we incurred the largest deficits, signed on to by Ronald Reagan, the one person who could have stopped it; and George Bush, the first, the other person who could have stopped it; until 1993, when we started bringing those deficits down. And, yes, we finally created surpluses.

President Bush said that we could have a massive tax cut, against which I voted, and be fine. That lasted for 10 weeks. He signed it in June, and by mid-August CBO, not Democrats, CBO was saying we have a deficit problem confronting us.

Now, I say to my friend from Florida, yes, we talked about Social Security; and the gentleman is absolutely correct, of course, the trust fund is inviolate. But what is not inviolate is the money. What Bob Rubin suggested is that we pay down the debt with the excess Social Security money. Why? Because it would make it easier and more probable that we could pay for Social Security well into the future. But, no, we are spending that money, raised at a 7 percent flat tax on everybody who makes under $83,000. Why? So that we can continue to give massive tax cuts to the wealthiest in America.

And when Bob Novak says that does not make sense, it is not Democrats calling your hand. I suggest to my colleagues that you ought to go back to the drawing board and be bipartisan. Sit down with ranking member Rangel and the Democratic Members and come up with a bill that is responsible.

I will vote for this substitute because I believe it puts money into the pockets of the people who need it and who will spend it and who will therefore stimulate the economy, and in so doing will create jobs.

This GOP bill, reported out of the Ways and Means Committee on a straight party-line vote, is simply Halloween candy for big business and Americans who are doing well economically.

Meanwhile, those who have been hit hardest by the recent slump in the economy are left holding a Halloween bag filled with nothing but rocks.

Treasury Secretary Paul O'Neill didn't mince words. A week ago, he called this legislation ''show business'' that was designed to please the GOP's corporate constituency.

Even conservative columnist Robert Novak wrote that this bill is ''a hodgepodge that only a lobbyist could love.''

In fact, this bill violates virtually every principle for economic stimulus that the chairmen and ranking members of the House and Senate Budget Committees agreed to in early October.

Congressional budget leaders agreed that a stimulus plan must be fiscally disciplined. This bill is not. When higher Federal debt service is included, this GOP bill will cost an estimated $274 billion over 10 years.

And it will threaten our efforts to strengthen Social Security and Medicare and pay down debt, which keeps long-term interest rates low.

Congressional budget leaders agreed that a stimulus plan should provide an immediate economic boost.

However, many of the provisions in this bill provide little or no stimulus within the next 15 months.

Congressional budget leaders agreed that stimulus proposals should sunset within one year.

However, this GOP bill would make many tax cuts permanent, including a reduction in the capital gains tax rate and repeal of the corporate alternative minimum tax.

Congressional budget leaders agreed that stimulus proposals should ''help those most vulnerable.''

However, the tax rate-cut acceleration and capital gains tax cuts are tilted toward those who are doing well, rather than those most likely to spend tax cuts. Furthermore, the $21 billion foreign-income tax break for corporations can only be termed outrageous.

Congressional budget leaders agreed that stimulus proposals should be offset. However, unlike the Democratic alternative, this GOP bill contains no offsets.

I urge my colleagues to embrace the bipartisanship that has guided us since September 11. Vote for the Democratic stimulus plan.

It invests in homeland security and helps unemployed workers and their families. It stimulates the economy through temporary tax cuts. And it maintains the fiscal discipline necessary to keep long-term interest rates low.

The American people deserve more than partisan Halloween pranks and posturing. Let's pass a stimulus plan that provides the economic boost we need.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to comment that, once again, the gentleman gives us his history lesson, but he fails to complete it.

In 1993, the Democrat majority in the House and a Democrat President did in fact pass the largest tax increase in the history of the United States. What happened in 1994 was the American people rejected that majority and a new majority was created in the House. Most people know that the Constitution says that all money bills originate in the House and that new majority did not spend the money from the largest tax increase in history that was passed by the Democrats.

So it was the majority, the new majority that was elected in November of 1994 and took office in January of 1995 that is primarily responsible for the surpluses that we have seen in recent years.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, it is with mixed emotions that I come to the well. I talked to many of my constituents in the wake of the shock of September 11, and how gratified they were to see us unite at a moment of national need. This afternoon, Mr. Speaker, what I would remind the American people is that good people can disagree.

The distinction I would make is when there are those who come to this well and who compare us with the enemies of this country, and imply that anyone aids and abets our enemies because of honest differences of opinion. They should be ashamed. They have incurred the shame of this House. How dare those, in a sense of honest disagreement, compare us to those who would loot and malign and weaken this American Nation. There is no place for that dialogue on this floor. Shame on you for those comments. Shame on you for those actions. Join us, together, to at least disagree in civil fashion, not with the catcalls and the horrendous talk we have heard in this Chamber today.

Now, I stand here in opposition not because I doubt the patriotism of my friends on the left, but because I believe they are bringing forth the wrong ideas: a $90 billion tax hike. Tax hike. Let us go ahead and increase taxes, that is what the substitute does. Let us go, in terms of unemployment benefits, and create a new layer of government rather than letting the States that handle unemployment benefits use that money and get it into the hands of the people who are unemployed. And, oh, when we talk about layoffs, let us impugn the corporations, the job generators, because somehow it is less than noble, unless it is the direct hand of government.

I categorically reject that. I am sorry that there are those who would stand and impugn the patriotism of honest disagreement, but I will stand here clearly and unmistakably to oppose this wrongheaded alternative and the wrongheaded rhetoric that has accompanied it. Shame on you.

Mr. RANGEL. Oh, the show is over.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. WOOLSEY).

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

Ms. WOOLSEY. Mr. Speaker, I rise in support of the Democratic proposal that supports the neediest not the greediest.

Mr. Speaker, the events of September 11 have left a mark on all our lives, and, many, are left unemployed and struggling to make ends meet.

While officially 400,000 job layoffs have been announced since September 11, its's most likely only a short while before others find themselves unemployed. How we respond to these workers during a time of crisis is a true reflection of our Nation's values.

As a member of the progressive caucus, I'm proud that the Democrat plan builds on the progressive's proposal to put the neediest ahead of the greediest. Unlike the Republicans' bill, the Democratic economic stimulus plan provides us an opportunity to right by America's workers.

But, that won't be the case if we enact the permanent tax cuts that are in the GOP plan. It won't take long for the American people realize that the GOP proposal is just another excuse to give tax cuts to corporations and the wealthy.

The American people know a real economic stimulus package means immediate, short-term assistance, in the form of extended and expanded unemployment insurance. Instead, the GOP bill provides generous breaks for corporations while ignoring real assistance for low-income workers and their families. That's just plain wrong!

What's right is that the Democratic plan is paid for . . . no surprise, the GOP bill isn't. The Democratic plan is fiscally responsible because it protects Social Security and Medicare. It's smart public policy that a real economic stimulus plans looks out for the future of Federal programs that our constituents rely on.

Mr. Speaker, the Democratic plan proves we can strengthen our economy while also safeguarding our workers and their families.

I urge my colleagues to support it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, the Progressive Caucus supports the Democratic substitute, which includes a significant increase in unemployment benefits.

The $30 billion in increased unemployment benefits included in the Democratic alternative is 20 times the amount the majority bill allocates for working men and women who have been laid off. The majority would give a retroactive tax cut to big companies who are not hiring but they are laying off thousands, tens of thousands of Americans.

There is a clear difference between the two parties on this issue. The Democratic alternative includes a Federal supplement to State unemployment benefits of $65 a week, or 25 percent, whichever is greater. Extended benefits of up to 26 weeks for unemployed individuals for a total of 52 weeks worth of coverage, expanded eligibility to include part-time and other low-wage workers.

Under the administration plan, an unemployed individual will not receive $1 more in benefits than he or she already receives from the State of residence. In my own State of Ohio, an unemployed individual would receive nothing under the administration plan but $65 extra per week under the Democratic plan. A Texas worker, nothing under the administration plan, $65 extra under ours. A worker in California, nothing under their plan, $65 under ours. Their plan would give nothing extra to an Illinois worker, while the Democratic plan would give at least $65. Iowa, New Hampshire, the great State of Florida, $65 under our plan, not a dime extra under their bill.

The administration plan provides for extended benefits but only in those States that see unemployment increase 30 percent in the next 18 months. Most Americans will not see a penny of extended benefits. By contrast, our plan guarantees a full year of benefits to any individual eligible for unemployment benefits under State law, and our plan expands eligibility to include part-time and other low-wage workers. But the administration does not do that.

This is a defining moment. Whose side are we on, the hundreds of thousands of workers suffering under the declining economy, or the large corporations who want retroactive tax cuts off the backs of the American people?

Mr. THOMAS. Mr. Speaker, I yield 2½ 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. My colleagues, I stand with President Bush. President Bush has called on this House of Representatives to pass the legislation that has already been approved by the House Committee on Ways and Means. President Bush has called on this House of Representatives to pass the Economic Security and Recovery Act, and I join with President Bush in support of that legislation and oppose the partisan Democrat substitute.

We hear a lot of partisan political rhetoric in opposition to the plan that was approved by the Committee on Ways and Means, but here is what we do not hear. The basic component of the Democratic so-called stimulus plan is a $90 billion tax increase. I will say that again. A $90 billion tax increase.

Now, many of us have consulted economists, and I know of not one respected economist that has called on Congress in this time of great economic concern to say that we can help the economy by increasing taxes. But that is what the Democrats do. They say it is paid for. They pay for it with a $90 billion tax increase.

What economists have told us, both Democrats and Republicans, is that we need to encourage investment and we need to put more money in the pockets of consumers so they can spend it. The legislation already approved by the Committee on Ways and Means, legislation we are going to vote on today, accomplishes that goal.

We give a $300 stimulus payment to low-income taxpayers, $300 for singles, $600 for a couple, $500 for head-of-household, helping low-income families. We lower taxes to the middle class, going from 28 to 25 percent, putting extra spending money in middle-income, low-income, and moderate-income taxpaying families. That will help them with money to spend to meet their needs. But we also reward investment. The 30 percent expensing provisions and appreciation reform will cause greater investment in cars and trucks and computers.

The bottom line is, when somebody buys a computer, buys that pickup truck, or somebody buys that bulldozer, there is a worker out there that makes it. I know if somebody buys a Taurus made in the tenth ward, Chicago, and Hegwich, there is an auto worker that helped make that Ford Taurus. Bottom line is, if we want to get America moving again, get this economy moving again, we need to put money in people's pockets and we need to reward investment. We accomplish that with our expensing provisions.

Let us join with President Bush. Let us oppose the Democrat tax increase, let us join with President Bush, and pass the Economic Security and Recovery Act.

□ 1515

Mr. RANGEL. Mr. Speaker, I yield myself as much time as I may consume.

I am glad the gentleman from Illinois (Mr. WELLER) mentioned this so-called tax increase because I was wondering where he got the idea. Someone got ahold of the gentleman from Texas' (Mr. ARMEY) stationery and misused it and called the Democratic tax bill a $90 billion tax hike. Actually, we do pay for our bill by freezing the top rate for the one percent of the highest income people in the United States of America.

We think in a time of war there should be a shared responsibility; and so, therefore, that provision is in there, but by no stretch of the imagination can we call an increase what people never received.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Michigan (Ms. KILPATRICK).

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

Ms. KILPATRICK. Mr. Speaker, I rise in support of the democratic substitute, which is a real economic stimulus and economic recovery for Americans who need it. I rise in support of the bill.

Mr. Speaker, this bill is not a stimulus package. There is no provision in the bill that allocates money to the workers, unemployed or the uninsured. The tax deductions are significantly disproportionate, giving over 70% of the tax cuts to big businesses and very little to the working American. That is not the type of stimulus that Americans want or need.

H.R. 3090 does little to assist those who may or have lost their jobs and their insurance because of the September 11 attacks. What the bill does is give a grant to the States and permits them to spend when and as they see fit. We need a bill that will put benefits directly in the hands of those who need it. The unemployed need COBRA and our government should assist them.

The ultimate goal of Congress should be to pass a bill that puts money into the hands of those who need it and will spend it, the low- and moderate-income workers and families.

Instead, this bill focuses on big corporations and the wealthy. A serious economic stimulus package will give unemployment and health insurance benefits to those who do not have it. It will build jobs for those who are unemployed. It will spend money to build economic programs and assist our transportation systems safer by expanding and reinforcing our out dated system.

Any agenda that gives the majority of the tax breaks to the wealthy and big businesses will do little to stimulate the economy. The only apparent stimulus this bill can possibly have is assisting in Republican politics and that should not be our focus. We need to act swiftly in assisting our country.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

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

Mr. ROEMER. Mr. Speaker, as a conservative Democrat, I have worked hard for bipartisanship. I voted for a $1.3 trillion tax cut, voted for a $17 billion bill to help our airline industry, and voted for a $40 billion bipartisan emergency supplemental. But the Republican bill on the floor today falls short in a disappointing fashion in a host of different ways. It helps the few and costs the many.

It is not bipartisan; it is more partisan. It is not a stimulus package; it is a spending package. It is not a fair proposal; it is unfair to too many taxpayers.

Sub-part F in this tax proposal says to corporations keep your money overseas and we will extend and expand your tax breaks to the tune of $20 billion over the next 10 years; do not invest your money in the U.S. economy, keep it overseas and we give you a $20 billion tax break. That is not fair to our workers. That is not bipartisan. That is not a stimulus.

I hope my colleagues will reject this package.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Kentucky (Mr. LEWIS), a member of the committee.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for yielding me the time.

Once again, we have heard some revisionism of history. Just recently, I have spoken on this House floor. I came here in 1994 when the Democrats had the majority. They had just passed in 1993 the highest tax increase in the history of this country, planning on balancing the budget. But when I got here, they were running a $200 billion deficit, and those deficits were going to be there as far as the eye could see.

In 1995, we took the majority, the Republicans; and we said we were going to balance the budget. We were going to cut taxes; and after debating that issue in 1997, we finally got enough votes in the House, got some bipartisan support, and we got the President to sign it into law, President Clinton.

That budget was not supposed to balance for 5 years. Actually, it was not supposed to balance until this year. That was the plan. Do my colleagues know it balanced in a year. Why did it balance in a year? Why was that such a surprise? How did that happen? I will tell my colleagues why it happened. It was because we cut capital gains taxes. That is why. It infused billions of dollars into the economy.

Now we want to cut them just a little bit more to stimulate the economy once again. I would like to cut them a lot more, but we are going to do what we have to do. And we are going to cut them a little bit. That will help, I think, bring this economy around as quick as anything, but once again, we believe that if we give businesses, small businesses the opportunity to make a profit, that they can create jobs in this economy.

What do the Democrats want to do in this substitute? Once again, just like in 1993, they want to increase taxes. They want to increase taxes by $90 billion more. Who will it hurt the worst? It will hurt the small business, the ones that provide more than half of the private workforce in this economy.

We cannot have that. We have to cut taxes. We have got to allow them to have some relief so that they can provide the jobs that this country needs, and they need them now.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, the Democrats put together an economic recovery plan to meet the obligation of this Nation, and that is to rebuild, to rebuild where the terrorists attacked, to rebuild our economy that was falling into recession before the attack on September 11.

Our goals help those workers and those industries who have been hurt and who face great financial and health care needs. Rebuild confidence that America is strong economically. Stimulate the economy to increase economic activity and employment.

We must act in the Nation's interests, not in the interests of any who would opportunistically take advantage of this moment. We must not endanger the long-term economic health of this country.

Yesterday's Wall Street Journal headlined, ''Companies could reap big tax refunds from the House bill.'' What companies? IBM, Chevron, Enron. In today's Washington Post, and the gentleman from California (Mr. THOMAS) only quoted selectively from it, the alternative minimum tax which Republicans would repeal was put in place so that profitable companies would have to pay some amount, no matter how clever its tax attorneys might be.

This is mainly the use of a current crisis to further an agenda that has little to do with the crisis and long predated it.

To my friends, I would say there is no other word for the Republican economic package than greed. It is, in fact, an unpatriotic grab on the public Treasury.

Mr. THOMAS. Mr. Speaker, how much time do we have remaining?

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) has 7 minutes remaining. The gentleman from New York (Mr. RANGEL) has 6½ minutes remaining.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the committee.

Mr. BRADY of Texas. Mr. Speaker, I rise to support the measure proposed by the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, and supported by the President.

The President's measure is important to the country because we cannot stand idly by and let a terrorist topple our economy as they toppled the World Trade Center. We have a big economy in America so any stimulus bill we have has to be focused. It cannot be scattered.

This bill helps boost consumer spending, but its main focus is to preserve and create new jobs. Getting our economy moving will not happen because people go to the shopping mall with a shopping list. It will happen because they go to the mall with a job and the shopping list.

The tax code we have today discourages companies from helping people get jobs and keep them. We changed that. We are encouraging companies to buy that new piece of equipment, to open that new satellite office, to approve that new project, to create jobs; and as importantly, we stop taking money from businesses that they could better use to keep their good people on board during these economic tough times.

Who is creating these jobs? One of my favorite bumper stickers says, ''If you can read this, thank a teacher.'' Well, if someone has a job, who do they thank? The IRS, a Washington bureaucrat, or do we thank the free enterprise system where a farmer or a business of any size that builds a better mouse trap and sells it creates new jobs?

My people back home from Continental and Compaq and others who are laid off in my neighborhood, they do not want a rebate check. They want a paycheck. They do not want unemployment benefits in a year. They want a job today. They do not want a plan that helps a few industries. They want to plug all the holes in our economic boat so we can rise together faster.

They know that when they are unemployed they are not paying into our Social Security trust fund; they are not making Medicare stronger; they are not helping pay off the debt. This economic stimulus is an investment, a long-term investment that does not cost. It pays.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

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

Mr. GREEN of Texas. Mr. Speaker, my concern about this, and I do not

serve on the Committee on Ways and Means, but this seems like we have returned to partisanship. We are back to it is either my way or the highway because the bill had very little Democratic votes.

After September 11, the American people came together: Democrats and Republicans, rural or urban, geographically, racial and ethnicity. We put all that aside to fight the war that we have to. The American people wanted this and they demanded it of us, their elected officials; but to date, it is a different story.

This so-called stimulus package is a partisan plan that is wrapped in our red, white, and blue; but it is a loot on the Treasury, a charade, and a Trojan horse filled for special interests. The American people are not and will not be fooled. They will reject false patriotism in the light of trying to give a tax cut for special interests and that does nothing for laid-off workers.

We want them to have a job. We also know that those same Continental employees that I represent need to have unemployment. They need to have health care coverage, and they may not get it through the governor's office.

This so-called stimulus package is a wish list of special interest tax rebates and cuts that will not stimulate our economy and has nothing to do with the tragedy of September 11.

The wrapping of special interest legislation in the flag. It is wrong. It is despicable. And we should get back to our bipartisan spirit, and the American people will get us there.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from California (Mr. COX), the chairman of the policy committee.

Mr. COX. Mr. Speaker, I rise in strong support of the Economic Security and Recovery Act that the committee has worked so hard on and that responds directly to the need of the country right now to get our economy back to get people working again.

The legislation that we will soon approve in this House extends unemployment benefits. It accelerates the already scheduled modest reductions in tax rates on all individuals except those in the highest bracket, an enormous concession to the minority that is not sound economics in my view; and it very modestly reduces the capital gains rate, modestly meaning two percentage points, something we are told by the nonpartisan analysts that will actually increase revenues to the Treasury.

The alternate is a $98 billion tax increase. It is, in fact, a tax increase because it will change existing law, which has scheduled a reduction rate for individuals. It will apply a tax increase to those people. It will divide up a rapidly shrinking pie and redistribute rather than providing incentives for people to work and save and invest.

If we believe in the American people, if we trust the American people, they will produce. Given the opportunity then, we should enact into law the bill that the Committee on Ways and Means has put before this House.

I strongly urge rejection of the $98 billion tax increase that has been offered as a substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. CROWLEY), my friend.

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

Mr. CROWLEY. Mr. Speaker, less than a week after the September 11 attack on America, this Congress passed a bailout package bill for the airline industry overwhelmingly, despite objections from this side of the aisle. We were told to have faith in the leadership of the Republican side of the aisle to address the issues of displaced workers. So much for faith.

This bill does nothing to provide an influx of money into our economy, something that should be part of any stimulus package. It provides nothing to take care of the workers who need assistance like the 100,000 aviation employees thrown out of work in the past 6 weeks. It includes nothing to fund hiring and training of 75,000 new firefighters.

I am from New York; and I have been to ground zero, as many of my colleagues have been. But the rebuilding of New York has begun, and thanks to this Congress it has begun, but we are nowhere near finished. We need to provide incentive for business to remain in New York City to keep our financial services sector strong. We need to provide assistance to our travel industry to help Americans know New York is open for business. We need to provide funding to rebuild and strengthen the infrastructure of New York. This was an attack on America and not just on New York. Do not further assault New Yorkers by neglecting them.

This bill is not a stimulus package but an impediment package. I ask my colleagues to vote it down

Mr. THOMAS. Mr. Speaker, it is my pleasure and privilege to yield 1 minute to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I appreciate the gentleman from California (Mr. THOMAS) yielding me the time; and Mr. Speaker, let us boil this down to simple terms. Let us cool the hot rhetoric that is flowing through here.

□ 1530

What this is about is jobs. It is getting Americans back to work. We have got 7.8 million Americans who have lost their jobs in this economy. The terrorists know they cannot take on our military. They know they cannot take a frontal assault against our country, so they are trying to get Americans to retreat from participating in our economy.

Let us go with what works. When we have cut the cost of capital in this country, when we have reduced the cost of employers reinvesting in their businesses, we have created jobs. Accelerated depreciation, alternative minimum tax, simplifying capital gains, those proposals are designed to make it easier for Americans to reinvest in America, to create jobs, for employers to reinvest in their employees, because if you do not have employers, you do not have employees.

Mr. Speaker, this substitute, and I have read it and it is a valid attempt, this substitute puts a $90 billion tax on small businesses, the engine of growth in this economy. Eighty percent of the last number of jobs we have had in this economy were created by small businesses. A $90 billion tax increase on the engine of jobs in America is contained in this Democratic substitute. More importantly, it has a $32 billion spending spree in this bill. If more Federal spending were the answer to getting our economy back on its feet again, we would not be heading into a recession today. We are spending the most we have in the history of this Federal Government.

We know that as we look at other nations, if we look at the second largest economy in the world, Japan, they have been in recession for 10 years. They have had four recessions over the last 10 years, and they have had five stimulus packages. Every one of those five stimulus packages looks just like this Democrat substitute. Every one of those five stimulus packages has failed. I urge to pass what works. Get Americans back to work. Pass the Republican stimulus package which is true in stimulus.

Mr. RANGEL. I can see the bumper sticker now: ''Fight Terrorism, Support Welfare Reform for Corporations.''

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. ENGEL).

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

Mr. ENGEL. Mr. Speaker, I rise in opposition to the bill because it does not provide short-term economic stimulus and does long-term damage to the Federal budget.

Mr. Speaker, having served in Congress 13 years, I have had to cast votes on a number of large bills that contain numerous provisions. And, I can say most of those large bills contained provisions I do not care for. What I, and the rest of our colleagues, must do is weigh the pros and cons. The large bill before us today is weighted heavily toward the con.

The challenge we face is providing a short-term economic stimulus without endangering the long-term health of the Federal budget. This bill does neither, and will cause long-term, and I fear irreparable harm to the Federal budget.

Let me point out one such egregious provision in this bill. Permanently eliminating the Corporate AMT while only making minuscule changes to the Individual AMT is wrong. What are the leaders of the Ways and Means Committee thinking when they give hugh corporations the chance to skip out on their taxes

while continuing to force middle-income families to endure this hardship? What kind of stimulus is that?

Even more disheartening is the lack of true assistance to America's unemployed. We have an opportunity to assist people immediately. In fact, we have a responsibility to assist these people. But, instead this bill forces State governments to pass new laws making assistance a long time in coming—if at all. Where is the compassionate conservatism in that?

The Democratic substitute provides immediate assistance. It contains a provision that draws upon a successful history of Federal programs—building things—in this case schools. The Federal Government has done a great job building military bases and an interstate road network. Building schools will employ people now and finally provide our children the facilities they deserve.

I would also note that the chairman of the Ways and Means Committee walked away from bipartisan negotiations that included the President. The White House has already signaled it has concerns about this bill—and rightly so. It is too heavily weighed toward helping huge corporations and not toward the average American.

Mr. Speaker, there are good parts of this bill. The provisions that will allow faster depreciation of business equipment purchases and of leasehold space are good provisions. These would spur short-term economic activity. Why we are not providing new short-term incentives like this is a mystery to me.

In short, the egregious provisions in this bill weigh this bill down too much. I urge a yes vote on the Democratic bill and a no vote on the Thomas bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

(Ms. BROWN of Florida asked and was given permission to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Speaker, let me just point out that I am the Member from Florida, Florida, who does not know how to conduct an election. But we do know how to do tax cuts. For the past 3 years, we have had these same kind of cuts in Florida. And what are the results? The Florida State legislature is in session today as we speak cutting the budget because of these tax cuts that have been going on, over $1 billion in tax cuts to the rich.

Yes, Republicans know how to rob from the poor to give big tax cuts for the rich. Shame on you. Shame on you.

Let me tell you something. One of the things that we are talking about cutting, Medicaid, hospitals, school lunch programs. Someone asked the question on the floor and I am going to ask you, why is it when the Republicans present something on the floor that the big dogs always have to eat first? And, in fact, in this bill that you have on the floor, they are the only dogs that are eating.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, during the Civil War, the wealthy could exempt themselves by buying their way out of fighting, and the war became known as a rich man's war but a poor man's fight. That is what the Republican bill is today. It is, in time of war, a big goody grab bag of tax breaks for the wealthiest corporations and individuals in America: capital gains tax break; alternative minimum tax break for corporations, retroactively; an accelerated income tax break for the wealthiest Americans.

But what is in it for ordinary Americans? For poor Americans? There is nothing. It is all for the wealthy. President Kennedy used to say, ask not what your country can do for you but, rather, what you can do for your country. The Republican bill today says, ask not what you can do for your country, ask what you can do for their country club pals.

This is not a bill that helps ordinary Americans. This is a bill that helps the upper 1 percent wealthy people in our country at the expense of Social Security and Medicare and Medicaid and health care and education for every other family in America.

Vote for the Democratic substitute. Vote against this Republican bill that helps the wealthiest people in our country.

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

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from New York is recognized for 2½ minutes.

Mr. RANGEL. Mr. Speaker, I want to thank my Republican colleagues for fashioning a bill that really makes it so easy for people to distinguish the difference between Republicans and Democrats. It is abundantly clear that you are just as patriotic as anybody in this House and you believe the way to fight terrorism is to provide funds to multinationals which converts that into jobs.

Some of the economists that we were listening to kind of thought that this should be consumer-driven. They never thought that corporations with large inventories, with cars they cannot sell and washing machines they cannot sell, that they would be entitled to a $25 billion, would you say loan or would you say credit or would you say giveaway? And then you have got to convert this automatically into jobs but some say, or into dividends.

I think that your ideas are not well founded. Certainly they have been rejected by what used to be the Secretary of the Treasury, but when he disagrees with your leadership, he becomes an underling. When the President disagrees with you, he is a bad fellow; but when he agrees with you, he is enlightened.

Let me tell you this, we are going to have a conference and you can run and hide all over this House of Representatives, but CHARLIE RANGEL is going to find that conference this time and I am going to be involved in the conference this time. If the President wants a bipartisan bill, I have assurances that is what we are going to get.

You have to learn that America, they really do not want to go for these tax giveaways. They want security. They want to know that the Social Security fund is there. They want to know that Medicare is going to be there for them. They want education for their kids. We have not forgotten the newly found ideas that President Bush found on the campaign trail, Patients' Bill of Rights, help with prescription drugs. These are still the American dream. And when we are at war, the rich have to know that spending money at Disneyland does not pay for it. Yes, we freeze the top rate for a tax rate that they did not get yet. And we say that everyone has to share.

You just came around to realizing that those who pay payroll taxes are entitled to some relief. I thank you for it. I assume that is what you call bipartisanship. You take a good idea, label it Democrat, talk with nobody, fold it in with the garbage that you have and you got a bipartisan bill.

I think we have got to clean that up; but I do hope that you consider trying to talk with people, being nice with people, being considerate with people. It did not last too long, this bipartisanship; but the little time we had it, I enjoyed it.

Mr. THOMAS. Mr. Speaker, the Chair appreciates the climate that the gentleman from New York clearly provides to allow us to continue to work together. And now to close on the Democratic substitute and all debate on what was called in today's Washington Post a hodgepodge of tax rebates for low-income families, expanded government health insurance and spending from schools to construction, that is income redistribution posing as stimulus, I yield the remainder of my time to the majority leader, the gentleman from Texas (Mr. ARMEY).

The SPEAKER pro tempore. The gentleman from Texas is recognized for 2½ minutes.

Mr. ARMEY. I thank the gentleman for yielding time.

Mr. Speaker, let me begin by thanking the committee for their outstanding work. It is good work. It is serious work. It is work that, when enacted into law, should help millions of American families.

Mr. Speaker, this has been a partisan debate. We are back to usual. I do not think the American people regret that. They understand there is a difference between the two parties. They expect these differences to be debated. It does not bother me.

It also has, Mr. Speaker, been a rancorous debate. There has been a lot of screaming and hollering and finger-pointing, accusing, yelling, bellowing about whose motives are what, yack, yack. I think the American people do regret that, but I am neither surprised and quite frankly I do not regret all of this hot rhetoric from the Democrats. I do kind of regret the fact that we Republicans, some of us, felt the need to respond. And while I regret that, I understand that sometimes we feel a need to respond to this heated diatribe, because we have a fear that the American

people might not understand. But I think we should remind ourselves that the diatribe comes from a greater fear, a fear with a greater reality based to it on the part of the Democrats, their abiding fear that indeed the American people will understand. And let us remind ourselves, they do understand and they see clearly the difference between these two offerings here before us.

The substitute that we are debating asks the fundamental question: Mr. and Mrs. America, let us tell you what we can do for you with your money.

It is offered on the presumption that the American people look to Washington and seek from Washington an opportunity for Washington to do for them with their own money, a presumption that will not hold water with the American people.

The base bill, the one brought by the committee, makes the following observation: it says, very simply, Mr. and Mrs. America, let us appreciate what you can do for yourself with your own money. Let us honor what you can achieve and indeed have achieved to the base foundation prosperity of America by keeping some larger share of your own money that you earned for yourselves to serve yourself, your family, your small business, and your employees.

Yes, it is tilted somewhat on behalf of those Americans that would, if left with a larger share of their money, invest that money in new plant and equipment, increased productivity, greater opportunities to do something we Americans do well, provide jobs for one another through our entrepreneurial effort.

Investment is important. I am an economist. Every economist, when he hears another economist say a smart thing, stops and says, Gee, I wish I would have said that first. But this time the chairman of the Federal Reserve Board, Alan Greenspan, beat me to the punch when he said, ''You will leverage more money out of tax revenues left in the hands of investors than you will out of tax revenues left in the hands of consumers.'' We responded to that good advice, sound advice, empirically proven advice; and, yes, we leave money in the hands of those people who will invest because investment is the driving engine of economic growth. This is a good bill for that insight.

But it does not ignore people who would have more of their own money in the form of that precious American dream called take-home pay by reducing taxes so that they can spend it on consumption, and there is plenty here for that purpose. But the main thing about this bill that has been brought to the floor, this bill that is being contested by this substitute, is it says, Mr. and Mrs. America, it is your money. You worked hard for it. You earned it. You know what you can accomplish with it if it is left in your hands. So we take the opportunity to leave it to you to invest, build, create jobs, consume, buy, on your own behalf, provide for your families, do well for yourself and, by doing so, do good for America.

This is our choice. Vote for the substitute if you believe the Government of this Nation, through its programs, can take care of you and your family better than you can do yourself with your money. Vote for the base bill if you believe the American people are the practical, hardworking geniuses that made this all possible in the first place, and they will take their own money in the form of higher take-home pay and do better for themselves.

□ 1545

My final point: ask yourself, or your friend, your neighbor, somebody at your church, maybe somebody you met at a PTA meeting that is out of work do they really want a government that promises them nothing but a longer period to survive unemployed, or a government that says the strength of America is in America? Let us rebuild the growth of this economy by trusting it to the American people to use their own money, and let us get your job back.

It is very simple, very simple. Is the answer to this dilemma: jobs for Americans, by Americans, or jobs in the Government, by the Government?

Vote down the substitute. Vote for the base bill.

Take heart. The American people do understand. It is understood by everybody in this Chamber, or why else would they be so loud?

The SPEAKER pro tempore (Mr. SIMPSON). All time for debate on the amendment in the nature of a substitute has expired.

Pursuant to House Resolution 270, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

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

Mr. RANGEL. 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 166, nays 261, not voting 5, as follows:

[Roll No. 402]

YEAS—166

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Berkley
Berman
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gordon
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Solis
Spratt
Stark
Strickland
Stupak
Tauscher
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Velazquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NAYS—261

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Carson (OK)
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Luther
Manzullo
Matheson
McCarthy (MO)
McCrery
McHugh
McInnis
McKeon

Mica	Rehberg	Stenholm
Miller, Dan	Reynolds	Stump
Miller, Gary	Riley	Sununu
Miller, Jeff	Roemer	Sweeney
Mollohan	Rogers (KY)	Tancredo
Moore	Rogers (MI)	Tanner
Moran (KS)	Rohrabacher	Tauzin
Morella	Ros-Lehtinen	Taylor (MS)
Murtha	Ross	Taylor (NC)
Myrick	Roukema	Terry
Nethercutt	Royce	Thomas
Ney	Ryan (WI)	Thompson (CA)
Northup	Ryun (KS)	Thornberry
Norwood	Sanchez	Thune
Nussle	Sandlin	Tiahrt
Osborne	Saxton	Tiberi
Ose	Schaffer	Toomey
Otter	Schiff	Traficant
Oxley	Schrock	Turner
Paul	Sensenbrenner	Udall (NM)
Pence	Sessions	Upton
Peterson (MN)	Shadegg	Vitter
Peterson (PA)	Shaw	Walden
Petri	Shays	Walsh
Phelps	Sherwood	Wamp
Pickering	Shimkus	Watkins (OK)
Pitts	Shows	Watts (OK)
Platts	Shuster	Weldon (FL)
Pombo	Simmons	Weldon (PA)
Portman	Simpson	Weller
Pryce (OH)	Skeen	Whitfield
Putnam	Smith (MI)	Wicker
Quinn	Smith (NJ)	Wilson
Radanovich	Smith (TX)	Wolf
Rahall	Snyder	Wu
Ramstad	Souder	Young (AK)
Regula	Stearns	Young (FL)

NOT VOTING—5

Cubin	Hart	McIntyre
Gonzalez	Hill	

□ 1607

Mr. CRAMER and Mrs. NORTHUP changed their vote from ''yea'' to ''nay.''

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

The result of the vote was announced as above recorded.

Stated for:

Mr. MCINTYRE. Mr. Speaker, on rollcall No. 402, I was unavoidably detained by traffic and missed this vote. Had I been present, I would have voted ''yea.''

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. TURNER

Mr. TURNER. Mr. Speaker, I offer a motion to recommit.

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

Mr. TURNER. I am, Mr. Speaker.

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

The Clerk read as follows:

Mr. TURNER moves to recommit the bill, H.R. 3090, to the Committee on Ways and Means with instructions that the Committee report the same back to the House promptly with amendments that—

1. Reduce the tax cut provisions of the bill in an amount equal to the expense of financing short and long-term efforts to combat terrorism; and

2. Provide that the legislation is temporary and is fully offset in the Internal Revenue Code over the next ten years, such that the long-term deficit and national debt are not increased; and

3. Provide assistance to workers who lost their jobs and health insurance coverage, and to businesses affected by the economic circumstances following the occurrences of September 11, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. TURNER) is recognized for 5 minutes in support of his motion.

Mr. TURNER. Mr. Speaker, this motion to recommit reports the bill back to the committee with the suggestion that it be amended to reduce the tax cut provisions in an amendment necessary to fund the war on terrorism and to protect the public safety. It provides that the legislation that comes back should be temporary and fully offset in the Internal Revenue Code over the next 10 years, and it provides for assistance to workers who lost their jobs and health insurance coverage, and to businesses affected by the economic circumstances following the occurrence of September 11.

As has been nobly demonstrated throughout the history of this country, Americans are willing to pay for the cost of preserving our freedom during time of war. The investment that will be required to win this war and protect the safety of American citizens who this very day have reason to fear the very opening of their mail is going to cost billions of dollars. Are we as a Congress going to ask the next generation to pay for a war that we must now wage? Will we ask young men and women in uniform to risk their lives to fight against terrorism without providing them the very best in equipment and training this Nation can provide? Will we risk the safety of every American citizen by failing to aggressively address the safety and security needs of this country? The answer is clearly no. None of us would be for those things.

That is why funding this war and funding public safety must take priority over tax cuts.

The investment we must make will represent the very best stimulus package we could devise. The investments in war-fighting, the investments in security measures, the investments in public health will all find their way into the American economy, creating jobs and economic activities, and they will do so immediately.

We must not forget that what we are spending, whether for tax cuts or defense or security, is Social Security payroll taxes. We should not ask future generations to pay for anything other than true emergencies. This emergency we face justifies spending Social Security payroll tax dollars to win the war on terrorism and to protect the security of all Americans, but there is no justification for spending payroll taxes on unnecessary, untimely tax cuts and spending initiatives.

The founders in this country pledged their lives and sacred honor in the defense of liberty. Today, we can do no less. It is not recession that Americans fear today, it is the safety and protection of their lives, their homes, their businesses, and their public places of gathering. No stimulus package will help this economy unless and until this fear is removed.

Our mutual commitment to winning the war on terrorism and protecting public safety is the first step in economic recovery. On September 11, our world changed. The old debates that once dominated this floor are outdated and inconsistent with today's realities. The reality of today is that our Nation faces the greatest challenge it has faced since the Second World War. We can win the war on terrorism without losing the war to save our economy; but first, we must determine the investments required to win this war and protect the safety of the American people, and they should be paid for within a responsible budget that neither mortgages our future nor adversely impacts long-term interest rates.

I talked to a friend of mine who lives in Houston the other day on the phone. I asked him what he was hearing about the interest in tax cuts. My friend said, I will tell you what my coffee drinking buddies and I are saying about tax cuts. We want to know where to send our contribution to win this war.

□ 1615

From Wall Street to Main Street, from the investment bankers to the firefighters and law enforcement personnel who are working overtime today to protect our safety, they know what every American knows: Unless we win this war and restore our homeland security, nothing else matters.

President John Kennedy once said, ''Americans will bear any burden and pay any price in the defense of liberty.'' Now is the time; now is the hour. Vote for the motion to recommit.

Mr. THOMAS. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) is recognized for 5 minutes.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, the only thing I would add is 45 days ago, less than that, we in this country incurred the most barbaric act in the history of civilization against humanity, save maybe for the Holocaust during World War II.

There is no higher duty that a Representative in the United States Congress has than the safety and defense of this country and the citizens that live here. We ought to do that first.

Mr. THOMAS. Mr. Speaker, I could not agree with the gentleman more. The other committees that are supposed to be working on that provision, and the leadership that met to help us address those, all of us believe we need to put together a product and get it to us as soon as possible.

But what we have today is a motion to recommit on a stimulus package that is under the jurisdiction of the Committee on Ways and Means. Normally, as Members know, I admonish Members to read the motion to recommit. It is usually in legislative language. This time it is in plain English.

Sometimes we actually run into problems when we are dealing with plain English. I will show the Members why.

The first provision says, ''Reduce the tax cut provisions of the bill in an amount equal to the expense of financing short-term and long-term efforts to combat terrorism.''

What is combatting terrorism? In listening to the gentleman from Texas, I heard him say that it is fighting the war. I heard him say it is security. I heard him say public health. Does anyone dispute that making sure the economy remains strong so that we can be a vigilant and free America is combatting terrorism? That is exactly what this bill does.

Secondly, they want to provide that the legislation is temporary. I would advise my friend, he really ought to go look at underlying legislation. For example, making the 15-year life for leasehold improvement permanent, which is in this bill, was a piece of legislation, H.R. 1030, which 48 Democrats cosponsored, 12 of them members of the Committee on Ways and Means, and if I had the time I would read every name who want this to be permanent, not temporary.

Indeed, permanently extending subpart F was in H.R. 1357. Fifteen Democrats, 11 members of the Committee on Ways and Means, said they wanted it permanent. We listened to our colleagues, Democrats on the Committee on Ways and Means, and made subpart F permanent. So if Members are only going to make it temporary, it makes it very, very difficult to carry out the wishes of people who are supposed to understand tax policy.

Finally, Mr. Speaker, let us look at the third provision. It says, ''Provide assistance to workers who lost their jobs and health insurance coverage.'' If we are going to take this provision literally, it says ''lost their jobs and health insurance coverage.'' Does the gentleman from Texas know there are some people who have jobs who do not have health insurance; that they are employed by small business people who cannot afford the health insurance? Since it says ''and'', those people are not going to be able to get any assistance under the gentleman's motion to recommit because they not only have to lose their job, they also have to lose their health insurance.

That is what happens when one hastily writes up a motion in an attempt to make a point, rather than to make law.

Keep reading it. It says, ''to businesses affected by the economic circumstances following the occurrence of September 11.'' Does that mean they only deal with people who were unemployed after September 11? If people were unemployed before September 11, what are they, chopped liver? It seems to me we ought to deal with the unemployed, whether it was before September 11 or after September 11.

Then if we take a look at what the Democrats offered, which is every unemployment check going up, every new program, new part-time additions to it, the gentleman, I will have to compliment him, is running totally counter to what his colleagues wanted in the other bill, but he is very, very close to what we are doing; that is, putting assistance where it is needed.

But if Members read the English that makes up this particular motion to recommit rather than the legislative language, if Members vote for this motion to recommit, they are only going to help those people who were unemployed after September 11 and who had a job but did not have health insurance.

Who in the world wants to single out that group to be the only ones to receive assistance? Certainly not Republicans. We are fair-minded where we help people who are unemployed. Even those who had health insurance we believe ought to be covered, and if they were unemployed before September 11 they ought to be covered as well.

So if Members have a heart, they have to vote down this motion to recommit.

Ms. HARMAN. Mr. Speaker, I rise in support of the motion to recommit.

The tragic events of September 11 completely changed the priorities and policies on which this House approved the budget for fiscal 2002. Yet, the House is poised to act again in a piecemeal fashion as if nothing had happened—nothing has changed.

Mr. Speaker, in light of September 11th's events, we need a new budget—we need to start over.

We need to reassess what we need to fight the war on terrorism. And fighting this war is our first priority.

Instead, the House is being asked to vote for a package of ineffective tax cuts disguised as an economic ''stimulus'' and inevitably spending the Social Security surplus and putting our nation deeper into debt.

This bill is an example of misplaced priorities.

Another misplaced priority is the facility for the Centers for Disease Control.

Earlier this week, I joined several of my Intelligence Committee colleagues on a tour of the CDC in Atlanta. I could not believe the deplorable conditions in which dedicated scientists identify and contain infectious diseases, including some which terrorists might use against the American people.

Security is less than adequate and some work areas are closed because ceilings have collapsed as a result of water damage. Connected to an antiquated electrical network, a 15-hour power failure put the Center out of commission at the height of last week's anthrax investigation.

Yet, notwithstanding the urgency of CDC's work, neither Congress nor the Administration has provided the funds necessary to repair or improve these labs.

Mr. Speaker, in the absence of a new budget that reflects the new post-September 11 reality, we don't know what other priorities are being ignored.

Mr. Speaker, let's start over and reconsider every element of the budget passed this year. Let's fashion a new budget that ensures that we have resources necessary to win the war on terrorism and protect public safety.

The SPEAKER pro tempore (Mr. SIMPSON). 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. TURNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the time for any electronic vote on the question of passage.

The vote was taken by electronic device, and there were—ayes 199, noes 230, not voting 4, as follows:

[Roll No. 403]

AYES—199

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

NOES—230

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Cubin
Gonzalez
Hill
Schaffer

□ 1638

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 216, nays 214, not voting 3, as follows:

[Roll No. 404]

YEAS—216

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—214

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

NOT VOTING—3

Cubin
Gonzalez
Hill

□ 1650

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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 include extraneous material on H.R. 3090, 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.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, earlier today my plane was canceled and I missed two votes on H.R. 3162. I would like the RECORD to indicate that on rollcall 398 I would have voted ''no'' and on rollcall 399 I would have voted ''yes.''

SPECIAL ORDERS

The SPEAKER pro tempore. 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.

DO NOT GIVE IN TO FEAR, THE MAIN OBJECTIVE OF TERRORISM

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

Mr. EHLERS. Mr. Speaker, I rise to talk about terrorism from my perspective, both as a Member of the Congress and as a scientist.

It is very clear that the purpose of terrorism is an effort by a nongovernmental agency or group of individuals to disrupt the activities of legitimate governments and to do so by instilling fear in the citizens of that particular government. We have to recognize that that is the main purpose of terrorism. The cause may be hate, the cause may be a simple interest in vandalism, but the purpose is to disrupt and to cause fear.

There are various ways to respond to that. One, of course, is a military response, which this country is doing in response to terrorism. But equally important is to defeat terrorism by not letting the terrorists disrupt our country, by not letting them generate fear in our country, but rather by recognizing what their purpose is and to defeat them by not yielding to the terror and to the fear that they want to instill.

Obviously, when the terrorists attacked our Nation and killed roughly 6,000 people in a horrible, horrible attack on the New York World Trade Center, we as a Nation became very disturbed, as we have every right to be, and we are responding to that action militarily. But I am concerned about the response of fear that we also see, the fear of flying, the fear of going places, and the withdrawal into our homes. That is precisely what the terrorists want, and I encourage the citizens of our country to overcome that fear. Most of the Members of Congress fly every week as I do. I have found absolutely no reason to be fearful of flying. It is safer to fly today than it was before September 11, because the security is much better.

Our latest fear is anthrax. But it is very important to put these issues in perspective, and to look at them from the aspect of relative risk. Every day of the week, every day of the year, 120 people, on average, die in automobile accidents in this country. Very, very few people have died from anthrax; very, very few have died, until September 11, from terrorist activities. And so let us keep that in perspective.

We should be no more afraid to fly than we are afraid to get in our automobile and drive. We should be no more afraid of contracting anthrax than we should be afraid of getting in our car and driving. In fact, the probability of incurring anthrax is far less than the probability of winning the Power Ball lottery, and we know that is very very small.

Now, why am I saying this? Am I not afraid of anthrax? Yes, I am, but I am not going to live my life in fear of contracting anthrax. It is very difficult to make biological weapons. It is even more difficult to disperse the biological material. In spite of the efforts made by the terrorists, very few people have been injured or have acquired the disease of anthrax. In spite of the efforts of the terrorists, it is simply very difficult to circulate enough biological material that actually causes someone to become ill, particularly to the point of death.

There are other fears we might have. I am more concerned, frankly, about chemical terrorism than about biological because it is easier to make and spread toxic chemicals and it is easier to kill a large mumber of people with it.

The main point, I want to make is that we should live our lives without fear. We should try to go about our normal paths but to be vigilant. Everyone in this Nation should be watching for terrorists who might be trying to do evil things. They should report these activities to the appropriate law enforcement agency.

□ 1700

Do not live your life in fear. Be vigilant but live a normal life and be grateful that you are living in the United States of America, the most wonderful Nation that has ever existed on this planet. Enjoy the blessings and benefits of this Nation. Do not succumb to what the terrorists want you to succumb to. Be brave, be bold, but be vigilant.

HOMELAND SECURITY TASK FORCE

The SPEAKER pro tempore (Mr. FLAKE). Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today to speak about the Homeland Security Task Force of which the leader on this side has convened and of which I serve as a member of that task force.

In preparing to meet with local municipal leaders and those agencies that are so critical in combatting any type of terrorist attack, I was encouraged on Monday when I convened a meeting in my district and met with 45 of those agencies. In speaking with them about the preparedness of cities and hospitals, schools, refineries, water agencies, postal services, I am convinced that we are prepared.

Of course, there are further resources that can be put in place for those city governments, and there is a critical need for more training perhaps in small cities, where there is not a full-time person who can help in executing the plan that has been put in place, but in the State of California, the Governor has put a strategic plan in place to help the hospitals and to ensure that every hospital has a bioterrorism plan.

We have asked now for the sheriff's department and they have responded with a uniform plan that is in concert and coordinated with city block clubs and other organizations.

I am pleased to report to you that the water agencies have security on every front, especially in the State of California.

So I say, Mr. Speaker, we are ready. The connect is there; the coordination is there. The execution of those plans are there.

I would like to also inform my colleagues that FEMA has 28 Urban Search and Rescue Task Forces, eight of which are in California, and these task forces integrate the plan from the Federal down over to the State and then the local levels. So I will say that I am encouraged by this whole notion that the municipal leaders, the municipal emergency preparedness plan is in place, especially in California.

I would urge all Members, though they may or may not sit on the Homeland Security Task Force, that they meet with their municipal leaders to draw from them their plan and to see whether it is coordinated across all of the agencies. I will say that more than likely they have such a plan, because with FEMA having the Urban Search and Rescue Task Force, I am sure that all other States have put that in place.

Mr. Speaker, we are ready for any type of bioterrorism attacks from the Federal, State and local levels.

TRIBUTE TO KRISTOFOR STONESIFER

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

Mr. GREENWOOD. Mr. Speaker, on September 11 when America was attacked, nearly every American had the same response and that was that we needed to immediately defend our people and defend our Nation against this evil, and the Congress, including this House, immediately after that attack, authorized force, military force to accomplish that end.

Our military force are the airplanes and the aircraft carriers and the smart bombs and the weapons that we have, but that military force is nothing except for the men and women in our Armed Services, volunteers all, who fly those airplanes, who drive those ships, who leap out of airplanes with parachutes and are prepared to serve their country.

Last weekend, we lost our first two fine American young military personnel, and one of those fine soldiers was from my district. His name was

Kristofor Stonesifer, and he is the son of Rick and Ruth Stonesifer from Bucks County, Pennsylvania.

Mr. Stonesifer, Jr., was a pretty extraordinary young man. He knew from a very young age that what he wanted to do was to be the best combat soldier this country had to offer. He left his service in ROTC because he wanted a greater challenge, and when he joined the Army Rangers, he found that challenge indeed.

This was a young man who was aboard a helicopter in Pakistan, prepared to extract our special forces, when as we know tragically that helicopter crashed and he lost his life.

Mr. Speaker, we will undoubtedly lose more lives in this, what will probably be a protracted war, but the first of them was among the finest young men that we had to offer, and I on behalf of the House would like to extend my condolences and our condolences to his parents and remind ourselves as a House of Representatives, as a Congress and as a Nation that it is only because of the likes of Kristofor Stonesifer and his willingness to train and prepare for battle that we, in fact, can authorize force and can have a force that will prevail and will protect this country.

BEING A GOOD SAMARITAN

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I join my colleague in acknowledging the loss of our fine young men and offer to their families my deepest sympathy.

Mr. Speaker, I am reminded of the biblical verses that tell the story of the Good Samaritan. In that instance, a person of goodwill and caring attitude came upon a brutalized and broken person, having been attacked by those who would do evil. The person did not look around to secure help from anyone else but took that battered soul to a place of refuge, indicated to the innkeeper that whatever the expenses might be to secure him and to make him whole the Good Samaritan would return and pay for it.

It comes to mind that on September 11 it generated the opportunity for this government and this Congress to be good Samaritans, to heal our land and to embrace Americans and to respond to their very needs, the needs of securing America, the needs of ensuring that we had the military personnel and resources to fight against terrorism.

Today, Mr. Speaker, I was sorely disappointed in the legislation that was brought to the floor of the House in the name of stimulus, in the name of helping, when all it did was the simply take from a dying man.

The headline in the USA Today said it well, special interests payback. The stimulus package that was passed today was not worthy of its name. In fact, I would say to those who have paid attention to this debate it was shameful, and as evidenced by the 216 to 214 vote, merely two votes that cast and made this legislation or caused this legislation to pass, it gives me reason to come before this House and to explain to the American people what we did today.

First of all, we are not secure at the passage of this legislation. No one single American has been made more secure. Not one single child has been educated. Not one single school has been built. Not one employee over a period of time will get immediate relief. In the Republican bill, workers will not see relief for some 6 months.

Listening to Daniels of the OMB, he made a statement about President Bush's main priorities. His quote, as I paraphrase as such, President Bush cares about agriculture, but if he cares about any two issues he cares about these two: Conquering international terrorism, I agree; and protecting Americans at home, I absolutely agree.

Let me tell you what the Republican stimulus package does. My son was born in 1985. He is 16 years old. The Republicans' stimulus package provides an elimination of the permanent repeal of the corporate alternative minimum tax, and what that does is it retroactively gives that corporation dollars for over 15 years, almost $20 billion. Seven corporations alone will have a $3 billion gift.

Does that provide airline security? No, it does not. Does it give the men and women of the postal service, two that have lost their lives, the kind of equipment, the kind of protection or the kind of instruction that will allow them to continue to deliver the mail safely? No, it does not. Does it infuse energy into our public health systems, our county hospitals, our private clinics? Does it help private practitioners in rural America and urban America be sensitive to the potential threat of smallpox and anthrax? Does it provide vaccinations for 200 plus million Americans? No, it does not.

What it does do is it provides a permanent reduction of capital gains taxes. Seventy-two percent of the benefit of that reduction are to be enjoyed by 2 percent of the Nation's citizens.

Let me say this to my friends. I certainly believe that we should help businesses, small and large. I think we should help them provide opportunities for jobs. Most Americans would want to support those who are creating new jobs.

This past week I rode home with a constituent who indicated to me that there is a silent recession going on in this country. Four hundred people were laid off in one of our large accounting firms, investment firms, Pricewaterhouse. This is happening all over the country. Will giving corporations $3 billion, $20 billion by eliminating the alternative minimum tax, help anybody? Absolutely not.

Mr. Speaker, this today was a tragedy before this Nation. No one, Mr. Speaker, has been helped today. No American has been secured. No military has been funded. No military personnel has been supported. No indigent people have been helped, and no medical care has been given to those who are in need. Where was our heart today? I believe at the bottom of our sleeve.

I would simply say, Mr. Speaker, that this is an important time in America's history, a time that we could rise to the occasion and be the Good Samaritan. Tragically we have taken from that laying down, broken person, dying on the side of the street, we have taken from them. We have not given to them.

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

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

SCREENING LUGGAGE AT AIRPORTS

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

Mr. STRICKLAND. Mr. Speaker, I would like to speak this evening about this matter of the airline security, because most Americans when they buy an airline ticket believe that when they get on that plane that the luggage that has been loaded into the belly of that airplane has been screened for explosive devices, and the fact is that it has not. Probably less than 10 percent of all the luggage that is put on passenger planes is screened for explosive devices.

□ 1715

Last week, this House left town on Wednesday evening. We returned this Tuesday at 6 o'clock p.m. We went into session at 10 o'clock this morning. We completed work before 5 o'clock this afternoon. And tomorrow we are told to be prepared to leave town by 2 o'clock in the afternoon. It has been 43 days since those two planes were hijacked and tore into the World Trade towers in New York City. It has been 43 days since the Pentagon was attacked and all those lives were lost. It has been 43 days since those innocent people went down in that plane in Pennsylvania. And we still have not passed an airline security bill in this House of Representatives.

Two weeks ago, the Senate passed an airline security bill 100-to-nothing. Every Senator joined together to vote to protect the traveling public. Yet this House has not acted. Why have we not acted? It is because the leadership here is opposed to making the people who work in our airports, to provide the security for our traveling public,

Federal employees. And they know the American people want this. They know that Republican and Democrat Senators alike wanted it, and they know if it comes to this floor for a vote, it will pass, because a vast majority of the Members of this House believe that those employees should be Federal employees, well-trained, well-equipped, well-paid professional people who are charged with the responsibility of keeping us safe when we fly.

Many Americans are shocked to learn that in some of the major airports in this country, up to 80 percent of the employees who provide this security are noncitizens. They are noncitizens of this country. They receive little more than minimum wage. They received a day or two of training. Some of them receive less training than they would receive if they were hired by Starbuck's to sell coffee in our airports. Yet they are charged with keeping our airports safe and making it safe for us and our families and our loved ones to board those planes.

It is shameful in my judgment that we are wasting so much time in this House, that we are completing work before 5 o'clock in the evening, that we are leaving town tomorrow in the early afternoon and not returning until 6 o'clock next Tuesday without acting on this airline security bill.

We do not want Americans to be afraid to fly but Americans have a right to know. They have a right to know that today when they get on an airplane, it is likely that 95 percent of the luggage that is in the belly of that airplane has not been checked for explosives. They need to know that as they make decisions about themselves and their families and whether or not they want to fly. And we need to understand that if we want this economy to go downward, we will lose another plane or two and people just simply will refuse to get on our airliners.

We can do this. The technology is there to check for explosive devices. We just simply do not have the will to make the decision to make it happen. Yesterday my friend the gentleman from Washington (Mr. INSLEE) and I went to the Committee on Rules. We wanted a part of this stimulus package to provide the financial resources to enable our airports to have these devices that could check for explosives. That certainly was not made a part of today's package which passed here on the floor of this House. But if we lose an airliner as a result of an explosive device being placed on that airliner, the responsibility is going to be in this House and it is especially going to be on the leadership of this House if they do not move this bill forward. Bring it to the floor, let us debate it, let us vote. We owe this to the American people. The American people want it, and I believe as they become increasingly aware of the dangers they face that they will demand it.

Mr. Speaker, we ought to do this and we ought to do it this week rather than waiting to some later time.

REPUBLICAN STIMULUS PACKAGE IN JEOPARDY

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

Mr. DEFAZIO. Mr. Speaker, about a week ago, the Secretary of the Treasury, Secretary O'Neill, referred to the Republican so-called stimulus package as a showboat plan. He implied that it was going nowhere with the administration, that it did not support many of its provisions. I guess I would say after the vote on the floor of the House today, we could say that the showboat is listing, taking on a lot of water and about to sink. By the narrowest of margins, despite the larger Republican majority, the bill passed the House by three votes today.

It is not going anywhere. Why is that? Is that because the Members of the United States House of Representatives do not care about the economy, do not care about the millions of people who have lost their jobs, do not have continuation of their health insurance? No, it is because they knew that this bill was a charade, a farce. This bill does nothing to help average Americans, working families, those who have lost their jobs, the small businesses that have been hit by the recession and are struggling to make ends meet. No, it goes and gifts the largest, most profitable corporations in America, those who have to have a special provision in the tax bill, that have been able to shelter so much income that they do not have any apparent taxes, they have to pay something called the corporate alternative minimum tax. This was a reform put through by a Republican Senate, a Democratic House and signed into law by Ronald Reagan because of the outrages of the 1980s, when the largest, most profitable corporations of the world were not paying any taxes, who in fact were getting rebates for taxes they had not paid. So this loophole was shut.

Guess what? They just blasted it back open again. This bill would provide $25 billion, paid for out of the Social Security Trust Fund, in retroactive tax rebates to the largest, most profitable corporations in the world. That is an outrage. $2.3 billion to the Ford Motor Company, $1.4 billion to IBM, $833 million to GM, $671 million to GE, with no requirement they pass on a penny to their workers, the workers they have laid off because of the recession, without a single word saying, they might cover the health insurance of those they have laid off because of the recession.

No, in fact this money is a retroactive gift under the Republican version of a stimulus package which will do nothing to stimulate the economy, do nothing to help those workers or their families, do nothing to help small businesses who are crying out for relief.

There are even more outrages in the bill. The bill also has $20 billion of tax incentives for corporations to make investments overseas. I guess the Republican majority is concerned about burgeoning unemployment in the Third World or in Europe or Japan or elsewhere but not here in the United States of America. They have given a bigger pile of money to corporations as a tax break, $20 billion, for overseas investments than they put in here to help out America's working families and small businesses who have been hit so hard in this tumbling economy. This is outrageous.

This follows on the heels, of course, of the $16 billion airline bailout bill which, of course, did not contain a penny for workers or workers' health insurance or extended unemployment or even aviation security. None of those things are in the bill. But we were told at the time when I raised objection, offered a motion to recommit on the floor, wait till next week. Well, it is 5 weeks later. Guess what? We are still waiting for some assistance to those airlines workers and people in related industries and small businesses like the travel agents who have been hit so hard. Nothing has been done for them. We are still waiting for one penny to be appropriated by this House of Representatives for aviation security. We are still waiting for a comprehensive aviation security bill. All those things can wait. But a retroactive repeal of a tax provision that closed a loophole cannot wait. That had to be rushed through this House today.

We just cannot wait to see the way those corporations will spend the money. I am sure they will put millions to work. Well, maybe not. Maybe they will give the money in dividends to stockholders, maybe they will give bonuses to the CEOs because they were able to maneuver this kind of a tax break through the Congress. It is not likely it will flow into the pension funds that have been raided by IBM and others. It is not likely that it will flow to the workers who have lost their jobs. It is not going into extended unemployment benefits. It is not going to give health insurance coverage to those people. This is simply an outrage.

That is why this was such a narrowly divided vote in this House of Representatives. Not because we do not care, that we do not want to do what is right by the American people and the economy. We do. That requires a combination of assistance to people who have lost their jobs and small businesses that have been hit hard. That should have been one element of the bill; targeted tax cuts, those that would increase investment, increase jobs; and, third, investment in America, the transportation infrastructure of this country in a fiscally responsible way. That would have been a true recovery package. Maybe we can still get there if the Senate has the guts to stand up to the minor part of the majority here in the House.

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

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

TRADING OUR FREEDOM FOR OIL

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

Ms. KAPTUR. Mr. Speaker, tonight I would like to speak a bit about trading our freedom for oil.

Imported oil and the politics it attends have reared their ugly heads too often in modern history. Osama bin Laden's vengeance reveals its newest facet. President Jimmy Carter was right when he said that the Arab oil embargoes of the 1970s, and the economic havoc created here at home, constituted the moral equivalent of war. With public consciousness high at that time, our Nation created the Department of Energy to put America on a course to become more energy self-sufficient. Conservation saved millions of barrels per day, more fuel-efficient cars stemmed the growth of rising petroleum usage, and small efforts were made to develop alternative fuels.

But in reality, America was not really committed to a nonpetroleum future. By the 1990s, America had fallen asleep again. Foreign petroleum constituted half of U.S. consumption, with its share of total volume rising each year. Serious work on other fuel alternatives was largely ignored. Billions of dollars of U.S. tax subsidies continued to flow to the petroleum industry. Even the U.S. defense budget grew, including standing forces in Saudi Arabia, our largest supplier, to protect our foreign oil sources. By 2000, the U.S. imported over half of its petroleum, expending billions of dollars annually while foregoing that investment domestically.

The current recession, too, has been triggered by rising prices of imported petroleum. The U.S. engaged in the Persian Gulf War after Iraq invaded Kuwait to take over its oil fields. No longer working through surrogate heads of state like the Shah of Iran, the United States became directly embroiled in Middle East oil politics in that war. Then the subsequent, decade-long U.S. containment bombing of Iraq's no-fly zones ensued. What an irony of modern history, that as our Nation bombs Iraq, we continue to purchase billions of dollars of Iraqi petroleum. Meanwhile, in Saudi Arabia, 5,000 U.S. troops have been stationed to regularly defend the trade path for U.S.-bound oil out of the Straits of Hormuz and into the Arabian Sea headed to our shores.

Now America is at war again. This time our enemies are oil kingdom zealots whose wrath grows out of the very undemocratic regimes that weaned them. In these places, Saudi Arabia, Oman, Yemen, even Sudan, oil trade over the decades has not brought freedom nor democracy. Trillions of U.S. consumer dollars have flowed to the oil kingdoms and yielded unrepresentative governments, some tyrants, great poverty, poor education, gender bias and political instability. Indeed, trade without freedom has yielded a virulent hate towards America, equal to that directed against the oil kingdoms themselves.

□ 1730

America must remove oil as a distorting proxy for our foreign policy. America can do this. It will take Presidential leadership and the leadership of this Congress, the kind of leadership less allied to the Carlyle Group and more allied to America's independence.

As a consumer, I want to purchase an ethanol-powered car. Even though Detroit makes such a car, I cannot buy fuel for it at the pump. The oil industry has a lock on fuel sold to American consumers. But every time I buy a gallon of gas, I am angry because I know half of my money flows offshore into the pockets of cartels in undemocratic regimes.

The American people must be freed to purchase a broader range of fuels. The lock of the cartels on our gas pumps must be broken. The Government of the United States should employ its antitrust powers to free our consumers at the pump, free us to purchase the fuel of our choice. For me it is ethanol produced by farmers in the Midwest. Let me buy it.

Putting America on a solid energy footing will require national leadership, and our Federal Government must spur America forward, akin to the dawn of the space age and the establishment of NASA.

We must demonstrate will here at home first. Becoming energy self-sufficient makes global economic sense too, because over the next 15 years world oil reserves will begin diminishing, with prices rising even higher with each barrel pumped.

There is no more opportune time for our Nation to get serious. Let us free America from its dependence on foreign petroleum.

NATIONAL BREAST CANCER AWARENESS MONTH

The SPEAKER pro tempore (Mr. FLAKE). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from West Virginia (Mrs. CAPITO) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mrs. CAPITO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. CAPITO. Mr. Speaker, I rise today in this special order to talk about a topic of great importance to all Americans, and in particular it has become a great focus of the Women's Caucus here in the United States Congress, and that is October being Breast Cancer Awareness Month.

Breast cancer impacts all of us in America in some way. Whether it is a family member, a friend, a neighbor, an acquaintance, someone who goes to church with us, we have all been touched in one way or another by breast cancer. So we are going to talk a lot tonight about breast cancer and breast cancer awareness and cures for breast cancer.

As a member of the Women's Caucus of the House, I would like to yield to the gentlewoman from Illinois (Mrs. BIGGERT), who is the cochair of the Women's Caucus.

Mrs. BIGGERT. Mr. Speaker, I would like to thank the gentlewoman from West Virginia (Mrs. CAPITO) as the Vice Chair of the women's conference for leading this Special Order, along with my cochair of the women's conference, the gentlewoman from California (Ms. MILLENDER-MCDONALD). I am delighted the two of you could do this tonight. It is so important that we do this and recognize October as National Breast Cancer Awareness Month.

For far too many Americans, no month of awareness is needed to remind them of breast cancer. On a daily basis they and their families and friends are well aware of the existence of this disease. Next to skin cancer, more women in the United States, about 2 million, live with breast cancer, more than with any other form of cancer. This year, some 233,000 women will be diagnosed and more than 43,000 will die of this terrible disease.

I think it is fair to say that we are all well aware, some painfully aware, of breast cancer. But as the American Cancer Society so succinctly put it, our challenge is to turn awareness into action. Let us turn October into breast cancer action month.

What does this mean? Well, first it means breast examinations. Thanks to early detection techniques, breast cancer can be beaten and life can be extended. That is why it is so important for women to have a clinical breast examination at least once a year. Between the ages of 35 and 40, a woman should have at least one mammogram, and then one every 1 to 2 years, until the age of 50. After age 50, women should get a mammogram each year. That is action.

Second, in addition to early detection of breast cancer, we must support research to find a cure for it. Many of our colleagues and I did that when we strongly supported doubling the funding for the National Institutes of Health as well as increasing the funding for the Department of Defense's Peer Review Breast Cancer Research Program. That is action.

Now, while scientists have made tremendous advances in the diagnosis and treatment of this terrible disease, there still is much more to be done. In recent years there has been much discussion over the link between the environment and breast cancer, and I believe it imperative for scientists to continue to examine this issue.

This body was good enough last year to grant my request to fund a study to examine why the breast cancer mortality rates in my home county of Du Page in Illinois are so much higher than in the rest of the State and the country. We do not know whether it is environment, socio-economic status or other demographics; but we are hopeful this study will shed some light on it.

Mr. Speaker, whether it is through a family member or a friend, everyone has been touched by this horrible disease. We are aware of breast cancer. We must ensure our awareness turns to action. While we do not know yet how to prevent breast cancer, we do know how to help women detect it early and treat it more effectively once it is found. The successes of recent years give me tremendous hope that we will conquer breast cancer. We must all continue to work to achieve this goal and ensure a healthier future for the many women and men who will face breast cancer during their life times.

I am so happy we are doing this Special Order tonight to raise that awareness and that we can take the action. So, again, I thank the gentlewoman.

Mrs. CAPITO. Mr. Speaker, I thank the gentlewoman for her contributions, not only tonight in discussing an important issue, breast cancer awareness and cures and action, but thank her also for the efforts she has done on behalf of the women of the House and the women of America in terms of shedding light on a lot of issues, health and economic issues. I applaud her for all of her issues.

Mr. Speaker, I yield to the cochair, the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, I thank the gentlewoman so much. I join with my cochair, the gentlewoman from Illinois (Mrs. BIGGERT), and all of the women of the House, in recognizing this month as Breast Cancer Awareness Month, and to say to the women out in the audience and across this country that we wish for you the very best in health, but please get tested for this very important, important illness that is before us.

You know, Mr. Speaker, as my cochair has mentioned, October is recognized as National Breast Cancer Awareness Month; and as the women of the caucus come today in this hour to talk about its importance, we also know the importance of funding; funding for education, funding for early detection through research, funding for treatment and testing. All of those are critical elements in the fight against breast cancer now.

We do recognize that breast cancer is the most common form of cancer in women in the United States and its cause and its cure remains undiscovered. In 2001, 192,000 new cases of female invasive breast cancer will be diagnosed, and 40,200 women will die from this disease. We recognize also, Mr. Speaker, that breast cancer is the second leading cause of cancer death among all women, after lung cancer being number one. But it is the leading overall cause of death in women between the ages of 40 and 55. This is why it is critical for women, especially women from low-income families, to get tested and treated for any trace of breast cancer.

In the United States, one out of nine women will develop breast cancer in her lifetime, a risk that was one out of 14 in just 1960.

This year, breast cancer will be newly diagnosed every 3 minutes and a woman will die from it every 13 minutes. Fundamentally, when breast cancer is detected and treated early, the survival rates improve. We have seen that, Mr. Speaker, in the death rates in women between 20 and 69 years of age, which declined by 25 percent in 1990. But, again, early detection and treatment are really the areas to credit that decline.

Early detection is the key to surviving breast cancer. Mammography is the best method of breast cancer detection. Mammography can detect cancer several years before a woman or her health care provider can through the testing, to feel for a lump.

Throughout this month of October, many mammography facilities around the country will offer reduced fee or free screening and extended hours. We urge women from low-income families to check their health facilities, because this month there will be many reduced fee and free screenings for women. There will also be extended hours. So we urge women to go and get this testing.

We also encourage women to protect their health and well-being by taking advantage of the mammography services in their communities. There are hundreds of community-based breast cancer resource programs around this country. They provide information about breast cancer, services to breast cancer patients and their families, and are committed to raising money in the fight against breast cancer.

In my district of Compton, California, which I represent that city, the Relay for Life program raises awareness, money for detection, and celebrates survivorship. I am pleased with the women who are part of that Relay for Life program. Twenty-three teams of local citizens participated and raised over $20,000 for breast cancer research and education just last year. This Relay for Life program in Compton stands as an example of what we can accomplish if everyone joins in an effort to collectively beat the odds.

As we well know, the sale of the breast cancer stamp has already raised over $22 million in 3 years since its inception. I have teamed with my colleague, the gentlewoman from New York (Mrs. KELLY), on H.R. 2725 to extend the stamp for an additional 6 years. With bipartisan support from over 206 Members of the House, this bill will provide funding for breast cancer research, incurs no cost to taxpayers or the Government, has gathered bipartisan support by more than four-fifths of the Senate representing all 50 States, and standing as the most supported bill in this body since perhaps many a year. It stands among the 28 most widely supported House bills of the 107th Congress. It requires no new administrative procedures and allows for the creation of additional postal stamps on any other issue.

I hope my colleagues will join the 206 Members who are trying to make a difference with this legislation in trying to really find a victory and hopefully finding a cure for breast cancer. This summer I even went a step further and introduced H.R. 2317 that would have made this breast cancer stamp permanent.

It is imperative, Mr. Speaker, that we support the efforts of community-based organizations and women across this Nation to raise the awareness and provide support to breast cancer patients and support legislation that will increase Federal funds for research and lead to improving the treatment for women so that this life-threatening condition can be eliminated.

Mr. Speaker, I invite my colleagues to raise your voices, open your hearts, and strengthen your resolve to educate communities for the fight for adequate funding, so that women can maintain their health and vitality.

At this time I would like to thank the American Cancer Society and the Susan G. Koman Breast Cancer Foundation for their strong efforts in the awareness, the treatment through funding, and for their different programs that they have in providing the Beat Cancer pins and ribbons that we are using today and also for their many efforts.

□ 1745

I will just yield back now to the gentlewoman from West Virginia (Mrs. CAPITO), as we have several speakers on this side of the room who wish to speak.

Mrs. CAPITO. Mr. Speaker, I would like to thank the gentlewoman from California for her wonderful advocacy in terms of raising the awareness of breast cancer today, but I would also like to thank her for, as a new member of the Women's Caucus, and as a new woman Member to the House, for her leadership on so many issues. I have learned a great deal in the Women's Caucus meetings that she and the gentlewoman from Illinois (Mrs. BIGGERT) put together.

Mr. Speaker, we all know that breast cancer, while it strikes women in much greater numbers, men are also many times victims of breast cancer, but

men can also be victims of breast cancer because many times their wives or daughters are stricken. So I am pleased to have here today the gentleman from Michigan (Mr. EHLERS) to speak on breast cancer awareness.

Mr. EHLERS. Mr. Speaker, I thank the gentlewoman for yielding. I must confess I feel a bit like an intruder as the only male speaker here this evening. But I did want to express concern and appreciation and also give a little perspective on it from someone who is a bit older than most of those speaking tonight.

I remember some years ago when breast cancer was unmentionable, and it was a very serious mistake in our society, because my experience was that up until the 1950s, suddenly someone would die and you would say, what happened, and the response would be, oh, she had breast cancer. There was no discussion of it ahead of time. There was no discussion in the media or among the public about the disease, about its causes, its cures and so forth.

I want to rise, first of all, to pay personal tribute to one of my heroes, and that is Betty Ford who occupied the White House, and she was the first American woman who openly discussed breast cancer and opened the floodgates for the women of this country. Ever since then it has been a topic discussed very freely; there is constant information available about the nature of the disease, how to detect it, how to prevent it that simply was not around before that. This is one reason, incidentally, that I nominated her for the Congressional Gold Medal 2 years ago at the same time I nominated her husband. It is the first case in which both a President and First Lady received a Congressional Gold Medal, but I felt she deserved it as much as her husband because of what she had done in the area of breast cancer.

I want to mention something else that is rarely known or noticed or discussed, and the gentlewoman referred to it a moment ago in her introductory comments, and that is that men also have breast cancer. It is far less frequent, but almost always undiscovered until it is far advanced, because most men simply do not know that it is a male disease also, and we should be aware of that.

One other point I would like to make, and this wanders a bit from the topic, so I hope my colleagues will allow me to do that. But in my work on the State level chairing the Public Health Committee and analyzing the situation, I discovered that prostate cancer for men was at the same awareness level that breast cancer for women was in the 1950s. Men did not talk about it. Men did not get the exam and so forth. I am very pleased that in my position there I was able to get money appropriated to publicize this, to provide for public exams and so forth. We must publicize that in this country as well. This is not a hidden disease, as breast cancer was not, even though we treated it that way a half a century ago. Currently, the fatality rate for prostate cancer among men is greater than the fatality rate for breast cancer among women. We really have a lot more to do in that area as well.

So I appreciate the gentlewoman scheduling this Special Order. It is absolutely essential to call attention to the need for more mammograms, more detailed mammograms, and I am pleased as a scientist that we continue to make progress in the quality of mammograms. My wife has kept me fully informed of this, as an experience that used to be very, very painful and not very valuable has now become virtually painless. The quality of the last mammogram she had, as she recounted it to me, was simply exceptional, and I am very pleased to see these continuing scientific and medical advances. I am also very, very grateful that the cure rate is getting so much better. I have so many friends who are survivors of breast cancer, 3 alone just in the past year. I am just grateful that we continue to make advances in treatment and cure as well.

So I thank the gentlewoman again for having this Special Order. It is absolutely essential to call attention to this. Let us make sure that all of us work together, male and female, Republican and Democrat, to ensure that we eradicate this horrible disease.

Mrs. CAPITO. Mr. Speaker, I thank the gentleman. I enjoy his insight into not only the possibilities of males having breast cancer, but I think we need to raise the awareness of that, and then the hope that we all have to find this, eradicate it, find a cure. So I am pleased that the gentleman was able to join us this evening.

Mr. Speaker, I yield to the gentlewoman from California.

Ms. MILLENDER-McDONALD. Mr. Speaker, we do thank the gentleman for coming today, because although we recognize that it is not an alarming number of breast cancer victims on the male side, still men do get it, so I thank him so much.

Ms. CAPITO. Mr. Speaker, I yield at this time to the gentlewoman from California (Ms. ESHOO), an outstanding member of the Women's Caucus.

Ms. ESHOO. Mr. Speaker, I thank the gentlewoman from California, my colleagues on the Republican side of the aisle, and everyone that is here tonight to raise the flag during October, which is National Breast Cancer Awareness Month in our Nation. It is a very important time for everyone in the country, and I thank our colleague for just talking about yesteryear when breast cancer, 2 words, really were not uttered. It was a source of embarrassment, it was a secret, it was something that was just between a woman and her physician, and that has changed, and it has changed enormously.

Today, in the year 2001, while we do not know or have not found a cure for breast cancer, much has been done in order to make progress to reach that goal. That is why I think October is especially important.

Today, October 24, is the first anniversary to the day that a bill was signed into law that so many of us were a part of. Now, one might think that legislation that was written some time ago to address underinsured and uninsured women relative to treatment would be an absolutely simple idea that would flow through the Congress. Well, while we had more than a majority of Members that had signed on to the bill, there were still enough Members in the Congress to play havoc with it and to play politics. But a year ago today, that bill that I referred to, and my colleagues that are here right now were the stalwarts that helped raise this up and make it a law, the breast and cervical cancer bill was signed into law.

Now, what was that bill all about and what has happened in a year's time? I think it is unprecedented.

First of all, we have constituents that came to us that were able to take advantage of a program that a much earlier Congress, and I believe the gentlewoman from New York (Ms. SLAUGHTER) was a part of at that time, where women could apply through a program of the Centers for Disease Control, the CDC, they could go locally and be able to get the tests that would tell them what shape they were in, essentially. It is a very good law and there were many women who applied for that and were able to use it. However, the Congress had not taken the necessary steps that once any of those women were detected to have breast cancer, that they could then seek treatment. So we essentially said, we will help you find out, but when you find out that you are victimized by this disease and also by a lack of insurance coverage, by the way, in this country, that you were on your own. There was story after story that came to us, because we had hearings on this, and the legislation was written.

Today, because of the law that was signed into law, the bill that was signed into law, there are now I believe 33 States that have taken up the call to use the funding that we fought so darn hard for in this bill. We had to have money in the bill to encourage States to place monies next to Federal dollars in order to carry out the treatment of these underinsured and uninsured women.

Now, who are these women? They are the women that we meet in the coffee shop that wait on us, the waitresses, the older women that went into the workforce later on in their lives, but spent most of their lives raising their children. Sometimes their husbands left them. They had absolutely no insurance coverage whatsoever.

So I think that the Congress did a very, very good thing a year ago today. I know it was a great day of victory.

What I want to bring into focus this evening is how important women and their families are across the country, because were it not for the advocates

that constantly came to the Hill, that sent their e-mails to Members and to key Members of Congress to make this happen, all under the umbrella, really, and the organizing genius of the National Breast Cancer Coalition in our country. They came to Washington over and over again. Their stories inspired us. By the time this bill was signed into law a year ago today, there were women that had come to the Hill that did not enjoy the news because they had lost their lives to breast cancer.

So I want to salute the National Breast Cancer Coalition in our country for the work that they did to help make this possible.

I would like to read into the RECORD the States that are now participating in this program, and they are in alphabetical order. I think it is a real honor. Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Michigan, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Washington State, West Virginia, and Wyoming.

So if anyone in the Congress wonders whether we can make a difference, whether when we raise our voices to change a system, to add on to it, to pay attention to our constituents and their stories, we can indeed make a difference in our time, we can do something noble that is going to enhance the lives of American families.

So thank you to those families, thank you to the advocates, thank you to the women of the Congress.

Mr. Speaker, when we run for office, we are so often asked, especially as women, do you think that we should vote for you just because you are a woman? My response during my campaign was, no, that is not enough. But understand that when women go to the Congress, they take their life experiences to that public table. We know we have very complicated bodies. We know that mammography and its standards needed to be raised. It was the women in the Congress that did that.

Mr. Speaker, I would like to place into the RECORD my thanks to a very courageous man in the Congress and that is our colleague, the gentleman from Pennsylvania (Mr. MURTHA). He has been really the guardian angel of and created the funds through the Department of Defense, $175 million, that is directed toward the research for breast cancer, and he is recognized across our Nation and our Women's Caucus for the work that he does really very quietly year in and year out. So we pay tribute to him.

Mr. Speaker, I want to say to the women that are tuned in this evening and might be listening to us that we hope that we have made you proud of not only the Women's Caucus, but the women that have come to the Congress. I want to salute my colleagues, past and present, upon whose shoulders we stand. I see the gentlewoman from New York (Ms. SLAUGHTER) is here who, before I came to the Congress, was doing this work. I want to thank my colleagues that are the cochairs of the Women's Caucus. It is a very important vehicle.

□ 1800

I know, as Auntie Mame says, that we have miles to go and places to see, but we will continue that fight. We will not rest until we find the cure for this disease that has victimized too many.

Mrs. CAPITO. Mr. Speaker, I thank my colleague, the gentlewoman from California (Ms. ESHOO), and I commend her for her hard work in this area.

I was extremely gratified to see that when they got to the W's, that she did name West Virginia as one of the States taking advantage of those very, very critical funds in terms of breast cancer detection.

Mr. Speaker, I yield to my colleague, the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I thank my colleague, the gentlewoman from West Virginia, for yielding time to me. I appreciate being able to stand here. It is an honor to join with my colleagues on this important topic of breast cancer and Breast Cancer Awareness Month being in October.

Mr. Speaker, our colleague who just spoke referenced the fact that when we women come to Congress, we bring our life stories with us. I have in front of me as I speak today the face of my sister, my sister Frieda, who a year ago was going about her life, but in the ensuing months in November got the report back from her mammogram and then her biopsy, and indeed, needed to go through that whole year of treatment, which was surgery on both breasts and followed by chemotherapy, followed by radiation. It is a very daunting challenge that so many women face across this country.

So I speak of this opportunity in this place; but I speak also about my sister, and all the many sisters we have across this land today.

It was indeed a highlight of mine in the last session of Congress to be a part of the effort, it really felt like a groundswell, to see enacted the Breast and Cervical Cancer Treatment Act which my colleague, the gentlewoman from California (Ms. ESHOO), just referred to, and highlighted and outlined its importance.

It is an honor for me to be part of the legislation which is currently finding its way, the bill by the gentlewoman from North Carolina (Mrs. MYRICK) and the gentlewoman from New York (Mrs. LOWEY), which requires that NIH conduct studies to see if there is an environmental connection between breast cancer and the statistics that we find ourselves with today.

I am pleased to be part of the effort to reauthorize the breast cancer stamp, which has generated so much needed revenue for breast cancer research and efforts.

I am proud to be part of the effort to double the funding for the National Institutes of Health, where so much important research continues in this area.

We must not forget that it is a very vital part of the Patients' Bill of Rights, the reforming that is needed for our managed care system which will allow the inclusion of clinical studies to be part of health insurance plans.

But I want to also give recognition to the important, remarkable work that women have done across this country on their own, the coalitions that have built up: the Race for the Cure; the event that just transformed my community this last weekend, the Avon three-day event.

On last Friday morning, 3,000 folks came out to send off the team taking part in this major fundraising effort to raise awareness but also funding, funding that is so needed in the area of breast cancer research and treatment.

It is the national breast cancer coalitions indeed, as has been mentioned already, which have spearheaded much of the legislation that we are following through with here. That is the way it should be done.

The inspiration comes from the lives and hearts and communities where women and their families and their loved ones, and men as well, face the diagnosis, are strong in the face of it, and go forward.

As the situation has changed over the years with breast cancer, I give great credit to those who were out in front insisting that it be a topic we talk about, insisting that it have its place in our research dollars and in our treatment efforts, and that it be also such an important part of the awareness of all people in the country, and those women who seek to have treatment after a diagnosis; and that they are willing to go through that and have their treatments and exams each year.

Then I will close with my own story, because 2 weeks ago it was my turn to go for my annual mammogram, which I do every year, and to have come back some questions, some doubts; and to have the radiologist sit down with me and say, I think you need to have a stereotactic biopsy. My heart began to pound, even though I knew that the chances are that it could be benign. All women who face this in the waiting room of whichever place they go for screening know that feeling.

So I was scheduled and had the biopsy. Then you wait again for the news from the surgeon. I am very grateful that my story was good. At this point it is negative. I will follow the course of revisiting, re-examinations. I will be faithful in doing that.

But as I stand here and talk about this very personal experience for me, I am aware that today in this country there are places where women do not know to go to get a mammogram;

where it is hard to find the clinic, it is hard to get time off from work to do it, it is hard to make these pieces come together.

Also, there is a lot of fear still in the hearts of people across this land. This word ''cancer'' is a scary word and an ominous word, and one that we want to put under the bed and under the carpet and not have to face it.

I urge those who are part of our discussion this afternoon to spread the word to acknowledge the fact that, yes, there was once a time when it was truly something to be terrified of, but though it is still a tough diagnosis, that the treatment rate is so much advanced, so much improved; that there is much hope there. We stand here in Congress able and willing to continue the work so that one day it will not only be a treatable disease, but one that we can look forward to its elimination.

Mrs. CAPITO. Mr. Speaker, I would like to thank my colleague, the gentlewoman from California, for her insight and for sharing her personal story, because I think it shows that a proactive approach to diagnosis does not necessarily end in a bad way; but it ends in a way to put one on high alert, so one knows as the years and months go by that we need to be retested and relooked at and be very aware of how our bodies are developing.

Mr. Speaker, I yield to my colleague, the gentleman from Georgia (Mr. KINGSTON), who has come in to share some of his insights into breast cancer and breast cancer awareness. I thank the gentleman for joining us today.

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman from West Virginia for yielding to me and want to thank my other colleagues for the hard work they have done over the many years on this important issue.

As a member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations, this is something that we have made a priority with the FDA in terms of breast cancer testing and screening.

I remember years ago the FDA gave us an example of something that they had not yet approved of, and it was a self-testing device that was a very thin piece of kind of a rubbery substance maybe about 6 inches in diameter. It was a circle, and you would apply it to your chest, and it was an amazing thing, because it could pick up a grain of salt and make it magnified on the fingertips, so women who wanted to do this sort of self-testing could do it at home. It was not foolproof, but it would raise the awareness level.

Our argument with the FDA is if they just approve this, then people can do this self-test and it will be on their minds. That is one of the things that we need to do is make sure that the testing is on women's minds.

I am very fortunate that my mother has had it on her mind over the number of years, because about 1 month ago she found out, very sadly, and to her shock and our family's sadness, that she had breast cancer. And fortunately, because of her proactiveness, we were able to get a good analysis.

Yesterday she had actually had the operation for it. I talked to my sister in Denver who had flown out from Dallas where she lives and spent the night with my mother in the hospital, and she said that Mom is doing well and should be home tonight.

Just before the gentlewoman yielded the time, I called out to Colorado to get a medical report. I regret I do not have one right now. But last night, after the operation, things were doing well; and so we are all prayerfully standing by.

But think about how fortunate we are in my own family that medical technology is such that a lump the size of a pin's head had been discovered, and that because of this proactivity, Mom is hopefully home tonight, and also will continue to be with us for 50 and 60 or a couple hundred more years.

So this is relevant. This is the type of legislation that affects all of our families. It is the type of activity that we can do in our congressional offices that goes to each American home and family.

I am glad October is Breast Cancer Awareness Month, but the other 11 should be, as well. I am glad we celebrate Mother's Day; but we should also celebrate it not just once a year, but all during the year.

As a boy who traumatically was raised with three sisters, the only boy in the family, I can say, God bless womanhood, I love them all; and I am glad that my sisters have the opportunity to benefit from this legislation, and that my wife and my two daughters will, as well.

So I think the research has to continue, the awareness has to continue, the education campaign has to continue. I am proud to see that the gentlewomen are taking leadership on this and doing it on a bipartisan basis.

Mrs. CAPITO. Mr. Speaker, I thank the gentleman. Good luck to his mother. I know she is in good hands.

Mr. Speaker, I yield to the gentlewoman from New York (Ms. SLAUGHTER), my vice-chair counterpart.

Ms. SLAUGHTER. Mr. Speaker, I appreciate the gentlewoman yielding to me.

I want to join my colleagues in recognizing October as National Breast Cancer Awareness Month, because no disease is feared so much by American women as breast cancer.

At this moment, 3 million women in our Nation are living with breast cancer, 2 million have been diagnosed, and 1 million's cancer remains undetected. In 2001 alone, there will be 233,000 new cases of breast cancer in the United States, making it the number two cancer diagnosis among women. This year, 40,000 women will die of the disease. To put this in perspective, a new case of breast cancer is diagnosed every 2 minutes, and an American woman dies of breast cancer every 13 minutes.

To be sure, we have come a long way in the last few decades. There was a time not so long ago when breast cancer was not considered polite conversation. Women suffered and died in virtual isolation, because no one would talk about this silent scourge.

But today, however, it is different. We have public education programs urging women to have mammograms. Programs are available for low-income women to receive screening; and as of last year, as the gentlewoman from California (Ms. ESHOO) pointed out, with her bill they can get treatment.

It must have been the worst thing in the world, before this bill was passed, to be diagnosed with breast cancer and have no ability whatever to pay for treatment. Chemotherapy drugs are now less toxic and more effective; and we even have a drug, Tamoxifen, that can help prevent or postpone the onset of breast cancer in women who are at high risk.

For the first time since records were kept, breast cancer death rates actually declined during the 1990s. I am deeply proud of the part we played in this caucus in obtaining research funding for breast cancer and in ensuring that women were included in all clinical trials.

But so much more remains to be done. We need better methods of detecting breast cancer. The mammogram is an old technology and an imperfect one. Some tumors can exist for 6 to 10 years before they are detectable with the mammogram machine.

We need to understand the causes of breast cancer, and then determine the steps women can take to reduce the risk. Treatment must be further refined so women can defeat breast cancer and enjoy a long and healthy lifespan.

Mr. Speaker, in my judgment as a microbiologist, the future of breast cancer research lies along two parallel paths: genetic research and environmental studies. Together, these two avenues will lead us to the detection, prevention, and treatment methods of the future.

Genetic research is already well on its way, and scientists have identified four separate genes that indicate an increased risk for breast cancer, and more that we have not yet identified possibly acting in combination with other genes.

Our understanding of the genetics of breast cancer is in its infancy, but it is developing rapidly. We must ensure, however, that genetic information is used to help patients and not to harm them. Genetic information will be a powerful tool, but it must be used for the right purposes.

In order to safeguard genetic information, my colleague, the gentlewoman from Maryland (Mrs. MORELLA), and I have introduced H.R. 602, the Genetic Nondiscrimination in Health Insurance and Employment Act, which

will ensure that health insurance companies and employers will not use predictive genetic information to deny individuals coverage or job opportunities.

I am pleased to report that this bill has the support of 255 bipartisan cosponsors and hundreds of organizations involved in health care issues. I hope very much the House leadership will allow this important bill to come up on the suspension calendar so we can get this done before the end of this year.

□ 1815

It is certain to pass the Senate.

As important as genetics are, environmental factors are proving to be equally significant. Ninety percent of breast cancer victims have no family history of the disease, which means something in their environment is triggering their cancer.

Women are more susceptible to environmental toxins for a number of reasons. First, they are smaller so toxins since have a greater impact. Second, they have a higher proportion of fatty tissue where toxins tend to accumulate; and third, they tend to metabolize toxic substances more slowly.

Women may also be at greater risk for disease since they are often exposed to higher levels of household chemicals. Many women take hormone supplements for birth control or relief of the symptoms of menopause. Women experience greater fluctuations in hormone levels throughout their lives. They may also affect susceptibility to pollutants or to environmental estrogen. This risk may be greatest in puberty due to major hormonal changes and the rapid growth of the breast tissue.

For all of these reasons, we must increase our research into the impact of the environmental factors on women's health. I am proud to co-sponsor the Women's Environmental Health Research Centers Act which would establish six centers of excellence on women's health research around the Nation.

H.R. 183 has the support of 48 bipartisan co-sponsors and the wide range of organizations concerned with women's health.

At the beginning of this century, we are standing on a frontier of an entire new era of medicine where genetic and environmental health research will point us towards entirely new ways of conceiving, detecting, preventing and treating disease. We must ensure that this new information is used to advance the care of all patients and not to undermine their best interests. Neither type of research can take place in a vacuum. Instead, they must proceed interlinked and in parallel. If we can achieve these goals, then we will have in sight the end to the dreadful scourge of breast cancer.

Mrs. CAPITO. Mr. Speaker, I would like to thank my colleague from New York and introduce another colleague, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I join with my colleagues to mark the Breast Cancer Awareness Month and thank the co-chairs of the women's caucus for putting this together tonight.

We have made enormous progress in the fight against breast cancer. We have more than doubled the Federal dollars for breast cancer research since I came here in 1993. This has been the effort primarily of women in the women's caucus, some famous, some infamous, and many men who have been our allies and they have helped us get this funding. In particular, I would like to mention the gentleman from Pennsylvania (Mr. MURTHA), who each year funds breast cancer research in the DOD budget to well over $175 million.

Over the past 20 years thanks in large part to this government-funded research, there has been an explosion in what we know about and how to prevent and treat a disease that is expected to strike over 192,000 American women in 2001.

Breast cancer mortality rates have fallen every year since 1989. We now have a drug that can decrease the chance of developing breast cancer by 50 percent if we detect problems early; and research on new detection and treatment methods is moving forward faster than ever before. Gene expression will isolate the genes that will trigger breast cancer allowing for customized, more effective treatment. Biologically targeted therapies will identify and target proteins and other agents that make cancer cells grow without affecting healthy cells.

Thirty different targeted therapies are now in clinical trials and some are expected to receive FDA approval within 1 or 2 years.

Angiogenesis inhibitors which target blood vessels that contribute to tumor development are also in the final stages of clinical trials. Finally, several different vaccines are in clinical trials, and it is realistic that we will see a breast cancer vaccine in the near future for a disease that strikes one in eight American women during their lifetime. The notion of a vaccine was unthinkable a decade ago. So we are learning more and more about breast cancer all the time, but we have always known that prevention is the best way to treat breast cancer.

An exciting detection method which could supplement mammograms is in the works. Ductal lavage spots unusual changes in cells lining the milk ducts which are the source of most breast cancers. This promises to be a highly effective method for assessing a woman's risk for developing cancer which will give her a vital head start on prevention and treatment planning.

Until additional methods are finalized, women are still best served by monthly breast exams, bi-annual gynecological exams, and annual mammograms. These preventative steps save lives. Mammograms must continue to be a major focus of our legislative action on breast cancer.

There are two pieces of legislation before Congress that will go a long way towards minimizing the fatality rates of the most common form of cancer in women. In May, Senator FEINSTEIN and I, along with the gentlewoman from New York (Mrs. KELLY) introduced H.R. 1809, the Cancer Screening Coverage Act, that ensures that Americans will be covered for breast, prostate, and cervical screening. It would require Federal and private health plans to inform members about and provide coverage for cancer screening. Mammograms and clinical breast examinations would be expressly covered under this bill.

In the 105th Congress, along with the woman's caucus and support from many of my colleagues, I was successful in getting enacted the Breast Cancer Early Detection Act of 1997 which provides for coverage of an annual screening mammogram under part B of the Medicare program for women age 65 and older.

To ensure the continuation of this successful program, which has saved countless lives, we need to update the Medicare payment rate so that mammography centers can stay open. In my city of New York, screening centers have had to close because they could not afford to stay open. They were losing too much money. The reimbursement rates were too low. We must increase the Medicare reimbursement rate for both diagnostic and screening mammography, and that is what the Assure Access to Mammography Act of 2001 will do, which the gentleman from New York (Mr. KING) has introduced and which I am cosponsoring with him.

We must renew our commitment to providing this life-saving technology. The inclusion of mammography coverage by Medicare was a hard-won landmark provision that must be preserved. HHS' center for Medicare and Medicaid have recently proposed cuts in funding for diagnostic mammograms, mammograms for women who have been diagnosed with or are fighting cancer, breast cancer.

Any proposal to cut back treatment for women who need it most is unconscionable and must not stand. We must maintain the Medicare reimbursement rates. This is especially important since Medicare serves as a benchmark for private health plans. What we cut in the public sector is likely to be mirrored in the private sector.

Mr. Speaker, we have come so far in the fight against breast cancer, and this is no time to turn back. I thank the co-chairs of the Women's Caucus for arranging this special order, and I will continue working with them for breast cancer treatment funding research.

Mrs. CAPITO. Mr. Speaker, I certainly appreciate all of the gentlewoman's hard work, many years of hard work. It is an inspiration to all of us.

I would now like to yield to my colleague, the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. GREENWOOD. Mr. Speaker, I thank the gentlewoman for yielding, and I thank the Women's Caucus and all of the sponsors of this special order for taking the time.

I wanted to just briefly reflect on what the advances that we have made in breast cancer have meant to our family. My older sister, Alice, has just been through all of this. She will kill me for saying she is older, but she is just a tad older than I am, I look older. She went through the screening. She learned she had a lump. She had the surgery. She had the chemo. She had the radiation, lost all of her hair but never lost her courage, never lost her character, never lost her love of life; and she has come through it remarkably well. So well that she is now pursuing an advanced degree and living as active and rich and full a life as ever she has.

Had it not been for the money that we have sunk into research in so many ways, I do not think that my sister, Alice, would be with us at this time; and on behalf of her family and my family and our whole clan, I wanted to express our gratitude to researchers and the doctors and recommit myself to continuing to support whatever is necessary in terms of financial resources to continue that research so that not only may our family enjoy the blessings of a cure for breast cancer but millions of others may as well.

Mrs. CAPITO. Mr. Speaker, I certainly appreciate the gentleman coming this evening, and I think it is just another example of how breast cancer reaches all lives, males and females, every family; and I certainly wish the gentleman's sister the best.

In order of appearance, I would like to yield to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I would like to thank the gentlewoman for yielding.

I would like to thank the co-chair of the Women's Caucus, my good friend, the gentlewoman from California (Ms. MILLENDER-MCDONALD), for all the work that we do in the Women's Caucus. It is a difficult task leading a caucus, and I want to commend her on the work that we do as we celebrate Breast Cancer Awareness Month.

I dedicate my comments this evening to four living women who have survived breast cancer: Gwen Chapman, Bobbi Butts, Jacqui Royster, and Marion Brown, and to one who did not survive breast cancer, in memory of Debbie Smith.

Let me tell my colleagues a little bit about Debbie Smith. She and I were assistant prosecutors together; and we shared an office. And the sign outside the office said Smith and Jones, and no one ever believed that it was the truth that our names were Smith and Jones. I dedicate my words this evening on behalf of all of these strong and dedicated women.

I can only think of the great times I have had when we have done the Race for the Cure. It was a shame that this year unfortunately, as a result of the acts of September 11, that the Race for the Cure was cancelled in my city, the city of Cleveland. I was able for the past 3 years to sponsor a group of young women called Teen Lift. I am a member of Delta Sigma Theta Sorority, Inc., and part of the responsibility in being part of Teen Lift was to do a community awareness week or activity. And one of the activities was I used to pay the registration, give them T-shirts; and we would do the Race for the Cure each year.

I also want to talk about the numerous groups in my city who are involved in breast cancer. There is one organization dedicated specifically to minority women, to bring the awareness about breast cancer to the attention of many, many people.

I am also proud to be able to stand up and say that 2 weeks ago I had my mammogram. I had been messing around, not doing it, telling everybody get a mammogram, and I was not doing it myself. So I am very proud to be able to say that I took care of that a couple of weeks ago.

Finally, I would like to also talk about one other issue as we are talking about Breast Cancer Awareness Month. I have legislation pending with regard to uterine fibroid cancer research, another illness that is prevalent among women, but particularly among minority women. It is the highest cause of hysterectomies among women across this country. We need to kick up the information to women about uterine fibroid research and the dilemma it causes women, so women will know about it and less women will have to have hysterectomies.

Again, I am proud and happy that we have the opportunity to celebrate Breast Cancer Awareness Month, and I will be even prouder at the point that we do not have to celebrate it because we will have found a cure.

Mrs. CAPITO. Mr. Speaker, I would like to yield time to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I would like to thank the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from California (Mrs. MILLENDER-MCDONALD) for sponsoring tonight's hour; and Mr. Speaker, I am pleased to join my colleagues on the House floor this evening to recognize National Breast Cancer Awareness Month.

My name is Lynn and I am the daughter of Ginger, who died of breast cancer at the age of 62. Ginger is the daughter of Myrtle, who died of breast cancer at the age of 63. I have outlived them both, luckily. We are in a new time, a new life. I live a healthier existence than they did. I am much more careful, and certainly I have mammograms. Life is different now but families just like mine in succession continue to die of breast cancer.

In 1995 the Northern California Cancer Center announced that women living in Marin County, one of the two counties that I am very privileged to represent, have a one in five lifetime risk of developing breast cancer.

□ 1830

That is the highest in the Nation. This is one of the most affluent areas in the country. So we cannot assume breast cancer is in poor areas. Breast cancer is in every area.

This alarming statistic prompted the formation of the Marin Breast Cancer Watch. This group has been an incredible resource for women and their families in my district as they cope with the realities of our high breast cancer rate. Sadly, though, last spring, the founder of Marin Breast Cancer Watch, Francine Levien, lost her battle to breast cancer. Francine's activism, dedication and friendship brightened the lives of many, many women. While Francine has left us, her spirit and determination have not. It is because of all the Francines across this country that today we share their message and we recognize the hard work that must happen if we are to actually find a cure for this awful disease.

As in Marin County, an alarming number of women are dying from breast cancer across the Nation every year. Equally alarming is that we do not know exactly why. As the number of women diagnosed with breast cancer quickly rises, it is imperative that we learn what causes this disease and we take decisive action so that we can prevent it. Only by understanding where, how and why breast cancer occurs can we develop effective strategies to eradicate it.

We all know that this will take funding beyond what we have already committed, but we cannot rest until the one in seven national statistic is a thing of the past. A growing body of evidence suggests that exposure to toxic chemicals may accelerate the spread of breast cancer. Some suggest this may contribute to the disproportionately high occurrence of breast cancer among women in regions like the San Francisco Bay area. Marin Breast Cancer Watch has led education campaigns within our community in an effort to increase awareness of the relationship between breast cancer and the exposure to outside factors, like toxic chemicals. Because information is power, I have worked hard with appropriators to secure funding over the past several years to help study and document this link.

Mr. Speaker, only by exploring every single angle, especially environmental risk factors, will we be able to conquer breast cancer. As we search for the cause and the cure, we must also strengthen our commitment to treatment options and increase access to cancer care, prevention, and awareness programs. The media often reports conflicting stories about what are appropriate and safe treatment options. However, breast cancer patients have a right to make up their own minds on

the type of treatment that they want. We must give them the tools they need to make informed choices about their health care options.

Women are looking for hope, for progress, for answers. Breast cancer is beyond scary. Let us not make it more frightening by keeping women in the dark about each and every treatment option that is available to them. That is why I urge this Congress to truly support women's health coverage by calling for a vote on important legislation like the Breast Cancer Patient Protection Act and the Mammogram Availability Act.

Mr. Speaker, mothers, daughters, sisters, aunts, coworkers, friends, our nieces are looking to this Congress to lead the fight against the greatest battle they may ever face.

Mrs. CAPITO. Mr. Speaker, quickly, because I know we are running out of time, I want to yield to my colleague, the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Let me thank the gentlewoman for her leadership, but let me spend a moment thanking the co-chair of the Women's Caucus, the gentlewoman from California (Ms. MILLENDER-MCDONALD), for her vision. She has constantly led us with an enormous vision to be able to reach out and speak on behalf of women who cannot speak for themselves, and I thank her very much.

In this time, Mr. Speaker, let me indicate this could not be a more important topic for us to honor, Breast Cancer Awareness Month, and clearly I want to express my appreciation and give tribute to the Sisters Network, an organization founded in my community, but as well a national organization that deals and emphasizes the need to provide information to African American women who have breast cancer.

Clearly, breast cancer is deadly. The cause and cures are still unknown, but there is hope. Today, during Breast Cancer Awareness Month, I am here to say that prevention is the key against breast cancer. During 2001, an estimated 192,000 new cases of breast cancer are expected to occur among women in the United States. It can happen to any woman, including me or my daughter.

From 1995 to 1998, death from breast cancer fell 3.4 percent. However, the number of new breast cancer cases rose 1.2 percent per year from 1992 to 1998. It all involves the history of one's family. Mammography and early detection have helped to raise incidence rates, but we need to do more.

A new study in the July 18 issue of the Journal of the National Cancer Institute finds that an imaging technology called MRI, or magnetic resonance imaging, may be more effective than a mammogram in detecting breast cancer. In this new study, a group of 179 women with a strong family history of cancer underwent a mammogram and an MRI. The MRI detected 13 cancers, seven of which had not been detected on mammography. So I would simply argue that we have a lot of work to do. We clearly have come a long way, but I believe the imaging process is something that we need to utilize in order to ensure that we save more lives.

I am wearing a pink ribbon today, and I wear it simply to say to all the women who may be listening, to my colleagues who have come to the floor, that our simple message is that we want to save lives. The more we can give information to those women, the more we can implore the survivors who I meet every single day, those women who have fought and have survived breast cancer that are now out there telling their sisters that they can save a life by getting an early examination, making sure to get regular examinations, and making sure to respond to what their doctors say, the more likely we are to win this battle.

We can win this battle by information and sisterhood, and I believe today we have shown that.

Ms. JACKSON-LEE of Texas. Mr. Speaker, breast cancer is hard to ignore and has touched the lives of millions of American women and their family and friends. Every three minutes a woman in the United states learns she has breast cancer. It is the most common form of cancer among American women—next to skin cancers, and is second only to lung cancer in cancer deaths in women. Almost everyone knows at least one person who has been treated for it.

Women with a strong family history of breast cancer need frequent, careful monitoring to detect early signs of breast cancer. New drugs, new treatment regiments, and better diagnostic techniques have improved the outlook for many, and are responsible for breast cancer death rates going down.

Mammography has traditionally played a significant role in detecting breast cancer, but better technology is now available.

MRI can better penetrate the breast tissue to find tiny abnormalities, many of which are in the very early stages. MRI can also clarify a questionable mammogram.

Another study by the National Cancer Institute (NCI) and the American College of Radiology Imaging Network (ACRIN) involving 49,500 women in the United States and Canada, compares digital mammography to standard film mammography to determine how this new technique compares to the traditional method of screening for breast cancer. Digital mammography has the potential to provide better detection of early breast cancer.

Digital mammography uses computers and specially designed detectors to produce a digital image of the breast that can be displayed on high-resolution monitors. One possible advantage of digital mammography, she said, is that it may be more effective in detecting cancers in women with dense breasts because it has improved contrast resolution.

Although the equipment for digital costs more than film mammography, there may be fewer callbacks or additional office visits with the new technique and this would save money as well as lessen patients' concerns.

Other techniques for detecting breast cancer are a clinical breast exam, an ultrasound, and CT scanning.

Most professional medical organizations recommend that a woman have periodic breast exams by a doctor or nurse along with getting regular screening mammograms. A breast exam by a doctor or nurse can find some cancers missed by mammography, even very small ones. Currently, mammography and breast exams by the doctor or nurse are the most common and useful techniques for finding breast cancer early.

Ultrasound works by sending high-frequency sound waves into the breast. Ultrasound, which is painless and harmless, can distinguish between tumors that are solid and cysts, which are filled with fluid.

CT scanning uses a computer to organize information from multiple x-ray, cross-sectional views of a body's organ or area. CT can separate overlapping structures precisely and is sometimes helpful in locating breast abnormalities that are difficult to pinpoint with mammography or ultrasound.

Mr. Speaker, early detection is the key to preventing breast cancer. While death rates from breast cancer are falling, and while there are a number of exciting new strategies being developed, a lot more still needs to be done. We need to consider new technology, as well as reinforce traditional detection techniques, as part of our commitment to beating this deadly disease.

Mrs. CAPITO. Mr. Speaker, I wish to thank my colleagues for joining me, and especially thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for her leadership.

I would like to say briefly that everyone's passion is personal. My personal passion is the mother-in-law I never had, who died from breast cancer at a very early age. My children never met their grandmother or their great grandmother or their aunt. So we have to find a cure for this horrible disease.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I want to thank the gentlewoman from West Virginia for her leadership as well. She is one of our new Members and she has done extraordinarily well tonight on the floor, and I wish to thank her.

Ms. WATSON of California. Mr. Speaker, Breast Cancer is at an epidemic level and will affect more than 100,000 women in the next five years. I have followed the development of information on this issue and I have carried legislation providing screenings, testing, mammograms and treatment for women, particularly poor women. I have found that women of color are less informed and are likely to receive treatment too late. As a result, when cancer is detected, it is often too late!

We need to provide free Breast Cancer screenings, mammograms, adequate treatment and posthesis for poor and underprivileged women. I firmly believe that outreach programs are necessary to disseminate important information and are essential in protecting the lives of our loved ones!

Mr. GILMAN. Mr. Speaker, I rise today to inform our constituents, men and women, that October is National Breast Cancer Awareness Month. Since the early 1970s, the incidence of breast cancer has increased 1.5 percent per year and has only recently shown signs of leveling off. An estimated 192,200 new invasive cases of breast cancer are expected to occur among women in the United States this year.

And an estimated 40,200 women will die from breast cancer. In fact, Rockland County in my Congressional District was recently determined to have the highest incidence of breast cancer in the entire Nation. This is a distinction I would prefer that my district did not have.

The most important message we can send to the women of our Nation is that early detection is key to beating breast cancer. Early detection increases one's chances of survival and there are a number of ways to screen for breast cancer. Women aged 20 and older should perform monthly breast self-examinations, women aged 20–40 should have clinical breast exams done at least every 3 years and women over 40 should have clinical breast exams and mammograms performed annually.

Breast cancer in men is rare, but it does happen. In 2001, it is estimated that 1,500 men will be diagnosed with breast cancer, and 400 will die from it. The survival rate of men and women is comparable by stage of disease at the time of diagnosis. However, men are usually diagnosed at a later stage, because they are less likely to report any symptoms. Treatment of breast cancer is the same as treatment for women patients and usually includes a combination of surgery, radiation, chemotherapy, and/or hormone therapy.

The causes of breast cancer are not fully known. However, health and medical researchers have identified a number of factors that increase a woman's chances of getting breast cancer. Risk factors are not necessarily causes of breast cancer, but are associated with an increased risk of getting breast cancer. Importantly, some women have many risk factors but never get breast cancer, and some women have few or no risk factors but do get the disease. Being a woman is the number one risk factor for breast cancer. For this reason, it is important to perform regular breast self-exams, have clinical breast exams, and have routine mammograms in order to detect any problems at an early stage.

While many risk factors such as getting older, having a mother, daughter, or sister who has had breast cancer, having the mutated breast cancer genes BRCA1 or BRCA2 or having had breast cancer are not controllable, many factors are. These include: having more than one drink of alcohol per day, taking birth control pills for 5 years or longer, not getting regular exercise, currently or recently using some forms of hormone replacement therapy (HRT) for 10 years or longer, being overweight or gaining weight as an adult or being exposed to large amounts of radiation.

Bear in mind, that even if you feel perfectly healthy now, just being a woman and getting older puts you at risk for breast cancer. However, getting checked regularly can put your mind at ease. And finding cancer early could save your life. That's why National Breast Cancer Awareness Month is a significant endeavor.

HOMELAND SECURITY SHOULD BE PRIMARY CONCERN OF CONGRESS

The SPEAKER pro tempore (Mr. FORBES). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am here tonight with some of my Democratic colleagues because of my concern, and all of our concern, that the Republican leadership was determined today to ram through what they call an economic stimulus package, which in my opinion is not an economic stimulus package at all but an effort to try to provide tax breaks for corporations, special interests, and wealthy Americans who donate to the Republican campaigns. I feel very strongly, and this is not just based on the fact that I am a Democrat, but what I hear when I go back and what is common sense, I feel very strongly that the main priority that should be addressed here in the House of Representatives and which is not being addressed is the issue of homeland security, particularly when it comes to aviation security and our airports.

If my colleagues noticed today, as much as the Republicans were determined to push through this so-called economic stimulus package, which does not accomplish anything and will never pass, by the way, it passed, I think the vote was maybe 216 or 215 to 213, which shows there was tremendous opposition to this package. And it will never pass in the Senate; yet the Republican leadership refuses to take up a very good Senate bill that passed in the other body 100 to zero, unanimously, that deals directly with the issue of security at our airports and addresses the concerns that so many of my constituents bring up to me when I go home.

Let me just say I had a town meeting Sunday night in South River, which is one of the towns that I represent in the State of New Jersey, and no one mentioned the issue of an economic stimulus package. Now, that is not to say that there is not a problem with the economy and we do not need to address that; but all my constituents at that meeting and at most of the other forums I have had at home want to talk about their security concerns, and a big part of that is airports.

They come to the town meeting and they say, Congressman Pallone, what is going on at the airports? Some of them actually have been to an airport, to Newark Airport, which is not very far from my district, and talk about the inconsistency in the security precautions that are there, the fact that baggage is not looked at. They go into the airport, they check their baggage and most of that baggage is not searched or looked at electronically in an effective way. They continue to be concerned about the fact that we are not federalizing the security workforce.

If we look at the Senate bill, what it does is addresses all these things. It addresses the issue of checking baggage. It says we will have a federalized workforce so that we know that people are qualified and being paid well and are trained properly to use the screening devices at the airport.

I have people coming to my town meetings who bring devices, one person had a cigarette lighter that disguised a pocketknife underneath, that passed through the screening device. Another one had a little device that looked like a computer that had a knife in it that passed through the screening device. We need to address these issues, and the Republican leadership is not addressing it. Instead, they bring up tax breaks for their wealthy friends and for corporate interests.

This is not what the American people are asking us for; and for the life of me I do not know why we are wasting our time here addressing or trying to deal with this legislation that does nothing and goes nowhere when we have a very good bill that could be taken up from the other body, passed, and which deals effectively with the aviation security issue.

I have a number of my colleagues here tonight that want to talk about this, and I would like to yield now to my colleague, the gentleman from New Jersey (Mr. PASCRELL), who is on the Committee on Transportation and Infrastructure, who has dealt with these issues of aviation security for a long time; and I would like to now yield to him.

Mr. PASCRELL. I thank the gentleman for yielding. Ten days after the tragic events of September 11, we were here on this House floor approving $15 billion for the airline industry. Most of us supported the package because it was necessary to keep the airlines and their employees afloat to, as we said on that very moment when we passed the legislation, to stabilize the industry.

Unfortunately, the attacks on America and their aftermath have weakened aviation traffic, have had a negative effect on the airlines overall and on their financial performance. Even with that funding, the industry is seeing tremendous losses. So stabilization was the plan, but it means very little if people are not going to fly. And the reason why they are not flying is that they do not have confidence in their safety. They do not have confidence in the system that exists which permitted what happened.

To get people flying again, we need to restore public confidence in aviation, and I think that is very critical.

□ 1845

Congress needs to act yesterday. The Democratic plan contains many elements which can give the American people confidence in our ability to secure travel throughout this great Nation. Security screening is at the foundation of fixing the gaping holes in aviation security. In America, people agree with our view that this responsibility is inherently governmental. There is nothing new with our plan. People such as the gentleman from Minnesota (Mr. OBERSTAR) have been advocating this for many years, long before September 11.

In June 2000, the GAO told Congress that ''Aviation security screeners are the key line of defense against the introduction of dangerous items into the

aviation system. All passengers and anyone else who seeks to enter secure areas at the Nation's airports must pass through screening checkpoints and be cleared by screeners.'' This is what the GAO said in June of 2000.

Of course our key line of defense employees are currently paid $6 an hour. Below that are the airport fast food restaurants. There are no benefits. They are treated like a redundant item. They are treated with no recognition whatsoever. They get very little training.

I asked at an aviation security hearing just a few weeks ago an airport association representative who was before us if police records are checked of the individuals that are hired. He paused, looked around, and then answered ''On certain crimes.'' On certain crimes. Airports and the airlines are responsible right now. They contract this work out. What does this mean, on certain crimes. Why not all crimes? Why not give folks good training? Why not pay them a decent salary? Why not give them benefits? We are in the 21st century.

Well, the basic outfit that hires most of these people or many of them, Argenbright, they have been placed on a 36-month probation in order to pay a $1 million fine, $350,000 in restitution, $200,000 in investigatory costs for failure to conduct background checks on employees staffing security checkpoints. This is unacceptable, and yet there are Members in this House who want to continue the same system.

Currently the turnover rate of screeners is 126 percent. How can a Member stand on this floor to protect this system? At some airports it is as high as 400 percent in turnover, and the very people that the GAO says are the very basis of security at the airports. We need to pay what is needed for highly qualified employees. The Atlanta Airport from 1998 to 1999, 275 percent turnover. Boston Logan, 207 percent turnover. Houston, 237 percent turnover. 416 percent at the St. Louis Airport. This is unacceptable. People's lives are at stake, and yet Members are defending the very system that was rejected by the GAO over a year ago.

Congress has Capitol police officers screening baggage entering the Capitol and its office buildings. To enter this building, we did not contract out our security. We did not go to a private vendor. We went to the police that guard us in these buildings every day. The American public demands the same high standards and qualified individuals.

Some of our friends from across the aisle will tell us to look to the European model. All of a sudden they are interested in the European model.

It is true that they do use private contractors for screening baggage. Besides the differences in size and scope, Europe also ensures every worker gets a living wage. They do not want to talk about that, something my friends, many of which on the other side of the aisle do not advocate, a living wage. In the 21st century we debate this?

European governments do not only require security regulations, they require the living salaries and benefits packages to keep screeners in their jobs so there are not those kinds of turnovers that exist in the United States of America. European wage regulations, socialized health care, labor contracts and tax structures do not translate to the United States of America.

In the United States we must take the profit motive away from this task as the bottom line will not suffice. The private sector had their chance, and they were not effective. They blew it. Who is Argenbright Holdings, Incorporated? Who are they? How did they get to the point that they control the security in our airports and folks going onto the line and the baggage that goes onto those planes. At this very moment throughout the United States not every piece of baggage is even being checked that goes on that airline.

They say well, Congressman, you are not helping people to be confident. No, we tell the truth to people and that is what makes them feel confident when they know there is a change. We cannot allow the political zealots of opposing any increase in the Federal workforce as an excuse to dictate our security policy. I urge my colleagues, this issue is too important, Mr. Speaker, to play politics with people's lives. Lives have been lost, and lives are at stake. I very strongly believe that we need to change the system and we need to federalize it and we need to have control over it. That should have been done yesterday.

Mr. PALLONE. Mr. Speaker, I thank my colleague from New Jersey because I know that he speaks the truth.

Our point this evening is that there already is legislation that passed the other body that very effectively deals with the aviation security issue. Rather than bring that up and pass it and send it on to the President, we have the Republican leadership which controls what goes on in the House of Representatives, bringing up an economic stimulus package, and Democrats have an economic stimulus package, too, and some of my colleagues here are going to discuss that, but the Republican leadership knew that this bill would go nowhere. They knew that this bill was overwhelmingly opposed by the Democrats and some of the Republicans and that the other body would never consider it, and they are wasting our time instead of bringing up a very important aviation security bill.

I yield to the gentleman from Maryland.

Mr. WYNN. Mr. Speaker, I applaud the gentleman for his leadership on this issue.

The question is quite simple. Why have we not passed an airline security bill? Why have we not passed an airline security bill?

After the events of September 11, we were very quick to rush in with a $15 billion bailout for the airlines because they needed to reassure people. They needed to keep flying. We need our airline industry. We did that.

Then we came back with another $40 billion to help repair our torn city of New York and the Pentagon. That was fine.

Today we came in with the real blockbuster, over $100 billion in so-called stimulus, basically giving tax breaks to special interests and the very rich. For example, 86 percent of the benefits of the stimulus package went to the very rich. We gave $20 billion in tax breaks to corporations by repealing the alternative minimum tax. They got a retroactive tax break of $20 billion. We also gave $20 billion in tax benefits for overseas corporations for financial services companies. What is that all about?

My point is we have given away large sums of money in the form of tax breaks in the name of stimulus to our big corporations. They have been at the trough, but we still have not dealt with the question of airline security. We are actually working at cross purposes. We are trying to stimulate the economy while people are still fearful. Why are they fearful? Because the American public knows that we have not addressed the fundamental question of making sure that they are safe and secure when they fly on our Nation's airlines.

We have not addressed the problem that the people who check baggage, who have the most important job of ensuring that destructive devices are not brought on airlines are underpaid, undertrained and ill-equipped. We have not addressed the fundamental problem that this is not a Federal security force, but rather a private sector force that is basically predicated on the bottom line, paying the least to cover airline security.

That is a travesty. What do the polls say that the traveling public is insecure? The polls say that the traveling public is insecure because they see inconsistencies. We see effective checkout in one airport, significantly less effective checkout in another airport. Effective checkout going, but not coming. They recognize this insecurity for what it is. The fact that we do not have uniform standards and we do not have a federalized workforce. As has been pointed out, the other body across the hall has passed a bill by 100 to nothing. There is no dissent.

Mr. Speaker, why can we not pass this bill? Because a few Members within the Republican majority feel we should not federalize the workforce? Why not? I would not speculate on their motives but it appears that there is a concern that they will become unionized and there will be more Federal employees and a larger Federal workforce. Is that so bad? I think not.

But the real question which ought to be asked is will a well-trained Federal workforce make our airways safer; and I think the undeniable answer is, yes.

On the one hand we have a stimulus package giving away major tax breaks to those who are very wealthy, but we have not yet addressed the question of the hour: Why have we not yet passed an airline security bill?

I hope that we will take this matter up this week, address the Nation's business where it counts, make our airways more secure and get people back to flying and traveling and enjoying our restaurants and amusement facilities. That will stimulate our economy.

Mr. PALLONE. Mr. Speaker, I thank the gentleman from Maryland.

Mr. Speaker, it is over 40 days since the tragic events on September 11, and yet this Republican leadership in the House is still blocking legislation dealing with aviation security. 40 days later, it is unbelievable. When I go home and have my town meetings and I have to admit that to my constituents, it makes them lose faith in the system.

Mr. Speaker, I yield now to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I will not say a lot about the package that passed today. I think it stands for itself. Maybe it does not stand, it just sort of crawls up and falls over for what it was. But I do want to say before I start talking about homeland security and economic security, there is another issue that is coming. The leadership is holding that one up, too, and that is a piece dealing with school construction for children. That issue is still out there. Children are still coming to school. They will still need those buildings next year.

□ 1900

We act as though that is not an issue. I think the leadership of this body, the Republican leadership, has got to decide, that is a part of homeland security as much as economic security and military defense; and we have got to deal with it.

But tonight I want to talk about the issue of homeland and economic security, because September 11, as we have already said this evening, is going to be remembered forever as a day when evil in its worst sense visited our great Nation as never before; and we saw hijacked airliners that were transformed into missiles. They slammed into the Pentagon, into the World Trade Center, and one of them into the fields in western Pennsylvania.

Most of us know that that one also probably was headed to Washington, D.C. causing enormous and potentially unthinkable loss of life and did to this Nation's psyche something that has never happened before in America. The impact of the attacks on our economy, which was already slowing down, had a significant impact and is now really just coming to light. Nationally, initial reports indicate that the airlines; and we have talked about them this evening, have lost at least $3 billion.

Earlier this week, I was at Raleigh-Durham Airport, really in the district of the gentleman from North Carolina (Mr. PRICE), used to be in the edge of mine, visiting with colleagues there. I think people here need to know and check with their own airlines and see what happened as we look across America, because it is more than the airlines.

Let me just give you a for-instance. Right after September 11, Raleigh-Durham, which is a major regional airport in this country, had a 50 percent drop in airline traffic. Midway Airlines, a major sited airport in Raleigh, shut down. The ripple effect had tremendous magnitudes in a widespread area. As an example, parking lots saw a 26 percent decline. You say, what is that? That is no big deal. Yes, it is. You have to pay off the bonds that people have bought and paid for, the money that they invested, they have to be paid off. Taxi drivers saw a decrease in passengers of 40 percent. That has a significant impact on their family and the ripple effect in the broader economy. Those are just a few examples of what is happening all across America.

Let me get to the real point. I wanted to lay that out as the economic piece that can be multiplied many times, but beyond those specific numbers, there are vendors, retailers, travel agents, any number of people that saw a significant impact in their business.

Some early figures from October look a little more promising, but we still have a significant problem in the travel interests. Yet the single most effective action that we can take to bolster airline security, as my colleagues have already shared and the gentleman has alluded to earlier, is that we need to restore the confidence of the American consumer, that, number one, airplanes are safe, that airport security is secure and safe for them to travel and all the baggage has been checked and we have a way to jump-start our economy. Most folks do not realize that the airline industry represents about 10 percent of the gross domestic product in this country; and if you take the ripple effect, it is even more.

One month after the attacks, the United States Senate, as has already been indicated tonight, approved the Aviation Security Act by a vote of 100–0. I would ask my colleagues to look in the books and see how many times the Senate has voted 100–0 on any major piece of legislation. They will probably have to look a long time. That is an indication of their commitment, Democrats, Republicans, liberals and conservatives, moderates and whatever you want, they understand the issue, they get it. They understand that to get the airlines flying and filling those planes again, people have to feel comfortable and safe. Their bill calls for a Federal force of about 28,000 passenger and baggage screeners and armed security guards at checkpoints throughout the airports. It includes many of the measures that President Bush had proposed, including more plainclothes sky marshals on commercial flights and the strengthening of cockpit doors. The Airport Security Act represents precisely the type of action that Congress should be taking in the wake of the September 11 disaster. But the House leadership, the Republican leadership, has failed to take this action and bring it to the floor.

I wonder why they will not bring it to the floor. Because they know it will pass. If you do not think it will pass, bring it to the floor and let us see. I will guarantee you it will pass. The American people know that. That failure must not stand. We have to get it on the floor.

While security at our Nation's airports has improved some since September 11, there is no doubt that we have a long ways to go; and we all know that. Despite a major push to make air travel safer, airline passengers are subject to inconsistent levels of scrutiny from airport to airport and in some places from airline to airline within the same airport.

Why is that so? Because the airlines are doing the security. I will not go through the details like my colleague from New Jersey did because he has laid it out very well and I do not think it needs to be repeated, but the traveling public has a right to expect when they buy a ticket that they have a 100 percent screening standard and consistency and it is 100 percent effective on every passenger, on every piece of luggage and everything that goes on that airline. The airline in turn would pick up the tab. They are doing it now. But dadburn it, it makes no sense to stammer and stutter and argue. We would not do it if we were running an athletic team, we do not do it in this building, and no business in their right mind would do it if it affects the bottom line.

My Democratic colleagues in the House have introduced an airport security bill which would fully federalize baggage screening within 1 year. That ought to be a part of it. And every bag ought to be screened fully one way or another. We have the technology.

Congress absolutely must pass this legislation without further delay. Six weeks since the September 11 tragedy is too long. Congress can act when they want to act. The leadership can bring any bill they want to bring to the floor. They have done it any number of times since I have been here without it even going through committee. I do not ascribe to that philosophy, but this is one that ought to be on the floor of the United States Congress. And we ought to pass it quickly so that people are not afraid to fly. They will get back in the planes and get the country's business going. We are approaching the holiday season, the biggest travel season of the year; and we ought to get it passed in the next few days.

I call on the leadership on the Republican side to bring this bill to the floor. I thank my colleague for bringing this issue to the floor tonight. I thank him for allowing me time to speak.

Mr. PALLONE. I want to thank my colleague from North Carolina. I think he basically laid out the problem we face here with the Republican leadership. I just want to say before I yield to my other colleague from North Carolina that I am not suggesting here that we do not need an economic stimulus package. What I am suggesting is that the Republican leadership knew that the package that they were bringing to the floor was not bipartisan, essentially could not get the support of any, or almost any Democrats and barely passed and the votes tonight proved it. It only passed by about four or five votes. They know it is not going to pass the other body, the Senate, and so they are just wasting time that could be spent bringing up the aviation security bill or alternatively coming up with a bipartisan economic stimulus package that we could support and that the other body would pass and that the President could support.

So either way, we are wasting our time here today. Either bring up a good economic stimulus package or bring up the airline security bill. They have chosen to do neither, wasting our time and making it even more difficult, I think, to get anything accomplished at a time when Americans want us to address these really serious problems.

Mr. Speaker, I yield to my other colleague from North Carolina, who is on the economic task force and has been basically addressing these economic issues and I know would easily be able to help put together a bipartisan package that would actually stimulate the economy and help displaced workers and the people who are unemployed because of what happened on September 11 and who do not have health insurance and other benefits. I yield to the gentleman.

Mr. PRICE of North Carolina. Mr. Speaker, I want to thank my colleague from New Jersey for calling this special order tonight and for his stressing so effectively the issue that confronts us. We have an airline and airport security measure that is languishing, that our Republican friends will not bring to the floor. Today, we saw on the House floor the rebirth of a kind of hard-edged partisanship that we hoped we had gone beyond as this so-called economic stimulus package was rammed through and the airline and airport security bill still languishes. I am proud to join the gentleman from North Carolina (Mr. ETHERIDGE) and other colleagues tonight in pointing out the importance of that airline and airport security issue.

What I would like to do for a few minutes here is to look at that economic security matter and to ask, what principles should guide us as we assemble an economic recovery, an economic security program. I want to suggest three principles, and I think the Republican bill which was rammed through by one vote here today failed badly on all three tests.

First of all, an economic recovery, economic stimulus bill ought to address the needs of those who are directly affected by the loss of their jobs. Surely we should not have to argue that point. Our Republican friends left workers out of the airline bailout package that was passed a few weeks ago; and in the bill they passed today, they are giving only token assistance to these workers. The Republican Ways and Means bill provides only about $2 billion in benefits for unemployed workers in the year 2002 while providing $70 billion in tax breaks for corporations in that same year, a ratio of $2 billion to $70 billion. The Democratic substitute provided and paid for a 1-year extension of unemployment benefits and a 1-year program to help laid-off workers continue their health benefits through the COBRA program. It directly addresses the most immediate needs of those who have lost their jobs.

Secondly, any bill worth its salt ought to actually stimulate the economy. Eighty-six percent of the Republicans' so-called stimulus bill goes to tax cuts for corporations and the very wealthiest Americans. Republicans have wanted this for a long, long time. We know that. But we also know that it has little to do with the economic situation that we face post-September 11.

Here is what the Republican bill does, just a brief overview. There is a permanent repeal of the corporate alternative minimum tax. This includes a provision that requires the Treasury to send immediately over $20 billion in retroactive refund checks to companies who paid minimum tax all the way back to 1986. This 15-year refund of corporate minimum tax would provide $3.33 billion to just seven of America's largest corporations. The Republican bill also provided $20 billion in tax benefits for the overseas operations of financial services companies, essentially rewarding corporations for not investing in the United States economy. Tell me what that has to do with an economic stimulus.

And then the Republican bill makes a permanent reduction in capital gains taxes. Seventy-two percent of the benefit of that reduction would be enjoyed by the wealthiest 2 percent of individuals. By contrast, the Democratic plan would provide tax rebates to people who pay Federal payroll taxes but limited income taxes. This would remedy an inequity in the tax bill passed earlier this year, and it would have maximum stimulative effect since these people need the money and will spend it on the necessities of life.

The Democratic plan offers business tax relief, but it is tax relief that is temporary and is targeted to firms that, with encouragement, will overcome losses and make investments to stay in business and provide jobs. That is the point of the Democratic provisions on the carry-back of net operating losses, the waiver of alternative minimum tax limitations on loss carry-overs, and the doubling of permitted section 179 expensing.

The Democratic plan also contains economic development and infrastructure funding, targeted toward meeting our immediate security needs, including security at airports and other transportation facilities and in the process boosting the economy.

The third principle. An economic stimulus bill worthy of passage should stay focused and should stay fiscally responsible. The Republican bill enacts a wish list of permanent tax cuts, many of which will not kick in until 2003 and most of which will have a limited stimulative effect. And the Republican bill is not paid for.

The Democratic plan, by contrast, again, is focused on stimulus, security and relief, it is temporary, and it is paid for. The Democratic plan provides an immediate stimulus of about $125 billion, and its net cost over a 10-year period is something like $80 billion. This is paid for, not by a tax increase but by freezing the projected further reduction of the top income tax rate paid by fewer than 1 percent of Americans. These taxpayers, with taxable family incomes of at least $300,000, would not lose the 1 percentage point in tax reduction they have already enjoyed, but they would be asked to forgo further reductions in taxes on whatever income is subject to that top rate.

□ 1915

Keeping our budget balanced in the long run, avoiding spending the Social Security and Medicare surpluses and maintaining a disciplined schedule of debt reduction are essential to our country's long-run economic health, and we must not stimulate the economy in the short run by abandoning fiscal discipline in the long run. The Democratic package keeps these goals in balance. The Republican plan fails the test.

Let me close, Mr. Speaker, by quoting a USA Today editorial about this Republican plan. Here is what was said on the editorial page yesterday: ''This is easy to dismiss as politics as usual, but that is the problem. These are times that require everyone, especially political leaders, to put aside petty self-interests and everyday horse trading for the country's good. The House leaders showed an unwillingness to do that with their adamant refusal to consider federalizing the Nation's airport security system, and now they are at it again with their brazen attempt to use the current crisis to please well-heeled special interests.''

The plan that passed today by a one-vote margin is the disheartening return, Mr. Speaker, to slash and burn partisanship, and it does fail these three basic tests: it does not address the needs of those most directly affected with the loss of their jobs; it does not effectively stimulate the economy; and it is not focused or fiscally responsible.

I am proud of the Democratic alternative, and I hope that we in this body can keep pushing for the principles that it contains.

Mr. Speaker, I thank the gentleman for yielding.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I want to thank my colleague from North Carolina, and especially I want to make mention of that last editorial the gentleman read, because it is true. Essentially when you are back at home, and you know it, every one of us wants us to work together; and we are very proud of the fact that in the last month or so that Democrats and Republicans worked together and worked with the President. But now we see that all torn up today.

You do not bring a stimulus package to the floor knowing full well that it is idealogically based, with the Republican leadership feeling that tax cuts to the big corporations and to the wealthy are somehow going to stimulate the economy, knowing full well the Democrats will not vote for it.

So I would go beyond that editorial and say not only has the Republican leadership broken the promise of bipartisanship that came out after September 11, but they are not doing anything that will accomplish anything.

The one thing that I get, in addition to my constituents wanting us to work in a bipartisan fashion, is wanting us to work to accomplish something. It is clear that if we do not bring up this aviation security bill that passed the other body, or if we try to ram through an economic stimulus package that will not pass the other body, that we are just playing games, the Republican leadership is playing games, and essentially we are wasting time.

That is the thing I think that is also very tragic. We have real needs here, security needs and economic needs, to get the economy going again. All the Republican leadership is doing is playing games and wasting time. I think that the American public is going to be increasingly outraged by those kinds of tactics.

Mr. Speaker, I yield now to the gentleman from Florida.

Mr. DEUTSCH. Mr. Speaker, I appreciate the gentleman having this Special Order. Let me, because we have had 45 minutes of discussion, at least touch on some of the good things going on, because this Congress has worked extraordinarily well together for many weeks in terms of dealing with the events of September 11.

We joined together that week literally; and in near unanimity, both the House and Senate, Democrat and Republican, acted as Americans to assure that something like this will never happen again. Collectively we gave the President more authority in terms of military action than the previous George Bush, the previous President George Bush, had in the Gulf War. We immediately appropriated $40 billion. Again, to put in perspective what that means, the entire Gulf War was about $42 billion in the special appropriation for that.

We have worked extraordinarily well in many areas, and I can only say there are no words at this point that can praise the President enough in terms of his efforts in combatting what we need to do that I can offer here today, and I have offered at every opportunity.

But let me say that in the area of airline security, the President is on the same side as me and my colleagues here tonight, but he is not on the same side as the Republican leadership; and he has said it both privately and publicly. Apparently, the Republican Speaker of the House is on the same side as my colleagues here tonight, and not on the side of many of his colleagues on the Republican side.

Yet this is more than 6 weeks after the events of September 11, more than 6 weeks, and, literally, airline security in America today, and we do not in a sense want to talk about it, but, as has been pointed out, the truth is a very powerful tool. For many purposes, airline security in America today is the same as it was the morning of September 11.

Unfortunately, I have not been able to fly the usual way I have flown for the last 9 years back and forth from south Florida through National Airport. National Airport still is not open to south Florida, so I have been flying through either BWI or Dulles.

The screeners that screened the plane that hit the Pentagon are still working at Dulles Airport. I have flown 12 times since September 11. I will be flying a 13th time tomorrow. Hopefully, it is not unlucky 13 in any shape, manner or form.

But let me mention that there is still not confidence, and for good reason. I represent a district that stretches from the Palm Beach County line in the north to Key West in the south, an area of this country that many people vacation in. Seventy million people a year in the past have come to the State of Florida. Tourism is a vital part of our economy. In fact, many times I point out there are 435 Members of this body, all of whom claim to represent the nicest district in America. There are only about 10 of us that are able to do it with a straight face. I say that I am one of those. Those who have visited south Florida, from Palm Beach to Key West, know exactly what I am talking about.

Our economy is being adversely affected. It is an incredible statistic that none of us were probably aware of. In Miami-Dade County, over 96 percent, prior to September 11, of the people who stayed in hotels in Miami-Dade County flew there. In Broward County the number is 50 percent. In Palm Beach County it is a little bit less.

Airlines are the lifeblood of our economy, and what we are seeing in that sector of the economy on a daily basis are victims of September 11. Hundreds, in fact thousands, of people, have lost their jobs in south Florida in tourist-related industries. Every one of those stories in the newspapers have written about some, and I have talked to some, and every one of those stories is a human tragedy that is happening right now.

It has been pointed out that when you enter this building you go through a metal detector. When you enter the House office buildings you go through a metal detector. The people screening for those metal detectors are the Capitol Police. We do not put out for bid to the low bidder the people that would screen this building. It is inconceivable that we would do that. It is inconceivable that any community in the United States of America would put out for low bid their police, their fire protection. It is just not conceivable. Effectively, what we are talking about is in fact a law enforcement responsibility. There are many aspects of the legislation that need to be changed.

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

Mr. PALLONE. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I would like to thank my friends for yielding time to me. I appreciate the comments that they are making. I want to say that these measures we are going to be proceeding with tomorrow certainly tie in with the arguments the gentlemen are making.

Mr. PALLONE. I yield again to the gentleman from Florida.

Mr. DEUTSCH. Mr. Speaker, our esteemed colleague, the chairman of the Committee on Rules, is also someone I have a great deal of respect for; and I am sure if he was given the opportunity to vote on the Senate-passed bill, I have no doubt he would be supportive of it as well. I urge him and I urge the President of the United States, who has said publicly and privately that he supports the airline security bill, to put pressure on the Republican colleagues in this Chamber to make that bill come up now. It is already too late, more than 6 weeks.

I want to do an anecdotal story about what is going on today. I would like my colleague from New Jersey just to take a look at my Florida driver's license.

This is my ID that I have shown now probably 50 times, including three times when I flew up here this week. If the gentleman could mention the expiration date on that ID?

Mr. PALLONE. It expired on April 1, 1999.

Mr. DEUTSCH. April 1, 1999. Florida, the State of Florida, has an unusual driver's license. You do not get rephotographed. There is a sticker on the back that you can take a look at, which is when you renew it you actually get a sticker that you put on the back, which says expires in 2005. So it is a valid driver's license, but the front of the driver's license where my identification, which I presented over 50 times——

Mr. PALLONE. It says you are a safe driver too.

Mr. DEUTSCH. I hope I still am. What it says on the front of that license is it expires in 1999. I have shown

that to approximately 50 people. Not one person has questioned me, and it is not in locations where people know me. Not one person has questioned me; not one person has asked to turn over the driver's license or said anything else. On an anecdotal basis, we understand that there are still issues.

I think people get it. I plead with my Republican colleagues, I plead for them at so many different levels, that without the confidence in the airlines, there was a reason why we chose the airline industry to provide relief to. There are other issues that we can deal with, but there was a reason why there was an emergency, because it literally is the lifeblood of so many parts of this country and so much of the economy. There are other people that are suffering, and the easiest way to solve that problem is to gain the confidence.

The President keeps talking about going back to normal. Well, we cannot go back to normal until we have the confidence in the system, and we are not going to have the confidence in the system until we pass an airline security bill. It is 6 weeks after, and we have not done it. We have not done it for the worst reasons.

This is what we do not want to come back to in this Congress. We have not done it because my colleagues on the other side of the aisle, some of them who are able to influence their conference, have ideological positions that are so far out of the mainstream of the United States that I think the more Americans know about it, they would be shocked, absolutely shocked about their positions and their effectiveness as well.

Mr. Speaker, I urge my colleagues, I urge the President, I urge the Speaker, to do what is right, to do what the American people want, and pass an airline security bill. We could do it tomorrow. We could take up the Senate-passed bill, the unanimously Senate-passed bill, and pass it tomorrow. It could be on the President's desk. In fact, he could sign it. He has reviewed it. He could sign it tomorrow, and it would make a great deal of different, a positive difference for this country.

Mr. PALLONE. I want to thank my colleague. I have to say, when I have the town meetings, and I have had several since September 11, and I think the gentleman knows in my district we had quite a few victims of September 11 in the two counties I represent, about 150 people who died in the attack on the World Trade Center, and I am ashamed.

I have to say, I have the town meetings, and people come there and talk about having visited the airport, most of the time Newark Airport, only about half an hour away, and talking about their experiences and how they have been able to bring devices through the screeners or by avoiding the screeners, and they ask questions about the baggage and why is the baggage not being screened.

□ 1930

All I can say is that we have a bill and the Republican leadership has refused to bring it up. Frankly, I do not like to be that partisan.

Mr. DEUTSCH. Mr. Speaker, if the gentleman will yield, it is interesting. As most Americans are aware, National Airport has reopened. National Airport is now probably the safest airport in America, because my understanding is they are actually screening every bag. This is not new technology. Israel is continuously being held up as the paradigm. Israel is not the only country that has been screening every piece of luggage. Great Britain screens every piece of baggage. There are machines that are available that we can buy, that we can put in every airport in the United States to do it, to pressurize test the baggage as well. There is no excuse. There is no excuse. In fact, as the gentleman is well aware, the Senate bill provides for that, as well as a number of other additional things, to gain confidence and security in the airline transportation system of America.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman again. I think he expresses very well the problem that we face here with the Republican leadership and why this bill has not come up. I thank the gentleman.

I would like to yield now to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I thank the gentleman for this Special Order. The 2 elements, the 2 items are inextricably interwoven. The airport security issue and the issue of the stimulus package really cannot be separated. They go together, and common sense would tell us this.

We have just heard one of my colleagues say that the airline industry is 10 percent of the economy. If that industry does not get moving again, and timing is very important here, we are approaching Thanksgiving which is the time of the year that most people travel; if they do not pick up the habit of traveling by air again by Thanksgiving and we do not have a break in this fear of airline travel, we might have a mindset that develops that will make it difficult for the airline industry for a long, long time to come.

Mr. Speaker, we cannot wait forever. There is a need for immediate action here and, of course, that need for airport security stimulates the economy, not only the airline industry, but of course we know the gaming industry, the restaurant industry, the hotel industry, the tourism industry, all of this is related to moving the airline industry so, again, airport security is vital.

Airport security is not the same as it was when I traveled before September 11. There have been some changes, but most members of the public are still not impressed. They took my little fingernail clipper. I had a little clipper with a little file on it. They made me break the file off and give it to them as they searched my things. I am not impressed with that kind of new security. One of my colleagues, they took her tweezers.

The same personnel that is there, the personnel that is there has not been thoroughly checked. We do not think it is important that we check people who are in these positions. Just consider the fact of the latest revelation where we have a former master sergeant in the Air Force who has just been indicted for trying to sell secrets to Libya or some other place. He is a member of the Reconnaissance Surveillance Network that we have across the world. He is familiar with that. Twenty years in the service, and he is looking for a few thousand dollars. I mean if we have people with criminal records there, it is likely that they can be bought off for a few hundred, a few thousand dollars and we might have people there who are not going to see what they are supposed to see because they have been paid off on a given day. There are a number of ways that we can deal with that situation without these weaknesses. We can never root out corruption totally, but we can at least have a maximum effort to try to keep it at a minimum and have the highest level of personnel, starting with the payment of a living wage.

I serve as the ranking Democrat on the Subcommittee for Workforce Protection and we are responsible for the minimum wage law. That has been pushed aside completely this year, the amount of the minimum wage. But it is very much important in terms of stimulating our economy. At least if we create some federalized airport security jobs, we are not going to pay the kind of wages that they are getting now. They are likely to get a living wage. More importantly than a living wage, they would like to get a health plan. We cannot keep loyal, competent workers unless we have some kind of decent package.

The airport security proposition might take many different forms. I do not agree that it necessarily means that everybody has to become a civil servant. If the airport security is federalized, the Federal Government has many different alternatives that they may deal with, but we know who is in charge and that there is a certain level of competence and honesty and surveillance that they are going to insist on, and it will be taken care of appropriately. Certainly a living wage and a health care plan would be an offer for those workers. We would open some new and challenging opportunities for some people who have been unemployed and laid off from various other professions at this point.

Mr. Speaker, it is common sense. What we are up against are ideologues, the disease of the ideologues. They say, we do not want to increase the Federal employees. That is a hard-nosed idealogical position, just as they are saying, we do not want a stimulus package which takes care of the unemployed, because that is a redistribution of wealth.

Democrats favor common sense economics and Democrats favor a common sense approach to airport security. Working families are consuming families. Working families, if we put dollars in their hands, they are going to put it back into the economy and turn it over faster than anybody else. All of this is well-known. Japan, now looking back at the way their economy has dragged, regrets that they did not take a more forceful position at first to stimulate the economy by putting more money in the hands of consumers. The consumer is the engine of our economy, and by following the pattern that was laid down in the democratic package today where a great stimulus would be provided via the unemployment route, starting with the unemployment insurance and making sure that people who lose their employment are taken care of, provided with some possibility of retraining, provided with health care, and gotten back into the economy as fast as possible, that would be the stimulus that would surpass any other effort.

To talk about tax cuts means investments in the economy is to put our heads in the sand. If we give tax cuts, if we put more money in the hands of the rich, they are going to invest somewhere in the world, but not in our economy necessarily. I think the oil pipelines in the former Soviet Union are much hotter right now in terms of investment. They have expanded the production and the distribution of oil and there are a number of places in the world where we can get a bigger return on our investment than we can get by putting it into our present economy. We do not necessarily get any kind of stimulus by putting more money in the hands of the rich.

We are all in this battle together, and as I close out, I hope that we understand that to take care of the people on the bottom who are losing their jobs and facing the prospects of not being able to pay their mortgage or put food on the table, to take care of the people on the bottom is part of recognizing that we are all in this together. The working families are going to produce the sons and daughters on the front lines in Afghanistan. Working families are going to live through this difficult period here where we are at home fighting the anxiety of Anthrax; the working families, like the 2 postal workers who died. We are all in this together, and to take the idealogical position that we are redistributing the wealth by asking for a decent unemployment package within a stimulus package is to go the route of the ideologues.

Mr. Speaker, ideologues are very dangerous. Ideologues are not the total cause of the collapse of the Soviet Union, it is more complicated than that; but a primary cause of the fall of the Soviet Union was the ideologues were in charge. The ideologues are like witch doctors. They are obsessed. They do not look at reason. They will not accept any kind of facts. They are locked in. And we are in this great Nation at the mercy of certain people in key positions, especially in this House, who are ideologues and we must fight those ideologues. Common sense must prevail over the ideologues in order for us to go forward, both with airport security and with the stimulus package that will help our economy.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from New York. I appreciate the fact that we are ending this Special Order as he said, on what is practical. I think that is all we are really saying as Democrats, is that we want practical solutions that are going to pass, be signed by the President, and help the American people. That is why the airline security package that passed the other body, the Senate, should come up here. The Republican leadership should allow us to bring it up because we know it will pass, the President will sign it, and it will become law. The same is true for an economic package. Let us put together a package that helps the little guy, that helps the displaced worker, that provides some tax relief, and that really stimulates the economy that we can all get together with on a bipartisan basis and pass so that it means something to help the economy. That is all we are asking for, practical solutions. As Democrats, we are going to be here every night until these practical solutions are brought up and the Republican leadership essentially faces reality.

AUTHORIZING INTRODUCTION OF JOINT RESOLUTION DESIGNATING SEPTEMBER 11 AS UNITED WE STAND REMEMBRANCE DAY

Mr. DREIER (during the Special Order of Mr. PALLONE). Mr. Speaker, I ask unanimous consent that, notwithstanding the provisions of clause 5 of rule XII, Representative FOSSELLA of New York be authorized to introduce a joint resolution to amend title 36, United States Code, to designate September 11 as United We Stand Remembrance Day.

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

There was no objection.

MAKING IN ORDER ON THURSDAY, OCTOBER 25, 2001, CONSIDERATION OF JOINT RESOLUTION DESIGNATING SEPTEMBER 11 AS UNITED WE STAND REMEMBRANCE DAY

Mr. DREIER (during the Special Order of Mr. PALLONE). Mr. Speaker, I ask unanimous consent that it be in order at any time on Thursday, October 25, 2001, without intervention of any point of order to consider in the House the joint resolution introduced by Representative Fossella of New York pursuant to the previous order of the House (to amend title 36, United States code, to designate September 11 as United We Stand Remembrance Day); that the joint resolution be considered as read for amendment; that the joint resolution be debatable for 1 hour equally divided and controlled by the chairman and ranking member of the Committee on Government Reform; and that the previous question be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

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

There was no objection.

MAKING IN ORDER ON THURSDAY, OCTOBER 25, 2001, CONSIDERATION OF H.J. RES. 70, FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 2002

Mr. DREIER (during the Special Order of Mr. PALLONE). Mr. Speaker, I ask unanimous consent that it be in order at any time on October 25, 2001, without intervention of any point of order to consider in the House the joint resolution (H.J. Res. 70) making further continuing appropriations for the fiscal year 2002, and for other purposes; that the joint resolution be considered as read for amendment; that the joint resolution be debatable for 1 hour equally divided and controlled by the chairman and ranking member of the Committee on Appropriations; and that the previous question be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

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

There was no objection.

FIRST LINE OF DEFENSE: HEIGHTENED BORDER SECURITY

The SPEAKER pro tempore ((Mr. OSBORNE). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, as I have been waiting this evening to address the House, I have, of course, been listening to the comments of my colleagues from the other side with regard to airline security. It will undeniably be an issue that will be brought to the attention of the American public in this fashion as a point of general order and, of course, discussions in the House as we meet daily. It is, of course, a very important issue, there is no 2 ways about it, that people in the general public believe that airline security has to be enhanced. I do not know that there is a single Member of the Congress that does not think that airline security needs to be enhanced. Of course, we will have differences of opinion as to exactly how that should

happen and we, unfortunately, will take advantage of the differences of opinion about this to make partisan points and to be incredibly divisive and to reintroduce the whole issue of partisanship into the debate about airline security. But that is, of course, the nature of the business when we are in. When 2 individuals or, in this case, 2 parties have different opinions about issues like airline security, each side will claim that the other side is being partisan for holding on to their opinion.

It is intriguing certainly, intriguing, to say the least, that a great deal of time is being spent on the discussion of airline security with the thought in mind somehow that a change in who pays the wages of the people who are charged with the responsibility for conducting security, that somehow or other, this fact, this and this alone, will change the whole arena and will change the whole feeling of the general public about security, and will make people feel better about traveling; just simply changing who pays the wages, whether it is the Federal Government paying the wages or a private employer. Somehow or other, people then will become much more intent upon doing their job, much more competent in doing their job.

Well, I must tell my colleagues that I do not believe for a moment that that is what will give us confidence in this country in terms of our general, overall security. I do not believe it is the issue of who is paying the person who is looking through that little screen as our bags go through as to whether or not; and, by the way, people I guess think of that as being some very complex job that only a very highly skilled person, a ''Federal employee'' is able to do, right? Now, again, I do not know what makes anybody think that a Federal employee is more capable of looking into that little screen and seeing a light go off, because they are not actually trying to identify any individual part of the package going through; they are simply there to see when a light goes off, and the light tells them, search that package, that is it. Frankly, Mr. Speaker, it is not really a very high-level job. It just means the light went on. Can you tell? If it does, search the bag, right?

Now, somehow or other, the other side would have us believe that if we hire Federal employees, give them all the benefits of Federal employment, of course, more importantly, the security of never being fired for being incompetent, the security for being able to strike, the security of being able to shut the whole Nation down by a work stoppage because they can do that as a Federal employees union and never be held accountable for it, that part never comes up in this discussion about transferring this responsibility.

□ 1945

We are led to believe that if only the Republicans, these ideologues, as my friends on the other side kept calling us, if only these ideologues will agree to federalizing this entire work force, we will be safer. But never has anybody said why. I ask my friends anywhere in this House to tell me why it would be safer to have a Federal employee looking through that screen to see the light come on, or any other variety of jobs.

If we need better training for the employees who do this work, I am all for it. I am all for it. If we want to federalize anything, federalize the standards that have to be met. I have no qualms about that whatsoever.

But who is the ideologue here in this discussion, in this debate? Is it in fact the people on our side who are suggesting that the safer and better thing to do would be to allow people to be hired and fired if they are incompetent, to be fired if they threaten to strike and shut down the entire Nation's air transport system, and yet be held to high standards of ability in order to assure whatever degree of security we want established at our airports?

Those of us who want that, are we ideologues, or could it be people on the other side who want those people to be Federal employees? Again, nobody has said why that is so necessary. The reason they do not want to say it, Mr. Speaker, is because the reason they want Federal employees is because Federal employees will contribute to the Federal employees' union, which will contribute to the campaign coffers of the people on the other side. That is ideological, in my estimation.

So the real issue here, as far as I am concerned, has nothing to do with airline security; it has everything to do with securing our borders. This is the issue we should be debating tonight, and every single night and every single day.

I have never heard, and I have done this many times; as the staff and maybe the Speaker will attest, I have have done this many times: I have come to the floor on special orders to plead with my colleagues to look at the issue of immigration reform, to look at the issue of defending our border as the first line of defense in defending this Nation.

I have begged for that; and oftentimes, far too often, I have been the only person here. I am happy to say that I am joined this evening by a colleague to join in this debate who I will recognize in just one second. It is just that never have I heard anyone from the other side of this aisle come to this floor and talk about this issue.

Frankly, from my point of view, I am much more concerned about the fact that we have porous borders through which people can come and do come who wish to do us harm, and we have absolutely no desire to try to stop them there, but we spend enormous amounts of time talking about who should be the guy or the lady looking through the screen to see if the light comes on in the machine. That is what is going to make us feel better?

I do not want them in this Nation to begin with. I do not want them in the airport in the United States, the people who are here to do us harm. I do not want them getting across the border. I do not want them being given a visa in any nation in this world which requires a visa to come to the United States. I do not want them getting it in the first place.

That is where our emphasis should be, because frankly, Mr. Speaker, every single member of the organization that came here on September 11 and hijacked those planes, drove them into the World Trade Center and into the Pentagon, and would have come here, were people who were not citizens of this country. They were here on various visas, some of them illegal because they had overstayed or not done the right thing on their visa, and we did not care. We did not go after them. The INS could not care less. I have tons of information we will get into tonight.

That is where I want our emphasis put. I want it put on stopping them from getting here. I am all for airline security. I am all for making sure that man or woman who is looking through the little scope on that thing, and when the light goes off, I want to make sure that they say, okay, open that bag.

Yes, I am all for it. I am actually for doing a lot more than that with everybody who gets near the airplane. Food service handlers and baggage handlers, let us make them accountable, too. We do not need to make them Federal employees to get there, but that is a secondary issue. The issue is, how do they get into the United States to begin with, and why is it that we continue to be so afraid of paying any attention to this issue, so afraid of discussing the issue of immigration and immigration reform?

Someone who is not afraid of that has joined us tonight, and I yield to my friend, the gentleman from Arizona (Mr. HAYWORTH), for his comments.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Colorado for yielding to me.

Let us acknowledge what he has said. Yes, it is important to understand what is transpiring in terms of aviation safety. Yes, it is important to have scrutiny to the point that we can ensure airliner safety in many different areas, not only those who would come to get on the plane and have themselves and their hand-carried luggage checked, but also, transcending that, the caterers, the cleaners; a myriad of other people who have access to aircraft. That is very important.

But it seems, to borrow the line from I guess Rogers and Hammerstein, ''Let's start at the very beginning, a very good place to start.''

It is the unmistakable, undebatable function of the Federal Government to secure our borders and to be in control of those who would come to this Nation. My friend, the gentleman from

Colorado, points out the story of the 19 villainous vermin who came here to do us harm; in fact, who launched this war with acts of terror that were indeed acts of war that cost so many Americans their lives.

When we read the stories that our intelligence gatherers have been able to come across, we understand that, either through miscommunication or an unwillingness and inability to follow up on the status of visas, or special visas that require really no scrutiny, we allowed many of these horrific people to come and stay and perpetrate their acts of terror and war.

We must secure our borders. The challenge in the early 21st century is that there are those who would take an issue of national survival, try to dismiss it as jingoism or xenophobia, or a myriad of attacks of the politically incorrect, when, instead, they are elemental tools that the American people cry out to see activated.

It is not only the border to our south. Mr. Speaker, I am sure there are those who join us, and they see the gentleman from Colorado and the gentleman from Arizona, and they say that it is the United States' border with Mexico that causes the problems.

Mr. Speaker, I would point out that some who have perpetrated acts of terror and war against this country came in through our border to the north in Canada. I would point out the unbelievable situation, according to some press accounts, that at least one of the perpetrators voted in our Presidential election in 2000.

Now, there reaches a point in time when enough is enough. With the war we confront and the nature of our enemy, we must take the steps necessary to defend this Nation.

Governor Ridge has taken over as our director of homeland defense. Our first line of defense is securing our borders and taking account of those who have come here. It is very simple. The old saying is, when you have dug a hole for yourself, stop digging. Until we get an accounting of exactly who is here, and quite frankly, who should be escorted beyond these borders, only then can we take control.

One other note. And lest this is confused, Arab Americans have a chance to lead the way in our fight in terms of an understanding of culture and language and their own sense of patriotism. They have a chance to lead the way in this fight.

This is not for a second to impugn the motives or the patriotism of any Arab American. Indeed, I know many personally who are guts-up Americans who have served in the military of this country, who stand ready to defend this land in any way, shape, or form.

But to those who have come illegally and to those who would do us harm, it is time for a change; to harken back to what is absolutely required of us in this constitutional Republic, and that is control of our borders and an accounting of those who are here, and actions to send home those who are here unlawfully.

Mr. TANCREDO. Mr. Speaker, I thank the gentleman for his comments.

It is not as if we had not been warned more than once. It is not as if all of this happened to us in the United States, the events of September 11, and we thought, Gee, how could this have occurred? Why were we not warned? Why did no one ever come forward?

Well, of course, people have come forward. Many people have come forward, and earlier than the 11th, actually years before. There has been testimony before this House of Representatives, before the Congress of the United States, about the dangers we face as a result of having border that we cannot control.

As early as January 25, 2000, a terrorist expert by the name of Stephen Emerson testified at a U.S. House of Representatives hearing on international terrorism and immigration policy. Rereading Emerson's testimony is chilling, but it is also infuriating, because he laid out chapter and verse how terrorists enter the U.S.

Emerson virtually predicted the attacks. In a 35-page document, Emerson listed the various reasons for the emergence of terrorist groups in the United States:

One, an ability to operate under our political radar system;

Two, an ability to hide under mainstream religious identification;

Three, loopholes in immigration procedures;

Four, ease of penetration of the borders;

Five, limitation on FBI and other agencies performing law enforcement functions, including the Immigration and Naturalization Service and the Customs Service;

More sophisticated compartmentalization of terrorist cells around loosely structured terrorist movements;

Exploitation of freedom of religion and speech;

Exploitation of nonprofit fund-raising, and lack of government scrutiny.

Does all this sound somewhat familiar? Every single issue that he brought up of course we now know to be part of the great mosaic that has been presented to us here as the terrorist threat:

Increasing cross-fertilization and mutual support provided by members of different Islamic terrorist groups;

Ease of ability to get student visas from countries harboring or supporting terrorists;

Failure by universities to keep track of foreign students and their spouses;

Protection afforded by specially-created educational programs;

Ease of visa fraud and the intervention of false credentials from passports, driver's licenses, credit cards, and Social Security numbers;

Blowback from the anti-Soviet Mujahedin that the U.S. supported in Afghanistan.

Again, it is almost uncanny, but this was testimony to the United States Congress, and we chose to ignore it. Why? It is because this issue, the issue of immigration and immigration reform, paralyzes so many of us. We are afraid of the kind of epithets that are thrown at us when we enter into this debate.

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

Mr. TANCREDO. I am happy to yield to the gentleman from North Carolina (Mr. JONES).

Mr. JONES. Mr. Speaker, I want to thank the gentleman, and certainly the gentleman from Arizona (Mr. HAYWORTH), as well as my friend, the gentleman from Colorado (Mr. TANCREDO) and the gentleman from Minnesota (Mr. GUTKNECHT), who is here to speak in just a few minutes.

Concerning a point the gentleman from Arizona (Mr. HAYWORTH) made as well, and the gentleman from Colorado (Mr. TANCREDO), let me say today, as a matter of fact, I was in a 1-hour call-in show in Raleigh, North Carolina, the home of NC State, where this gentleman played football years ago, and there came up several times a point you and he made when I first came on the floor.

Certainly those of us in the Congress, whether they be on the Committee on Armed Services, which I am on, or it could be on the Permanent Select Committee on Intelligence and other committees, we have known for a number of years that the possibility of a rogue nation or a terrorist group making an attack on the American people was a matter of probably when it was going to happen. Would we be prepared? That is another question.

The point that was made today by four or five callers is prior to September 11, we have had a problem in this Nation. I know that is what the gentleman has been speaking about, I know that is what he has been speaking about, and I know that there are many people in this Congress, and the gentleman has taken the lead on some type of legislation.

We have done a very poor job as a Nation, as a country, of tracking those who come visit our Nation and what they might be doing, and whether they are extending their length of time in this Nation without permission, so to speak, from the government.

We need, as the gentleman was saying tonight, and the gentleman from Arizona, to do something. The time of debate about what we should have done is past. What are we going to do is the debate of the present and future.

□ 2000

So I want to say that I am glad to be here with this group tonight because the American people, the five callers that I had today on this Raleigh radio station said, yes, we know we have a problem. What are we going to do to reform the problem? What are we going to do to make sure that American people are safe from a security standpoint?

Mr. TANCREDO. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Just to echo that point and to thank my friend from North Carolina for mentioning my alma mater, although my football experience there may not be quite NFL caliber, but we will not go to that.

But the town halls of the areas, whether it is talk radio WPTF in Raleigh; KFYI in Phoenix, Arizona; a town hall meeting we held on city cable in Scottsdale Friday evening, the people who came there demanded that in this time of war we absolutely control our borders. That is the first step in homeland defense.

It is not for a second to suggest it is the only step, but it is the first step.

Mr. TANCREDO. The gentleman is so correct. We cannot stand here tonight, nor have we ever stated in this debate that unequivocally we know that if we simply control our borders, do everything we can possibly do to make sure that the people who are coming in are identified, that we know what they do when they come in here, that we know when they leave, that if we did all of these things that we could prevent any other kind of event. But not doing those things makes us irresponsible.

At this point in time I will say this, that God forbid, if there is another event of a similar nature as there was on September 11, and it occurs as a result of somebody else waltzing across our borders, somebody that we should have been able to identify as being one of the bad guys, somebody that we recognize or who even comes in under legitimate passport or visa but then does something here for which he should have been deported and we do not do it, if anything like that happens, we are not just being irresponsible, we are actually being culpable at that point. This Congress is culpable if we do not do everything we can do to stop it. It may still happen, but we have a responsibility.

It is like saying they still rob banks even though we have laws against it. What does that mean? Should we pile the money on the desktop in the bank? No. We should still do everything we can do to stop it. And that is what we should be thinking about in this Congress.

Our immigration reform caucus, I see Members joining us here tonight who are members of the caucus; and I sincerely thank them for their participation in that effort because that is the only thing that is going to move legislation through this is getting enough folks to add their voice to those that have been raised in this debate so far.

Mr. Speaker, I yield to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I want to thank the gentleman from Colorado (Mr. TANCREDO) and my colleagues that are here tonight for having this special order because I think as we talk about this war on terrorism, if we are not serious about really dealing with some of our immigration problems, then we are not really serious about the war on terrorism. Because if we have enemies from within and we are doing nothing about it, I think the gentleman is exactly right, then we are culpable. Shame on us for not doing more.

The more we learn about this, the more troubling this becomes. I was surprised to learn, and I think most of my constituents, when I talk to my constituents, I ask them, for example, how many people do you think come into this country every year on average on some form of visa? I get numbers like 100,000, 200,000. And when I say to them, it is 31.5 million people, they are taken aback. Then the question I ask is, what happens to those people? Where are they now? And the truth of the matter is we do not know.

One of scariest things if we look back at the events of September 11, two individuals went up to the ticket counter of American Airlines at Dulles Airport just a few miles from here, they used their own names and they purchased tickets on American Airlines to fly. Now, the interesting thing was the INS knew that those two individuals were members of the Egyptian jihad. Now that did not preclude them from coming into the United States. But the interesting thing is the FBI did not know that, and neither did American Airlines.

I was at the Pentagon the other day, and I walked down the hall where they have the pictures of all the people that were killed that day. And I think the saddest picture of all is that picture of that young bride in her wedding dress. Somehow when I think about that, that here the INS knew that these two individuals, using their own names, were members of the Egyptian jihad, and yet that information had not been shared with the FBI or American Airlines.

Shame on us. We have got to do something about this. In fact, the more I have learned about this, and I want to thank the gentleman from Colorado (Mr. TANCREDO) because he has done a great job of shedding the light of day on this issue because we need to know. The American people need to know. For example, in the last year that we have numbers for, 895 people came to the United States on visas from Iraq.

Now, we do not have a whole lot of business dealings with Iraq. We buy a little bit of oil from them. We know that they have been problematic relative to harboring terrorism. How did 895 people get into this country on visas? And, most importantly, where did they go?

Mr. TANCREDO. Let me answer that question, at least a partial answer as to where did they come from? How did they get here? How is it that 895 people from Iraq were given visas?

Something else your constituents should know about, something all of our constituents should know about. There is another program operated by the government, we passed it not too long ago. It is called diversity visas. Diversity visas are given to countries that we do not think have actually sent us enough people. As bizarre as this sounds, this is the truth. Congress passed it a few years ago. There are 55,000 allotted every single year. They go to countries, as I say, that it has been determined, it is a formula basis; and if a certain country has not sent us enough people, then they go to the head of the line, these diversity visas, 55,000 of them. The bulk of those 55,000 visas go to countries in the Middle East, Egypt, Iraq, Iran. They are put on the top of the list.

So I do not know if the 895 people from Iraq came on that basis. But I am telling you that 55,000 visas are set aside just for those kind of countries. They have not sent us enough people. That is as bizarre as it gets. No, that is not as bizarre as it gets. Believe me, it gets even weirder around here when you start talking about his issue.

Tell your constituents this, that of the 31 million people who come here every single year on visas, something like 40 percent violate their visas. That is 12 million people a year who do something to violate the visa. They overstay it. That is the most common. But they break our laws. That is another very common thing that happens. Of the 12 million who violate these visas, we actually end up with maybe 100,000 of them going into the judicial system, maybe 200,000.

Of the 200,000 of the 12 million who get to the immigration court, about 100,000 actually get deported. No, actually get sentenced to be deported. A judge hears the case. He hears about the person who beat up the old lady, raped the young girl, murdered somebody in the street, robbed the bank, whatever it was, and the judge sentences this person to be deported.

At that point in time, in the system we now have, in the immigration system, that person is turned over to the INS for enforcement procedures. And I had a judge, an immigration judge call my office one day and say I have got to tell you this because I am going crazy. I am so frustrated. I have been here 12 years on this bench. He said, day in and day out I listen to these stories. I adjudicate and I find someone guilty of violating their visa and I order them deported. And day in and day out they turn around and walk out the door, and I know they will never be deported because INS does not go after them. They do not care. That is not their main interest.

He said, I think there are about 225,000 of these people wandering around the United States. So we went on the television and everywhere I would go I talked about it. I said by now it is about a quarter of a million. I thought I was pushing the envelope a little bit. He said the information was about a year old. I thought by now it is probably a quarter million.

Finally, someone from Human Events and a newspaper in California went to the INS and kept pressing them. They finally admitted, yes, it is true that there are a few folks out there who have been ordered to be deported but they are not gone. How many? It was 300,000 per year.

This is what the INS says they have lost. No, the INS says we know they have been deported. We cannot find them. We do not know where they are, and we have not gone after them.

Can you imagine explaining this to anybody, a constituent, and having them say, well, Congressman, what are you going to do about that? And I say, it is very tough because you try to get any immigration reform across here and they would rather talk about the airline security guy who is looking through the screen.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. TANCREDO. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I will leave in a second; and my good friend and part of our immigration caucus, the gentleman from Virginia (Mr. GOODE), will be stepping up.

Let me say, this is what I want to leave to my colleagues here tonight from Arizona, Colorado, Minnesota, and Virginia. We need for the American people, we all have been on this floor numerous times with friends, let me say this, that support you, we need for the American people to understand that this is absolutely critical that we reform the immigration laws of this country if we want to protect the national security of the American people. And for that to happen, they need to let their Members of Congress, their Senators, their President know that this is a critical issue.

Mr. Speaker, I would like the gentleman from Colorado (Mr. TANCREDO) to know that I will do everything I can to help him move forward with this reform because it is critical to the national security of America. I thank the gentleman for that.

Mr. TANCREDO. Mr. Speaker, I appreciate the gentleman. I must tell the gentleman, I could not be prouder of the people on this floor tonight who are here to support this effort. It is great.

Mr. Speaker, I yield to the gentleman from Virginia (Mr. GOODE).

Mr. GOODE. Mr. Speaker, I want to thank the gentleman from Colorado (Mr. Tancredo) so much for his leadership on the immigration issue and for his work in diligent, hard-working fashion in finding out so many statistics and facts that we need to bolster our argument to end illegal immigration and to curtail legal immigration.

I wanted to share with you an article from the Arizona Republic that talks about the 19 terrorists that were involved in crashing the airlines into the Pentagon, the World Trade Center, and into the field in Pennsylvania. It appears that over half of those hijackers were illegal. There are no immigration records on six of them. And I will do the best as I can in reading their names. Fayez Rashid Ahmed, Satam M.A. Al Suqami, Hamza Alghamdi, Mohand Alshehri, Saeed Alghamdi and Wail M. Alshehri.

Those six have no immigration records. And the gentleman was talking about the situation of walking in across the Canadian border or walking in across the Mexican border, and any of those six could have taken either of those routes into the United States.

Then we go to four that were here at one time legally, but they were out of status and that means they were also illegal. They entered legally but overstayed the visa was Nawaf Alhazmi, admitted to the United States as a nonimmigrant visitor in January 2000. He appears to have overstayed his visa. Waleed M. Alshehri, admitted in June 2000 as a nonimmigrant; and on the date of the September 11 was in illegal status. Ahmed Alghamdi believed to have been admitted as a nonimmigrant student and appears to have overstayed his visa. The other, Hani Hanjour, admitted as a nonimmigrant student in December 2000. INS officials say they were unable to determine whether Hanjour was legal on September 11.

Another issue in the area of immigration that I feel we need to focus on is H1–B visas. These are the high-tech visas, and we recently in a prior Congress increased the maximum number from 65,000 to 110,000.

In my opinion and I know the gentleman has worked for this and others, we need a moratorium and H1–B visas. That is one thing that could help our economy now because American citizens need these jobs.

I want to just briefly lay out the job layoffs in the fifth district of Virginia.

□ 2015

In my home town of Rocky Mount, 500 jobs were lost at Lane Furniture. In Altavista, Virginia, 500 jobs were lost. In Clarksville, Virginia, I received a call from the Mayor today, 600 jobs at Russell Stover are lost. Last year, in Henry County, Virginia, we saw Tultex Corporation, which was the biggest sweat and fleece wear manufacturer in the country go completely out of business; JPS Converter, in Halifax County, 250 jobs, 2 months ago. And in Lunenberg, Mecklenberg, and Halifax Counties we have seen tobacco workers lose their jobs because of the change in climate in the tobacco industry. And there have been thousands of other textile workers.

We need to be retraining these persons so that they can do the jobs in the high-tech industry instead of bringing in persons from other countries under H–1B visas.

And if the gentleman will just give me a couple more minutes, one issue that is going to be facing us soon is going to involve an extension of 245(i).

Mr. TANCREDO. The gentleman should perhaps explain.

Mr. GOODE. Well, 245(i) is a way for persons in this country illegally, who have been here for some time illegally, to go around the process and immediately get legal status.

This is a real slap in the face to those from other nations that go through the process, that go through the interview process, that talk with the consuls, that talk with the INS people, who get fingerprinted, that wait in line for their turn. These people under 245(i) go around the line and get to the head of the line and they are immediately legal.

We are going to be asked, I feel, on the Commerce, Justice, State appropriations bill to extend 245(i). The Senate passed it for, I believe, an indefinite extension; and that measure has not made it through the House, so they are going to attach something, I am fearful, on that appropriations bill. And the message would be clear: if you can get in here illegally, if you wait it out, you can get amnesty.

We do not need amnesty at this time. An amendment putting forth 245(i) for an extension, even if it is just for 6 months or a year, would be the wrong message, in the wrong place, at the wrong time, on the wrong bill. And I hope our body will defeat it.

Mr. TANCREDO. I appreciate the gentleman's comments, and I want to reemphasize something he was talking about in terms of the economic stimulus package that was passed earlier today. It was a very controversial package of legislation, primarily dealing with tax cuts.

I hope that it will do the job. I hope that it will, in fact, provide the stimulus this country needs to put people back to work and to deal with the people in the district of my colleague, the gentleman from Virginia, in the district of my colleague from Minnesota, all of whom are looking at us for some way to describe what is happening to them, some explanation of what is going on and perhaps a way to help out.

We can do certain things. We can tinker with the monetary policy, and we can tinker with the fiscal policy, and we can hope that down the road apiece all that will kick in and in maybe 6 months or a year we will see the effects of it. But we could have done something today with an immediate reaction, immediate reaction, and, frankly, I had asked for permission to offer amendments to the bill but was not allowed to. We were not allowed to bring this issue up. But I am going to talk about it, and the gentleman brought it up tonight, and we are going to continue to talk about this because we are going to introduce a bill even in the next couple of days, and I hope my colleagues will join me on this, and that is to repeal the particular provision that the gentleman is talking about that has allowed us to expand the number of people who can come in here on visas and take jobs.

We were told by many people that we needed them; that we could not fill the

jobs with Americans; that no matter how hard they tried, no matter how many ads they put in the paper, and we are talking now about white collar jobs, these are not the folks that are coming in across the border to do some of the more menial tasks. We are talking about white collar jobs that are relatively highly paid, and we have been told for years that we cannot get enough people in here to do it. Well, I think we have people in the United States today, American citizens, who are willing to do the job. But what is happening to us, because of the visas we have allowed, the particular kind my friend refers to, and we raised the cap on that visa, that particular visa, we now have allowed 195,000 a year, and they can stay for 6 years.

Now, figure that out. That is 1.2 million people after that period of time, and that is only from this point on. It does not even count all the ones that have come here up to this year under that visa program. So there is 1.2 million potentially here in a relatively short time. And we could close the door on that and we could improve the opportunity for a lot of people in this country to get jobs again by simply saying that if you are here, and I am sorry, if you are not an American citizen and you are taking a job, you have to leave. Because, frankly, we have our own people that we have to employ.

I am telling the truth here, and I am as altruistic as the next guy, but I want to give the job to the American citizen before I give it to somebody overseas. It is not as if we do not have people who want the job. I have had people in my office, two just last week, both of them displaced because they had people come in here on visas and take their job. It was not because they did not want the job. That was not it at all; but they could be replaced with somebody who would work for less, pure and simple. So they are out of work.

And now, by the way, some of these visa holders have been thrown out of work. And their visa says very, very clearly that they must leave the country if that job ends. But the INS said just the other day, not to worry; to spend a few months, they said, and look for another job; compete with the Americans who have been thrown out of work, they said. This is the INS. This is the group that we charge with responsibility of monitoring our borders, of actually enforcing our immigration policy. But they are not on ''our side'' here.

I had a debate in Denver, Colorado, not too long ago, with a lady who was the representative of the INS in my region. During the debate the radio announcer, the host, said to her, I do not understand, why does the INS not go after these people who are here illegally and send them home? And she said, without hesitation, this lady said, because that is not our job. She said, our job is to help them find a way to become legal citizens.

I mean, I was flabbergasted. But I do not know why I should be flabbergasted any more about things I have heard with regard to this immigration issue because it is all mind-boggling. In fact, we are compiling in my office, and if anybody has stories out there that can be verified of these, what I call ''unbelievable but true stories,'' they can call our office, 202–226–7882, because we are compiling these stories, and I will bring them to the floor night after night. I am going to list the top 10 most incredible stories. We could be here every single night for the rest of this Congress talking about these incredible but true things like I have just described where an immigration official said that the responsibilities of the INS was not to go after people who were here illegally, but in fact to find a way to get them into the United States and make them legal.

Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. GUTKNECHT. I will be real brief here, but the point the gentleman is really making, and this is what we need to debate and discuss here in Congress and for too long we have been cowed, and I want to come back to that, from having an honest debate about immigration, but Americans are being injured. We talk about what happened September 11, and the list was very, very instructive from my colleague from Virginia, but people are being injured every day by legal, semi-legal, and illegal immigration in America today because no one is minding the store.

They are losing their jobs, people are being injured through crimes, rape. We have had that actually happen in my town of Rochester, where illegal people or people who were here on visas have committed serious crimes, and yet there was no consequence. They are losing their jobs and they are losing their futures because of this immigration, and at the same time the INS is taking this unbelievably bizarre attitude. Worse than that, we in Congress, the people who are elected to set the policy for this country are cowed from debating this, or have been up until the last several months, because we are all sons and daughters and grandsons and granddaughters of immigrants.

We are a Nation of immigrants, and we understand that immigration is part of our culture. And as Ronald Reagan said, we are one of the only countries where people can come here and become Americans. I could go to Germany, and my heritage is of German heritage, but in all likelihood I would never become a German citizen. It is very difficult to get German citizenship. You can go to France, but you will probably never become a French citizen. And that is true of most of the other countries of the world.

We permit every year more people legally to come to the United States and become American citizens than all of the other countries combined in the world. And that is good, because we are a Nation of immigrants. But we have to have an honest discussion about illegal immigration and what happens when those people who come here on visas and they break our laws, when they take our jobs, when they do not play by the rules. What are we going to do about it?

And the fact of the matter is we have not even had an honest debate about that. But the good news is the American people are waking up on this and they are far ahead of the public policymakers. When I have my town hall meetings, when I talk on the radio, and when I meet with my constituents, they understand. They get it. And they are way ahead of us. And they are beginning to say, when is Congress going to begin to take some serious action about this issue.

I want to make one more point before I yield back my time, and that is to say, and our colleague from Arizona made this point, that we want to be careful that we do not sound here on the House floor that we are anti-immigrant or, more importantly, that we are anti-Arab or anti-Islamic immigrants. We have a large number, about 300 in my hometown of Rochester, folks who came here who are practicing members of the Islamic faith. And I have never been prouder than last Monday when they had a rally in Rochester, Minnesota, to hear people who could barely speak English shouting and chanting with American flags in their hands saying God bless America.

It reminded me of a country and western singer a couple of weeks ago when he said something so profound and so simple, and it needs to be repeated. He said, ''You know, the terrorists just don't get it. They do not realize that we don't just live in America. America lives in us.''

We do understand and appreciate the value of a balanced and fair system of immigration. But the system has become so skewed and so unfair. When we have 31 million people coming into this country and we do not keep track of them on visas, when there are 200, perhaps 300,000 people who are in fact subject to deportation and yet there is no real consequence, when there are people breaking our laws and no real consequence, then the system is broken and it really is the responsibility of the United States Congress to begin to fix it.

We want to work with the former Governor of Pennsylvania, Tom Ridge, who has a very, very difficult job, and we all understand and appreciate that. But we need to work with him, we need to work with the administration, we need to work within the confines of the Congress to make certain that we bring some sense of order out of this chaos, because what we have right now in immigration policy is absolute chaos.

When people can walk up and buy an airplane ticket and the INS knows in their computer files that they are members of potential terroristic groups and that information is not shared, we

have a serious problem. When people can take jobs from hardworking, law-abiding American citizens, and there is no recourse for those citizens, there is something wrong with the system.

We have a chance, we have an opportunity, and most importantly I think we have an obligation to fix that system.

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We want to work with Governor Ridge. We believe he represents perhaps the best opportunity to begin to get control of all of this and working with the Congress to come up with a new immigration policy that recognizes we want immigrants in our country, we want to be that shining city on the hill that Ronald Reagan talked about, but we also want to have some rules and see to it that those rules are abided by, and that ultimately we do not have a system that literally invites terrorists to come into our country to set up shop, to be able to move freely around our country and never have to be accountable to anybody.

So I want to thank the gentleman from Colorado (Mr. TANCREDO) and the gentleman from Virginia (Mr. GOODE) for participating tonight to help tell that story because I am convinced the more the American people realize what is going on in this country, the more that they are going to demand from their Members of Congress, from this administration, from Governor Ridge and others that the system begin to change in a responsible way.

Mr. TANCREDO. Mr. Speaker, I sincerely appreciate the gentleman from Minnesota (Mr. GUTKNECHT) coming to the floor tonight, all of my colleagues, because frankly I could not have said it better and especially the gentleman's last statement in regard to his constituents and others who were recent arrivals to the United States and stood up there with an American flag and saying God bless America and saying God bless them.

Certainly, it is an interesting aspect when the gentleman talks about the idea of dual citizenships, the fact that someone cannot go to other countries and become a citizen, and it is very true that it is very difficult in many countries to become a citizen of that country. It is very easy here.

Another interesting aspect of all of this is that there is another phenomenon we are witnessing with this massive influx of immigrants, both legal and illegal, but the ones that eventually become legalized. There are today as we stand here six million people in the United States that hold dual citizenships, that have either refused to relinquish at one point in time the citizenship of the country from which they came or chose later to accept a second citizenship.

Mexico just recently passed a law a few years ago allowing for this to happen and the numbers exploded. Six million here. I do not know this of course, but I will bet my colleagues that not one of those people that stood up where the gentleman talked about and waved that flag and were singing God Bless America, I bet none of them have latched on to dual citizenship because you have to ask frankly, whose side am I on. When it really comes down to it, when a person takes the oath of allegiance to become a citizen, that person is supposed to relinquish any allegiance to any foreign potentate or power. That is the old wording of it.

If the person has another citizenship, have they really done that? Why is this happening? Should we allow it to happen?

I do not believe that United States citizenship should be conferred on anyone who has some other loyalty. It is just another part of the picture here that we have to bring forward and wonder about.

It has been a long time that I have been debating this issue, it is true, and it is also true that now some Members of the Congress are joining us. Those of us who have been in this caucus know that now we are getting people coming to us and saying they want to join, and I say that is wonderful. I hate the idea that it may have been the events of September 11 that brought it about. I do not want to win on that basis.

I wish that was not the reason why this whole focus has changed because it is such a horrific event, but we have to deal with reality here, and the reality of the situation is this: That immigration is an important part of this picture and immigration reform is a very important part of the solution. That is undeniable. There is not a Member of this body that can honestly look a constituent in the face or another Member in the face and say forget about immigration, open borders. Even organizations like The Wall Street Journal and others who have been for years on their editorial page pushing the issue of open borders, free trade and all this, and I am a free trader, so that is not the issue at all, but even they now, I have noticed, have some degree of reticence to come forward with those kinds of editorials and I am glad of it. I just wish it had not been anything quite so horrendous to force them into this position.

I yield to the gentleman from Virginia (Mr. GOODE).

Mr. GOODE. Mr. Speaker, in town meetings and public forums, even before September 11, I saw in my district what the gentleman from Minnesota (Mr. GUTKNECHT) was describing in his district, grassroots America is fed up with massive illegal immigration, and they really want to see legal immigration curtailed, and that was that feeling in America before September 11 because these people are at the local level. They are in the counties and cities all across America, and they are seeing the impact in their communities.

The gentleman talked about the INS officials that do not deport. A factor in that is once we deport them, if we send them north or if we send them south, they can make a U-turn and come right back in. I know the gentleman from Colorado (Mr. TANCREDO) is the chief sponsor of the resolution focusing on the integrity of our borders, and I would like to see that resolution moved forward and get us tighter security on both the northern border and the southern border.

Mr. TANCREDO. Mr. Speaker, perhaps anecdotes are useful and I feel they are useful to sort of portray a much bigger problem.

Every day somebody comes up to me because I have become sort of involved with this issue and people know. So these people will tell me stories about something they have heard something else that just occurred. I will share with my colleagues and the Members here something that happened again a short time ago, and it is one of those things that one says no this cannot be, this is impossible.

Remember here, he was telling the story about, I thought at the time three-quarter of a million people who were running around the country, and I was saying to him, it is better to be a crook as an alien here in the United States than it is to be a citizen crook. A citizen crook goes to our justice system, to a regular justice system. In fact, if the person is found guilty he is going to go to jail. It is a very good chance if the person is found guilty as an alien, there is a very good chance the person will never see the inside of a prison cell.

He said, again, well, listen to this. He said, You think that is something, listen to this. This gentleman had been a member of the Committee on the Judiciary, the gentleman from California (Mr. GALLEGLY), a member of the Committee on Government Reform, and if I am not mistaken, chairman of a subcommittee at one point in time, but he was telling me about an immigration magistrate who had called him and said I have had the most amazing thing happen. This is about the third or fourth time.

He said a young man, I think it was 18 or 19 years old, came in, came before me, and he had just mugged an old lady, broke her leg, stole her purse. When the police arrested him, he had no ID, and so the policeman said what is your name, where are you from. He said I am an illegal alien, I am here from Mexico. So they took him to immigration court, and the judge said, well, you have two choices. I will either send you to jail or deport you right away. He said, well, judge, I will be deported. So they put him on a bus from San Diego, sent him back to Mexico.

He goes in as one somebody, the person he said he was, gets into Mexico, calls his mother in the United States. By the way, this young man I am talking about was born in the United States, parents were born in the United States, grandparents were born in the United States. He was a United States

citizen but he had learned the scam. He had learned that it was much better to go before an immigration judge and be turned over to the INS.

So he calls his mom after they deport him, after they send him back on a bus to Mexico, calls his mom and says bring down my ID. She gets in the car, drives 120 miles, hands him his ID. He now enters the country as John Doe, whoever he is, and of course, that record is completely erased of who he was, that he went in and the violation. They do not know anything about him. By the way, this magistrate was telling the gentleman from California (Mr. GALLEGLY) this was not the first time this had happened, that they had found this out.

Here is the thing. If the kid on the street, the average thug, a mugger has figured out that it is better to be sentenced by an immigration judge, what does that tell one about how many people are actually taking advantage of the system who are, in fact, aliens? They can with impunity violate our laws and do so and never fear that they will ever be caught.

I see that we are coming to the end of our time. I want to thank the gentlemen very much for joining me tonight, and I just want to end with a little comment here that was on the earlier thing I read.

The U.S. can bomb Afghanistan to dust but terrorism will remain. In some bizarre thought process understood only in Washington, D.C., the possibility of tightening up immigration laws paralyzes most politicians. Absolutely true, but not with the people who have joined me here tonight, and I want to thank my colleagues for their courage.

INCENTIVE TO TRAVEL ACT WILL STIMULATE ECONOMY

(Mrs. MALONEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include therein extraneous material.)

Mrs. MALONEY of New York. Mr. Speaker, as we look to stimulate the economy, we should help the industries that have been hit the hardest, the airlines and tourism. The airlines are losing billions. They have laid off over 100,000 people. Tourism is New York State and New York City's second largest industry, and it is reeling. 15,000 restaurant workers and over 6,000 hotel workers in New York City have been laid off since September 11.

The Incentive to Travel Act, which has been introduced in a bipartisan way with the gentleman from New York (Mr. REYNOLDS) will help the economy. It will give Americans the incentive to take a vacation at a time when we all deserve one. For 1 year, the bill would provide tax deductions for families of up to $2,000 nationally, and an additional $1,000 for New York for travel and entertainment expenses.

It would immediately restore the deduction for business meals and entertainment to 80 percent from 50 percent. The Incentive to Travel Act is an incentive to stimulate the economy, unlike the Republican stimulus package, which is called the ''Special-Interest Payback'' in USA Today. They say it is time to take a vacation for the special-interest Republican payback.

Mr. Speaker, I request to put this editorial in the RECORD.

[From USA Today, Oct. 23, 2001]

SPECIAL-INTEREST PAYBACK

CRISIS BECOMES EXCUSE TO RAID FEDERAL TILL FOR FAVORED GROUPS

Just about everyone recognizes that the events of Sept. 11 and afterward impose new challenges and responsibilities on the nation and its leaders. But this new reality doesn't seem to have penetrated House Republican leaders. In the latest example, they take up today a special wartime ''stimulus'' bill that's little more than a good old-fashioned special-interest giveaway.

The case for a stimulus wasn't strong from the beginning. While the economy is clearly suffering, no one yet knows how bad it is or how long it will last. Given that uncertainty, the best bet is for a temporary jolt that eases the current slump without jeopardizing the nation's long-term economic health with a return to deficit spending.

Yet against Bush's advice, and that of experts such as Alan Greenspan and former Treasury Secretary Robert Rubin, the House has decided to repay corporate patrons for their years of campaign support. Among its many deficiencies, the House plan is:

Long-lived: More than a third of the tax cuts take effect in 2003. Even if there's a recession this year, it most certainly will be over long before those cuts kick in.

Unfocused: Rather than target relief at those who need help the most, the House lavishes tax benefits on just about everyone with a lobbyist. Companies get 70% of the tax cuts in 2002, and some of their breaks are permanent. Low-income families get a one-time rebate check.

Fiscally irresponsible: The House version blows through Bush's stimulus goal of $75 billion. And with many provisions long-lasting, it imposes costs on the country's fiscal health over the next decade. That means less money to pay down debt, higher mortgage rates and slower economic growth.

This is easy to dismiss as politics as usual. But that's the problem. These are times that require everyone, especially political leaders, to put aside petty self-interest and everyday horse trading for the country's good.

The House leaders showed an unwillingness to do that with their adamant refusal to consider federalizing the nation's airport-security system. Now they're at it again with their brazen attempt to use the current crisis to please well-heeled special interests.

Worse, they've weakened the hand of those in the Senate who are trying gamely to provide focused relief to the economy. If Republicans pay off their contributors under the guise of stimulus, what's to prevent Democrats from doing the same? Already, some Democrats have been trying to get a minimum-wage boost included along with money for road and school construction, among other longstanding party priorities.

History shows that Congress rarely gets the timing or the size of stimulus packages right. The Fed, which can act far more quickly and with greater precision, is best suited to manage the ups and downs of the economy. If stimulus is to be provided, it should be targeted at low- and middle-income families most in need of help. That would cost far less than the $160-billion House proposal. Ideally, any money used for stimulus should be repaid down the road so that the nation's debt-repayment schedule isn't also sacrificed in the war on terrorism.

If lawmakers can't rise above their traditional narrow focus and produce a stimulus that works, the country would be best served if they gave this idea a long vacation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HILL of Indiana (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mr. STEARNS (at the request of Mr. ARMEY) for October 23 on account of a family emergency.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

(The following Members (at the request of Mr. FLAKE) to revise and extend their remarks and include extraneous material:)

Mr. EHLERS, for 5 minutes, today.

Mr. GREENWOOD, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. KAPTUR, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 146. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Great Falls Historic District in Paterson, New Jersey, as a unit of the National Park System, and for other purposes.

H.R. 182. An act to amend the Wild and Scenic Rivers Act to designate a segment of the Eightmile River in the State of Connecticut for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes.

H.R. 1000. An act to adjust the boundary of the William Howard Taft National Historic Site in the State of Ohio, to authorize an exchange of land in connection with the historic site, and for other purposes.

H.R. 1161. An act to authorize the Government of the Czech Republic to establish a memorial to honor Tomas G. Masaryk in the District of Columbia.

H.R. 1668. An act to authorize the Adams Memorial Foundation to establish a commemorative work on Federal land in the District of Columbia and its environs to honor

former President John Adams and his legacy.

H.R. 2217. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

H.R. 2904. An act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes.

ADJOURNMENT

Mr. TANCREDO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Thursday, October 25, 2001, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4381. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification for FY 2002 that no United Nations agency or affiliated agency grants any official status, accreditation, or recognition to any organization which promotes and condones or seeks the legalization of pedophilia; to the Committee on International Relations.

4382. A letter from the Director for Executive Budgeting and Assistance Management, Department of Commerce, transmitting the Department's final rule—Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations [Docket No. 980422101–1224–03] (RIN: 0605–AA09) received October 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

4383. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 2001–31 that it is in the security interests of the U.S. to provide assistance to Pakistan, pursuant to 22 U.S.C. 2364(a)(1); jointly to the Committees on International Relations and Appropriations.

4384. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification to authorize provisions to Pakistan, without regard to provisions of law within the scope of section 614 of the Foreign Assistance Act of 1961, pursuant to 22 U.S.C. 2364(a)(1); jointly to the Committees on International Relations and Appropriations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GANSKE (for himself and Mr. ANDREWS):

H.R. 3165. A bill to enhance the safety and security of the civil air transportation system; to the Committee on Transportation and Infrastructure.

By Mr. BORSKI (for himself, Mr. COSTELLO, Mr. OBERSTAR, Mr. HOLDEN, Mr. MCGOVERN, Ms. BERKLEY, Mr. RAHALL, Mr. LIPINSKI, Mr. FILNER, Mr. DEFAZIO, Mr. NADLER, Mr. MASCARA, Mr. CLEMENT, Mr. CUMMINGS, Mr. BARCIA, Ms. BROWN of Florida, Mr. LAMPSON, Mr. BAIRD, Mr. BLUMENAUER, Ms. MILLENDER-MCDONALD, Mr. LARSEN of Washington, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BOSWELL, Mr. PASCRELL, Mr. THOMPSON of California, Mr. INSLEE, Mr. MENENDEZ, Mr. SANDLIN, Mr. BERRY, Mr. HONDA, Mr. CARSON of Oklahoma, Mr. CAPUANO, and Ms. NORTON):

H.R. 3166. A bill to provide funding for infrastructure investment to restore the United States economy and to enhance the security of transportation and environmental facilities throughout the United States; to the Committee on Transportation and Infrastructure, and in addition to the Committees on Ways and Means, Energy and Commerce, Armed Services, Financial Services, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BEREUTER (for himself, Mr. LANTOS, Mr. HASTERT, Mr. BONIOR, Mr. ARMEY, Mr. HYDE, Mr. GILMAN, Mr. GOSS, Mr. COX, Mr. GALLEGLY, Mr. MICA, and Mr. TANNER):

H.R. 3167. A bill to endorse the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15, 2001, and by former President William J. Clinton on October 22, 1996, and for other purposes; to the Committee on International Relations.

By Mr. HOUGHTON:

H.R. 3168. A bill to amend the Internal Revenue Code of 1986 to designate an area of lower Manhattan as 1 of the empowerment zones authorized by the Community Renewal Tax Relief Act of 2000; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.J. Res. 70. A joint resolution making further continuing appropriations for the fiscal year 2002, and for other purposes; to the Committee on Appropriations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 303: Mr. JEFF MILLER of Florida.

H.R. 440: Mr. TANCREDO.

H.R. 2951: Mrs. EMERSON.

H.R. 3015: Ms. KAPTUR, Mr. FROST, Ms. MCKINNEY, and Ms. BERKLEY.