

WILLIAM M. THOMAS,
TOM DELAY,
Managers on the Part of the House.

CHUCK GRASSLEY,
ORRIN HATCH,
DON NICKLES,
TRENT LOTT,
Managers on the Part of the Senate.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 21 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2239

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 10 o'clock and 39 minutes p.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT TO ACCOMPANY H.R. 2, JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 108-129) on the resolution (H. Res. 253) waiving points of order against the conference report to accompany the bill (H.R. 2) to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 2, JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 253 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 253

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2) to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The previous question shall be considered as ordered on the conference report to final adoption without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit. The yeas and nays shall be considered as ordered on the question of adoption of the conference report. Clause 5(b) of rule XXI shall not apply to the conference report.

The SPEAKER pro tempore. The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

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

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), the ranking member of the Committee on Rules, 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.

Mr. Speaker, House Resolution 253 is an appropriate rule providing for 1 hour of debate for consideration of the conference report accompanying H.R. 2, the Jobs and Growth Reconciliation Act of 2003.

The rule waives all points of order against the conference report and against its consideration.

Mr. Speaker, taxes now claim a greater share of the median two-income family's budget than food, clothing, housing, and transportation combined. That just is not right. Families need the flexibility to dedicate their hard-earned resources towards their most pressing concerns. While some may need more money to help pay off their debts, others may need extra money to pay tuition for their child or to invest for their retirement.

The same can be said for small business owners, the entrepreneurial backbone of America. They should be empowered to allocate their resources however they see fit, whether it be hiring more employees, reinvesting, or expanding their business in order to create jobs.

The point is, people should be making decisions on how to best spend their hard-earned dollars, not the government, nor should government punish them with job-killing, unfair taxes.

Today's legislation is not just about tax relief; it is about creating jobs and stimulating the economy. The fact is jobs do not create themselves. And we, in this Congress, have both the ability and responsibility to help create those jobs. Through his consistent and immediate attention to growth and prosperity for working Americans, the President has once again guided Congress to foster job creation and ease the outrageous tax burden on working Americans. Under his direction, we will be helping countless Americans achieve a greater parity in the Tax Code and realize the fulfillment of employment.

No one knows the current job struggle like my constituents and fellow New Yorkers across the State. For my part of the State, which never shared in the economic boom of the 1990s, job growth remains the number one priority. And this type of positive impact is what this and so many other parts of our country need.

On average, over 30,000 new jobs will be created in New York every year for the next 5 years. Instead of an unemployment check, these workers will get a paycheck that they want and they deserve.

The bill recognizes that we cannot create employees if we do not work with employers to create jobs. For example, small businesses will have an option of immediately deducting up to \$100,000 in expenses, a significant increase over the current \$25,000 deductions. Because most small businesses pay taxes as individuals, accelerating the top rate reduction means lower taxes for small business owners. This means that millions of entrepreneurs will have more money to spend on employees, supplies, or expansion efforts.

The conference report also drastically reduces the dividend tax burden, making stocks more valuable and increasing expected rates of return. By lowering the rates of dividend and capital gains, people will be more willing to invest because they will pay less tax on the returns to their investments.

What this bill also recognizes is the need for an immediate infusion of direct aid to States facing dire fiscal crises. Budget shortfalls and sharply rising Medicaid costs have crippled local governments, restricted access to vital services, such as health care, that our constituents greatly rely on.

By coupling State relief with tax relief and job creation, we can alleviate the strain on State revenues, and further stimulate the economy with direct aid to our States and localities that need it most.

□ 2245

Whether creating jobs, relieving the tax burden, increasing investment, or fostering State and local stability, this bill acknowledges the need for all-encompassing approaches to growing the economy.

Mr. Speaker, former President Ronald Reagan once said the current Tax Code is a daily mugging. This is not what our political science teachers meant by participation in government. Let us not rob the American people of their hard-earned money. This country was founded upon individuals who stretched their imaginations, fostered ingenuity, and broke their backs for freedom and justice. Americans throughout history have not toiled resiliently just to fork over all their earnings to the Federal Government. This was not the intent of our forefathers, nor should it be ours now.

Mr. Speaker, I urge my colleagues to join me in supporting this rule as well as the underlying legislation.

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

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

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

Mr. FROST. Mr. Speaker, here we are again, at quarter to eleven, the shades of darkness have fallen, and we have to ask ourselves a question, at least I do: Is the other side not particularly competent? Is that why we are here this late at night, as we always are on major pieces of legislation? Or have

they intentionally put us here late at night so no one will watch this on television, so the American public will not know what is going on?

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

Mr. FROST. I will complete my statement, and then my friend, the chairman, will have plenty of time to respond.

Mr. DREIER. I just wanted to respond to the query that was put forth.

Mr. FROST. I understand, but my friend will have plenty of time to speak.

Mr. Speaker, it is more than a coincidence that the major pieces of legislation that this Congress does are always done late at night when not very many people are watching. Tonight, Mr. Speaker, the House will pass and send to the Senate the "Leave No Millionaire Behind Tax Act." Yet at the same time around the country millions of Americans are looking for work.

This country is still suffering from the second Bush recession in just over a decade, the third Republican recession in the past 20 years. The Federal deficit is spiraling even higher. The public debt is growing. Every penny of this tax bill have will to be borrowed. But Republicans in Washington, from the President on down, are busy patting themselves on the back for successfully pulling off another rip-off of the Federal Treasury.

Make no mistake, that is all this conference report is, a welfare package for the very wealthy and a big fat bill for future generations. When you borrow money, you generally have to pay it back. This conference report is the latest attempt to give the average American's Social Security payments and their Medicare payments to a small elite group of very wealthy individuals.

Republicans have argued among themselves about how much this bill costs, but it hardly matters because they are basically making up numbers at this point. After all, the Senate Republicans attached a number to their tax bill last week and then had to admit it was \$70 billion too low. And this week House the majority leader, the gentleman from Texas (Mr. DELAY), was in the newspapers bragging about how easy it is to fudge the numbers to make their tax plan look less expensive than it really is.

They can fudge the numbers to pay for a tax bill, but they will not extend unemployment benefits to every American who continues to look for work with no success. They can fudge the numbers to pay for a tax cut, but they kick 1.4 million veterans to the curb and out of the VA health system. They can fudge the numbers to pay for a tax cut, but they cannot hide a record \$400 billion deficit.

Mr. Speaker, since George W. Bush became President, some 2.7 million Americans have lost their jobs. Unemployment is the highest it has been since the last Bush administration, and

only Herbert Hoover lost more jobs than George W. Bush has. Of course, President Bush still has a year and a half to go to top the Great Depression President in this contest.

Mr. Speaker, the stock market is down. Republicans have driven America's deficit so high that the Bush administration's own Treasury Department has twice asked to raise the debt limit so they can borrow more money. Not only does the administration need to borrow more money, they want to borrow nearly a trillion dollars, the largest increase in the history of the debt limit. This is not a record to be proud of, Mr. Speaker. This is not a record to run for reelection on, Mr. Speaker. It is a record of shame.

After all, 2 years ago, the Republican majority in the House did not sell their economic package as a budget buster. But they were wrong. And they are wrong today. The "Leave No Millionaires Behind Act" will not create jobs or stimulate the economy, any more than Part I did 2 years ago. But it will drive this country deeper into debt, raising the debt tax on all Americans to pay for more tax breaks for the richest few. The true cost of this particular bill is closer to a trillion dollars than to any fake numbers Republicans trot out today.

That trillion dollars is about what the administration and the Republican leadership want us to raise the public debt by so they will not have to face up to the failed economic policies before the next election. The Republican leadership wants to force that record-setting debt limit increase through the Congress, along with this tax bill, while they skip town and leave millions of Americans who cannot find work in the lurch. This is reprehensible behavior, Mr. Speaker, but certainly not behavior that surprises Democrats one little bit.

We have a responsibility to govern with the needs of the present and the future in mind. This tax bill thinks of neither the present nor the future in a responsible manner. What the President and the Republican leadership are advocating is a failed economic paradigm that will borrow against the future to pay a few millionaires today, and the Republican Party does not have a clue how they are going to pay this money back and keep this government solvent.

That is why we have to defeat this rule and this conference report. Until someone makes President Bush and the Republicans stop ruining the economy, they will keep raiding ordinary taxpayers to pay for more tax breaks for the wealthiest of the wealthy. This is just wrong, Mr. Speaker. You know it and I know it.

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

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

Mr. Speaker, my memory serves that at the time, had we not done the tax cuts that we passed in 2001, we might

have been in a deeper recession, a slower economy. And, quite frankly, that was part of the stimulus that has moved us to a shallow recession. In moving forward with this tonight, my hope is the economic stimulus will continue to advance.

Quite frankly, I think the Republican agenda, led by our President, has done the job, and I am hoping that we can continue moving on that agenda. I will be happy to take that record to the voters of this land and let them make a decision.

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

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule, and I rise to say that this has been a great day for us. We have been able to pass out, in a bipartisan way, with an overwhelming vote, a spectacular defense authorization bill. We have been able to deal with one of the most pressing needs out there by extending unemployment benefits to those who are really hurting. And now we are dealing with what truly is the number one priority for us economically, and that is we are going to be putting into place a measure which is designed to create jobs and increase economic growth in this country.

I am looking at the clock. It is now 6 minutes before 11 p.m. Now, I know my friend from Texas has described this as the dead of night. But I have to say that it is 6 minutes before 8 p.m. in California, and I suspect that there may even be a broader audience following the debate at this hour across the Nation than there might be at noon following a debate that takes place here in the House of Representatives.

I also have to say that I know there are Members on both sides of the aisle who are anxious for us to complete our work and get this done so that we can create jobs for the American people, which is what this measure is going to do.

Now, I am very proud to be a Republican, and by virtue of being a Republican, I was born to cut taxes. And I am proud, I am proud of the fact that we are putting this measure into place. The "Leave No Millionaires Behind Act" was a great line that I heard. I thought that was very creative. But if we are using it on the model of "No Child Left Behind," I guess it should be broadly bipartisan. And, frankly, this is a measure which cuts taxes for virtually everyone who pays taxes.

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

Mr. DREIER. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, my friend says it cuts taxes for almost everybody. The last tax proposal the gentleman brought up here gave as much in tax breaks to the richest one-tenth of 1 percent, those people who are millionaires, as to the bottom 89 percent

of the people. Does my friend think that is fair?

Mr. DREIER. Reclaiming my time, Mr. Speaker, I thank my friend for his question. And what I will say is that, frankly, as we look at the numbers, 1 percent of the American people provide 37 percent of the tax revenues that are paid in this country, and 5 percent of the American taxpayers provide over 52 percent of the tax revenues.

But what I wanted to say, Mr. Speaker, and I will say it again, is that this measure will cut taxes for virtually every American who pays taxes. And I am so excited about the fact that it cuts taxes not only for those job creators by dramatically increasing expensing for small businesses, by bringing about the kind of increased depreciation which is very important and necessary, but also I am enthused about cutting the top rate on the capital gains tax.

I am very privileged to have worked for years and years and years here. In fact, I have a bipartisan bicameral Zero Capital Gains Tax Caucus. And guess what? This measure creates a zero capital gains, and not for those who are in the highest income tax brackets, not for those who are out there creating huge numbers of jobs, but this measure will, in the year 2008, establish a zero capital gains tax rate for whom? For those who are in the 10 percent tax bracket and those who are in the 15 percent tax bracket. And, Mr. Speaker, it also provides a zero tax in the year 2008 for those who have dividend income. And there are many Americans who fall in that category.

So we are achieving, with passage of this measure, a zero capital gains rate for those who are at the lowest end of the economic spectrum. And, yes, we are, in fact, cutting it for those in the higher end as well. We are cutting it from 20 percent to 15 percent.

We also know, as we look at the broad cross-section of the American people who are going to be benefitted by this expanding and making permanent the marriage tax penalty, that that relief is very, very important. Also expanding the child credit up to \$1,000, another very important provision, will be helpful to middle-income wage earners in this country. So while I hear this measure described by my friend from Texas as only benefiting millionaires, that is an absolutely preposterous description of this very important legislation.

I also have to say, Mr. Speaker, that I am very proud of the fact that we have stepped forward, acknowledging that there are real challenges that our States are facing. My State of California has, tragically, a \$38.2 billion deficit. And what is it that we do in this measure? We step up to the plate and provide \$20 billion in assistance for those States that have come to us and talked about the very important needs that they face.

So, Mr. Speaker, I am convinced that we have done the right thing. We are

going to lay the groundwork to provide a tax-defined effort to create jobs and growth in this country. This measure deserves strong bipartisan support. The President of the United States stood here at the Capitol this morning and said he looks forward to signing this bill.

While it is not exactly what we wanted from the beginning, we have said that we are excited about the fact that the argument has been over what the size of the tax cut will be, because we know that when our friends on the other side of the aisle were in the majority the debate was so often over what the size of the tax increase would be.

□ 2300

Mr. Speaker, we have all heard the lines about the desire to keep these dollars in the pockets of the American people because they have earned them. We all know that is the case; but we also have to realize that these proposals which have come forward from the other side of the aisle to increase taxes, which is the proposal that we had last week that came from that side, would do nothing to create jobs and encourage economic growth.

In fact, as my friend from New York has so eloquently said, it would have exacerbated the economic challenges that we face. The downturn began in the last two quarters of the year 2000. That was before President Bush was elected President of the United States. Since that time this Nation has faced all three of the factors that the President outlined in his campaign that indicated that he possibly would have to lead into deficit spending: war, recession, national emergency.

No one needs to have September 11 redefined for them. We all lived through that right here in the Capitol; and tragically, many of us lost friends on that day. We also have just gone through a war liberating the people of Iraq, and we know it has been very costly.

We also know, as we have looked at this deficit, the real problem is the fact that we have seen a slow economy. How is it that we are going to generate the revenues to deal with these very important priorities that we have? It is to generate a flow of revenues that we need.

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

Mr. DREIER. I yield to the gentleman from Tennessee.

Mr. FORD. Mr. Speaker, I am just curious as a Member of the body and as a voter, when does it become President Bush's economy? You said this started back with Bill Clinton.

Mr. DREIER. That is a very good question. I think what I have basically said was this downturn began in the last two quarters of 2000. I did not say whose economy this is or is not. I would say we are all in this together as the American people. We all together stood outside the Capitol as Members

of Congress following the tragedy of September 11. We all have been faced with the war with Iraq, and we have all been faced with a downturn that began in the last two quarters of 2000, and we are struggling to emerge. We are struggling to get this economy back on track.

That is why the measure that we passed in 2001 which the gentleman from New York (Mr. REYNOLDS) was talking about did play a role in mitigating the economic downturn. Virtually every economist indicated had we not passed that measure, the problems would have been worse than they are today. I believe that passage of this measure will go a long way towards creating the kind of revenue flow that we need. As I was saying, every single time we have cut the top rate on capital gains, we have seen an increase in the flow of revenues to the Federal Treasury.

We saw it when John F. Kennedy did it and when Ronald Reagan did it. We doubled the flow of revenues to the Treasury during the 1980s when Ronald Reagan brought about that reduction. In fact, we saw a 500 percent increase in the flow of revenues when the top rate on capital gains was reduced from 28 to 20 percent in 1981.

Unfortunately, in the 1986 tax bill, we saw that rate go back up. That 500 percent increase in the flow of revenues that came by unleashing that potential that was there, unfortunately we saw a diminution of it once we increased that rate.

Mr. Speaker, I am convinced that we are going to observe a dramatic increase in the flow of revenues to the Federal Treasury once we put into place this measure that cuts for most Americans the rate from 20 to 15 percent, and for those in the 10 to 15 percent bracket, reduces it to a great big zero.

When I think about those at the lower end of the spectrum, I think about those individuals who are starting their businesses, maybe have a home that has appreciated, they want to be able to have the chance to create jobs and get onto that first rung of the economic ladder.

This measure is designed to create the opportunity for people to do just that. This is a very good start. It is a good piece of legislation. I am very proud of the work that has been done by the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means, our colleagues in the other body, and of course President Bush in providing stellar leadership for this, as well as Speaker HASTERT who has constantly pushed in the direction of trying to reduce that burden.

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

Mr. Speaker, I have been listening to the gentleman from California (Mr. DREIER), who has a very interesting description of the bill.

I have a table here, table 5.1, "Conference Agreement on Jobs and Growth

Tax Relief Reconciliation Act of 2003." This table has some very interesting information in it. An American who makes a million dollars or more would get \$93,530 of tax cuts on the average. If you make between \$20,000 and \$30,000 a year, you get \$15 a month. If you make between \$30,000 and \$40,000 a year, you get a little bit less than \$30 a month. Let me just comment, the gentleman is trying to say this is a wonderful thing for people in the lower income brackets.

I suggest to Members that the great spread here of \$93,530 for the millionaires and \$15 a month for the fellow or woman making between \$20,000 and \$30,000 and less than \$30 for the family of between \$30,000 and \$40,000, I am not sure what the gentleman is trying to say here.

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

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

Mr. DREIER. Mr. Speaker, I would like to ask my friend, does he propose that that American who is earning between \$20,000 and \$40,000 a year, does he propose that they receive a \$93,000 tax cut? Is that what the gentleman is proposing?

Mr. FROST. Reclaiming my time, I am just proposing that we not try and tell them they are getting a really good deal here, that they are getting a really big tax cut, because the people who are getting the really big tax cut are the folks who are the millionaires, and the average folks out there are just getting a little bit.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. HASTINGS).

(Mr. HASTINGS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Speaker, I would like to say to the distinguished chairman that last quarter that he talked about in 2000, the tax measure had not been passed at that time, actually did not pass until June of 2001.

I would also like to say to the chairman who said that he is proud to be a Republican, he was born to cut taxes, the gentleman from California (Mr. DREIER) said. Well, I am proud to be a Democrat, and I was born to help those who cannot help themselves.

When we talk about people who pay taxes receiving benefits, there are people in this country who want to pay taxes, but cannot get a job.

Mr. Speaker, do my colleagues realize that this body will spend a meager 2 hours debating this tax cut? That is the House will dish out more than \$2.4 billion to America's wealthiest for every minute it has debated this irresponsible proposal. Let me repeat myself for those who did not hear me the first time: \$2.4 billion per minute of debate.

Mark Twain said there are two things you should never watch being made: sausage and legislation. The de-

velopment of the Republican tax cut plan exemplifies the similarities between the nastiness and randomness of sausage-making and law-making. Those on the other side of the aisle have dismembered competing packages into a speculative \$318 billion collage. The tax cut conference report is incomprehensible, politically motivated, and fiscally irresponsible. Outside of these hallowed halls is a visitors' center that is being built. Right now it is a big old hole, and what the Republicans are proposing is a \$1 trillion hole that is a great metaphor for that big old hole right outside.

This ugly tax sausage is the product of the President and the Republican majority's troubling tax cut fixation. The tax cut conference report is a collection of various misplaced, gruesome, and dishonest provisions. The Frankenstein result is an offensive tax proposal with no legs to stand on, no eyes to see beyond the present, no voice of truth, and no heart with compassion for America's neediest.

For President Bush and the Republican majority, tax cuts are a one-size-fits-all solution. Last year's obese, obtuse, and downright obnoxious tax cut was, according to the majority, correct for the then-existing surplus.

This year while the economy is ailing, the President, House majority, and Senate majority all have professed that their own version of a tax cut plan will solve the current economic problems. Now we are being asked to subscribe to the untruthful claim that this fifth tax cut version more mangled and distorted with gimmicks than the previous four, will restart the economy. I ask that Members do not support this rule and underlying principle of the bigger the wallet, the bigger the benefit.

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

Mr. Speaker, we are getting to the heart of it. The heart of it is that the left is filing in here to talk about we need bigger government and more spending. We need more of that central Federal Government.

And the debate will happen after this rule is passed of those who want to see a tax cut, those who want to put that money back in the American people's pocket. And then we will begin to look at some of the facts in this debate.

Mr. Speaker, a married couple with two children, an income of \$40,000 will see their taxes decline under the Jobs and Growth Tax Relief Act of \$1,133 in 2003. That is a decline of 96 percent.

In 2003, 91 million taxpayers will receive on average a tax cut of \$1,126 under the Jobs and Growth Act of 2003. And 68 million women will see their taxes decline on average by \$1,338; 45 million married couples will receive an average tax cut of \$1,786; 34 million families with children will benefit from an average tax cut of \$1,549; 6 million single women with children will receive an average tax cut of \$558; 12 million elderly taxpayers will receive an

average tax cut of \$1,401; 23 million small business owners will receive tax cuts averaging \$2,209; 3 million individuals and families will have their income tax liability completely eliminated by this act.

I will repeat that again. Mr. Speaker, 3 million individuals and families will have their income tax liability completely eliminated by this act. Half of the tax relief package in 2003 is directed to the child tax credit, expanding a 10 percent bracket eliminating the marriage penalty, accelerating the marginal rate cuts, and ensuring that middle-class families do not face AMT. Ten million seniors will receive some type of dividend income, will be able to make their golden years more secure by keeping more of what their dividend income is.

When I have this vote cast for this rule and then when I vote on the underlying legislation, I am happy to take those facts back to my district and stand before my constituents. Do Americans want more Federal Government and bureaucrats creating programs, or do they want that money in their pocket for them to make that decision?

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

Mr. REYNOLDS. I yield to the gentleman from Vermont.

□ 2315

Mr. SANDERS. I thank my friend for yielding. I appreciate that.

Mr. REYNOLDS. For a point of a question.

Mr. SANDERS. Here is my question. The Wall Street Journal poll today showed massive opposition to this tax proposal and that more than half of the American people, 55 percent, said they would prefer the government to spend more money on health care coverage. The people want health care. They want Social Security.

Can my friend respond to that?

Mr. REYNOLDS. Mr. Speaker, I also saw a poll that says that the American people want a tax cut. And, quite frankly, as the President traveled the country in the week that we were on recess, he raised the polling numbers for that tax cut by 10 percent.

Mr. SANDERS. But he is still losing. The polls are very clear. The people want health care and Social Security.

Mr. FROST. Mr. Speaker, I yield myself 30 seconds.

I have been listening to the gentleman from New York and, of course, he offers a false choice. He says, do you want tax cuts or do you want bigger government? The people that I talk to do not want a government that puts them in debt. They do not want their children and grandchildren to be paying, having to bail out the country for this tax cut that is being passed this year because of the size of the debt that this is causing. No, they do not necessarily want bigger government, but they do not want that debt hanging over their children and grandchildren for several generations.

Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I have to wonder if our good friend from New York, when he tells his constituents about their benefits, will tell them that the child tax credit will expire in 2004, that the 10 percent bracket expansion will expire in 2004, that the AMT exemption and that the marriage penalty negation provision will expire in a year. We give with one hand and take away almost immediately with the next. The sun rises and the sun sets.

Let me dispel, first of all, one myth about this tax bill, the myth that the President is putting out that this is an itty-bitty tax bill. \$350 billion by itself would not be itty-bitty, particularly when you have a deficit as we do. But this is not a \$350 billion tax bill. If you assume, as we must, that these sunsets are a sham, and why should we not, because the architects of this bill are all saying, they will be extended, we just put them in there to shoehorn this thing into the budget. If you assume that, then this is what this total tax cut will be, not \$350 billion but, in the next 10 years, \$1 trillion. That is the result. And since the budget is now in deficit, all of this amount, all \$1 trillion, will go to the bottom line and will swell the deficit. That means we will have a deficit this year, a record deficit of \$425 billion and the deficit will hover in that range, ratcheted at that range, of 3 to \$400 billion for as far out as we forecast.

But we do not stop here. Because Republicans have told us, proudly, that

they are going to make tax cuts an annual event. If you look in their budget, you will see there are more unreconciled tax cuts still on the back burner yet to be brought forward. If you look in the President's budget, you will see that there are a lot of tax cuts left on the cutting room floor waiting there for next round.

Here are three known tax cuts that are yet to come off the agenda.

First of all, we all know the tax cuts passed in 2001 have to be made permanent, will be made permanent by the majority if it stays the majority in this House. That will cost 6 to \$650 billion in revenues.

Second, there is another 2 to \$300 billion of various tax cuts lying on the cutting room floor waiting for the next round.

Third, there is the alternative minimum tax. We all know that politically it has to be fixed in the next 10 years or else 25 million Americans are going to pay much higher taxes than they now pay. They will pay the alternative minimum tax. The cost of fixing it is reasonably 650 to \$680 billion.

If you add all of these tax cuts together and make a few modest adjustments for the likely cost of defense and homeland security and Medicare/prescription drugs, here are the results. I have got a piece of paper. I am going to leave it here on the desk. We have calculated them on this sheet of paper. If anybody takes exception with them, come down here and refute it.

Here are the results per our reckoning of what is going to happen to the budget.

First, from 2004 until 2013, deficits will total, get this, deficits will total \$3.959 trillion. Without Social Security, deficits will total \$6.527 trillion. Debt held by the public will increase from \$3.5 trillion to \$7.9 trillion. Total statutory debt will go up to \$14 trillion.

You can overlook and dispute a lot of these facts, but there are two facts you cannot dispute. They will not go away.

First of all, 77 million baby boomers are marching to their retirement, and they are going to double the number of beneficiaries on Social Security and Medicare, and those programs will not sustain their benefits in their current situation.

Secondly, what you sow, our children and their children are going to reap. They will have to support the underfunded Social Security program, the underfunded Medicare program, and they will have to bear the burden of \$14 trillion in statutory debt that you are incurring as you move down this path tonight. That is the course you choose. That is the moral decision you make tonight if you vote for these tax cuts.

If you do it in the name of creating jobs, I do not think this is going to create that many jobs, with one exception, I will grant you. It is going to create a lot of jobs for tax lawyers and accountants. This bill will be a bonanza for those who specialize in tax avoidance; and the real cost, believe me, is going to be beyond calculation.

Mr. Speaker, I include the following for the RECORD:

BUDGET OUTLOOK WITH CONFERENCE TAX CUTS

CBO Assumptions, Fiscal Years, Billions of Dollars; Surplus Is Positive

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-2013	2002-2011
March 2003 Baseline														
Unified Surplus	-158	-246	-200	-123	-57	-9	27	61	96	231	405	459	891	-377
On-Budget Surplus	-317	-408	-373	-317	-269	-240	-224	-207	-190	-73	88	128	-1,678	-2,619
Off-Budget Surplus	160	163	173	195	212	231	250	268	286	304	318	331	2,568	2,241
Technical Reestimate														
Receipts	0	-67	-59	-54	-52	-51	-51	-50	-50	-50	-50	-50	-517	-484
Legislation														
Iraq War Supplemental	0	-38	-27	-7	-1	0	0	0	0	0	0	0	-36	-75
Conference Tax Cuts	0	-61	-149	-82	-21	-14	-17	-11	-4	4	3	2	-289	-354
Debt Service on Above	0	-1	-9	-22	-31	-37	-43	-49	-55	-61	-66	-73	-445	-307
Possible August Baseline														
Unified Surplus	-158	-413	-443	-288	-162	-111	-84	-49	-13	124	292	338	-396	-1,596
On-Budget Surplus	-317	-576	-616	-483	-374	-342	-334	-317	-300	-179	-26	6	-2,965	-3,638
Omitted Costs														
DISCRETIONARY														
Bush Defense Increase	--	0	0	-2	-8	-13	-22	-28	-32	-34	-36	-38	-212	-139
Further Cost of War	--	0	-30	-20	-10	0	0	0	0	0	0	0	-60	-60
REVENUES														
Extend Conference Agreement	--	0	-1	-15	-78	-78	-71	-72	-82	-85	-86	-89	-656	-480
Bush Tax Cut (Over Conference)	--	-3	-10	-23	-27	-32	-37	-47	-46	-180	-283	-296	-981	-404
AMT Repair	--	0	-4	-12	-27	-41	-56	-73	-89	-107	-126	-146	-680	-408
MANDATORY														
Medicare Rx	--	0	0	0	-22	-34	-39	-44	-50	-63	-70	-78	-400	-252
Debt Service on Above	0	0	-1	-4	-11	-22	-34	-50	-68	-92	-126	-167	-574	-281
RESULTING DEFICIT														
Unified Surplus	-158	-416	-489	-364	-345	-329	-343	-363	-380	-436	-435	-476	-3,959	-3,621
On-Budget Surplus	-317	-579	-662	-558	-557	-560	-594	-631	-666	-740	-753	-807	-6,527	-5,863
DEBT HELD BY THE PUBLIC														
CBO 2001 Baseline Debt	2,870	2,537	2,157	1,738	1,246	682	54	-651	-1,444	-2,314	N.A.	N.A.	N.A.	N.A.
CBO Current Baseline Debt	3,540	3,766	3,927	4,013	4,045	4,034	3,983	3,894	3,766	3,501	3,062	2,565	N.A.	N.A.
Debt With Policy	3,540	3,956	4,445	4,809	5,154	5,483	5,826	6,189	6,568	7,004	7,439	7,915	N.A.	N.A.
Difference	670	1,419	2,288	3,071	3,908	4,801	5,772	6,840	8,012	9,318	N.A.	N.A.	N.A.	N.A.
Debt With Policy, % of GDP	34%	37%	39%	40%	41%	41%	42%	42%	42%	43%	44%	44%	N.A.	N.A.
Spending of Medicare	-32	-26	-27	-28	-33	-33	-34	-35	-36	-34	-37	-33	-330	-317
Spending of Social Security	-160	-163	-173	-195	-212	-231	-250	-268	-286	-304	-318	-331	-2,568	-2,241
Excess Deficit	-158	-416	-489	-364	-345	-329	-343	-363	-380	-436	-435	-476	-3,959	-3,621

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

I stated a number of facts of how many millions of Americans benefit from this plan. I realize it was my party that started the graphs and bringing those very scientific presentations before us. I respect listening to the gentleman as he brought some of those today, but there are two important messages that I know I have been taught and trained by my constituents when I go home each week that is drilled into my graph of my mind and my views here.

One is: Keep and create jobs. That is what this bill does.

The other is: Tax cut now. That is what we are going to have the opportunity to vote on.

There is going to be a great debate after this rule on the Thomas tax bill that he will present, but the reality is, at the end of the day, we are going to pass that legislation and we are going to help people go back to work.

We have also done some important things with the unemployment insurance today. We are moving forward. It is a good Bush agenda. It is an agenda that the American people want, and they are going to have it.

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

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. I thank my friend for yielding me this time.

Mr. Speaker, this bill is a fraud. It will do devastating harm to this country. It is an embarrassment that the Republican leadership brings it up, and it should be defeated.

Mr. Speaker, point number one. This bill is grossly unfair. My Republican friends, it is not the millionaires and billionaires who are struggling. It is the middle class. It is working families who are struggling. Yet your bill gives \$93,000 a year in tax breaks to the millionaires, but 36 percent of the American people get nothing, and 53 percent of the households would receive a tax cut of under \$100. So the people who need the help get nothing; the millionaires get the lion's share.

Number two. When you give hundreds of billions of dollars in tax breaks, you endanger the middle class. This will lead to drastic cutbacks in education, in Medicare, in Medicaid, in Head Start, in the programs that working families depend upon. Shame. Cutting back on education and Head Start to give tax breaks to billionaires.

Number three. What a legacy to leave to our children and grandchildren. The national debt now is almost \$6 trillion, huge debt payments every single year. Your tax breaks for the rich will drive the national debt up by several trillion dollars. What a gift to give to our grandchildren.

Fourth point. You talk about creating jobs. That is what you told us 2 years ago when you brought forth your tax breaks for the rich. You told Amer-

ica it was going to create jobs. In the last 2 years, we have lost 2 million jobs after your tax breaks for the rich. This proposal will do nothing more. If you want to create decent-paying jobs, build affordable housing. Protect workers right now who will lose their jobs at the State and city levels. Tax breaks for the rich do not create jobs.

Lastly, and maybe most importantly, the American people are seeing through this fraud. The Wall Street Journal/NBC poll says today nearly two-thirds, 64 percent, of the people who were polled said there were better ways to boost the economy than tax cuts. Only 29 percent said tax cuts were the answer. These guys say, big government, terrible, terrible.

What you are really saying is you do not want the elderly to have prescription drugs. You do not want the kids to have an education. That is what you mean when you rant and rave against the government.

But here is what the people say. Fifty-five percent said they would prefer the government to spend more money on providing health care coverage, compared to 36 percent who said no.

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

This is not a new debate for me. I came from the New York legislature. I listened to liberals every day tell me how government was going to solve all of New Yorkers' problems. I will not go through all those facts of the millions and millions of Americans that benefit from this bill as I cited earlier, but I want to remind my colleagues of one simple fact: A married couple with two children and an income of \$40,000 will see their taxes decline under the Jobs and Growth Tax Relief Reconciliation Act of 2003 by \$1,133 in 2003. It is a decline of 96 percent.

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

Mr. FROST. Mr. Speaker, I yield myself 15 seconds.

The gentleman makes a very interesting point. Of course, that is sunset almost immediately. They may get that for a year or two, and then it is sunset.

Mr. REYNOLDS. Will the gentleman yield?

Mr. FROST. I do not have enough time, but I just observed that the gentleman says, oh, we are going to do this thousand dollars, but they take it away in the next year or two.

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

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

Mr. MCDERMOTT. Well, Mr. Speaker, here we are back at the rubber-stamp Congress. Bring the bill out, rubber-stamp it and go on home. The American people have to understand, these guys are bringing out \$1 trillion worth of tax cuts and say that you are going to get 1 million jobs out of that.

That is \$1 million for every job you are going to get. The bill was dropped on the desk out here at 9:20. So we have had just about 2 hours to look at how they are spending \$1 trillion.

The gentleman from New York stands up here and very confidently says, da-da-da-da, we're going to get a thousand for this and a thousand for that and all this kind of stuff. Not a soul on this floor knows whether that is right or wrong. Nobody has had any time to look at this bill. You do not want anybody to have any time to look at this bill, because if they did they would find out just how fraudulent it is.

The theory behind it, that is, give the money to the rich and they will go out and invest. The people at the bottom buy most of the stuff that the people at the top make. If the people at the bottom have no money and no job, you could have given a payroll tax holiday and given the money to the people on the bottom. They would spend every nickel of it.

But no. You are going to give it to the top, and then you are going to pray, please, Lord, have them invest and create a new job for some poor person in my district. The million that you left on the table in the last bill, in the bill on unemployment insurance, when you would not take care of the people who were unemployed, you would not give them any money there, you would not give them any money with a tax break, you are going to give them \$325 if they make 30,000 bucks. That is a fraud. It will not work, and the American people know it. That is why the Wall Street poll looks the way it looks. You try to fool them. You can fool them once in a while, but after a while it really does not work.

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, history is a harsh judge. In years to come, our children will be called to judge what happened here tonight, May 22, 2003. When they learn that you have put \$1 trillion of debt on their young children, something they do not understand tonight, their first instinct will be to forgive you. That will be their first instinct. But they will not forgive you for putting \$1 trillion on our children's backs because that is unforgivable.

□ 2330

It is unforgivable on a moral basis. This is not an economic issue. These children are going to be dug into a hole deeper than the hole out in front of the Capitol. It is unforgivable because they know you are handing out crumbs as you deliver your tax breaks to the wealthy. It is unforgivable, and our children are forgiving people, but this they will not forgive.

Mr. REYNOLDS. Mr. Speaker, I yield 1½ minutes to the gentleman from

Kentucky (Mr. FLETCHER), my good friend and classmate.

Mr. FLETCHER. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, when we look at this bill and I think about the people back in Kentucky and what they want, I think of three things particularly they want: One, they want jobs; two, they want healthcare; and, three, they want education.

The people on the other side believe that they can hand out all of those things through government. But let me tell the Members what this bill does. This bill provides the resources for those individuals to make sure that they can get a job, to make sure there is a job available. Ninety-seven percent of the educational dollars come from the State revenue. The way we provide increased funding for education is to create more jobs, more revenue by having more jobs in the State. The way we create healthcare is to provide more jobs in employer-based healthcare.

We have also provided \$20 billion for the States. States are facing some difficult times, and this bill addresses that. It addresses the Medicaid problem which we have in Kentucky. This addresses the problem of other revenue shortages we have.

They are still following the old mantra, and that is that we can spend ourselves into prosperity. These Keynesian economics have proven to fail. I remember when I was in the military when President Carter was in office. We had a terrible problem of funding the Department of Defense, and I remember when Ronald Reagan came in and instituted some of the principles that JFK had which was reducing capital gains. We saw prosperity then. We were able to provide jobs, education and defense money.

Pass this rule and this bill.

Mr. FROST. Mr. Speaker, may I inquire about the time remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Texas (Mr. FROST) has 7¼ minutes, and the gentleman from New York (Mr. REYNOLDS) has 5½ minutes.

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

Mr. EDWARDS. Mr. Speaker, since when did creating the largest deficit in American history become a conservative value? The same House leadership that has led us in just 2 years from the largest surplus in American history to the largest deficit in American history now proudly digs that hole deeper tonight.

The dirty little secret of that bill is that every single dollar of this tax cut is paid by borrowing, borrowing from our children's future rather than investing in it, borrowing from the Social Security Trust Fund rather than strengthening it.

This is a growth bill all right. It will grow our national debt by trillions. It

will grow taxes for future generations who will have to pay interest costs on that new huge debt. It will grow the cost of doing business for our family businesses and farmers, for buying a home or a car when interest rates are pushed up by your historic deficits. If our values in Congress are reflected by our priorities, what does it say when the Republicans on the House Committee on the Budget voted just 2 months ago to cut veterans' benefits by \$28 billion, Medicare by \$262 billion, and Medicaid for poor children by \$110 billion? Whoops, tonight they say we can afford a \$350 billion tax cut. Is that what compassionate conservatism is all about?

In a few hours I will go to sleep knowing that Republican campaign operatives are already happily preparing their attack press releases for those of us who will oppose this irresponsible bill, but, quite frankly, I really do not care. Because when my 5- and 7-year-old sons wake up in the morning, I can look them in the eyes knowing that I did not vote tonight to mortgage their futures.

Congress did it in 1981, and it repeated the mistake in 2001. Tonight, our Republican leaders once again make the mistake by offering the false promise of huge increases in defense spending, balanced budgets, and massive tax cuts. It did not work then. It is bad policy now. This is a bad bill for our children and their future.

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

I cannot speak for the gentleman's constituency as a whole, but I know there is one constituent down there who wants a tax cut.

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

Mr. FROST. Mr. Speaker, I yield myself 15 seconds.

Is the gentleman talking about the multimillionaire who lives in Crawford, Texas? I think that is who he was talking about. I do recall that the net worth of the resident in Crawford, Texas, is somewhere around \$15 to \$20 million.

Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, it is not easy to oppose a tax cut if one holds public office. It does not take a lot of courage to vote for a tax cut. That is something that everybody who seeks public office likes to do, and it is no fun to oppose a tax cut. But who in the world do you all think is going to pay for the ships that are in the Persian Gulf tonight? Who is going to pay for veterans' benefits for people who come back with one leg or one arm off? Who is going to pay to educate the children?

We have a \$6.4 trillion deficit. You are raising the debt of this country \$980 billion. You borrowed every dime for the Persian Gulf War, and nobody wants to pay for anything.

It is not easy to oppose a tax cut. But I will say one thing. It does not take a

whole lot of courage to vote for it because you can go home and get patted on the back tonight. But we are digging a hole that is going to haunt this country this terms of future interest payments.

Who is going to pay the bill? All these young people around here, they are the ones that are getting the bill because they are going to pay interest on every dime that is in this bill tonight.

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

We are nearing the end of our hour debate on the rule, and we have heard a number of different viewpoints. But I want to remind the colleagues as they look at the rule that gives us an opportunity to move forward on a tax cut and also a \$20 billion stimulus to our States and localities. The child credit increases our child credit to \$1,000 for 2003 and 2004. Families will receive a child credit check this year for up to \$400 per child. It accelerates the expansion of the 10 percent bracket for 2003. The marriage penalty relief begins in 2003, individual rate cuts where we accelerate the 2006 individual rate cuts scheduled to 2003. The individual increase of AMT exemptions where that will be increased by an amount of \$4,500 for single persons and \$9,000 for joint filers.

But I look at jobs and small businesses. I have come up through the elected route of legislative bodies from county to county to State, our Federal Government. All of my working adult life I have been a small businessman. When I go back home to those Chambers of Commerce and, yes, it will not be Waco, Texas, or Crawford, Texas. It is going to be Clarence, New York, or Amherst or Batavia, Greece. I am going to talk about the fact that in small business that they have the opportunity to expense at \$100,000 versus \$25,000. Not because I thought so, but because they told me, as small businessmen and women, that is what they needed. That is what they needed to first retain their jobs, that is what they needed to grow jobs.

And, by gosh, the Congress heard them, the President heard them, and there is a new law of the land that this Congress will enact tonight. That small business expensing increases the amount that they can expense from \$25,000 to \$100,000.

Some of you are going to go home to the Chambers of Commerce, and I hope, as they get a chance to look at that, you can answer the question: "You are right. I have heard your call across the America, and I am going to do that \$100,000 expensing in the vote I cast here tonight."

And in dividends and capital gains, I hear all this class warfare on the rich. Where I come from and in that real estate business I owned for 25 years, I knew a lot of working men and women that built a little capital gains in that second property they owned or the double that they rented out up the street,

and they just want an opportunity to have that money come back to them versus the government gobbling it up for more government programs to give you a solution of how to spend the money versus sending it back to the American people.

This debate is, as we pass the rule and moving on to the debate, we will hear a lot from the left. We will hear a lot from those who cast that 1993 vote to have the largest tax increase in America's history defend it then and then defend it tonight. But, Mr. Speaker, I do not care how we cut it. The American people want to create jobs and jobs growth, and they know tax cuts are the route to get there.

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

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

Mr. STENHOLM. Mr. Speaker, I yield to the gentleman from New York to answer a question.

Is or is not the \$350 billion tax cut that you have raved about all night going to be paid for by borrowed money? Yes or no?

Mr. REYNOLDS. Mr. Speaker, we are going to pay for it by giving it back to the American people. Will there be deficits? There are deficits.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, I have heard that rhetoric all night. That dog will not hunt. That is borrowed money. Right now you are asking the Senate to approve a \$984 billion debt ceiling increase. This tax cut tonight is paid for by borrowed money, and if you say you are going to grow your way out of it, why do your own economists, why does your own budget, why does your own rhetoric behind your words tonight not back up what you say?

□ 2345

What you are reading to us time and time again is not factual. It is borrowed money. We are increasing the debt. Since you have taken over this House, you have increased our Nation's debt by 54 percent. You will increase it by 167 percent by 2013, following the game plan you are talking about tonight.

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

Mr. Speaker, I believed when I voted for a \$726 billion tax decrease, for tax cuts, that we would have moved our economy even faster. I believed it when I did \$550 billion. I am supporting \$350 billion with the other things we are doing today for an economic stimulus package because I believe it will create jobs, and those jobs and earning power will more than keep our country running, if we do not let the big spenders in Congress spend our money.

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

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

Mr. SHERMAN. Mr. Speaker, this job-killer bill will lead to a continuation of the Bush recession. We are told we need to end the double taxation of corporate income, but one-third of corporate income earned by U.S. corporations is not even subject to corporate tax because of the loopholes in that tax. But, of course, their new provision applies to foreign corporations. Their income is not even taxed once.

We are told this is going to encourage investment in new issues of corporate stock. But it is a temporary provision, so who is going to buy corporate stock, just to find the taxes go up on the dividends? But if it does encourage investment, it will encourage investment of American capital in foreign corporations issuing stock. Those foreign corporations are paying 12 cents an hour to their employees and stealing our jobs.

We are told the low zero percent rate or 5 percent rate will apply to working families. But working families, if they own stock at all, own it in their 401(k) plans that are unaffected by this bill. In fact, when the dividend income is paid out, it is subject to a high rate of tax. The big beneficiaries of that zero percent rate will be rich kids with trust funds earning \$10,000 or \$20,000 of dividend income and paying zero percent tax.

The corporate tax rate, once you move the corporation to the Bahamas, zero percent.

Individual income taxes on dividends from the Bahamas corporation, 15 percent.

Individual income tax when the stock is held by a trust for rich kids, zero percent.

Knowing that working families are paying about 30 percent tax, FICA and income tax, on their wages—priceless.

There are some things campaign contributions just can't buy. For everything else, there is Republicard. Accepted at the finest country clubs in the Bahamas.

And you will want to get the Deficit Express Card, now that the Senate has increased the credit limit by another \$981 billion. The Deficit Express Card: Do not leave the House without it.

Mr. Speaker, this job-killer bill will lead to a continuation of the Bush recession.

We are told we need to end the double taxation of corporate income, but one-third of corporate income earned by U.S. corporations is not even subject to corporate tax because of the loopholes in that tax. But, of course, their new provision applies to foreign corporations. Their income is not even taxed once.

We are told this is going to encourage investment in newly issued corporate stock. But the dividend exclusion provision is a temporary provision, so who is going to buy corporate stock, just to find the taxes go up on the dividends? But if it does encourage investment, it will encourage investment of American capital in foreign corporations issuing stock. Those foreign corporations are paying 12 cents an hour to their employees and stealing American jobs.

We are told the low zero percent rate or 5 percent rate on dividend income will apply to

working families. But working families, if they own stock at all, own it in their 401(k) plans, and those plans are unaffected by this bill. In fact, even if we pass this bill, when the dividend income is paid out of a 401(k) it will be subject to a high rate of tax. The big beneficiaries of the 5 percent or zero percent rate on dividend, will be rich kids with trust funds earning \$10,000 or \$20,000 of dividend income and paying virtually no tax.

The corporate tax rate, once you move the corporation to the Bahamas, zero percent.

Individual income taxes on dividends from the Bahamas corporation, 15 percent.

Individual income tax when the stock is held by a trust for rich kids, zero percent.

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And you will want to get the Deficit Express Card, now that the Senate has increased the credit limit by another \$981 billion. The Deficit Express Card: Do not leave the House without it.

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

Mr. Speaker, if the previous question is defeated, I will offer an amendment to the rule. My amendment will allow the House to consider H.R. 2156, a bill introduced by the gentleman from New York (Mr. RANGEL) that would require the administration and the Congress to do something about the budget disaster their economic policies are creating.

The Rangel bill attempts to avert the train wreck Republican economic policies are steering us towards. His bill would permit a temporary debt limit increase of \$375 billion, on the condition that the administration and Congress come up with a serious plan to balance the budget by the year 2008. The Rangel bill would give the Republicans the opportunity to show some real leadership on economic issues.

Mr. Speaker, let me make it very clear that a "no" vote on the previous question will not keep the House from considering the conference agreement. What a "no" vote will do is allow the House to consider the Rangel balanced budget proposal as a separate bill. However, a "yes" vote on the previous question will prevent the House from taking up this responsible proposal.

Mr. Speaker, the debt tax is not a tax we can repeal or sunset. This vote is the only opportunity the House will have to show some real economic leadership and consider the Rangel balanced budget plan. I urge a "no" vote on the previous question.

Mr. Speaker, I ask unanimous consent that the text of H.R. 2156 be printed in the RECORD immediately before the vote on the previous question.

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

There was no objection.

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

Mr. Speaker, my two posters are really simple, as I said before: Create and Keep Jobs and Tax Cuts Now.

I want to say that this is not a partisan thing. It is either you believe that bigger government and more government spending is how we solve our problems in America, or you believe it is the people's money and you give it back to them. It is important to really note that in the bipartisan aspect of reality, either you believe one or the other. As President Kennedy said, it is a paradoxical truth that tax rates are too high today and tax revenues are too low, and the soundest way to raise the revenues in the long run is to cut the tax rates now.

Mr. Speaker, if we move ahead on this rule and we move ahead on the underlying legislation, we are going to do just that; and that is what America wants, that is what they deserve. And I think in every poll in America that has been cited in every different direction here, the bottom line is the people, and I go home every week and I know, want to create jobs, and they are going to do it by our cutting taxes, and that is what we are going to do.

Mr. Speaker, let us have a tax cut.

The material previously referred to by Mr. FROST is as follows:

PREVIOUS QUESTION FOR H. RES. 253, RULE FOR CONSIDERING THE CONFERENCE REPORT ON H. RES. 2

At the end of the resolution add the following new section:

"SEC. . Immediately after disposition of the conference report accompanying H.R. 2, it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2156) to provide for a temporary increase in the public debt limit. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the Chairman and ranking Minority Member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions."

H.R. 2156

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

SECTION 1. TEMPORARY INCREASE IN PUBLIC DEBT LIMIT.

(a) TEMPORARY INCREASE IN DEBT LIMIT.—During the debt limit increase period, the public debt limit set forth in subsection (b) of section 3101 of title 31, United States Code, shall be temporarily increased by \$375,000,000,000.

(b) BALANCED BUDGET REQUIREMENT.—Not later than August 31, 2003, the President shall submit a 10-year plan to the Congress that will bring the Federal unified budget into balance by fiscal year 2008 and, thereafter, make uninterrupted progress in reducing the use of Social Security trust fund surpluses to finance a deficit in the non-Social-Security budget.

(c) DEBT LIMIT INCREASE PERIOD.—For purposes of this section, the term "debt limit increase period" means the period beginning on the date of the enactment of this Act and ending on—

(1) August 31, 2003, in the case that the President fails to comply with subsection (b), or

(2) September 30, 2003, in the case that the President complies with subsection (b).

Mr. REYNOLDS. Mr. Speaker, I have no further requests for time, 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.

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

The vote was taken by electronic device, and there were—yeas 221, nays 205, not voting 9, as follows:

[Roll No. 224]

YEAS—221

Aderholt	Fletcher	Manzullo
Akin	Foley	McCotter
Bachus	Forbes	McCrery
Baker	Fossella	McHugh
Ballenger	Franks (AZ)	McInnis
Barrett (SC)	Frelinghuysen	McKeon
Bartlett (MD)	Gallegly	Mica
Barton (TX)	Garrett (NJ)	Miller (FL)
Bass	Gerlach	Miller (MI)
Beauprez	Gibbons	Miller, Gary
Bereuter	Gilchrest	Moran (KS)
Biggert	Gingrey	Murphy
Bilirakis	Goode	Musgrave
Bishop (UT)	Goodlatte	Myrick
Blackburn	Goss	Nethercutt
Blunt	Granger	Ney
Boehlert	Graves	Northup
Bonner	Green (WI)	Norwood
Bono	Greenwood	Nunes
Boozman	Gutknecht	Nussle
Bradley (NH)	Harris	Osborne
Brady (TX)	Hart	Ose
Brown (SC)	Hastert	Otter
Brown-Waite,	Hastings (WA)	Oxley
Ginny	Hayes	Paul
Burgess	Hayworth	Pearce
Burns	Hefley	Pence
Burr	Hensarling	Petri
Burton (IN)	Herger	Pickering
Buyer	Hobson	Pitts
Calvert	Hoekstra	Platts
Camp	Hostettler	Pombo
Cannon	Houghton	Porter
Cantor	Hulshof	Portman
Capito	Hunter	Pryce (OH)
Carter	Hyde	Putnam
Castle	Isakson	Quinn
Chabot	Issa	Radanovich
Chocola	Istook	Ramstad
Coble	Janklow	Regula
Cole	Jenkins	Rehberg
Collins	Johnson (CT)	Renzi
Crane	Johnson (IL)	Reynolds
Crenshaw	Johnson, Sam	Rogers (AL)
Cubin	Jones (NC)	Rogers (KY)
Culberson	Keller	Rogers (MI)
Cunningham	Kelly	Rohrabacher
Davis, Jo Ann	Kennedy (MN)	Ros-Lehtinen
Davis, Tom	King (IA)	Royce
Deal (GA)	King (NY)	Ryan (WI)
DeLay	Kingston	Ryun (KS)
DeMint	Kirk	Saxton
Diaz-Balart, L.	Kline	Schrock
Diaz-Balart, M.	Knollenberg	Sensenbrenner
Doolittle	Kolbe	Sessions
Dreier	LaHood	Shadegg
Duncan	Latham	Shaw
Dunn	LaTourette	Shays
Ehlers	Leach	Sherwood
English	Lewis (CA)	Shimkus
Everett	Lewis (KY)	Shuster
Feeney	Linder	Simmons
Ferguson	LoBiondo	Simpson
Flake	Lucas (OK)	Smith (MI)

Smith (NJ)	Thornberry	Weldon (FL)
Smith (TX)	Tiahrt	Weldon (PA)
Souder	Tiberi	Weller
Sullivan	Toomey	Whitfield
Sweeney	Turner (OH)	Wicker
Tancredo	Upton	Wilson (NM)
Tauzin	Vitter	Wilson (SC)
Taylor (NC)	Walden (OR)	Wolf
Terry	Walsh	Young (AK)
Thomas	Wamp	Young (FL)

NAYS—205

Abercrombie	Hall	Neal (MA)
Ackerman	Harman	Oberstar
Alexander	Hastings (FL)	Obey
Allen	Hill	Olver
Andrews	Hinchesy	Ortiz
Baca	Hinojosa	Owens
Baird	Hoefel	Pallone
Baldwin	Holden	Pascarell
Ballance	Holt	Pastor
Becerra	Honda	Payne
Bell	Hoolley (OR)	Pelosi
Berkley	Hoyer	Peterson (MN)
Berman	Inslee	Pomeroy
Berry	Israel	Price (NC)
Bishop (GA)	Jackson (IL)	Rahall
Bishop (NY)	Jackson-Lee	Rangel
Blumenauer	(TX)	Reyes
Boswell	Jefferson	Rodriguez
Boyd	John	Ross
Brady (PA)	Johnson, E. B.	Rothman
Brown (OH)	Jones (OH)	Roybal-Allard
Brown, Corrine	Kanjorski	Ruppersberger
Capps	Kaptur	Rush
Capuano	Kennedy (RI)	Ryan (OH)
Cardin	Kildee	Sabo
Cardoza	Kilpatrick	Sanchez, Linda
Carson (IN)	Kind	T.
Carson (OK)	Kleccka	Sanchez, Loretta
Case	Kucinich	Sanders
Clay	Lampson	Sandlin
Clyburn	Langevin	Schakowsky
Conyers	Lantos	Schiff
Cooper	Larsen (WA)	Scott (GA)
Costello	Larson (CT)	Scott (VA)
Cramer	Lee	Serrano
Crowley	Levin	Sherman
Cummings	Lewis (GA)	Skelton
Davis (AL)	Lipinski	Slaughter
Davis (CA)	Lofgren	Smith (WA)
Davis (FL)	Lowey	Snyder
Davis (IL)	Lucas (KY)	Solis
Davis (TN)	Lynch	Spratt
DeFazio	Majette	Stark
DeGette	Maloney	Stenholm
Delahunt	Markey	Strickland
DeLauro	Marshall	Stupak
Deutsch	Matheson	Tanner
Dicks	Matsui	Tauscher
Dingell	McCarthy (MO)	Taylor (MS)
Doggett	McCarthy (NY)	Thompson (CA)
Dooley (CA)	McCollum	Thompson (MS)
Doyle	McDermott	Tierney
Edwards	McGovern	Towns
Emanuel	McIntyre	Turner (TX)
Engel	McNulty	Udall (CO)
Eshoo	Meehan	Udall (NM)
Etheridge	Meek (FL)	Van Hollen
Evans	Meeks (NY)	Velazquez
Farr	Menendez	Visclosky
Fattah	Michaud	Waters
Filner	Millender-	Watson
Ford	McDonald	Watt
Frank (MA)	Miller (NC)	Waxman
Frost	Miller, George	Weiner
Gephardt	Mollohan	Wexler
Gonzalez	Moore	Woolsey
Gordon	Moran (VA)	Wu
Green (TX)	Murtha	Wynn
Grijalva	Nadler	
Gutierrez	Napolitano	

NOT VOTING—9

Boehner	Combust	Gillmor
Bonilla	Cox	Peterson (PA)
Boucher	Emerson	Stearns

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE
The SPEAKER pro tempore (Mr. LAHOOD) (during the vote). There are 2 minutes to go on this vote.

□ 0007

Messrs. CARDOZA, STUPAK, and OBERSTAR, Ms. WOOLSEY, and Mrs. CAPPS 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. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Stated for:

Mr. PETERSON of Pennsylvania. Mr. Speaker, on rollcall No. 224 I was inadvertently detained. Had I been present, I would have voted "yea."

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 253, I call up the conference report on the bill (H.R. 2) to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2004, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 253, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes.

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

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

Mr. Speaker, at the beginning of the debate, I do want to thank the staffs, the majority staff, the minority staff, and the institutional staffs for something that has to happen before the Members can stand before the Speaker and the House in the Chamber and the American people and debate measures in front of us; that is, do an enormous amount of paperwork, double-checking to make sure that what is the desire of the House and Senate actually is produced in the document.

It happens on every bill that comes up. It especially happens on a very difficult and complex conference report, and I do want to acknowledge the tremendous service that our staffs perform for us on a daily basis.

Mr. Speaker, I also want to say that, as is the wont of legislative bodies, one of the easier ways to gain enough votes to pass a measure is to tend to listen to what people believe are either their needs or wants, collect that in an amalgam, and move forward.

It is my real pleasure to tell the Members of the House that if they have read the text, they will search in vain for any particular provision that is attributed to any particular Member of either body. In the vernacular, this is a clean bill.

I say that because it is very difficult to get people to look from the individual to the collective. That is, when we are talking about reducing something like people's taxes, it is often-times very, very difficult to look to the larger, more fundamental societal needs.

□ 0015

And I know we will have a very vigorous and healthy debate on this issue, and everyone will use numbers on both sides. All I request is primarily out of my friends on the other side of the aisle, and listening to the debate that went on on the rule, one individual would stand up and say this was less filling because it only was going to last for 3 years and then it was going to disappear. Only to be followed by another speaker who said this really tastes great because it is going to cost a trillion dollars, and it is going to last an entire decade.

Now, really, I do not care whether you feel it is less filling and it is only going to last 3 years or it tastes great and it is going to last for a decade; but for those of us who also want to participate, you ought to pick one way or the other. When you are arguing on both sides of the same argument, it is a little difficult to really shed light for the American people what this is all about.

If someone is going to watch this debate and they have a child under 17, there is one irrefutable fact. In calendar year 2003, \$14 billion is going to be sent to those Americans with children under 17. They are going to be sent checks. They are going to be sent by the middle of July and by August. They will have that money in their hands. If they have children, one single aspect of this aspect of this bill, and we will go on and debate a number of other aspects, this bill puts money in Americans' hands immediately.

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

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

Mr. Speaker, this, I hope, is going to be an evening and a day that we will all remember as legislators. It is true that the majority tries desperately hard to bring these bills up in the middle of the night so that sunshine will never see what it is.

It is also true, it is also true that conferences do not mean what they used to mean. It means after a dozen Republicans get together in some room somewhere and decide what they want to do, they then come around and pass out a paper and ask you to sign it.

So I have been accustomed to that on the Committee on Ways and Means. But guess what, a lot of Democrats on this side have been saying forget all of this \$726 billion and \$550 billion and \$300 billion. This is all a game they are playing, and they said that this bill was so full of gimmicks, that the Republicans were trying to fool the American people because we said that this was really a trillion dollar tax cut. And my friends over there started booing and saying this was so unfair and that we were just distorting the numbers.

Well, there is one person in this House that when he says something, people do not point their finger at him. They say the man makes a lot of sense. He is a straight shooter, and he is respected by both sides of the aisle.

Now, I do not normally read statements, but since it involves the Speaker of this great House, I thought it might start off the debate on a high level rather than wait for just the heavy people to come down at the end of debate and start talking about how we should salute the flag and do the right thing. And this is a bill that we have worked on and we have done it within the budget.

Now, it says here that House Speaker HASTERT told the Congress Daily Thursday that the final package incorporates key features of the House-passed bill and positions Congress to pass much greater tax relief in the near future. The \$350 billion number takes us through the next 2 years basically, HASTERT said. HASTERT, meaning the Speaker of this august body. But it also could end up being a trillion dollar tax bill because the stuff, that is what the chairman was working with, because the stuff is extendable.

That is the fight we are going to have, and it is not a bad fight to have. This goes on and says, Congressional Journal, HASTERT said the final package is front loaded and will boost the economy in the short term but it includes nearly all of the content of the House's original bill. Now, I do not know how far in debt you guys want to take us, but listen, because this is important stuff. This is history-making stuff.

Now, this is what the Speaker said about this bill. That at the end of the day it is not 350, it is not 550, it is not 726. It is a trillion. But guess what? It gets better, to show you just how deep they would want to get us in the hole. I never knew they hated Social Security and Medicare that badly. But at the so-called conference, there was a period of time that I was the only Democrat there on the House side beside the minority leader. The chairman came in later. And so there was opening statements made before the conference report was just passed around to sign. And our distinguished majority leader said, while we are doing this bill and you have done a lot of good work on it and praised the Republican leadership and the House and Senate, he said, before this year is over we will be coming back to pick up the rest of it to make certain we get another trillion.

Now, I mention these names because the only thing that they did not mention was that they were going to borrow the money in order to give the rich these tax cuts, and they want to stick the rest of society with paying the interest on the money that they are borrowing at the expense of the Social Security system. I am so happy and pleased that at the end of this day that we do not have to point fingers and say that it is gimmicks that you are doing or you are trying to hoodwink the people because if the Speaker said it, and you applauded it, so therefore I do not have any apprehensions; and if the majority leader came back and said, you are coming back to raid us again and

you applaud that, well, thank God for your honesty in what you are doing.

And one day somebody is going to ask, when this deficit just grew, when the programs were collapsing, when people were just paying more interest on the debt than all of the programs that we have together, all of the discretionary programs, they may ask, and just what were you doing when this happened, when you shifted the responsibility for paying taxes to the working people that do not have the exclusions that you provided today?

So to the Republican leadership, thank you for making our day. I thank the Speaker for being so honest and saying what these people have done; and to the leader, come back again for the next trillion dollars and maybe some day soon the American people can see what you are doing to them.

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

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, what I really heard in that quote, which I did not hear after it was said, was the Speaker said, And we are really going to have to fight for it because that is exactly what occurs.

We want to help Americans by letting them keep their own money and we are going to have to fight you to do it, because you want to hang on to their money just as hard as you can.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, a member of the Committee on Ways and Means.

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

The question we have to ask ourselves after we heard that very interesting dissertation is where is this money that he is talking about? And that is what I thought I heard.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will suspend.

The Chair would ask Members to afford courtesy to the Member who is speaking. If the Members want order, the way to keep order is for Members in the back of the Chamber and staff to take seats so we can have order. So the Chair would ask Members and staff in the back of the Chamber to take seats or go to the cloakroom.

The Chair would also ask Members to afford courtesy to their colleagues, so that while they are speaking, they be given an opportunity to finish their remarks.

The gentleman from Iowa (Mr. NUSSLE) may proceed.

Mr. NUSSLE. The question is, where is the money? The money is in the pockets of the people that earn it. The government earns no money. Tax cuts do not cost the government. And that is the argument you are going to hear tonight. It is that if you believe when you reduce taxes somehow that costs government, then you believe that you have to borrow.

But the interesting thing about what we believe on the majority side is that

the money comes from the people that earn it, and we are leaving it in their pockets. And the only reason we would need to borrow money is for excess spending in Washington, D.C. So if you want to continue to borrow and if you want to continue to spend and if you want to continue to waste the taxpayers' dollars, then continue to consider the arguments of the minority.

But if you want to grow the economy, if you know that the economy starts with people working in America earning a living and paying a little bit, sometimes too much of it to Washington, D.C., if you believe that, and if you know that based on that, getting the economy going is the most important thing we can do, not only for our short-term budget and our long-term budget but getting the economy going is the most important thing we can do to the long-term health of Medicare, Social Security and our country, let us pass this bill tonight, let us realize whose money this is in the first place. It is the American people's money. Let us leave it in their pockets.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. STARK), an outstanding, hard-working member of the Committee on Ways and Means.

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

Mr. STARK. Mr. Speaker, I just wanted to suggest that people talked about belief, and I guess if I were appointed President I would think I had a message from God. If I was not too bright, I might think I was God. But before I would ask you to pray to me, I would hope that you would think I knew your name.

Now, our Republican leaders and our President do know a few names related to this tax bill and they are called beneficiaries. I have here a list from Citizens for Tax Justice, who compiled estimates based on our most recent financial disclosures: the name Snow for an income of \$6 million-plus; Rumsfeld, \$14 million-plus; Evans, \$4.4 million; Powell for \$10.7 million; Whitman for \$3.1 million; Zoellick for \$900,000; Chaney for \$4.5 million; Ashcroft for \$3.1 million; and the list goes on.

There are 20 top administration officials with \$52,391,000 estimated income. They are the beneficiaries of this bill.

In this Chamber there is a list: Northup, \$3,168,000; Petri with \$897,000; Taylor with \$1,378,000; Boehner with \$769,000; Portman with \$883,000; Sensenbrenner with \$419,000; Shaw with \$843,000; Leach with \$958,000; Dreier with \$772,000. A total of 36 of us in here with \$27.5 million in income.

Those are the beneficiaries and this Republican god knows your name; but unfortunately he does not know one name among the 12 million children who will not have health care because they cannot afford health insurance.

You cannot name any of the 8 million seniors who will be denied health care because you are wasting the money on

the rich and not providing a prescription drug benefit for the seniors. You cannot name them. You cannot name one of the 8 million jobless in this country. You cannot. You know the rich. You know the beneficiaries. You know the contributors who last night paid you \$18 million to give the rich this break; and you cannot name one of the poor people without health care or without a job in your district or in this country. Shame on you. That is immoral.

You ought not to vote for this bill. You ought to vote it down and do something to help the millions of people in this country who count. Vote "no" on the bill.

□ 0030

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), a member of the Committee on Ways and Means.

And, Mr. Speaker, my colleagues have a very limited playing deck. I am surprised this early in the debate they have already played the class warfare card.

Mr. RYAN of Wisconsin. Mr. Speaker, what we are hearing tonight are two different philosophies, two different emotions. Over here on this side of the aisle, we are hearing the emotions of fear, envy, and hate. Over here we are hearing the emotions of hope, growth, and prosperity. That is what this is about.

Their philosophy is, you cannot send more than enough to Washington because we can spend it better than you can. That is what we are hearing on this side of the aisle. What we believe is that you can better spend your money yourself. That is what works in this country. That is what freedom is all about.

What we are doing in this tax bill, and many people say this is such a huge tax cut, what we are doing in this tax bill is letting Americans keep more of their hard-earned money. We are cutting income tax rates across the board. We are cutting taxes on investment and businesses for job creation.

When we look at what has happened in this economy, when we look at the recession we are coming out of, when we look at all those things that hit this economy, the stock market, all the shenanigans at the corporate level, at the 9/11 problems, the terrorist attacks, we need growth in this economy. We need jobs in this economy. And when we see that investment in this economy has been declining for 8 consecutive years, we need to fix that. That is exactly what this tax bill does.

If anyone thinks that this tax cut is too big, this tax cut is a 1 percent tax cut. We are cutting taxes 1 percent of revenues. Out of a \$28 trillion budget that we are going to spend over the next 10 years, we are simply cutting taxes \$350 billion to try to move an economy that during this decade will kick off, at a standstill, \$140 trillion in

output. We are trying to move it from a standstill to growing and giving our people jobs.

That is what this tax bill is all about, and it is rooted in the philosophy that people ought to be able to keep more of what they earn so they can be free to spend it as they see fit.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member on the House Committee on the Budget.

Mr. SPRATT. Mr. Speaker, when the President sent his budget up this year, OMB sent with it a message in which they said that the surplus of \$5.6 trillion, which they projected just 2 years ago, was a mistake; that now, from 2002 through 2011, they revised downward that surplus from \$5.6 trillion to \$2.4 trillion. They made an egregious mistake.

We warned our colleagues then not to bet the budget on a blue sky estimate, but they did not take our warning. Now you can blame that on 9/11, you can blame that on this sluggish economy, you can blame it on lots of things, but tonight the buck stops here. The blame rests right there in the well of this House and these meters where you push your card. Because tonight, when you vote for a trillion dollars in tax relief, it goes straight to the bottom line. There is nothing to offset it. It creates a deficit this year which will be a record deficit in the fiscal history of this country, \$425 billion, and the deficit stays ratcheted in that range for as far out as we forecast.

Those are the consequences of the policy choices you make tonight. You cannot blame it on 9/11. You cannot blame it on the economy. It will be attributed to what you do tonight, unless some economic miracle happens as a result.

Here is a chart in which we have calculated this tax cut, the tax cuts to come, other likely actions to be taken, Medicare, prescription drugs, a bit more for defense; and we think it is a fair and honest and even conservative statement. I will leave it here for anybody to refute, but this is what we see as a consequence of what you are doing tonight.

We foresee deficits of \$3.959 trillion over the next 10 years. Back out Social Security, and those deficits come to \$6.527 trillion, a consequence of what you are doing tonight. The debt of this country today, held by the public, is at about \$3.5 trillion, \$3.6 trillion. This will increase it to \$7.9/11 trillion. The total statutory debt will go up to \$14 trillion.

That is the course you choose to take tonight if you vote for this tax cut. You cannot blame it on the economy. You cannot blame it on 9/11. You can only blame it on yourself.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 2 minutes to the gentleman from Illinois (Mr. WELLER), a member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, what is this all about? What this is all about is 1.2 million new jobs. Economists tell us that this plan will create 1.2 million new jobs over the next 18 months. How? By putting extra money in the pocket-books of workers and giving incentives to invest in the creation of new jobs.

If you pay taxes, you benefit from this plan. We lower rates for everybody. We double the child tax credit, if you have children. We eliminate the marriage penalty, all this year, benefiting every taxpayer. Think about what an extra thousand dollars will mean for the average family in Illinois and in our congressional districts across this country.

We also create jobs by encouraging investment. The bonus depreciation, for example, allows companies to deduct an extra 50 percent to recover their costs of purchasing an asset, a company car. We create jobs in manufacturing to encourage investment in new company cars and machine tools and bulldozers. We create jobs in the technology sector by encouraging greater investment in computers and telecommunications equipment. We create construction jobs by encouraging business to rehab commercial buildings, whether office buildings or shopping centers. And we also encourage business to invest in security, making private sector buildings safer for workers and visitors and customers, by again encouraging investment in security-related equipment such as surveillance equipment or computers or other types of equipment to make private sector buildings more secure.

The bottom line, my colleagues, and what this is all about, is creating 1.2 million jobs. We have a choice tonight. Do we vote to get this economy moving again or do we do the old-fashioned thing and just spend more money here in Washington? Let us create jobs, let us give American workers the opportunity to go back to work, and let us raise take-home pay and encourage investment and the creation of jobs.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. LEVIN), the senior member of the Committee on Ways and Means.

Mr. LEVIN. Mr. Speaker, my colleagues talk about jobs. They are doing a job on the American people tonight. That is what they are doing. That is what they are doing.

My colleagues are borrowing from my children's generation for a tax cut that will not benefit them primarily. My colleagues are borrowing from my grandchildren's generation for a tax cut. Where is it going? Mainly to the very wealthy in this society. And they get away from this by averaging. Okay, for the person with a million bucks, \$93,000; someone with \$45,000, \$50,000, 211 bucks this year. When we add those together, the average tax cut for those two people is 46,000 bucks. The trouble is one is getting \$95,000 and one is getting \$200.

Alchemy does not work outside of Washington, D.C., and you alchemists

are not going to prevail ultimately in the District of Columbia and this Congress. You have performed what some may say is a miracle. You have united the Democrats in this institution. And the reason you have done it is not because of political reasons on our part, because you are robbing future generations for a tax cut for the very wealthy, and we are going to stand together to say to the President, to you, no, no, no, no, and we are going to do it in 45 minutes.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds.

I said they had very few cards in the deck. We may see several come up during the debate, but they just played the class warfare card once again.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a valued member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the chairman of the committee for yielding me this time, and I thank my colleagues on the left for their warm reception tonight. Indeed, Mr. Speaker, maybe so far left they will come back to the right, but they will never be correct.

It is an interesting situation, Mr. Speaker. One is tempted to ask, who is jobbing whom? Because with a fanciful flight of rhetoric, mixed with an equal portion of scold, my good friend from Michigan fails to capture the essence of what is at stake here, and it is a lesson that is essentially nonpartisan. Indeed, Mr. Speaker, one of our leading news weeklies, on its cover, asserted just the other day "They Don't 'make Democrats Like They Used to.'" And that is true.

Forty years ago, Jack Kennedy said a rising tide lifts all boats. He said by reducing marginal tax rates, you actually increase revenues to the government because you get the economy working and you put people to work. Ronald Reagan proved that again 20 years ago. And, indeed, just a short time ago, in 2001, we cushioned the horrible blow of a recession that started and was compounded by the attacks of 9/11. Yet much more remains to be done.

While some subject us to the poison of class warfare, we embrace the promise of economic opportunity, because we believe a rising tide does lift all boats. And even at this hour, with the disappointment and frustration born of a long and strange trip by our friends in the minority, we still extend our hand.

Join us in this opportunity. Increase jobs and economic growth. And even if you believe in the power of government, there will be more revenues eventually to the government, and we will succeed. Vote "yes" on jobs and growth. Vote "yes" on tax relief. Join us in this great enterprise for the American people.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North

Dakota (Mr. POMEROY), a member of the Committee on Ways and Means.

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

My colleague recently asked, what has it all about? I suggest what it is all about is the Senate action tonight or tomorrow morning to increase the borrowing authority of this country to \$984 billion. So many words, so many figures, but really the truth of the action is measured by the increase requested in the borrowing authority of this country.

If this is going to produce the kind of wonderful effects they suggest, why do they need to authorize the Treasury to borrow an additional trillion dollars? The reality is that we are going to fund this on the debt.

I do not know of a family I represent that plans for their retirement by blowing everything they have got, running up the debt on their credit cards, with the hope that their children will bail them out. That is exactly the action we take tonight as we pass this tax cut, not paid for in any way but funded on the debt.

The truth is the Senate action. An additional trillion dollars of borrowing authority. We should not put this on our kids. We should reject this package.

Mr. THOMAS. Mr. Speaker, might I inquire of the remaining time on either side?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. THOMAS) has 17½ minutes remaining, and the gentleman from New York (Mr. RANGEL) has 16½ 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 on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, common sense tells us the best way to balance the budget and pay down the debt is to get people back to work. Everyone knows when you are unemployed, you are not paying your Federal taxes, you are not paying any Social Security, you are not paying into Medicare, you are not helping States balance their budgets either. The best way to balance a budget and pay down our debt is to get people back to work.

This jobs bill creates more than a million new jobs in America at a time we desperately need them. Every State is going to see new job creation. In our State, we will create, over the next 2 years, 42,000 new jobs each year.

□ 0045

That is equivalent of building two new Pentagons in our State and filling it with new Texas workers every year. That is real jobs.

Our belief in the President's jobs bill is if we help people afford the cost of raising children, if we stop penalizing people for being married so they have more money to go to the mall, more

money to buy new tires, it is good for the economy. We believe if you help small businesses buy that new piece of equipment and hire that new worker, and say yes to that new sales force, it is good for the economy. We are convinced if we help people rebuild their retirement nest egg, to keep more of what they are saving for, that is good for the economy.

We do not believe that spending more is the answer. We do not think it helps the economy to buy more \$300 hammers, to spend millions of dollars helping more salmon swim upstream, and we do not believe that you need to create the hundredth new program to duplicate the 99 that are already in existence.

We believe creating jobs, getting people back to work is going to balance this budget, pay down this deficit and get this economy going. America creates jobs; Washington gets in the way of it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT), a member of the Committee on Ways and Means.

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

Mr. MCDERMOTT. Mr. Speaker, well, here we are, one more time, rubber-stamping whatever the President says he wants.

They come out here with a 43-page bill and 302 pages of explanations, and there is not a soul in here who knows what is in it. Let me tell Members what is here. You are spending a trillion dollars, which is almost exactly what is estimated as the shortfall in Social Security and Medicare. You are going to come back after this break, and you are going to privatize Medicare. We know what you are going to do.

What is nice for the American people about this rubber-stamp Congress out of White House, the junta gets its orders, they bring it to the Committee on Ways and Means or Committee on Rules, and zoom, out it comes. The American people are getting a clear, unadulterated picture of what the Republicans are all about. Every single Member comes from a State where they are cutting their State budget. They are cutting the living daylights out of their budget. If you are from Texas, it is 275,000 kids who will not have health care. In my State, they threw 60,000 people off of health care programs. Every State in the Union is doing that.

The estimated cost of that, \$100 billion. That is what States are cutting out of their budget. No, you cannot give that money to them. You give them \$20 billion, and I know you are going to stand up and say \$20 billion is better than nothing. Yes, it is better than nothing, but it is not going to fix the problem.

When some kid is sick in the State of Washington, and they now have waiting lists in Medicaid, and you are a

mother with your kid in the waiting room, maybe you will get into the hospital and maybe you will not, then you have to ask yourself, is this the country that you and I believe in? Is this the common good? I say it is not. You really ought to be ashamed of what you are doing because what you are doing is sticking it to the kids of this country. The President says Leave No Child Behind. My God, not only in education are you leaving them behind, you are leaving them behind in the hospitals and the environment and everywhere else in this society. Vote "no."

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

Ms. DUNN. Mr. Speaker, I do not know whether to give my speech on tax relief or Medicare, but I am going to choose tax relief tonight. I certainly do hope that the gentleman from Washington realizes that this bill is practically identical to the one that was in his committee, the Committee on Ways and Means, and my committee, that we passed last week; and he should know this bill very well. Certainly we do on this side of the aisle.

Earlier this week, Alan Greenspan testified before the Joint Economic Committee on which I serve. He pointed out that taxing capital discourages investment, so when we reduce taxes on dividends and capital gains, we are encouraging saving, and we are reducing the cost of capital for companies, and we are also producing and promoting economic growth.

One of the most important issues facing our country today is the need to stimulate economic growth to create jobs. The best way we achieve this goal is to pass a jobs and growth package, one that leaves money in the pockets of individuals and families and encourages businesses to invest in business.

This package will quickly lower everybody's tax rates. It will send rebate checks to millions of parents with children, and it will assist seniors who depend on dividend income to supplement their Social Security benefits. This bill goes a long way towards promoting capital investment by allowing small businesses to deduct the cost of major purchases. It increases productivity, increases demand in our economy, and it stimulates production. In all, we expect to create over 1 million new jobs by the end of next year.

While we work to stimulate our economy, we also need to help those still seeking jobs. Unemployment in the State of Washington is above the national average. Unfortunately, in fact, we are consistently in the top three States with the highest unemployment, and I am very happy today we were able to pass legislation to extend unemployment benefits so that people will have more time to get the training and the financial assistance they need to find jobs. It is time to pass this jobs

and growth package. It helps workers, families, low-income and middle-income taxpayers. I urge its adoption.

Mr. RANGEL. Mr. Speaker, I yield 15 seconds to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, what the responsible gentlewoman from Washington failed to say is that this bill does nothing to return \$500 million to the people of her own State of Washington by reinstating sales tax deductibility.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I thank the gentleman for yielding me this time.

Here we are on the brink of a Memorial Day recess debating the jobs and growth tax bill of 2003. Let us memorialize that at a time when unemployment is at its all time high, we are giving tax relief to the wealthiest of all Americans. Let us memorialize that this tax cut will not allow young men and women who need Head Start to go to school.

Let us memorialize that using the chairman's terms, we are using a clean bill. The bill that will clean the clocks of the poor to enrich the wealthy. Let us memorialize that the same jobs promise, the same stimulus promise, the same economy boost promise made in 2001 has yet to materialize. Let us memorialize that in 2003 it will not come either.

The chairman talked about sending \$14 billion in checks to Americans with children under 17. Let us memorialize that the checks sent to senior citizens who need a prescription drug benefit will be marked insufficient funds. Let us memorialize that the people who are on unemployment whose unemployment will not be extended because they have run out of benefits will get an NSF check. Let us memorialize that the people of America who have no health care will get an NSF check. Let us memorialize that tax cuts do hurt government. Let us memorialize that we will create a deficit.

Someone said earlier that there was fear, anger and hate on this side of the floor. There is a fear that seniors and workers will continue to be disappointed. There is anger and hate that we, the people of this House who could do more, are not doing more.

We talk about growth. There is growth for those who already have it, hope for those who believe that government is not a safety net, and prosperity for those who already prosper. Let us memorialize that this tax bill is not benefiting those who need it most.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. CAMP) for the purpose of a colloquy.

Mr. CAMP. Mr. Speaker, my question concerns the treatment of variable annuity contracts under the bill. Sellers of variable annuity contracts have expressed concerns about the effect of the

dividend and capital gain tax rate reductions on the market for variable annuities. Is the chairman willing to continue to examine this area?

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

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

Mr. THOMAS. Mr. Speaker, I would tell the gentleman, the goal of this bill, and other bills we will pursue in the future, is to promote economic growth. Increasing retirement savings will promote economic growth by contributing to our Nation's capital stock. Of course we will monitor the way in which annuity sellers adjust to the new, more efficient financial product market conditions that H.R. 2 will create. As we proceed, we can determine whether adjustments are justified.

Mr. CAMP. I thank the gentleman.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), the Democratic whip of the House.

Mr. HOYER. Mr. Speaker, the chairman of the committee has talked about us talking about class warfare. Warren Buffett talked about it just a couple of years ago, America's second richest person, and he said that his class was winning. It wins again tonight, not average Americans.

One of the Republicans came, as they so often do, to quote John Kennedy. I voted for John Kennedy for President, the first President I ever had the opportunity to vote for. Republicans almost to a person opposed him. He said, "Ask not what your country can do for you, but what you can do for your country."

That was a call to contribute to the welfare of our society. It was a call not to the greedy, but to the great. It was a call to those who understood the value as the President said of lifting up all people when he said if we cannot save the many who are poor, we will never save the few who are rich.

The gentleman spoke the truth. This is a trillion dollar bill. Some Members of the other body said they would not vote for a bill over \$350 billion, and so the other side of the aisle has constructed a sham, a ruse, a trick.

As the gentleman from Michigan (Mr. LEVIN) said, the sadness is that our children will pay that bill because you will not cut spending, you will not cut spending to comply with this tax bill, and you know it. In 1981 I was on this floor, and Republicans claimed if they passed their economic program, we would balance the budget by October 1, 1983. And I was on this floor in 1990 when you railed against your own President, President Bush, who contributed to creating the surplus that was to come some 6 years later. And I was on this floor in 1993 when Dick Arme and John Kasich, the predecessor to the gentleman from Iowa (Mr. NUSSLE), claimed that if we enacted the 1993 bill, the economy would go to the Dumpster, unemployment would rise, and the deficit would go through

the ceiling. He was wrong on every count.

And I was on this floor in 2001, just 2 years ago, when so many of you stood on this floor and said if we pass this bill, we will create jobs. And you have said it today, and you are wrong.

□ 0100

In 1981, in 1990, in 1993, and in 2001, not any one of those times were you correct in your predictions. And you cost my three daughters a lot of money and my five grandchildren a lot of money because the tax you are putting on them is the debt tax that they will have to pay and they will not get a nickel of defense, not a nickel of education, not a nickel of health care while they are paying the interest that you put upon their heads.

Mr. THOMAS. Mr. Speaker, I yield myself 15 seconds in case there are any students actually out there in the audience. I believe, if anyone wants to check an almanac, the election of 1960 resulted in the election of President Kennedy with less than 50 percent of the vote and there was some concern about whether or not a recount would reduce that. The argument that somehow there was a significant wave of votes simply is not accurate any more than most of the structures.

Mr. HOYER. You do recall that he got more votes, however, than Mr. Nixon. Unlike Mr. Bush, who got less votes than Mr. Gore.

Mr. THOMAS. Mr. Speaker, prior to yielding 2 minutes to the gentleman from Louisiana (Mr. MCCRERY), I yield myself 10 seconds. I am just concerned that if people are really worried about not having enough taxes, I understand you can voluntarily write a check to the Treasury and at least you will feel real good about making sure that more of your money stays in Washington.

Mr. MCCRERY. Mr. Speaker, my good friend, the gentleman from Maryland, the previous speaker, as I think has been the case with the debate generally this evening, was respectful and made some points that he thinks are legitimate. They are in most cases, I think, factual. I would remind him that in 1995 when Republicans took over this Chamber and we cut taxes and we were running deficits, his side of the aisle made several charges that turned out to be false as well; and, in fact, we did cut taxes, balance the budget, and run a surplus for several years. So there have been a lot of statements made on both sides over the years that have turned out to be inaccurate when history judged them.

I believe Democrats and Republicans in this House want to do what is best for the country. We want this country to be a better place for our children and our grandchildren. The reason we have two different political parties in this country, thank goodness, is that we can have a debate and we can fight it out, choose a path and then be held responsible. We are willing to be held responsible. We believe that the answer

to the long-term problems of this country, the really tough ones, Medicare, Social Security, part of the answer is strong economic growth. If we do not have strong economic growth in this country for a long time, those problems are going to be not only intractable; they are going to be impossible.

So this bill we bring before the House tonight, and we hope you will pass tonight, is one that we think will do the best job to give this country the best chance to have strong economic growth for the long term, short term and long term. This jobs bill, this growth bill gives us the best chance to solve the long-term problems of this country. We ought to vote for it. We ought to support it and hope it works.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO), the head of the Democratic Steering Committee.

Ms. DELAURO. Mr. Speaker, this giveaway to the wealthiest taxpayers will not create jobs, nor will it reduce the highest rate of unemployment in a decade. It will not provide our stagnant economy with any stimulus. For the taxpayer, it will not reduce their tax liability. In fact, State taxes and property taxes are increasing because of this reckless plan.

Today, States are in the midst of the worst fiscal crisis in 60 years trying to close a budget shortfall of \$100 billion. States have been forced to not only increase taxes but release prisoners, shut down libraries, and cut back health benefits. In my State of Connecticut, Governor John Rowland, a Republican, has already approved an increase in the State's income tax rate. Passage of this tax cut means cutting education by \$9 billion to give a tax cut to those who earn over \$375,000. It means cutting Social Security to pay for a tax cut for those who earn over \$375,000. Under this plan, households with incomes of over \$1 million receive an average tax cut of \$93,000. What you would do is you would starve this government of the revenue that it needs to carry its commitments out to the American people. It is insidious, it is wrong, shameful, reckless, and irresponsible.

Mr. THOMAS. Mr. Speaker, now another view from the State of Connecticut. It is my pleasure to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), the chairwoman of the Subcommittee on Health of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for giving me this opportunity to support what I think is a very strong tax bill that will stimulate the economy, provide the jobs we need in Connecticut, but most importantly address the crisis that manufacturing is facing in Connecticut. We have never on this floor passed such extraordinary bonuses for investment in capital equipment. As chairman of the oversight subcommittee my first term in the majority on the oversight subcommittee

on the Committee on Ways and Means, I held a hearing and small businesses said, if you could just increase the amount we could expense, if you would increase it to \$50,000, you would see us take off. If you could increase it to \$100,000, you would see what would happen. This bill does that for small businesses. This bill allows the expensing of 50 percent of capital investment for all other companies. This bill goes to the heart of what it takes to create jobs. And that is why this bill is about restoring opportunity to people in Connecticut who are unemployed.

I am very proud of my Governor who just vetoed the second tax bill in 6 months passed by the Democrat-controlled House and Senate in Connecticut. You cannot tax your way out of recession. You have to help people change their lives.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Dear Dad:

My day began when a guy who was taking a thousand-dollar contribution from an alleged Chinese spy decided that I could not offer an amendment to keep American military bases open. Later on this same guy who took a thousand-dollar contribution from an alleged Chinese spy said it was a swell idea to sell supercomputers to the Chinese.

It got more bizarre. The fellows who run this House and the Senate and the White House suddenly said I was the reason that we were spending too much money. Gee, I thought it was their President who submitted the first \$2 trillion budget in American history and they passed it. Their President submitted the first \$2.1 trillion budget in American history.

But, Dad, it got more bizarre by the hour, because as the gentleman from California (Mr. THOMAS) told me I did not have good cards, I guess he did not want to see this one. Because 2 years ago, and 2 weeks ago, he told me he could cut taxes and balance the budget.

Mr. THOMAS, you got an \$817 billion credibility gap. That is as much debt as this Nation incurred in the first 180 years, and you are telling me now the way to prosperity is to stick my kids with more borrowing and more debt. You were wrong then. You are wrong now.

I love you, Dad.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Louisiana (Mr. MCCRERY).

Mr. MCCRERY. Mr. Speaker, just to make sure everyone knows the record of the Republican Congress since we took over in 1995, the entire accumulation of debt in this country is due to debt that we owe the Social Security system and the Medicare system and other trust funds. The publicly held debt has actually gone down since Republicans took control of this House in January of 1995.

Mr. RANGEL. Mr. Speaker, I would like to agree with the gentleman from Louisiana. It certainly did go down because they stole the money out of the Social Security trust fund in order to make it go down. So he scores there.

Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER), the ranking member of the Select Committee on Homeland Security.

Mr. TURNER of Texas. Mr. Speaker, I think that what we on our side of the aisle want tonight is just a little honesty. And we believe that instead of saying you are giving the American people something, you need to be honest with them and let them know that whatever you are giving them, you are borrowing the money from them in the future that they have got to pay back. If you are going to be honest, you ought to come down here and sign this credit application, because you really need a pretty big loan to grant this tax cut. And I am not sure there are too many bankers in this country that would give this loan, because if you look at our credit history, we owe \$6.4 trillion; we know we are going to owe, by your budget, \$12 trillion in 10 years. That means, if you can imagine, we are going to pay \$650 billion in interest 10 years from now just to service that debt that you are creating. And do you know what? That is more money than we are going to be spending on the entire Department of Defense. Your budget says we are going to spend about \$500 billion on defense 10 years from now, but we are going to spend \$650 billion in interest on the debt.

The truth of the matter is you need to come down here and put your name on the line and see if you can get this loan; and when you walk out of this building tonight, look at that big hole out there just at the bottom of the steps because that is the deficit hole that you are digging deeper tonight.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I do not know how many of my colleagues listened to Warren Buffett last night. The gentleman from Maryland (Mr. HOYER) mentioned it. He talked about the fact that this bill is going to give him \$310 million of additional revenue. It is going to bring his effective tax rate down to 3 percent. But he looked at his secretary and he realizes that her effective tax rate is still going to be 30 percent. He says, yeah, this is class warfare and my class is winning. But it is wrong. I am going to win, whatever happens. I want the people of America to be as productive as possible. And to be productive, they need to be well educated. They need to have decent health care. They need to be able to provide for their families. And they cannot be saddled by trillions of dollars of debt.

He is opposed to this because he knows it is wrong for America and he knows it is not fair. We offered something that was fair. We offered something that was fiscally responsible.

That is what America wants. But America is not going to get it because here it is at 1 a.m. in the morning talking about a tax cut of hundreds of billions of dollars, \$1 trillion over the next decade. That is not the way to treat the people that elected us.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I am interested to know that Warren Buffett has become the icon of the Democrat Party. I hope he will use all that money that he is going to get from this tax bill to invest. I was just informed that he just started a new business in Texas, a retail store, where he is going to employ 100 people. That is what we want him to do with the money. That is the idea. This is all about jobs and savings and investment.

We have heard a lot of conversation tonight about how it is going to grow the deficit. When I was first elected after 40 years of Democrat control, our deficit was about 4.7 percent of our budget. This year even if we take the figures of the gentleman from South Carolina (Mr. SPRATT), which I think are pessimistic because he does not see the growth that comes out of this bill, it will be about 3 percent of our budget. Every economist will tell you, right, left or center, what is important is what is it as a percentage of our economy, how much of our economy is represented by deficit.

How do we get out of that? Let us go back to the gentleman from Maryland's history. I was not here when John Kennedy was elected. I did not know him. I was here in 1997 when this House courageously passed the balanced budget agreement. I did see John Kasich down there on the floor talking about the need to keep our spending under control. You know what he did? He said, we are going to try to get to a balanced budget, if we can, by the year 2002.

□ 0115

We all applauded because we were spending too much money, and we needed to get our budget under control. Just restrain spending. What happened? Two years later, by 1999, we did not have a deficit. The next year we had a surplus. Why did it happen? It happened because the economy grew, because we had more savings and more investment, and that is what is lacking right now.

If we ask the economists, Alan Greenspan, and say did the 2001 tax cuts help? It made us have the most shallow recession in history rather than a deep recession. If we ask people what is going to happen when we provide more capital to small business to expand plant and equipment and create more jobs, they are going to say it is not only going to create over 1.2 million jobs within the next year, it is going to create more revenue for the Federal Government.

We are not cutting our budget, Mr. Speaker. Our budget is going to be about 4 percent. What we are doing is we are creating growth in this bill. What we are doing is in this bill we are creating jobs and growth and opportunity, increasing consumer demand, increasing business investment. We can differ on what this bill is going to create in terms of the numbers of jobs, but I have not heard one economist say it is not going to create jobs. And that is what we are going to do in this bill, 1.2 million jobs. It is all about jobs. It is all about growth. It is not about Warren Buffett. It is about the small business people out there who are going to create those jobs that are going to make America a better country.

Mr. RANGEL. Mr. Speaker, I yield 5 seconds to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I would like to tell the gentleman that Warren Buffett said that money can be better spent when it is kept in corporations, not with individuals. Corporations can build jobs faster, and they will. That is why this dividend tax cut does not work.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PASCARELL).

Mr. PASCARELL. Mr. Speaker, even the most favorable assessments conclude that few jobs are going to be produced by this tax cut. This President could become the first President in 64 years to preside over a net loss of jobs during a single term in office. The President's party staked its future on smaller government, balanced budgets, and fiscal responsibility. This administration refuses to understand that Americans will not invest in this economy because we lack confidence in corporate America. Democrats have spoken forcefully on the issue of corporate greed and corporate welfare, corporate corruption, which resulted in the stealing of American working retirement funds.

When the President proposed his budget in 2001, the administration actually claimed that there was a danger that the Government would pay off the debt held by the public too quickly. We have selective memory. That is the problem on the opposition side. And we cannot pass this tonight because there will be a scourge on our children and our grandchildren.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

I really do wish some Members, and we do not often do this, although we vote on it every day, would read the CONGRESSIONAL RECORD, especially the day that we debated the tax bill in this House for the first time. Because included in that CONGRESSIONAL RECORD was a historic first. The bipartisan Joint Committee on Taxation analyzed this tax bill, and they said it was going to create jobs, more than 900,000 jobs over the next several years. Read it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, since everybody liked to quote President Kennedy, I would like to quote President Reagan: "Facts are a stubborn thing."

After the 2001 tax cut, 2.5 million Americans have lost their jobs, 5 million Americans have lost their healthcare, \$1 trillion worth of corporate assets have been foreclosed on, and 2 million Americans have walked out of the middle class into poverty. Facts are stubborn things.

We can produce economic growth if we reduce the deficit, open up markets to American-made products and invest in education and healthcare. That is what we proved collectively in the 1990s, both the government, the private sector and the American people. They invested in their economic future. They invested in their children. We gave college education grants and tax credits so they can do that. That is an approach that is proven time and again.

Rather than change course and invest in our future, we are putting our foot on the accelerator pedal to get the same results that we have produced to date: 2.5 million Americans without work. And on June 6 a new unemployment number will come out, and we will get 3 million people without work. That will be the net result. Facts are stubborn things.

Mr. THOMAS. Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia (Mr. COLLINS), a member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I never have met Mr. Buffett. But if he is going to get \$358 million out of this tax bill, I hope he will sign the check on the back, give me a call, and I will go pick it up and bring it back and give it to Mr. Snow at Treasury. That will maybe please him and please a lot of other folks.

Let me tell the Members about a young couple in Georgia, making about \$40,000 a year, three children. The wife does not work. She is raising the children. She called today and said, Momma, I heard on the radio that we are going to get a refund check on the child tax credit. Is that true? We sure could use it.

It is true. But not only is that true, but the bottom line of her husband's paycheck will be better because of the repeal of the marriage penalty, because of the reduction in the marginal rate, and they are going to enjoy those few extra dollars that they earn whether Mr. Buffett enjoys his or not, but I bet he will invest it. He will not send it back.

There are millions of families like that across this country that are going to benefit from this tax bill, this growth and jobs bill. And it is a jobs bill. It is a workers' bill. Because we are changing provisions of the tax law that will make us more competitive with foreign nations, and our workforce in this country competes with the

workforce in those nations. This is going to benefit millions of people who get up every day and go to work. They work hard to provide for their families. They work hard to provide to the community and to contribute to their church. They pay their taxes. They play by the rules, millions of families like that just like the girl that called today and said, Momma, is it true? We sure could use the money. And my wife says, yes, it is.

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

There is a whole lot to this bill I did not see, but if that wife is going to benefit from the marriage penalty and she is not working, this is an exciting tax bill.

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, I thank the distinguished gentleman from New York, the ranking member, for yielding me this time.

For the history of this Congress, may I remind you that in the spring of 2001, because of President William Jefferson Clinton, we had a \$5.6 trillion surplus that you have busted. I rise to oppose the job bust tax program of 2003.

Many of you think I may not know that you say that you have a \$350 billion tax cut. That is because it is smoke and mirrors. There is a 50 percent increase in the loss of jobs in the United States. You only create two jobs per \$1 million. If you did the Democratic plan and invested in transportation, it would be 13 jobs; invested in rail, it would be 15 jobs; invested in healthcare, 26 jobs; public education, 28 jobs; and other, 27 jobs, first responders, police.

All you are doing is taking the money and putting it in the pockets of the rich folks so they can run to the vacation spots of the world.

I want to create jobs. Vote against the bust job program of 2003.

Mr. Speaker, the American people are suffering right now. Unemployment is up 50 percent, with millions of jobs being lost in our "jobless recovery." Even the new 6 percent unemployment figure is a gross underestimate of the problem, since it does not include the millions of people who have been out of work for long periods of time, or who have given up on finding work until the situation improves.

Coupled to the unemployment is the fact that every year 75 million Americans find themselves without health insurance for some part of that year. That is a disgrace.

Our States have billions of dollars of budget shortfalls. We have states that are firing teachers while politicians in D.C. are on stage talking about "leaving no child behind."

We have states that are shutting kids out of SCHIP programs to provide mental health care, dental care, all kinds of medical treatment to children. In my District in Houston, mental health clinics are shutting down. What kind of compassionate conservatism is that?

We have about 200,000 young soldiers fighting for this nation in Iraq and Afghanistan,

who will soon be Veterans. And we are cutting Veterans benefits.

There are 40 million people suffering with HIV/AIDS in Africa and we have offered them \$15 billion, which is a good start but is just a fraction of what they need.

We have made commitments to the people of Afghanistan and Iraq to get them on the road to stability and prosperity, and that will cost money.

And what is the Republican answer to all of these pressing needs? A massive tax cut, skewed toward the richest in America.

During the Presidential Campaign, then Governor Bush proclaimed that the economy was perfect, the Dow and NASDAQ were off the charts, unemployment was low, and growth good, and we were generating surplus revenues. Therefore, he said it was the perfect time for a \$1.6 trillion dollar tax cut. Then once he was elected, President Bush informed us that the markets were crashing, we were entering a recession, and therefore it was the perfect time for a \$1.6 trillion dollar tax cut.

Regardless of the question, the answer is the same. That frightens me. One journalist I heard last week suggested that if an asteroid were about to strike the planet, the Republicans would suggest tax cuts.

Last month, we were told by the President's press secretary Ari Fleischer that tax cuts for the rich were the way to support the troops. This week, they are the way to create jobs. This argument does not hold water. Let's look at the numbers on this chart. Of course these are last week's numbers, since only one or two Members in this Chamber have actually had a chance to see the bill that we are now being forced to vote on. According to the President himself, a \$550 billion tax cut would produce 1 million jobs. That is \$550,000 per job! What kinds of jobs are these? That translates to only 2 jobs for every \$1 million dollars of federal investment. And that is a terrible return.

On the other hand, \$1 million invested in state/local health care programs supports 26 jobs, instead of just 2. In public education, \$1 million creates 28 jobs. In other state and local programs such as homeland security, police, fire—1 million dollars can produce 27 jobs. These programs thus create more than 10 times as many jobs as the Republican plan. I keep hearing from my Republican colleagues that we have to give rich people money, because poor people don't give people jobs.

This is exactly wrong. When you give money to people who really need it, they spend it. They buy food, and clothes, and health care, cars, even homes if they are lucky. Who do they buy those things from? Businesses of all sorts. And those businesses grow, and that makes jobs. Why wait for a trickle down, when we can shoot a geyser up and stimulate this economy?

And in addition to the jobs, these programs improve quality of life, they make our neighborhoods safer, they help our children grow up happy, and healthy, and well-educated.

Instead, here we are in the wee hours of the night watching our colleagues across the aisle rubber-stamping another poorly-thought-out plan from the President. As usual, it does not help the people who need it. As with the last tax cut, economists predict that it will not stimulate growth.

This tax-cut focuses almost all of the benefits on the rich, which didn't work last time.

More than half of the cuts go to the richest 5 percent of Americans. The lower 60 percent of Americans get a mere 8.1 percent of the benefits. The people who need it, and who will spend it, get almost nothing.

And what makes it worse is the gimmicks. The Republicans used smoke and mirrors to make this tax cut look cheaper than it really is. It is really almost the same as the \$550 billion cut from last week. They did it by making their tax cuts expire in a few years. Of course they assume that the tax cuts will be extended, because if you cut taxes on dividends and then raise them again, a lot of people might dump their stocks before taxes come back to normal and that would hurt the markets. As many economists have noted, uncertainty about the future of taxes is worse than taxes, so this is a dangerous strategy. Adding insult to injury, they make the tax cuts on dividends—the ones that help the rich—expire in 6 years, but they make the child care credits, marriage penalty relief, and relief for low-income taxpayers—which help the middle class and working poor—expire in 2 years.

Again, their priorities are all wrong. And the Republicans found no room for smart provisions that would have helped those truly suffering. For example, I offered an amendment to protect honest workers losing their jobs due to dishonest corporations. The amendment would have helped thousands in Houston whose lives were ravaged by the Enron scandal, by exempting from taxes funds paid in severance packages from corporations going into bankruptcy due to corporate malfeasance or criminal activity. People who are blind-sided like that deserve a break, but the Republicans chose to deny them.

Mr. Speaker, I will vote against this bill. Let's put federal money to work for all of the American people—in schools, in health care, in homeland security, in paying down the debt. Let's not give the rich a lavish gift on the credit of our children and grand-children. Let's make a plan that will really stimulate confidence and growth, and jobs for the American people. First, let us vote this bill down. We can wait a week to do this right.

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

I do so try to explain to some folks here apparently that currently in the Tax Code, if we have two people in the 15-percent bracket, their combined tax obligation, and they are both single, is less than two people in the same tax bracket that are married. There is no requirement under current law that they both work. One cannot work and one can work. But when they are married, they are filing a joint return. In filing a joint return, they actually pay more in taxes than they do with two single returns.

And I make this statement with some shock and awe that the ranking member of the tax writing committee apparently does not understand that.

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

It is really great if someone can get in the 15-percent bracket and not have a job. The IRS is really working overtime.

But I know you are not really trying to take care of these people. Basically, this is a Republican plan that came

long before the gentleman became chairman of the committee. It has very, very little to do with taxes. It is just the Republican belief that the Federal Government should not be in the business of providing service to American citizens, that they should just take care of national defense and to provide the wealth and protection for the investors. And for those people who are less fortunate, they should rely on local and State governments. For that reason, we find this enormous increase in taxes for working people that work in our cities and work in our States.

We also find our charitable organizations in deep trouble as the Federal Government will be providing less assistance to them in Medicaid and Medicare. And even our heroic veterans who come home will find that the benefits will be sharply reduced for them. Leave No Child Behind? Take a look at the budget and see how many people are left behind.

We know that some of these programs have been described as "third rails." We do not want to touch them. Leave Social Security alone. But at the end of the day, when we see that you borrowed all of the money that you can and that our great Nation is now paying interest on the debt that you have caused not only tonight but you promise that you will come back again and again and again and we will find ourselves in more debt, we will be okay, those of us in this Chamber. But what about our children and our children's children? Do we not owe it to them to at least provide the same type of America that our fathers and grandfathers provided for us?

What happened with the surplus that we have? How did we have such a tremendous swing from \$5 trillion there with our hopes and our dreams where we could do something? What do you leave us with now? A deficit as far as we can see, programs that we will never be able to initiate? And what will you say? The money is just not there?

You say that this tax bill is going to create jobs. Why do we not pull the RECORD about what you said the last time you came with a \$1 trillion tax bill and find out where are the jobs that you promised then?

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We know there is a philosophical difference between Republicans and Democrats. We believe the people should be served, and not just the investor class.

Is it class warfare? You bet your life. But you declared it against the working people.

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

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield the balance of my time to the gentleman from Texas (Mr. DELAY), the majority leader.

Mr. DELAY. Mr. Speaker, this has been a real interesting debate. It certainly laid out clearly the differences

between the two parties, and I appreciate that. I think it is good for America, to lay out the differences between the two parties.

But one of the things I noticed in the debate is the differences in interpretation of history. Let me just start by saying, the gentleman from Maryland laid out the history all the way back from Jack Kennedy's time. I would just as soon do it in my time in the legislative body.

The gentleman talked about the fact that Ronald Reagan cut taxes in 1981 and the deficits went through the roof. The problem was there was a Democrat Senate, a Democrat House, and they spent \$2 for every \$1 cut in taxes; and the deficits went through the roof.

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

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

Mr. THOMAS. Mr. Speaker, I believe the gentleman understands that when President Reagan became President, under the Constitution the purse strings are controlled by the House of Representatives, and the Democrats were in control of the House.

Mr. DELAY. Mr. Speaker, reclaiming my time, following this history, I did not hear all the claims of the born-again deficit hawks about deficits during those periods of time. They just wanted to keep spending money.

Then, I have to admit, I voted against President Bush's tax increase. Do you know what happened after Bush's tax increase? We had a recession that cost him his election.

I can always remember who won that election and came in, never talking about balancing the budget, who was not a born-again deficit hawk like those we have seen tonight. It was a President that wanted to keep spending it. So he passed another tax increase in 1993. Now, that one I voted against too. I am very proud of that.

The problem was for this side of the aisle, as the American people did not like all the spending in 1993 and 1994, they did not like the vision laid out for the American people, so they gave the Republicans the responsibility of being in the majority in the House of Representatives.

The born-again deficit hawks say that the 1993 increase gave them surpluses. I do not remember it that way. What I remember was we came in and we told the American people in the Contract with America that we would balance the budget. We did. We had the Balanced Budget Act of 1997. None of you born-again deficit hawks voted for that, if I remember, or some did. I take that back, some of you did. The vast majority of you did not, and told us that there would be just horrible things; we will not be able to spend any more, crying, tears coming down your faces, We cannot spend anymore; we cannot spend any more.

Yet we balanced the budget and deficits were going down, and the debt went down, because we paid off over \$1 trillion on the debt on our children.

Now, for the first time in my legislative career, when George W. Bush took over, revenues to the government actually turned down. Revenues had been going up ever since I have been in the legislative body. But for the first time the revenues actually turned down, which created the problem that we face.

Now, if you would have worked with us, you new budget deficit hawks, and made permanent that tax cut in 2001, maybe we would not be losing the jobs that you quote that we are losing, and if those tax cuts would have been implemented immediately, rather than stretching them out, we would have had a better economy than we find now. So we have to come back to the well.

What is really interesting to me is the ranking member was very concerned about the fact that there is a conspiracy out there, that this is not the only tax cut that there is going to be this year.

There is no conspiracy. We are very, very proud of the fact that this House of Representatives has passed tax cuts every year we have been in the majority. Every year. And do you know what? In 8½ years there has not been a Federal increase in taxes in this country. That is even more meaningful. And do you know what? This year, this ain't the end of it. We are going to have some more, because our budget says we can do \$1.3 trillion in tax relief for the American people, and you bet we are coming back with more tax cuts.

So there has been a lot of talk in this Chamber about this bill and what it would do to the government. In fact, one Member of the other side of the aisle said cutting taxes hurts the government. I heard her say that, cutting taxes hurts the government.

But the American people want to know what this bill will do for them, because we are here for them. And do you know what? We have an answer to that. The jobs and growth package will create more than 1 million new jobs. It is not as large as some of us wanted; but I remind you, it is just the first step.

At any rate, the proof is in the policy, not the price tag. As many of you know, I used to be a small businessman; and I know, as you do, that tax relief for small business means expansion, and to most small businesses, that means one thing, hiring new people.

The accelerated rate reductions will increase the purchasing and hiring power of millions of small businesses this year. Add the expensing and depreciation reforms, and you are looking at the circulation of billions of dollars, this year; and these billions of dollars will be in the hands of small business men and women responsible for creating over 70 percent of all new jobs.

Now, the \$500 increase in the child tax credit invested over the course of 18 years could actually enable a high

school senior to look at colleges instead of want-ads. The dividend and capital gains reforms will help steady the stock market and encourage new investment at the very moment that working Americans will start taking home, start taking home, more of what they earn.

Economist Lawrence Kudlow said this today about this package. He said it would contribute mightily to the rebuilding of capital and wealth that was decimated in the nearly 3-year stock market plunge, 3 long years.

In that time, the American people have faced unprecedented challenges; but they have persevered, and now they are poised to fuel an unprecedented recovery. Interest rates and inflation remain low, anxiety about the war in Iraq have been eased and consumer confidence is on the rise. All the American people need right now is the opportunity that they deserve, not the government, that they deserve. They deserve that opportunity to get this economy going again.

So I urge my colleagues to do the right thing. Pass this jobs and growth package and give Americans that chance.

Mr. HASTERT. Mr. Speaker, I rise in strong support of this jobs bill and I urge all my colleagues to support it.

Earlier today, we voted to extend unemployment compensation once again. I favored that legislation because I think that was the right thing to do. But it was not the only thing to do. We also must pass this jobs bill. Because most unemployed Americans don't want another unemployment check. They want a payroll check. They want a job. Some of my Democratic colleagues will oppose this jobs bill and support even more unemployment compensation. They will oppose this bill because it increases the deficit as they demand that we spend trillions of dollars in bigger government. This misguided philosophy will lead us only to bigger government, bigger deficits and no jobs. When will you learn that it is the private sector that creates jobs in this country? That cutting taxes on investment will lead to more investors and more jobs? That putting more money in the hands of the people means putting more people back to work? When I was a high school teacher, I used to teach these simple lessons. Now, it is time to apply these lessons to the task at hand.

This bill doesn't go far enough, but it is a strong start. It cuts investment taxes by more than half, so that investors are not penalized for their efforts. It increases small business expensing and increases bonus depreciation, so that small businesses can hire more workers. It accelerates earlier tax cuts so that real money will go to middle class taxpayers. This helps families pay for home improvements, college education, or anything else then want.

These tax cuts are front-loaded so the economy will get the biggest bang for the buck. Some of them are phased out in a couple of years in order to fit into the \$350 billion budget requirement. We will have plenty of time to discover if these tax cuts are popular enough to extend. My guess is they will be, but Democrats who want to raise revenues to pay for bigger government will have their chance to make their case. I look forward to that debate.

But for now, we have a job to do. And that job is to create jobs. Vote for this bill. Vote to put the American people back to work.

Mr. BLUMENAUER. Mr. Speaker, when facing a 2003 budget deficit that will likely exceed a record \$400 billion, Congress should be looking for ways to cut red ink. Instead the Republican leadership is cutting taxes by \$350 billion and adding more to our debt. Neutral observers agree this tax cut package will do little to stimulate our sagging national economy and do little to help the 139,800 unemployed Oregonians. This tax cut package and the new budget is leading us towards a \$1 trillion deficit over the next 10 years.

My constituents are clear about their priorities as witnessed by a difficult decision to raise taxes that will provide the necessary local revenues to help fund education, social services and safety programs. Oregon understands that targeted infrastructure investments can put people to work tomorrow and better our communities. Oregon's crumbling bridges, which jeopardize the economy and safety, will cost over \$4 billion to repair but would provide 190,000 jobs and \$25 billion in economic activity. The Federal Government should be helping States and communities address these types of needs with targeted investments and programs.

The budget gimmicks, sunsets, and deficits created by this bill prevent me from supporting it. I will continue to fight for a sample course of fiscal responsibility and domestic security that can be achieved by taking common sense actions. We should not mortgage the future by playing fast and loose with the truth today and the economy tomorrow.

Mr. UDALL of Colorado. Mr. Speaker, I have tried to review the provisions of this conference report, so far as that has been possible in the very brief time available. I did so in the hope that I would find it enough of an improvement over the bill the House passed by the House earlier this month that I would be able to support it.

Regrettably, however, I have decided that it does not meet that test.

I do think the conference report is better than the House-passed bill in several respects. I am especially glad to note that, unlike the House bill, it provides for giving Colorado and the other States some much-needed assistance with meeting Medicaid costs and paying for other services. And it also includes some other things I support, including the refundable increase in the child credit and the elimination of the "marriage penalty" aspects of the income tax.

However, these good features of the conference report are outweighed by its major shortcomings.

For one thing, the aid to the states comes with a price—a number of States will lose some State revenue as a result of the depreciation and small business expensing provisions, due to linkages between federal and state tax codes. In fact, according to one estimate I have seen, if those provisions are extended and remain in effect through 2013, States will lose an estimated \$15 billion over the decade as a result of the provisions.

Further, even the child-credit provisions could be better. The conference report evidently drops a Senate provision that was targeted on working families with children with incomes in the \$10,000 to \$30,000 range. This jettisoned Senate provision would have bene-

fited 11.9 million low-income children and their families—one of every six children in the Nation. As it is, data compiled by the Urban Institute-Brookings Institution Tax Policy Center show that while under the Senate bill 18 percent of married and head-of-household filers with children would have received no tax cut in 2003, under the conference report that will rise to 29 percent. To put it another way, married filers with two children and incomes between \$10,500 and \$21,325 will receive no tax cut under the conference agreement—although all such households would have received a tax cut under the Senate bill.

And, like the House-passed bill, the conference report will do little to increase jobs in the near future.

The Urban Institute-Brookings Institution Tax Policy Center estimates that 36 percent of all U.S. households would receive no tax cut whatsoever in 2003 under the conference agreement, and 53 percent of households would receive a tax cut of \$100 or less. They also say the average tax cut in 2003 for households in the middle of the income spectrum, i.e., the middle fifth of Households, would be \$217. Based on this, it seems clear that the conference report, being so focused on high-income filers, is likely to be limited effectiveness in boosting the economy in the near term. That's because high-income households are likely to spend a smaller share of their tax cuts than households of more modest means—and only if tax cuts are spent will they boost the economy in the near term.

On the other hand, it seems beyond dispute that the conference report will lead to a very large increase in the federal deficit and thus to a very large, long-term increase in the national debt.

So, like the House-passed bill, it does too little to address the real needs of the economy and the country, and it does too much to make our budgetary problems worse.

Just as they did when the House debated its bill, its supporters are reciting from the White House's cue cards that say it will create jobs. They know that is what the American people want to hear—because we need to begin to make up for the millions of jobs that have disappeared over the last two years.

But I am not persuaded, because no analysis I have seen—whether by the Congressional Budget Office, Federal Reserve Chairman Alan Greenspan, or any other expert—supports the claim that enacting this conference report will help put very many people back to work anytime soon.

On the other hand, there is no doubt about how the bill will affect the Federal budget—it will throw it further out of balance and lead to much deeper deficits.

Like the House-passed bill, the conference report includes many gimmicks that cloak its true cost. Every provision in the bill but one is designed to expire between the end of 2004 and the end of 2008. More provisions expire at earlier points in time than under either the House or Senate bills. If the provisions scheduled to terminate in a few years are extended—and I am confident that the bill's supporters will be pushing for that—its total cost will be much greater than the amounts its supporters have claimed.

In fact, according to one estimate I have seen, if the bill's provisions (except the one providing relief through the Alternative Minimum Tax) ultimately are extended, the cost

through 2013 will be \$810 billion to \$1.06 trillion, depending on how one measures the cost of extending the bill's business depreciation tax cut.

But even if I were to suspend my disbelief and take it at face value, I would think the cost of the conference report—in terms of the deficit and the debt—exceeded its benefits.

As I said when the House first considered this tax bill, I think we need to take deficits seriously—as Chairman Greenspan reminded us again earlier this week, and as was earlier spelled out by Peter G. Peterson, President of the Concord Coalition, to the Committee on Financial Services.

As Mr. Peterson put it, “A future of mounting deficits is a cause for grave concern. Mounting deficits can slow and even halt the steady growth in material living standards that has always nourished the American Dream. When such deficits are incurred in order to fund a rising transfer from young to old, they also constitute an injustice against future generations . . . This policy, after all, constitutes an explicit decision by today's adults to collectively shift the current cost of government from themselves to their children and grandchildren.”

In other words, by leading to deeper deficits and bigger debts, this bill would do just what President Bush, in his State of the Union address, said we should not do—instead of meeting today's challenges, it would simply create new problems for our children.

I don't think that is sound policy—especially when a better alternative is available. That is why I objected to the Republican leadership's refusal to allow the House to consider the alternative developed by Representative RANGEL.

That alternative included very meaningful tax cuts. It included an increase in the child tax credit to \$800 per child, an immediate expansion of the 10-percent tax-rate bracket to levels that under the 2001 tax will be reached in 2008, and immediate elimination of the “marriage penalty” aspect of the income tax. It also included investment tax credits for small businesses, such as business expensing up to \$75,000 and bonus depreciation. Those cuts would immediately put money into the pockets of middle-income Americans, who are the people most likely to spend it promptly, boosting consumer demand and thus helping set the stage for an increase business investment needed to meet that demand.

The alternative also had other important provisions to respond to the immediate needs of our country and the American people, including a provision to create a permanent, revenue-neutral corporate tax deduction to encourage American manufacturing companies to expand their operations, as well as a new tax incentive to provide a tax credit of up to \$2,400 to businesses that hire people who now are unemployed.

And, just as important as everything else, the alternative was fiscally responsible—fully paid for over 10 years. So, it would have added as many as a million new jobs without adding anything to the deficit.

Mr. Speaker, I still don't know why the Republican leadership refused to let the House even consider that alternative. Instead, they insisted on pushing through a bill that I could not support. And, unfortunately, this conference report, while better, is not enough better to deserve enactment. So, I must vote “no.”

Mr. LEACH. Mr. Speaker, tax cut initiatives must meet two tests: appropriateness and fairness.

On appropriateness grounds, the question is whether the country can afford \$400 billion a year deficits over the next decade, \$600 billion a year if Social Security is removed from the equation.

On fairness grounds, the question is whether the \$93,000, which will be saved by an individual with a million dollars of income, is credible when the savings for a middle income carpenter is likely to be substantially less than 1 percent of this amount.

While tax cuts, of course, benefit those who pay taxes, higher income individuals particularly, the approach the House is advancing today may be the most regressive in American history.

For the past century the American consensus has been that our tax system should have graduation. The well-to-do should pay a somewhat higher rate than the less well-to-do.

This tax cut reverses this consensus. The middle class will pay more than the poor, but the rich will pay at a lower rate than the middle class and in some cases the working poor.

This is not fair. Indeed, it is unconscionable. Wealth divisions in America will be accentuated by this tax approach and the burden of supporting government will be so shifted that according to Warren Buffet, it will amount to class warfare for high income Americans.

There are in this bill certain attractive features. But on balance and on the whole, the case for it is thoroughly unconvincing. It may be good politics, but it is dubious economics.

Mr. PASTOR. Mr. Speaker, I rise this evening to express my opposition to this Conference Agreement.

This country needs jobs. Since Inauguration Day in January, 2001, more than 2.7 million people in this country have lost their jobs. Though we took the important step today in this House to extend unemployment benefits for those still unable to find work, the most important piece of legislation we will pass today, the duplicitously named Jobs and Growth Reconciliation Tax Act, is one that will do nothing to help them get another job. It will do nothing to stimulate the economy. It will do nothing to cause the large corporations in this country to create jobs. It will do nothing to convince the small businessman to add a position or two to his payroll.

The only thing this bill will do is put this nation further in debt and create bitter fiscal hardships for future generations. I suppose if there is a bright side to this bill it is that it increases the debt by only \$350 billion, whereas the President initially wanted to add another \$726 billion in deficit spending.

But, don't be fooled. This \$350 billion still comes at the cost of the Social Security Trust Fund. It still comes at the cost of missing another opportunity to help elder Americans buy their prescription drugs. It still comes at the cost of falling down schools and the falling down dreams of the working single mother trying to find a way to put her children through college.

The President has once again found a way to take care of the people who need taking care of the least. He has promoted a tax bill that makes the wealthy wealthier, while doing nothing for the working men and women of America. And, while the working class is left further behind, the people who are unable to

find work, the unemployed, are completely abandoned.

Difficult economic times require bold and innovative solutions. This bill is only bold in its unfairness, and only innovative in its injustice.

I urge my colleagues to reject this misguided legislation.

Mr. CASTLE. Mr. Speaker, I rise in support of the conference report on H.R. 2, the Jobs and Economic Growth Reconciliation Tax Act of 2003. This bill is a responsible effort to address the economic needs and concerns of all Americans. This bill is a dramatic improvement over the tax legislation previously considered by the House, which I opposed. It is more targeted to help American workers and families now and it is lower in cost and more fiscally responsible.

This bill will provide \$330 billion in tax relief to American taxpayers and \$20 billion in fiscal aid to the States. More than 272,000 households in Delaware will receive tax relief and hundreds of millions of dollars will be pumped into the Delaware economy to create jobs. To complement this effort, at my urging, Congress has also just voted to extend unemployment benefits for an additional 13 weeks bringing another \$16.5 million to our State and much needed relief to Delawareans looking for work.

The final agreement is a fair compromise that reduced the overall cost of the legislation to a level that is fiscally responsible. This final tax relief legislation meets the key tests that I urged the House and Senate to achieve.

First, I urged that this tax relief be better targeted to provide an immediate boost to the economy. The final compromise will provide immediate relief to working Americans to put more money in their pockets now to help strengthen the economy this year. As soon as this legislation is enacted, American workers will have fewer taxes withheld from their paychecks, giving 88,000 Delaware households more money for the daily needs of their families. In addition, this bill will increase the child tax credit from \$600 to \$1,000 giving 77,000 Delaware families with dependent children a rebate check this summer of up to \$400 per child. This additional disposable income spent by families will in turn help our businesses, communities and the economy this year.

The legislation will provide tax relief to all working Americans. It speeds the reduction in tax rates for all Americans to give them more income as soon as possible. By expanding the 10 percent tax bracket immediately, this legislation will benefit 212,000 Delaware households, including low and moderate income workers by taxing the first \$14,000 of income for couples and \$7,000 for single people at a lower 10 percent rate. In addition, it accelerates relief from the marriage penalty tax to 105,000 Delaware married couples.

The bill will help small businesses by immediately increasing the amount they can deduct for new equipment and other expenses. That will encourage business owners to buy equipment now and make other investments that will build their businesses and create new jobs.

The tax relief provisions in this revised legislation are geared to have the most immediate impact in the next 2 years. I had urged that these changes be made to help boost the economy now without adding unnecessary long-term costs to our government.

Second, the final bill also recognizes that there are other pressing needs in our Nation

that must be addressed in addition to tax relief. This compromise will provide our states with financial assistance that will support programs to help individuals in need. Most states, including my home State of Delaware, are experiencing difficult budgetary times that has caused them to limit spending on important programs. This legislation will provide \$20 billion in aid to the States over the next 2 years. This aid includes \$10 billion for essential government services, of which Delaware is estimated to receive \$50 million, and \$10 billion specifically for Medicaid, the federal-state partnership to provide important medical care to low-income individuals. Delaware's share of the Medicaid funds could be as high as \$28 million. This \$78 million in aid to Delaware was not included in the original House-passed bill and I am pleased it was added in this final version.

Third, I had urged that the original proposal to eliminate the double taxation of dividends be modified to have a greater immediate economic stimulus and to limit the impact of this tax cut on the federal budget deficit. This issue has been addressed. I opposed the original proposal to eliminate the taxation of dividends because I did not believe we could afford the original \$395 billion cost of that single proposal at this time. This compromise would not eliminate the tax on dividends, but it would reduce the rates on capital gains and dividends through 2008. This will provide an incentive for investment, at a much lower cost than the original proposal. With new investment in business ventures, new jobs will be created.

Finally, I am pleased that the cost this final legislation has been significantly reduced from earlier proposals and represents a more fiscally responsible effort to provide tax relief to create jobs and strengthen our economy. This was a top priority for me because I am a strong advocate of balancing the federal budget, and I believe that any effort to stimulate the economy must be weighed against other needs and the importance of returning the federal budget to balance. I opposed the original House Budget Resolution which called for \$750 billion in tax relief because I did not believe it was affordable at a time when we have critical new national security requirements and other needs. That budget plan called for a \$750 billion tax cut as well as unfair and unsustainable reductions in important programs like health care, education and the environment. I opposed those and was pleased that the final budget plan did not include those cuts. I also opposed the first tax relief bill passed by the House because its cost of \$550 billion was still too great for our current budget limits. In response to the concerns expressed by me and others in the Senate and House, a fair compromise has been reached that will provide \$330 billion in tax relief to all working Americans, as well as \$20 billion in direct aid to the States.

Some of the tax relief in this bill is temporary, to stimulate the economy now and reduce the long-term cost of the legislation. Those provisions are part of the compromise and are certainly not a perfect solution. Some argue that if future Congresses extend these provisions, the long-term costs of the tax relief to the government are far higher. The sunsets act as a budget trigger that will force Congress to revisit these issues with new information and debate the best course of action on

whether to extend the tax cuts beyond the years contained in this bill.

Earlier this month, I called on Congress to put together a bill that would provide tax relief now to individual Americans, families and small businesses in a fiscally responsible manner. I stressed that a package could be assembled that did not exceed \$350 billion. Those tests have been met. As I stated, effective governing requires careful decisions and painful compromises. All of us involved in the debate have had to make compromises. That effort has produced a bill that will return more of their hard-earned money to working Americans, create jobs for unemployed Americans, and help our state governments meet the budget challenges they are facing. I am proud to have worked hard to ensure that this bill fairly addresses the need to provide tax and financial relief now, while recognizing that we must not jeopardize our efforts to maintain fiscal responsibility in our government in the future. This bill is a fair effort to meet those tests and I support its passage to help all Americans and our nation.

Ms. MCCARTHY of Missouri. Mr. Speaker, our economy is on the ropes, with unemployment rising, investments eroding, and families feeling increasingly insecure about their futures. We have serious problems. But they will not be solved by wrong remedies.

I will vote against this bill tonight for two reasons: First, it is bad tax policy and questionable politics. And second, it is reckless and irresponsible fiscal policy, and we can't afford it.

Basic principles of tax policy include certainty and fairness.

This bill isn't certain. It undermines rational tax planning or responsible budgeting. It shoehorns a size ten tax cut into a size three budget. That may be impressive acrobatics, with enough twists and turns to rival a pretzel. But it's bad policy, as even the sponsors candidly acknowledge.

To fit under the budget caps, the bill has more sunsets than a Florida vacation: now you see the tax break; now you don't. Here for two years; gone tomorrow. Every provision but one in the bill expires between 2004 and 2008, sinking beneath the horizon.

Taxpayers are confused now by our Tax Code. This adds complexity. Indeed, it's complexity on stilts. How can taxpayers plan with disappearing provisions? They can't. That's an antigrowth policy.

One thing is certain, however. The bill invites tax shelters. It's a bonanza for them. The Senate's curb on tax shelter abuses by corporations vanished in the conference. And loophole hunters will surely shift income from wages to capital gains when possible to take advantage of lower rates.

Nor is the bill fair. Look at the numbers. Over half of the tax cuts go to the wealthiest five percent of taxpayers. Almost two-thirds goes to the top 10 percent. But the bottom 60 percent of taxpayers get only 8 percent of the tax cuts, averaging less than \$100 a year over the next 4 years.

An Urban-Brookings Institution Tax Policy Center analysis shows that 36 percent of all U.S. households would receive no tax cut at all in 2003 under the conference bill, and 53 percent of households would receive a tax cut of \$100 or less.

For households in the middle of the income spectrum—the middle fifth of households—the

average tax cut in 2003 would be \$217. But taxpayers with incomes about \$1 million a year would average over \$90,000. That's not fair.

Someone once said that you need to set a banquet table for the rich to get a few crumbs for the poor. This isn't even a few crumbs.

The child credit increases from \$600 to \$1,000 in the bill. But the refundable part of the child tax credit, targeted to working families with incomes between \$10,000 and \$30,000, isn't accelerated. Twelve million low-income children and their families—one of every six children in the Nation—were dropped by the conferees.

Fair? Here's what the Center for Budget and Policy Priorities said: "The final agreement is, in fact, tilted against lower-income working families with children. The conference agreement accelerates all of the child tax credit and marriage penalty relief provisions of the 2001 tax-cut legislation that benefit middle- and upper-income families, while failing to accelerate either of the child tax credit and marriage penalty relief provisions enacted in 2001 that are targeted on low- and moderate-income working families. The consequence is that low-income working families—the very group most likely to spend rather than save any tax-cut dollars they receive—are largely left out of the legislation."

There was also case to be made for eliminating the double taxation of dividends—also good tax policy, if we could afford it. But this bill skipped that, too.

So it is bad tax policy, lacking fairness or certainty, and missing the reforms and balance so essential to good legislation.

And I will vote against this bill also because it's irresponsible fiscal policy.

I think America knows we're borrowing money to pay for this, that it deepens our budget deficit, that it risks our future. And the polls reflect that. So America understands.

But our citizens may not realize how reckless this tax cut really is. President Bush proposed a \$726 billion tax cut over 10 years. We couldn't afford that since our surpluses have evaporated. But this bill will cost far, far more. It's a Trojan Horse of hidden costs.

This bill is advertised as costing \$350 billion, less than half of Mr. Bush's cuts. But if the bill's provisions, except the Alternative Minimum Tax brief relief, are extended, as all observers seem to expect, the cost through 2013 will be \$807 billion to \$1.06 trillion. And we clearly can't afford that—deficits as far as the eye can see, as we hand the bill to our children and grandchildren.

Mr. Speaker, the goals originally set for this bill are noble, and needed: jobs, growth, tax relief. Unfortunately, the result in this conference bill fall short. There are measures we could have passed that would have provided the right balance and the right help. But this isn't one of them. Instead, it is the height of fiscal folly.

And so, Mr. Speaker, this bill is bad tax policy, bad fiscal policy, unfair, and unwise. It helps those who don't need help. It hurts those who do. And we can't afford it.

I urge my colleagues to vote no on H.R. 2.

Mr. FALEOMAVAEGA. Mr. Speaker, I want to thank my distinguished friend and colleague from New York, the Ranking Member of the Ways and Means Committee, for giving me this opportunity to define the congressional intent of the temporary fiscal relief fund for American Samoa.

Congressman RANGEL, based on our discussions and as a result of our bi-partisan efforts, it is my understanding that American Samoa will receive a temporary payment of approximately \$5 million in fiscal year 2003 and \$5 million in fiscal year 2004 under the provisions of the Jobs and Growth Reconciliation Tax Act of 2003 to improve education, health care services, transportation, law enforcement and for maintaining other essential government services.

Based on my discussions with the gentleman from New York and distinguished members of the Ways and Means Committee, it is also my understanding that in the case of American Samoa it is the intent of Congress that these temporary funds should be used for the following purposes and in the following way. For fiscal year 2003, \$1 million shall be used for feasibility studies for harbor renovations at Tau and Anuu, \$1.5 for village water renovation projects in Leone, Olosega/Sili, and Tau, \$1 million for the LBJ Medical Center to train nurses and doctors, and \$1.5 million to improve high school libraries. For fiscal year 2004, \$5 million shall be used to purchase a ferry to transport passengers and cargo between the islands of Manua and Tutuila.

I want to thank the gentleman from New York and I also want to thank the Chairman, the gentleman from California, for offering me this time to clarify the intended use of American Samoa's temporary fiscal relief funds.

Again, I appreciate and thank the gentleman from New York and the gentleman from California for supporting my request to include the intent of the Collins amendment in the conference report which was helpful in providing flex aid to the States and Territories. I am also appreciative to you both for clarifying the intended use of American Samoa's funds.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to this Republican tax bill that will add a trillion dollars to the national debt, raise interest rates and will do nothing to create jobs, build schools, expand health care or jump-start our Nation's economy. The American people deserve better. The Democratic plan will responsibly create one million jobs and provide for a strong economic recovery and a prosperous America.

Let me state that I strongly support some provisions of this bill. The child tax credit increase to \$1,000 has been a priority of mine, and the marriage penalty relief, expanding the lowest tax bracket and some of the small business incentives are good public policy. But, although I strongly support these provisions, they cannot overcome the fundamental flaws of this bill.

Mr. Speaker, too many people in my home state are hurting. More than 129,000 North Carolina workers have lost their jobs in the past 2 years. The Raleigh News and Observer reported this morning that as many as 60 percent of North Carolina families do not make enough money to meet even basic living standards. The story cites a report titled, "Working Hard Is Still Not Enough" that describes an economy split between well-paid, well-educated workers on the one hand, and low-paid, low-skilled workers on the other. We need a responsible plan to jump-start the economy now, create new jobs and provide for prosperity for hard-working Americans.

One of my first votes as a Member of this House was to put the federal government on the path to a balanced budget. I am very

proud that the fiscal discipline we demonstrated in my first term helped to balance the budget for the first time in generation and contributed to the economic strength of the 1990s that included 22 million new jobs created and the greatest migration of American families from poverty to the middle class in our nation's history. Unfortunately, the record of the last several years has been a dramatic movement in the wrong direction. We've lost nearly 3 million jobs since the beginning of 2001, and a million people have fallen out of the middle class and into poverty. We can do better, and the American people deserve better than that sorry record.

I have joined my Democratic colleagues in support of a better plan. The fiscally responsible Rebuilding America Through Jobs Act will provide real help to those who have lost their jobs, help families weather this economic storm and jump-start the economy to create new jobs and generate greater prosperity for all Americans.

Specifically, the Democratic bill will continue and expand extended unemployment benefits for nine months, providing 26 weeks of federal benefits for dislocated workers. It expands the work opportunity tax credit to give up to a \$2,400 credit to employers for hiring long-term unemployed workers. It increases the child tax credit and expands the number of families receiving the credit. It accelerates the marriage penalty relief and the widening of the 10 percent tax rate bracket to allow more taxpayers to pay at the lower rate.

The Democratic bill provides \$18 billion in assistance to the states for Medicaid and provides \$26 billion for homeland security, transportation infrastructure and education. It expands to \$75,000 for 2 years the amount of new investments small businesses can deduct from their taxes, allows all firms an accelerated bonus depreciation of 50 percent for 12 months and reduces the corporate tax rate by 3.5 percentage points. And the Democratic bill maintains fiscal responsibility by suspending future tax cuts for the wealthiest few in this country.

Mr. Speaker, with the national debt spiraling out of control, the first step Congress should take is to stop the hemorrhaging. Today the national debt stands at \$6.4 trillion, and this Republican tax bill will immediately add \$350 billion to that debt. That \$350 billion could be used to hire 32,369 teachers in my state or provide health care to 921,620 North Carolina children. Today's Charlotte Observer called the tax bill "as Texans might say, all hat and no cattle."

Finally, Mr. Speaker, as leaders of our national government, our job is to honor the values of the American people by being responsible stewards of our society, nurturing our children and building a stronger America. This bill fails on all counts. It is a massively irresponsible giveaway of the public treasury. It leaves our children and grandchildren a crushing national debt that condemns them to endless struggle. And it handcuffs our ability to address national priorities like providing national security, protecting the homeland, building quality schools, providing health care for our families and creating jobs for American workers.

America deserves better. I urge my colleagues to vote against this bill.

Ms. SCHAKOWSKY. Mr. Speaker, I rise in strong opposition to H.R. 2, the so-called Jobs

Growth Tax Act. This legislation embraces President Bush's failed economic policies that have damaged the economy. This legislation is in fact a job killing package put forth by the Republican job killing machine that has already cost our country over 2 million jobs and \$7 trillion.

When President Bush first came to office to promote his \$1.2 trillion tax cut he promised that it would create jobs and help strengthen our economy. Now 2 years later, it is clear that the President has failed to deliver on his promises. The numbers prove that his economic policies have completely failed our country.

Since President Bush came to office we have lost 2.7 million private sector jobs. Illinois has lost over 109,000 jobs since Bush took office—93,000 from the Chicago area. Nationwide, the number of people who have been out of work for 6 months or more has tripled under the President's leadership.

Our State and local governments are paying the price for the President's failures. States budget shortfalls are expected to reach as high as \$80 billion in 2004. In Illinois the figure is \$5 billion, it may actually be higher. State and local governments have been forced to raise sales and property taxes to keep their schools open and to pay for the most basic of services. Working families and seniors are forced to pay more in taxes to pay for Republican tax cuts.

When President Bush took office we had a \$5.6 trillion 10-year surplus. We now have a \$2 trillion deficit over the same period of time. According to CBO, the President's tax cut not the war on terrorism accounts for the growth in deficit.

Corporate greed and conflicts of interest have hurt our economy. Approximately \$4.6 trillion in stock market wealth has evaporated since President Bush took office. Many workers and retirees have lost all their savings. Meanwhile, politically connected CEO's have escaped with billions. Corporate fraud and greed have undermined confidence in our financial markets.

Given all of these facts, it should come as no surprise that consumer confidence is at its lowest level in a decade. It should also come as no surprise that the chairman of SEC, Secretary of the Treasury, and director of the OMB have all stepped down.

So how do the President and Republican leaders in Congress respond to this crisis? By proposing more of the same failed policies that put us in this predicament in the first place. It is often said that insanity is defined as doing the same thing over and over again and hoping for a different result.

History has proven time and time again that the Republican tax plan will do nothing to help those who really need it and it will fail to give the economy the immediate boost it needs. The proposal to lower taxes on dividends will only generate nine cents of stimulus for every dollar spent. This is a sham growth package. It will cost us in dollars and in jobs.

Over 400 economists oppose cutting taxes on dividends, including many Nobel laureates. Republicans and Democrats alike have criticized the proposal to lower taxes on dividends. Former Federal Reserve Chairman Volker and former Treasury Secretaries Peter G. Peterson and Robert Rubin have called the

proposal to reduce taxes in dividends, “ill-logical” and “not useful for short-term fiscal stimulus . . . nor would (the tax cuts) spur long-term economic growth.”

Meanwhile this legislation fails to embrace policies that will stimulate the economy. For example, extending unemployment produces at least \$1.73 of spending for every dollar spent. But this plan provides no aid for the unemployed who have exhausted their benefits. In contrast, the Democratic alternative, which the Republican majority did not allow us to debate a few weeks ago an alternative that would include \$27 billion for extending unemployment. Our plan would create 1 million jobs over 10 years without increasing debt.

This conference report does little to help working families. According to the Wall Street Journal, 53 percent of taxpayers would get less than \$100. This legislation provides only \$20 billion for the States over the next 2 years. When this bill was passed a few weeks ago, House Democrats wanted to provide \$44 billion in State aid for health care, education, infrastructure improvements and homeland security. Once again, we were denied an opportunity to vote on our plan, and the American people will pay the price.

The Republican plan does nothing to close corporate loopholes. Corporate taxes are only 1.3 percent of GDP. This is the lowest they have been since the early 1980s. Last year, less than half of actual total corporate profits were subject to corporate income tax. CSX, under Treasury Secretary Snow’s leadership, paid no Federal income taxes on its \$934 million in profits; instead it got a tax rebate of \$164 million. And Secretary Snow will benefit from this legislation to the tune of \$100,000.

This conference report is yet another reckless plan to cut taxes for the rich and do nothing for the rest. It is class warfare with the Bush class waging war against the middle class.

This ill-conceived plan will place more of a burden on working families who are struggling to make ends meet to pay for housing, prescription drugs, and other necessities. I agree with my Republican colleague, STEVE LATOURETTE, who recently said, “Nobody in my district is screaming for tax cuts, they are screaming for a prescription drug benefit.” In the 9th Congressional District my constituents will tell you they want jobs and prescription drug coverage any day over tax cuts for the wealthiest Americans.

I would like to remind my colleagues on the other side of the aisle, that you cannot have it both ways. By spending money on tax cuts for the wealthiest 1 percent of earners and tax dodging corporations we will raise the debt and have less money to pay for prescription drugs, veterans’ health, and keeping Social Security solvent.

I urge all my colleagues to vote against this conference report and to instead support the Democratic plan to create jobs and spur economic growth. Democrats want to help our economy by putting money in the hands of people that will spend it. I urge all my colleagues to oppose this conference report.

Ms. KILPATRICK. Mr. Speaker, I rise tonight in opposition to H.R. 2, the conference report that gives a tax cut to people earning over \$300,000 per year, and robs the Federal Treasury of needed revenue to fund health care, education, and unemployment opportunities for millions of Americans.

The conference report does nothing to significantly improve the financial plight of destitute and dispirited unemployed and underemployed workers. Over 2.7 million jobs have been lost over the past 2 years, and H.R. 2 will not provide relief to them. The conference report is still terribly skewed towards the wealthy. The measure before us contains a useful provision that increases the child credit from \$600 to \$1,000. The increase is premised on the flawed notion that a tax credit is equivalent to disposable income. The bottom line is, unemployed and poor people need employment and disposable income, not the expansion of a tax credit.

I also want to emphasize that States around the country, and in particular, Michigan, will still have to confront the reality of escalating budget deficits and fewer dollars from the Federal Government to fund needed services.

As we debate the issues before us, I must emphasize that I do not subscribe to supply-side economic theory, and apparently, neither does Federal Reserve Chairman Alan Greenspan, who has criticized the efficacy and timing of the tax cut that is about to be enacted.

Mr. Speaker, I continue to be outraged that the majority persists in engaging in backroom negotiations devoid of input from Democratic conferees. Democrats have been marginalized at every juncture in the conference process. I remain resolute in my refusal to yield. I also want to advise my colleagues and the American public of a critical point—Republicans are making grandiose promises that will never be realized. In the near future, we will all witness the folly of H.R. 2, and experience the inevitable economic pain that will befall our Nation in the aftermath of this massive and ill-advised tax cut. For these reasons, I urge my colleagues to vote no on H.R. 2.

The SPEAKER pro tempore. All time has expired.

Pursuant to House Resolution 253, the previous question is ordered.

The question is on the conference report.

Pursuant to House Resolution 253, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 231, nays 200, not voting 4, as follows:

[Roll No. 225]

YEAS—231

Aderholt	Burton (IN)	Dreier
Akin	Buyer	Duncan
Alexander	Calvert	Dunn
Bachus	Camp	Ehlers
Baker	Cannon	English
Ballenger	Cantor	Everett
Barrett (SC)	Capito	Feeny
Bartlett (MD)	Carter	Ferguson
Barton (TX)	Castle	Flake
Bass	Chabot	Fletcher
Beauprez	Chocola	Foley
Bereuter	Coble	Forbes
Biggart	Cole	Fossella
Bilirakis	Collins	Franks (AZ)
Bishop (UT)	Cox	Frelinghuysen
Blackburn	Cramer	Gallely
Blunt	Crane	Garrett (NJ)
Boehlert	Crenshaw	Gerlach
Bonner	Cubin	Gibbons
Bono	Culberson	Gilchrest
Boozman	Cunningham	Gillmor
Bradley (NH)	Davis, Jo Ann	Gingrey
Brady (TX)	Davis, Tom	Goode
Brown (SC)	Deal (GA)	Goodlatte
Brown-Waite,	DeLay	Goss
Ginny	DeMint	Granger
Burgess	Diaz-Balart, L.	Graves
Burns	Diaz-Balart, M.	Green (WI)
Burr	Doolittle	Greenwood

Gutknecht	McCotter	Ryan (WI)
Hall	McCrery	Ryan (KS)
Harris	McHugh	Saxton
Hart	McInnis	Schrock
Hastert	McKeon	Scott (GA)
Hastings (WA)	Mica	Sensenbrenner
Hayes	Miller (FL)	Sessions
Hayworth	Miller (MI)	Shadegg
Hefley	Miller, Gary	Shaw
Hensarling	Moran (KS)	Shays
Herger	Murphy	Sherwood
Hobson	Musgrave	Shimkus
Hoekstra	Myrick	Shuster
Hostettler	Nethercutt	Simmons
Houghton	Ney	Simpson
Hulshof	Northup	Smith (MI)
Hunter	Norwood	Smith (NJ)
Hyde	Nunes	Smith (TX)
Isakson	Nussle	Souder
Issa	Osborne	Stearns
Istook	Ose	Sullivan
Janklow	Otter	Sweeney
Jenkins	Oxley	Tancredo
Johnson (CT)	Paul	Tauzin
Johnson (IL)	Pearce	Taylor (NC)
Johnson, Sam	Pence	Terry
Jones (NC)	Peterson (PA)	Thomas
Keller	Petri	Thornberry
Kelly	Pickering	Tiahrt
Kennedy (MN)	Pitts	Tiberi
King (IA)	Platts	Toomey
King (NY)	Pombo	Turner (OH)
Kingston	Porter	Upton
Kirk	Portman	Vitter
Kline	Pryce (OH)	Walden (OR)
Knollenberg	Putnam	Walsh
Kolbe	Quinn	Wamp
LaHood	Radanovich	Weldon (FL)
Latham	Ramstad	Weldon (PA)
LaTourette	Regula	Weller
Lewis (CA)	Rehberg	Whitfield
Lewis (KY)	Renzi	Wicker
Linder	Reynolds	Wilson (NM)
LoBiondo	Rogers (AL)	Wilson (SC)
Lucas (KY)	Rogers (KY)	Wolf
Lucas (OK)	Rogers (MI)	Young (AK)
Manzullo	Rohrabacher	Young (FL)
Marshall	Ros-Lehtinen	
Matheson	Royce	

NAYS—200

Abercrombie	Doggett	Kucinich
Ackerman	Dooley (CA)	Lampson
Allen	Doyle	Langevin
Andrews	Edwards	Lantos
Baca	Emanuel	Larsen (WA)
Baird	Engel	Larson (CT)
Baldwin	Eshoo	Leach
Ballance	Etheridge	Lee
Becerra	Evans	Levin
Bell	Farr	Lewis (GA)
Berkley	Fattah	Lipinski
Berman	Filner	Lofgren
Berry	Ford	Lowe
Bishop (GA)	Frank (MA)	Lynch
Bishop (NY)	Frost	Majette
Blumenuaer	Gephardt	Maloney
Boswell	Gonzalez	Markey
Boucher	Gordon	Matsui
Boyd	Green (TX)	McCarthy (MO)
Brady (PA)	Grijalva	McCarthy (NY)
Brown (OH)	Gutierrez	McCollum
Brown, Corrine	Harman	McDermott
Capps	Hastings (FL)	McGovern
Capuano	Hill	McIntyre
Cardin	Hinche	McNulty
Cardoza	Hinojosa	Meehan
Carson (IN)	Hoeffel	Meek (FL)
Carson (OK)	Holden	Meeks (NY)
Case	Holt	Menendez
Clay	Honda	Michaud
Clyburn	Hooley (OR)	Millender-
Conyers	Hoyer	McDonald
Cooper	Inslee	Miller (NC)
Costello	Israel	Miller, George
Crowley	Jackson (IL)	Mollohan
Cummings	Jackson-Lee	Moore
Davis (AL)	(TX)	Moran (VA)
Davis (CA)	Jefferson	Murtha
Davis (FL)	John	Nadler
Davis (IL)	Johnson, E. B.	Napolitano
Davis (TN)	Jones (OH)	Neal (MA)
DeFazio	Kanjorski	Oberstar
DeGette	Kaptur	Obey
Delahunt	Kennedy (RI)	Olver
DeLauro	Kildee	Ortiz
Deutsch	Kilpatrick	Owens
Dicks	Kind	Pallone
Dingell	Kleccka	Pascrell

Pastor Sanders Thompson (CA)
Payne Sandlin Thompson (MS)
Pelosi Schakowsky Tierney
Peterson (MN) Schiff Towns
Pomeroy Scott (VA) Turner (TX)
Price (NC) Serrano Udall (CO)
Rahall Sherman Udall (NM)
Rangel Skelton Van Hollen
Reyes Slaughter Velazquez
Rodriguez Smith (WA) Visclosky
Ross Snyder Waters
Rothman Solis Watson
Roybal-Allard Spratt Watt
Ruppersberger Stark Waxman
Rush Stenholm Weiner
Ryan (OH) Strickland Wexler
Sabo Stupak Woolsey
Sanchez, Linda Tanner Wu
T. Tauscher Wynn
Sanchez, Loretta Taylor (MS)

NOT VOTING—4

Boehner Combest
Bonilla Emerson

□ 0156

Mrs. CUBIN changed her vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE TWO HOUSES

Mr. DELAY. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 191) and ask for its immediate consideration.

The Clerk will report the concurrent resolution.

The Clerk read as follows:

H. CON. RES. 191

Resolved by the House of Representatives (the Senate concurring). That when the House adjourns on the legislative day of Thursday, May 22, 2003, Friday, May 23, 2003, or Saturday, May 24, 2003, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Monday, June 2, 2003, or until Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Friday, May 23, 2003, or Saturday, May 24, 2003, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, June 2, 2003, or at such other time on that day as may be specified by it Majority Leader or his designee in the motion to recess or adjourn, or until Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate whenever, in their opinion, the public interest shall warrant it.

The SPEAKER. The resolution is not debatable.

The question is on the resolution.

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

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 213, nays 195, not voting 27, as follows:

[Roll No. 226]

YEAS—213

Aderholt Gibbons Nunes
Akin Gilchrist Nussle
Bachus Gillmor Osborne
Ballenger Gingrey Ose
Barrett (SC) Goode Otter
Bartlett (MD) Goodlatte Oxley
Barton (TX) Goss Pearce
Bass Granger Pence
Beauprez Graves Peterson (PA)
Bereuter Green (WI) Petri
Biggert Greenwood Pickering
Bilirakis Gutknecht Platts
Bishop (UT) Harris Pombo
Blackburn Hart Porter
Blunt Hastert Portman
Boehlert Hastings (WA) Putnam
Boehner Hayes Quinn
Bonner Hayworth Ramstad
Bono Hefley Regula
Boozman Hensarling Rehberg
Bradley (NH) Herger Renzi
Brady (TX) Hobson Reynolds
Brown (SC) Hoekstra Rogers (AL)
Brown-Waite, Hostettler Rogers (KY)
Ginny Houghton Rogers (MI)
Burgess Hulshof Rohrabacher
Burns Hunter Ros-Lehtinen
Burr Hyde Royce
Burton (IN) Isakson Ryan (WI)
Buyer Issa Ryan (KS)
Calvert Istook Saxton
Camp Janklow Sensenbrenner
Cannon Jenkins Sessions
Cantor Johnson (CT) Shadegg
Capito Johnson (IL) Shaw
Carter Johnson, Sam Shays
Castle Keller Sherwood
Chabot Kelly Shimkus
Chocola Kennedy (MN) Shuster
Coble King (IA) Simmons
Cole King (NY) Simpson
Collins Kingston Smith (MI)
Cox Kirk Smith (NJ)
Crane Kline Smith (TX)
Crenshaw Knollenberg Souder
Cubin Kolbe Stearns
Culberson LaHood Sullivan
Cunningham Latham Sweeney
Davis, Jo Ann Leach Tancred
Davis, Tom Lewis (CA) Tauzin
Deal (GA) Lewis (KY) Linder
DeLay Linder Taylor (NC)
DeMint LoBiondo Terry
Diaz-Balart, L. Lucas (OK) Thomas
Diaz-Balart, M. Manzullo Thornberry
Dreier McCotter Tiberi
Duncan McCrery Toomey
Dunn McHugh Turner (OH)
Ehlers McInnis Upton
English McKeon Vitter
Everett Mica Walden (OR)
Feeney Miller (FL) Walsh
Ferguson Miller (MI) Wamp
Flake Miller, Gary Weldon (FL)
Fletcher Moran (KS) Weldon (PA)
Foley Murphy Weller
Forbes Musgrave Wicker
Franks (AZ) Myrick Wilson (NM)
Frelinghuysen Nethercutt Wilson (SC)
Gallegly Ney Wolf
Garrett (NJ) Northup Young (AK)
Gerlach Norwood

NAYS—195

Abercrombie Bishop (GA) Carson (OK)
Ackerman Bishop (NY) Case
Alexander Blumenauer Clyburn
Allen Boswell Conyers
Andrews Boucher Cooper
Baca Boyd Costello
Baird Brady (PA) Cramer
Baldwin Brown (OH) Crowley
Ballance Brown, Corrine Cummings
Becerra Capps Davis (AL)
Bell Capuano Davis (CA)
Berkley Cardin Davis (FL)
Berman Cardoza Davis (IL)
Berry Carson (IN) Davis (TN)

DeFazio Kleczka Price (NC)
DeGette Kucinich Rahall
Delahunt Lamson Rangel
DeLauro Langevin Reyes
Deusch Larsen (WA) Rodriguez
Dingell Larson (CT) Ross
Doggett LaTourette Rothman
Doyle Lee Roybal-Allard
Edwards Levin Ruppersberger
Emanuel Lewis (GA) Rush
Engel Lofgren Ryan (OH)
Eshoo Lowey Sabo
Etheridge Lucas (KY) Sanchez, Linda
Evans Lynch T.
Farr Majette Sanchez, Loretta
Fattah Maloney Sanders
Filner Markey Sandlin
Ford Marshall Schakowsky
Frank (MA) Matheson Schiff
Frost McCarthy (MO) Scott (GA)
Gephardt McCarthy (NY) Scott (VA)
Gonzalez McCollum Serrano
Gordon McDermott Sherman
Green (TX) McGovern Skelton
Grijalva McIntyre Slaughter
Hall McNulty Snyder
Harman Meehan Solis
Hastings (FL) Meek (FL) Spratt
Hill Meeks (NY) Stenholm
Hinchey Menendez Strickland
Hinojosa Michaud Stupak
Hoeffel Millender- Tanner
Holden McDonald Tauscher
Holt Miller (NC) Taylor (MS)
Honda Miller, George Thompson (CA)
Hooley (OR) Mollohan Thompson (MS)
Hoyer Moore Tierney
Inslee Moran (VA) Towns
Israel Nadler Turner (TX)
Jackson (IL) Napolitano Udall (CO)
Jackson-Lee Oberstar Udall (NM)
(TX) Obey Van Hollen
Jefferson Olver Visclosky
John Ortiz Waters
Johnson, E. B. Owens Watson
Jones (OH) Pallone Watt
Kanjorski Pascrell Weiner
Kaptur Pastor Wexler
Kennedy (RI) Payne Whitfield
Kildee Pelosi Woolsey
Kilpatrick Peterson (MN) Wu
Kind Pomeroy Wynn

NOT VOTING—27

Baker Gutierrez Pryce (OH)
Bonilla Jones (NC) Radanovich
Clay Lantos Schrock
Combust Lipinski Smith (WA)
Dicks Matsui Stark
Dooley (CA) Murtha Tiahrt
Doolittle Neal (MA) Velazquez
Emerson Paul Waxman
Fossella Pitts Young (FL)

□ 0214

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report on H.R. 2.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas? There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, JUNE 4, 2003

Mr. DELAY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, June 4, 2003.